

 <p>CITY OF SAN JOSE CAPITAL OF SILICON VALLEY DEPARTMENT OF RETIREMENT SERVICES</p>	Title	Document No.	Rev.	Page
	SERVICE PURCHASE CONTRACT	Form AM-5	10/05/2000	1 of 3

DEPARTMENT OF RETIREMENT SERVICES CITY OF SAN JOSE - (408) 392-6700 1737 NORTH FIRST STREET, SUITE 580, SAN JOSE, CA 95112-4505	
EMPLOYEE NUMBER	SOCIAL SECURITY NUMBER
MEMBER'S NAME	
MEMBER'S ADDRESS	

FEDERATED ?

POLICE AND FIRE ?

DESCRIPTION OF PURCHASE:

TYPE OF SERVICE:	YEARS OF SERVICE BEING PURCHASED :
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COST OF PURCHASE	ANNUAL PERCENTAGE RATE	INTEREST CHARGE	TOTAL OF PAYMENTS	TOTAL COST
COST FOR YOUR PURCHASE OF SERVICE CREDIT .	APPLICABLE INTEREST RATE.	TOTAL INTEREST FOR PURCHASE.	AMOUNT YOU WILL HAVE PAID AFTER YOU HAVE MADE ALL PAYMENTS AS SCHEDULED.	TOTAL COST OF YOUR PURCHASE LESS YOUR DOWN PAYMENT OF \$ _____ IS:
\$ _____	_____ %	\$ _____	\$ _____	\$ _____

NUMBER PAYMENTS:	AMOUNT EACH PAYMENT:	WHEN PAYMENTS ARE DUE:
BIWEEKLY: _____	BIWEEKLY \$ _____	BIWEEKLY BEGINNING: _____
LUMP SUM: ONE	LUMP SUM \$ <u>0</u>	LUMP SUM ON: _____

I ELECT TO PURCHASE RETIREMENT SERVICE CREDIT FOR ELIGIBLE PRIOR SERVICE. I AUTHORIZE PAYMENT, THE TERM (LENGTH) OF THE CONTRACT, AND THE USE OF *PRE-TAX* OR *AFTER-TAX* DOLLARS IN ACCORDANCE WITH THE OPTION ELECTED AND INITIALED BELOW. I UNDERSTAND THAT IF PAYMENTS ARE MADE WITH *PRE-TAX* DOLLARS (WHICH ARE *TAX DEFERRED* AND *DEDUCTED FROM MY GROSS INCOME BEFORE TAXES* THAT THIS CONTRACT IS **IRREVOCABLE**. I UNDERSTAND THAT ALL SERVICE BEING PURCHASED BY THIS CONTRACT MUST BE FULLY PAID PRIOR TO MY RETIREMENT DATE OR I WILL RECEIVE CREDIT FOR ONLY A PRO-RATA PORTION OF THE SERVICE I HAVE ELECTED TO PURCHASE.

SIGNATURE

DATE

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I ELECT OPTION 1: ONE LUMP SUM PAYMENT (AFTER-TAX DOLLARS) MY CHECK IS ENCLOSED FOR ONE LUMP-SUM PAYMENT OF \$ _____ WHICH IS CALCULATED THROUGH _____. <i>(THE LUMP SUM PAYMENT MUST BE RECALCULATED IF NOT RECEIVED BY THIS DATE.)</i>	INITIALS ↑ INITIALS ↓	I ELECT OPTION 2: PAYROLL DEDUCTIONS (PRE-TAX DOLLARS) <i>(PLEASE READ THE Q&A BOOKLET.)</i>	INITIALS ↑ INITIALS ↓
I ELECT OPTION 3: COMBINATION PAYMENTS I WILL MAKE ONE LUMP-SUM PARTIAL PAYMENT (USING AFTER-TAX DOLLARS), THEN USE MY PAYROLL DEDUCTIONS TO PAY THE BALANCE OF THE CONTRACT. <i>(PLEASE READ THE Q&A BOOKLET.)</i>		I WISH TO PAY WITH PRE-TAX DOLLARS.	INITIALS ↓
PARTIAL LUMP SUM:	MY CHECK IS ENCLOSED FOR \$ _____	PAYROLL DEDUCTION:	I WISH TO PAY WITH PRE-TAX DOLLARS.

LEGAL PROVISIONS

USING PRE-TAX DOLLARS, I UNDERSTAND THAT:

IF I ELECT TO PURCHASE SERVICE CREDIT UNDER THIS CONTRACT USING PRE-TAX DOLLARS, THE CONTRACT IS IRREVOCABLE AND LEGALLY BINDING. **THE CONTRACT CANNOT BE CHANGED REGARDLESS OF PERSONAL OR FINANCIAL HARDSHIPS.**

I UNDERSTAND AND AGREE THAT:

INITIALS
↓

I CANNOT CHANGE THE PAYMENT OPTION.

I CANNOT INCREASE OR DECREASE THE NUMBER OF PAYMENTS ONCE I SELECT THE PAYMENT PERIOD.

I CANNOT MAKE ANY AFTER-TAX DOLLARS PAYMENT DURING THE PAYMENT PERIOD.

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I CANNOT CHANGE THE AMOUNT OF THE PAYMENT.

I CANNOT STOP THE PAYROLL DEDUCTIONS FOR ANY REASON (EXCEPT DURING ANY PERIOD FOR WHICH I DO NOT RECEIVE A CITY SALARY).

USING AFTER-TAX DOLLARS, I UNDERSTAND THAT:

INITIALS
↓

IF I ELECT TO PURCHASE SERVICE UNDER THIS CONTRACT USING AFTER TAX DOLLARS, I MUST MAKE FULL PAYMENT TO THE RETIREMENT SYSTEM IN ORDER TO RECEIVE FULL SERVICE CREDIT. IF FOR ANY REASON I FAIL TO MAKE THE FULL PAYMENT, THE RETIREMENT SYSTEM WILL PRORATE THE SERVICE CREDIT BASED ON THE CONTRIBUTIONS THAT WERE ACTUALLY PAID.

CONTRACT AUTHORIZATION

I HAVE READ AND UNDERSTAND THE QUESTION & ANSWER BOOKLET, AND I AGREE TO ABIDE BY THE TERMS AND CONDITIONS OF THIS CONTRACT. I UNDERSTAND THE CONTRACT WILL NOT BE BINDING UNTIL IT IS RECEIVED, VERIFIED AND ACCEPTED BY THE FEDERATED CITY EMPLOYEES RETIREMENT SYSTEM. BY MY SIGNATURE, I AUTHORIZE PAYMENT AS SPECIFIED IN THIS CONTRACT.

SIGNATURE

DATE

MEMBER'S SPOUSE'S SIGNATURE

DATE

THE EFFECTIVE DATE OF THIS CONTRACT IS:

MONTH DAY YEAR

RETIREMENT COUNSELOR SIGNATURE DATE