



PERAC HITS THE ROAD

2026 BOARD ADMINISTRATOR TRAINING

# Buybacks and Makeups



**Patrick Charles, Assistant Deputy Director  
& John Boorack, Actuary**

Norwood, MA  
March 3, 2026



# Topics To Be Covered Today

- Veteran's Buyback
- Section 4(2)(b) service purchases
- Prior Non-membership Service under Section 4(2)(c) and Section 3(5)
- The Under \$5,000 Rule (Section 4(1)(o))
- Redeposit of Funds Under Section 3(6) and 3(8)



## Veterans' Buyback Basics

- Members who qualify as a veteran pursuant to the definition of veteran in G.L. c. 4, s. 7 cl. 43<sup>rd</sup> may be eligible to purchase creditable service.
- G.L. c. 32, s. 4(1)(h) allows for the purchase of up to 4 years of military service.
- Member must pay 10% of the annual salary from when they last entered the retirement system.



# What Military Service Qualifies For Purchase?

- Full time active duty that occurred prior to system membership may be purchased at a day for day rate.
  - **Example:** Member served 4 years in one of the branches of the US military prior to public employment. (Navy, Coast Guard, Army, Marines, Air Force or Space Force)
    - Active duty while a member of the Reserves or National Guard prior to system membership may be purchased at a day for day rate.



## What Military Service Qualifies for Purchase *(Continued)*

- National Guard and Reserve time may be purchased at a 5 to 1 ratio.
- Must have the required active duty to meet the definition of veteran. (Training time does not count as active duty)
- National Guard and Reserve time may be concurrent with system membership.
  - **Example:** Member joins the system on 1/1/01 and on the same day joins the National Guard. Gets activated for all of 2004. After serving in the NG for 21 years (assuming no other activations) they will be eligible to purchase 4 years.



# National Guard and Reserves

- How do you calculate the 5 to 1 ratio?
  - Take total time in the NG or Reserves
  - Subtract any active duty that occurred prior to membership and can be purchased as day for daytime.
  - Subtract any active duty that occurred while a member of the system.
  - Then take the 5 to 1 ratio on the remaining time.



## Section 4(2)(b)

- Reserve or permanent-intermittent police officer or a reserve, permanent-intermittent or call fire fighter.
- May receive up to 5 years of full-time credit.
- Must purchase time.
- Police can be hired in any community.
- Fire must be hired in the community in which they served.



## Section 4(2)(b) *(Continued)*

- For any service post July 1, 2009, must have earned at least \$5,000 in order to be able to purchase service.
- Memorandum 11 of 2020 and Memorandum 38 of 2020.



# Buybacks of Earlier, Non-Membership Time

- Sometimes permissible, but not always.
- Conditions spelled out in Chapter 32, Section 3(5) or Section 4(2)(c) must be met.
- The section under which the buyback is being made will determine what interest rate will be used in making the purchase.



## The Under \$5,000 Rule

- Creditable service is no longer available for purchase if the position which the person held had an annual compensation of under \$5,000, and **if such service occurred on or after July 1, 2009.**

---

G.L. c. 32, Section 4(1)(o)

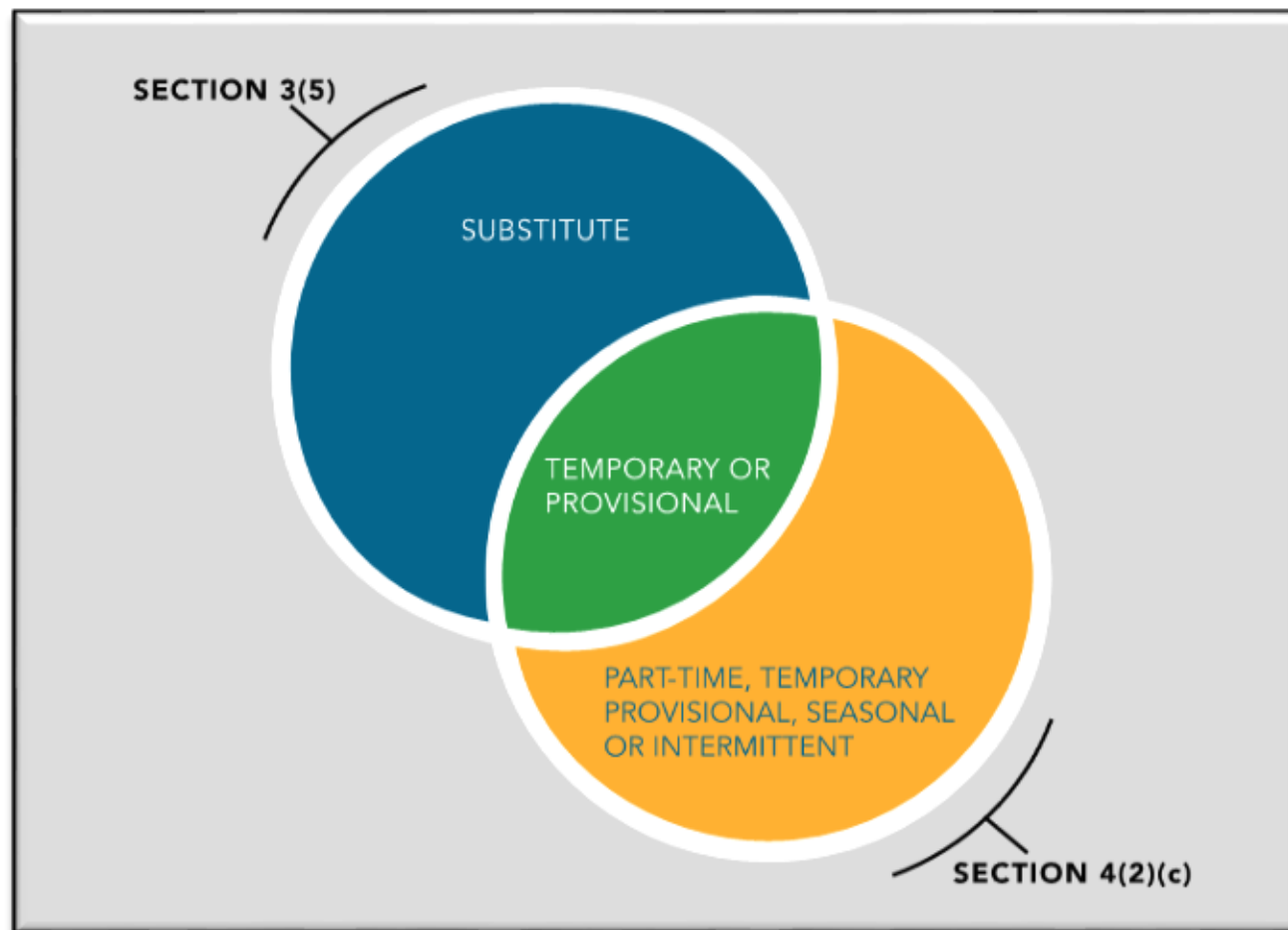


# Categories of This Eligible Time

Section 3(5)	Section 4(2)(c)
<ul style="list-style-type: none"><li>■ temporary</li><li>■ provisional</li><li>■ substitute</li></ul>	<ul style="list-style-type: none"><li>■ part-time</li><li>■ provisional</li><li>■ temporary</li><li>■ temporary provisional</li><li>■ seasonal or</li><li>■ intermittent</li></ul>



# Venn Diagram of Interplay Between Sections 3(5) and 4(2)(c)





# Service With the Same System

- “In the case of any employee of any governmental unit who is a member of the retirement system pertaining thereto, the board may allow credit, upon whatever proportionate basis it shall determine under appropriate rules and regulations which shall be subject to the approval of the actuary, for any previous period of part-time, provisional, temporary, temporary provisional, seasonal or intermittent employment or service rendered by him after such a retirement system becomes operative and while he was not eligible for membership excluding any prescribed waiting period under the provisions of the law or under the board's rules and regulations in effect during such previous period before eligibility for membership...”

---

G.L. c. 32, Section 4(2)(c)



# Make-up Repayment Calculations

- Purchasing of prior non-membership service
- PERAC Memo #7/2025
- In order to do the calculation, you'll need to know
  - The Section of Chapter 32 that authorizes the repayment
  - The amount of pay received
  - Current investment return assumption



# Buyback Interest vs. Actuarial Assumed Interest

- G.L. c. 32, Section 1
  - **“Buyback Interest”**: one-half of actuarial assumed interest.
  - **“Actuarial Assumed Interest”**: interest that would be credited to a member’s account in the annuity savings fund of a system or to his account in the special fund for military service credit, as provided in subdivision (6) of section 22, except that for any calendar year beginning after December 31, 1983, "actuarial assumed interest" shall be interest that would have been so credited using a rate equal to a system's actuarial assumed rate of return on investments, as determined from time to time by the commission, rather than regular interest.



## Example of Make-up Repayment Calculation (1)

- Repayment under Section 3(5)
- Current Investment Return Assumption is 7.0%
- Person has been member since September 27, 2020
- Looking to purchase time on July 31, 2025



# Example of Make-up Repayment Calculation (2)

**2025 MAKE-UP WORKSHEET**

For Make-ups under G.L. c. 32, §§3(3), 3(4), 3(4A), 3(5), 4(1)(g½), 4(1)(l), 4(1)(l½), 4(1)(l¾), 4(1)(n), 4(1)(n½), 4(1)(p), 4(1)(r), 4(1)(s) and 4(2)(c)

NAME \_\_\_\_\_

YEAR	SALARY EARNED	DED. RATE	DEDUCTIONS	INTEREST FACTOR	AMOUNT TO BE REPAID
1977					
1978					
2007					
2008	4,000.00	9% + 2%	360.00	2.952164	1,062.78
2009	10,000.00	9% + 2%	900.00	2.759032	2,483.13
2010	12,000.00	9% + 2%	1,080.00	2.578534	2,784.82
2011					
2012					
2013					
2014					
2015					
2023					
2024					
Subtotal on 12/31/2024					6,330.72 (A)
Monthly Interest Rate <u>.005833</u> (B) X <u>7</u> Months = <u>.040831</u> (C)				(A) X (C)	258.49 (D)
Grand Total <u>7</u> /31/2025 (A)+(D)					6,589.21



## Example of Make-up Repayment Calculation (3)

- Repayment under Section 4(2)(c)
- Current Investment Return Assumption is 7.0%
- Person has been member since September 27, 2020
- Looking to purchase time on July 31, 2025



# Example of Make-up Repayment Calculation (4)

**2025 MAKE-UP WORKSHEET**  
 For Make-ups under G.L. c. 32, §§3(3), 3(4), 3(4A), 3(5), 4(1)(g½), 4(1)(l), 4(1)(l½), 4(1)(l¾), 4(1)(n), 4(1)(n½), 4(1)(p), 4(1)(r), 4(1)(s) and 4(2)(c)

NAME \_\_\_\_\_

YEAR	SALARY EARNED	DED. RATE	DEDUCTIONS	INTEREST FACTOR	AMOUNT TO BE REPAID
1977					
1978					
2007					
2008	4,000.00	9% + 2%	360.00	1.733986	624.23
2009	10,000.00	9% + 2%	900.00	1.675349	1,507.81
2010	12,000.00	9% + 2%	1,080.00	1.618695	1,748.19
2011					
2012					
2013					
2014					
2015					
2023					
2024					
Subtotal on 12/31/2024					3,880.24 (A)
Monthly Interest Rate <u>.002917</u> (B) X 7 Months = <u>.020419</u> (C) (A) X (C)					79.23 (D)
Grand Total <u>7</u> /31/2025 (A)+(D)					3,959.47



## Example of Make-up Repayment Calculation (5)

- One calculation used full actuarial interest and one used buyback interest. Why?
- Chapter 176 of the Acts of 2011 amended G.L. c. 32, Section 3(8)(b) to require that the interest charged on a purchase of service be increased if the service purchase is not made within a specified time period.
  - Only applies to service purchases under G.L. c. 32, Section 3
  - See PERAC Memo #23/2012



# Redeposits (a.k.a Buybacks)



# Scenario 1

- Reed Abook, worked at the Ladyville Town Library and was a member of the Ladyville Retirement System. After 15 years, Reed decided he wanted to start his own publishing company. Needing start up capital, he decided to withdraw his contributions from the retirement system. **(VERY BAD IDEA!)** One year into his new venture, he discovered he was not a very good publisher and closed up shop. He was informed by his former boss that his old position in the library was still unfilled. He was rehired and, once again, joined the Ladyville Retirement System. Reed asked the retirement system administrator if he could purchase the 15 years he previously worked in the library.



## Chapter 32, Section 3(6)(c)

- “Any former member who is reinstated to or who re-enters the active service of the governmental unit in which he was formerly employed to serve in a position which is subject to the provisions of this chapter, within two years from the date of his separation therefrom, may again become a member in service and may pay into the annuity savings fund of the system in one make-up sum, or in installments upon such terms and conditions as the board may prescribe, an amount equal to the accumulated regular deduction withdrawn by him, together with the buyback interest **to the date of reemployment**. No such member shall be eligible for any disability benefit under the provisions of this chapter, until such member makes a repayment of accumulated regular deductions and buyback interest, to said respective retirement system. Upon making such make-up payment such member shall be entitled to all creditable service resulting from such previous employment.” *(Emphases supplied by me.)*



## Chapter 32, Section 3(6)(c) *(Continued)*

- Reed can purchase his prior service under Section 3(6)(c)
- If he makes the purchase within a certain period, the calculation can be done using buyback interest
  - If not made within a certain time, calculation will be done with actuarial interest
- Interest is only charged through the date of reemployment
- Not eligible for a disability retirement until repayment is complete



## Redeposit Under Section 3(6)(c) – (1)

- Interest only through date of reemployment
  - Assume date of reemployment is June 30, 2025
- Assume 6.5% investment return assumption
- Assume calculation done with Buyback Interest
- Assume withdrew money on July 5, 2024
- Assume redepositing money on June 30, 2025



# Redeposit Under Section 3(6)(c) – (2)

## REPAYMENT WORKSHEET FOR BUYBACKS IN 2025 - BUYBACK INTEREST

For Buybacks made under G.L. c. 32 §§ 3(6)(d) and 3(8)(b)

Name: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Date of Refund: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Investment Return

Date of Repayment: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Assumption: \_\_\_\_\_ %

Amount of Refund: \$ \_\_\_\_\_

### Periods of Service Covered by Refund:

### Amount Of Service:

From: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

To: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

\_\_\_\_\_ yrs. \_\_\_\_\_ mos.

From: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

To: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

\_\_\_\_\_ yrs. \_\_\_\_\_ mos.

### Calculation of the Partial Year Interest Factor in the Year of Refund (Used in Line (2) below):

	<u>5.50%</u>	<u>5.75%</u>	<u>6.00%</u>	<u>6.25%</u>	<u>6.50%</u>	<u>6.75%</u>	<u>6.80%</u>	<u>6.85%</u>
Monthly Interest Factor:	0.002292	0.002396	0.002500	0.002604	0.002708	0.002813	0.002833	0.002854

$$13 - \underline{\quad 7 \quad} = \underline{\quad 6 \quad} \times \underline{\quad .002708 \quad} = \underline{\quad .016248 \quad}$$

(Month of Refund)

(Monthly Factor)



# Redeposit Under Section 3(6)(c) – (3)

## REPAYMENT WORKSHEET FOR BUYBACKS IN 2025 - BUYBACK INTEREST

For Buybacks made under G.L. c. 32 §§ 3(6)(d) and 3(8)(b)

Interest Factor for Current Year (Used in Line (7) below):

Interest rate:	<u>5.50%</u>	<u>5.75%</u>	<u>6.00%</u>	<u>6.25%</u>	<u>6.50%</u>	<u>6.75%</u>	<u>6.80%</u>	<u>6.85%</u>
June:	0.013750	0.014375	0.015000	0.015625	0.016250	0.016875	0.017000	0.017125
July:	0.016042	0.016771	0.017500	0.018229	0.018958	0.019688	0.019833	0.019979

### Calculation of the Repayment Amount:

#### Year of Refund

Amount Refunded: 98,250.00 (1)

Partial Year Interest Factor: 0.016248 (2)

Partial Year Interest (1) x (2): 1,596.37 (3)

Balance as of 12/31/24 (1) + (3): 99,846.37 (4)

#### From Year of Refund to Beginning of Current Year

Cumulative Interest Factor to 12/31/2024: 1.000000 (5)

Balance as of 12/31/2024 (4) x (5): 99,846.37 (6)

#### Current Year

Interest Factor to End of Month: 0.016250 (7)

Interest (6) x (7): 1,622.50 (8)

Amount of Repayment (6) + (8): 101,468.87 (9)



## Scenario 2

- Timothy Burr worked as a police officer in the Town of Woodstock and was a member of the Woodstock Retirement System. While Tim enjoyed his work “serving and protecting” the citizens of Woodstock, he just couldn’t stop thinking about his lifelong passion of being a lumberjack, so Tim quit his job as a police officer. Tim wanted what he considered to be the best chainsaw available, a Poulan 254A. He rationalized that this is the same model used in his favorite horror movie, and it never needed sharpening. It was a little too expensive for Tim. He withdrew his money from the Woodstock Retirement System so he could buy it.



## Scenario 2 *(Continued)*

- For 15 years, Tim was so proficient as a lumberjack that he razed all the forests within a 30-mile radius of Woodstock, and there was no more work for a lumberjack. He realized that he was now too old to return as a police officer, so he applied and was hired for a job with the Woodstock DPW. He asked the administrator of the Woodstock Retirement System if he could purchase his time served as a police officer.



## Chapter 32, Section 3(6)(d) – (1)

- “Any former member who is reinstated to or who re-enters the active service of the governmental unit in which he was formerly employed to serve in a position which is subject to the provision of this chapter, more than two years after the date of his last separation therefrom may, before the date any retirement allowance becomes effective for him, pay into the annuity savings fund of the system in one sum, or in instalments, upon such terms and conditions as the board may prescribe, make-up payments of an amount equal to the accumulated regular deductions withdrawn by him, together with buyback interest. Upon such re-employment and upon making such payment in one sum or upon making provision for payment thereof in instalments, as the case may be, such former member shall again become a member. ...



## Chapter 32, Section 3(6)(d) – (2)

- ... A member who did not, at the earliest opportunity, either return in one sum the permitted make-up payment, or provide for such repayment in instalments, and whose membership was contingent on such payment either in one sum or his making provision for the payment thereof in instalments, may, during the period permitted for such payment, also pay as an additional make-up payment the deductions omitted from the date when the make-up payment for previous membership could first have been paid, with buyback interest. Upon the completion of such make-up payments such member shall be entitled to all creditable service resulting from his previous employment. ...



## Chapter 32, Section 3(6)(d) - (3)

- ... In the event any retirement allowance becomes effective for him before the completion of such make-up payments, such member shall, in addition to credit for his actual membership service rendered since the date of his last becoming a member, be entitled to credit for that proportion of his previous creditable service rendered prior to such date which the total amount of his make-up payments actually made, together with buyback interest thereon to the date his retirement allowance becomes effective, bears to the total amount of what his make-up payments, together with buyback interest thereon to such latter date, would have been had he made payment thereof in one sum on such latter date.” *(Emphasis supplied by me.)*



## Chapter 32, Section 3(6)(d) – (4)

- Tim can purchase his prior service under Section 3(6)(d)
  - There is no requirement he return to same position, just same governmental unit
- If he makes the purchase within a certain period, the calculation can be done using buyback interest
  - If not made within a certain time, calculation will be done with actuarial interest



## Redeposit Under Section 3(6)(d) – (1)

- Assume 7.0% investment return assumption
- Assume calculation done with Buyback Interest
- Assume withdrew money on April 9, 2010
- Assume redepositing money on July 12, 2025



# Redeposit Under Section 3(6)(d) – (2)

**REPAYMENT WORKSHEET FOR BUYBACKS IN 2025 - BUYBACK INTEREST**  
 For Buybacks made under G.L. c. 32 §§ 3(6)(d) and 3(8)(b)

Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Date of Refund: \_\_\_\_/\_\_\_\_/\_\_\_\_      Investment Return Assumption: \_\_\_\_\_ %  
 Date of Repayment: \_\_\_\_/\_\_\_\_/\_\_\_\_

Amount of Refund: \$ \_\_\_\_\_

---

Periods of Service Covered by Refund:	Amount Of Service:
From: ____/____/____ To: ____/____/____	_____ yrs. _____ mos.
From: ____/____/____ To: ____/____/____	_____ yrs. _____ mos.

---

**Calculation of the Partial Year Interest Factor in the Year of Refund (Used in Line (2) below):**

	<u>6.85%</u>	<u>6.90%</u>	<u>7.00%</u>	<u>7.10%</u>	<u>7.125%</u>	<u>7.15%</u>	<u>7.25%</u>	<u>7.35%</u>
Monthly Interest Factor:	0.002854	0.002875	0.002917	0.002958	0.002969	0.002979	0.003021	0.003063

13 -   4   =   9   x   .002917   =   .026253    
(Month of Refund)                      (Monthly Factor)



# Redeposit Under Section 3(6)(d) – (3)

## REPAYMENT WORKSHEET FOR BUYBACKS IN 2025 - BUYBACK INTEREST

For Buybacks made under G.L. c. 32 §§ 3(6)(d) and 3(8)(b)

Interest Factor for Current Year (Used in Line (7) below):

Interest rate:	<u>6.85%</u>	<u>6.90%</u>	<u>7.00%</u>	<u>7.10%</u>	<u>7.125%</u>	<u>7.15%</u>	<u>7.25%</u>	<u>7.35%</u>
June:	0.017125	0.017250	0.017500	0.017750	0.017813	0.017875	0.018125	0.018375
July:	0.019979	0.020125	0.020417	0.020708	0.020781	0.020854	0.021146	0.021438

### Calculation of the Repayment Amount:

#### Year of Refund

Amount Refunded:	52,000.00	(1)
Partial Year Interest Factor:	0.026253	(2)
Partial Year Interest (1) x (2):	1,365.16	(3)
Balance as of 12/31/2010 (1) + (3):	53,365.16	(4)

#### From Year of Refund to Beginning of Current Year

Cumulative Interest Factor to 12/31/2024:	1.618695	(5)
Balance as of 12/31/2024 (4) x (5):	86,381.91	(6)

#### Current Year

Interest Factor to End of Month:	0.020417	(7)
Interest (6) x (7):	1,763.66	(8)
Amount of Repayment (6) + (8):	88,145.57	(9)



## Scenario 3

- Stan Dupp, an actuary, worked in the Department of Manufactured Numbers in the Beancounter Retirement System. After 7 years, Stan was laid off. Having few options, he decided to pursue his true love of comedy. He withdrew his contributions from the retirement system to buy a vintage 1972 VW bus. He toured for years, night after night, playing sold out high school gymnasiums, bingo halls and nursing homes. He tried out for America's Got Talent and came to the realization that while America may "got talent", he doesn't. His childhood friend, Reed Abook, got him job at the Ladyville library. He joined the Ladyville Retirement System and asked the administrator if he could purchase the seven years that he worked as an actuary.



## Chapter 32, Section 3(8)(b) – (1)

- “Any former member of any contributory retirement system established under the provisions of this chapter, or under corresponding provisions of earlier laws or of any special law, who subsequently becomes employed in a position in any other governmental unit in which such a system is operative, may, before the date any retirement allowance becomes effective for him, pay into the annuity savings fund of the system pertaining to his new employment in one sum, or in instalments, upon such terms and conditions as the board may prescribe, make-up payments of an amount equal to the accumulated regular deductions withdrawn by him from the system from which he last became separated, together with buyback interest; provided, that such position is subject to the provisions of the law relating to the system pertaining to his new employment. Upon commencing such employment and upon making such payment in one sum, or upon making provision for payment thereof in instalments, as the case may be, such former member shall become a member of the system pertaining to his new employment. ...



## Chapter 32, Section 3(8)(b) – (2)

- ... A member who did not, at the earliest opportunity, either return in one sum the permitted make-up payment, or provide for such repayment in instalments, and whose membership was contingent on such payment either in one sum or his making provision for the payment thereof in instalments, may, during the period permitted for such payment, also pay as an additional make-up payment the deductions omitted from the date when the make-up payment for previous membership could first have been paid, with buyback interest. Notwithstanding any provision of this chapter to the contrary, a member who is reinstated to, or re-enters the active service of, a governmental unit, or who is eligible to receive credit for other service under this section, and who does not, (i) pay into the annuity savings fund of the system make-up payments of an amount equal to the accumulated regular deductions withdrawn by the member, together with buyback interest; ...



## Chapter 32, Section 3(8)(b) – (3)

- ... or (ii) make provision for the repayment in installments, upon such terms and conditions as the board may prescribe, to pay into the annuity savings fund of the system make-up payments of an amount equal to the accumulated regular deductions withdrawn by the member, together with buyback interest, within 1 year from the date of reinstatement or re-entry or within 1 year after April 2, 2012, whichever is later, shall pay actuarial assumed interest instead of buyback interest on all make-up payments to be entitled to creditable service resulting from the previous employment. Upon the completion of such make-up payments such member shall be entitled to all creditable service resulting from his previous employment. In the event any retirement allowance becomes effective for him before the completion of such make-up payments, ...



## Chapter 32, Section 3(8)(b) – (4)

- ... such member shall, in addition to credit for his actual membership service rendered since the date of his becoming a member of the system pertaining to his new employment, be entitled to credit for that proportion of his previous creditable service attributable to his former membership in the system from which he last became separated which the total amount of his make-up payments actually made, together with buyback interest thereon to the date his retirement allowance becomes effective, bears to the total amount of what his make-up payments, together with buyback interest thereon to such latter date, would have been had he made payment thereof in one sum on such latter date. (Emphasis supplied by me.)



## Chapter 32, Section 3(8)(d) – (5)

- Stan can purchase his prior service under Section 3(8)(b)
  - He returned to a different governmental unit
- If he makes the purchase within a certain period, the calculation can be done using buyback interest
  - If not made within a certain time, calculation will be done with actuarial interest



## Redeposit Under Section 3(8)(b) – (1)

- Assume 7.0% investment return assumption
- Assume calculation done with Actuarial Assumed Interest
- Assume withdrew money on May 20, 2016
- Assume redepositing money on July 6, 2025



# Redeposit Under Section 3(8)(b) – (2)

## REPAYMENT WORKSHEET FOR BUYBACKS IN 2025 - ACTUARIAL INTEREST

For Buybacks made under G.L. c. 32 §§ 3(6)(d) and 3(8)(b)

Name: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Date of Refund: \_\_\_\_/\_\_\_\_/\_\_\_\_

Investment Return

Date of Repayment: \_\_\_\_/\_\_\_\_/\_\_\_\_

Assumption: \_\_\_\_%

Amount of Refund: \$ \_\_\_\_\_

### Periods of Service Covered by Refund:

### Amount Of Service:

From: \_\_\_\_/\_\_\_\_/\_\_\_\_

To: \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_ yrs. \_\_\_\_ mos.

From: \_\_\_\_/\_\_\_\_/\_\_\_\_

To: \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_ yrs. \_\_\_\_ mos.

### Calculation of the Partial Year Interest Factor in the Year of Refund (Used in Line (2) below):

	<u>6.85%</u>	<u>6.90%</u>	<u>7.00%</u>	<u>7.10%</u>	<u>7.125%</u>	<u>7.15%</u>	<u>7.25%</u>	<u>7.35%</u>
Monthly Interest Factor:	0.005708	0.005750	0.005833	0.005917	0.005938	0.005958	0.006042	0.006125

$$13 - \underset{\text{(Month of Refund)}}{5} = \underset{\text{(Monthly Factor)}}{8} \times \underset{\text{(Monthly Factor)}}{.005833} = \underset{\text{(Monthly Factor)}}{.046664}$$



# Redeposit Under Section 3(8)(b) – (3)

## REPAYMENT WORKSHEET FOR BUYBACKS IN 2025 - ACTUARIAL INTEREST

For Buybacks made under G.L. c. 32 §§ 3(6)(d) and 3(8)(b)

Interest Factor for Current Year (Used in Line (7) below):

Interest rate:	<u>6.85%</u>	<u>6.90%</u>	<u>7.00%</u>	<u>7.10%</u>	<u>7.125%</u>	<u>7.15%</u>	<u>7.25%</u>	<u>7.35%</u>
July:	0.039958	0.040250	0.040833	0.041417	0.041563	0.041708	0.042292	0.042875
August:	0.045667	0.046000	0.046667	0.047333	0.047500	0.047667	0.048333	0.049000

### Calculation of the Repayment Amount:

#### Year of Refund

Amount Refunded: 111,300.00 (1)

Partial Year Interest Factor: 0.046664 (2)

Partial Year Interest (1) x (2): 5,193.70 (3)

Balance as of 12/31/2016 (1) + (3): 116,493.70 (4)

#### From Year of Refund to Beginning of Current Year

Cumulative Interest Factor to 12/31/2024: 1.718186 (5)

Balance as of 12/31/2024 (4) x (5): 200,157.85 (6)

#### Current Year

Interest Factor to End of Month: 0.040833 (7)

Interest (6) x (7): 8,173.05 (8)

Amount of Repayment (6) + (8): 208,330.90 (9)



# Conclusion

- Chapter 32 has multiple provisions which cover service purchases.
  - We've only talked about a handful today
- This can be complicated. The statute and the facts of each individual case will determine how much an individual is required to repay to purchase such service.

