



PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT BOARD

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Estimating the Cost of Purchasing “Air Time” Service Credit

PERA needs the following information to estimate the cost of purchasing “air time” service credit:

How much service credit do you have?

- ✓ You must be vested with 5 or more years of PERA service credit to be eligible to purchase air time.
- ✓ You need to know the number of years and months of service credit you will have at the time you make a request to buy air time service credit.

What is your age at the time you purchase air time service credit?

- ✓ A factor in estimating the cost of purchasing air time service credit is your age at the time of purchasing the service credit.
- ✓ Your age in years and months (such as 45 years and 3 months) is taken into consideration in computing the cost of air time.
- ✓ Generally, the cost of purchasing air time will be less the earlier you purchase it in your career. The less time PERA has to recoup the actuarial cost of the service credit prior to your retirement date, the more expensive it becomes for the member.

What PERA affiliate do you work for?

- ✓ PERA needs to know the name of your employer to verify your employment.

What PERA coverage plan do you belong to?

- ✓ You must know your coverage plan because different calculation tables are used depending on which plan you belong to.
- ✓ The calculation tables depend on whether you belong to a 20-year or a 25-year plan and your employee and employer contribution rates.

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What is your hourly rate of pay?

- ✓ PERA needs to know your hourly rate of pay to determine the cost of air time service credit.
- ✓ The cost of purchasing air time service credit is a percentage of your annualized salary.
- ✓ Annualized salary is determined by multiplying your hourly pay rate times 2,080 (hours worked per year).
- ✓ PERA requests that you submit a copy of your last pay stub with your estimate request. This will allow PERA to verify the information needed to prepare your estimate. PERA may need additional time to review our records and to respond to your request if you cannot provide a copy of your last pay stub.

PERA will verify your service credit for calculation purposes.

How Do I Purchase Air Time Service Credit?

- ✓ You will receive an estimate for the cost of purchasing air time service credit in approximately 7 working days after PERA receives your request.
- ✓ Once you have made a decision to purchase air time service credit, request an application for the purchase from PERA, PERA’s website or your Human Resources department.
- ✓ Fill out an application form to purchase air time service credit and mail it or deliver it to PERA offices in Santa Fe or Albuquerque.
- ✓ You will receive a purchase agreement showing the price of purchasing air time service credit by the month, up to 12 months. Pick the number of months you want to purchase and remit payment to PERA, along with the signed purchase agreement.
- ✓ The price on the purchase agreement is good for 60 days from when it was calculated.

DISCLAIMER

PERA will base your “air time” cost estimate on certain assumptions about you, including your current service credit, age, employer, pension plan and hourly rate. PERA has an errors and omissions policy, which is governed by state statute. Therefore, if any of the assumptions about you are incorrect or change before your final “air time” cost is calculated, the errors will be corrected.

The actual cost of purchasing air time service credit may differ from the estimate given to you by PERA. The cost may be more or less expensive. PERA is not bound by the estimate amount and is not liable for errors due to estimates made based on the information you provide to PERA.

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Questions?

Check PERA’s website at www.pera.state.nm.us for request forms.

Call PERA benefits counselors toll-free statewide at 1-800-342-3422 or 827-4700 in Santa Fe.

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