

**MASSACHUSETTS**  
Public Employee Retirement Administration Commission  
5 Middlesex Avenue, 3rd Floor  
Somerville, MA 02145  
(617) 666-4446  
Fax: (617) 628-4002  
[www.state.ma.us/PERAC](http://www.state.ma.us/PERAC)

MEMORANDUM

TO: All Retirement Boards

FROM: Robert F. Stalnaker, Executive Director

RE: Delayed Buyback of Military Service

DATE: May 3, 1999

The Commission has received inquiries on whether retirement boards may allow eligible members to wait until immediately before their retirement to decide whether to buy back their military service when the member was eligible to make that buy back at an earlier date. The statute, Chapter 71 of the Acts of 1996, requires eligible members to make an application to purchase such military service within 180 days of their initial eligibility. This application is only intended to allow the retirement board to plan for the possible increased cost of this additional creditable service.

Section 2 of the Act allows retirement boards to establish “terms and conditions [for the buyback].” This provision would allow a board to permit payment of the cost of the military service buyback in a lump sum payment at the time of application, installment payments over a period of years and/or a lump sum payment immediately before retirement. The board must set such terms and conditions through a regulation which is approved by the Commission and which applies such terms and conditions to all eligible members equally.

We trust the foregoing is of assistance. If you have further questions or concerns, please contact this office.