



Refund Payback Cost Fact Sheet

Revised 06/26/2024

- Refunds cannot be purchased after the effective date of retirement. In addition, a beneficiary is not eligible to purchase a deceased member's refund.

- The cost to pay back a refund is calculated by using the following factors:

- Refunded contributions and accrued interest.
- Interest charged to reinstate refunded service credit. The interest charged is compounded annually. The Interest Rate Table for interest charged on a refund payback cost is detailed below:

Fiscal Year (July 1 – June 30)	Interest Rate
1954-1980	5.50%
1981-1985	7.50%
1986-1994	8.00%
1995	12.20%
1996	5.00%
1997	17.10%
1998	15.10%
1999-2015	8.00%
2016-2021	7.75%
2022	7.55%
2025	7.00%

- The interest charged is non-refundable and is not posted to the member account.
- The Creditable Service Table below lists how quarters are awarded for a Refund Payback Cost.

1 quarter	3 months of service credit
2 quarters	6 months of service credit
3 quarters	9 months of service credit
4 quarters	12 months of service credit
- The member must ensure that the correct payment amount and the properly completed form(s) for the purchase of each quarter of a refund payback are submitted to PERS no later than the date specified in the member's refund payback letter. The member may call PERS to verify the correct payment amount.
- Unless an additional check is received to complete the exact quarter-year purchase amount, any check (rollover or personal) received that does not purchase an exact quarter-year service amount will be returned to the name and address shown on check after 14 days or after the expiration date on the member's latest refund payback letter (see bullet above), whichever is earliest.
- There is no provision in PERS' law to return a refund payback cost payment to a member once the payment has been received by PERS.

Important Notice - Please read

House Bill 1016 (Approved by Governor, 03/16/2007) stipulates the following provisions relative to a refund Payback Cost:

Entered PERS-Covered Service before July 1, 2007

- Members who refunded contributions before July 1, 2007, and reenter state service before July 1, 2007, are subject to the **four-year** membership service requirement.
- Members must contribute to PERS for a **minimum of four years** before service credit associated with the repayment of a refund is reflected on the member's account or used toward any monthly benefit.

Entered PERS-Covered Service on or after July 1, 2007

- Members who refunded contributions before July 1, 2007, and reenter state service on or after July 1, 2007, are subject to the **eight-year** membership service requirement.
- Members must contribute to PERS for a **minimum of eight years** before the service credit associated with the repayment of a refund is reflected on the member's account or used toward any monthly benefit.