

**74-4936. Credited service; prior service credit; participating service credit.** (1) Prior service shall be credited as follows:

(a) A member shall receive full credit for continuous employment prior to the entry date with such member's employer on the entry date, except that if the employee was employed on March 15, 1970, by a participating employer, then all previous employment with a participating employer shall be credited;

(b) any member of the state school retirement system not employed on the day preceding entry date by an eligible employer which will become a participating employer on entry date, who has contributions on deposit with the state school retirement system on entry date, who would become eligible for a retirement benefit based on the credited service under the state school retirement system, on entry date, and who has not retired under the state school retirement system shall be granted prior service credit for employment with any participating employer prior to entry date;

(c) any member of the state school retirement system not employed on the date preceding entry date by an eligible employer which will become a participating employer on entry date, who has contributions on deposit on entry date, and who would not become eligible for a retirement benefit on the basis of service credited under the state school retirement system on entry date shall not receive credit for such service;

(d) leaves of absence shall not be credited;

(e) subject to the provisions of USERRA, military service which is credited under the state school retirement system shall be credited;

(f) one year of prior service credit shall be granted for each year of school employment by a participating employer;

(g) any member who is not otherwise eligible for service credit as provided for in subsection (1)(a) may be granted credit for such service upon the attainment of 38 quarters of participating service.

(2) Participating service shall be credited as follows: (a) A member shall receive credit for participating service with a participating employer in accordance with rules and regulations established by the board of trustees, except that no more than one calendar quarter of participating service shall be credited for any employment within one calendar quarter;

(b) leaves of absence and military service shall not count as a break in continuous employment, if the member leaves accumulated contributions on deposit with the fund. The period of military service shall be credited, except that after July 1, 1974, not more than five years' credit for military service shall be granted hereunder to the extent required by the provisions of USERRA, but leaves of absence shall not be credited;

(c) termination of employment followed by employment by the same or with another participating employer within five years shall not constitute a break in continuous employment, if such employee leaves accumulated contributions on deposit with the system. Such period while not employed shall not be credited as participating service.

(3) In determining the numbers of years of credited prior service or participating service a fractional year of six months or more shall be considered as one year and a fractional year of less than six months shall be disregarded.

(4) If a member is on leave of absence or is in military service or has terminated employment with a participating employer, such member may withdraw accumulated contributions on forms prescribed by the board. In the event the member withdraws the accumulated contributions, such member's membership in the system shall terminate and the system shall have no further liability or obligation to such member. Thereafter, if such former member is employed by the same or another participating employer, such member shall be deemed to be a new employee unless otherwise required by the provisions of USERRA.

(5) If a member does not return to employment with the same or another participating employer within five years following termination of employment, such member shall withdraw accumulated contributions on forms prescribed by the board. Such member's membership in the system shall terminate and the system shall have no further liability or obligation to such member. Thereafter, if such former member is employed by the same or another participating employer, such member shall be deemed to be a new employee.

(6) If a member, who has a vested benefit, again becomes an employee of a participating employer, any credited service such member subsequently accrues shall be added to that which had been vested by virtue of previous service.

**History:** L. 1970, ch. 326, § 6; L. 1974, ch. 332, § 4; L. 1983, ch. 254, § 14; L. 1998, ch. 64, § 62; July 1.