



Completing a Permissive Service Credit:

A Permissive Service Credit (PSC) is performed when buying different service credits that may be purchased from an approved governmental pension plan. The most common is the purchase of additional years of service (not worked) to increase a person's income benefits under the plan. Even though you are removing money from your employer sponsored 403(b) account to purchase years of service Permissive Service Credits are not considered distributions, therefore qualifying PSCs are tax-free transactions (though surrender fees may apply). Furthermore, since PSCs are not distributions they do not require a qualifying event.

Please consult your financial representative, your employer's benefits department, or your Plan Administrator, NPA, to determine if your employer's voluntary retirement plan allows for PSCs.

NPA requires all forms necessary to complete a transactional request be submitted through NPA. Therefore, you should contact your financial representative or investment provider to get a copy of the paperwork they require to complete a PSC.

Next, you will complete the NPA Transaction Authorization Form indicating your desire to process a Permissive Service Credit request from your plan. Fill out section one (1) of the TAF, providing general information about who you are, what school district(s) are involved, and what investment provider(s) are involved. Section two (2) of the TAF consists of nine (9) subsections. When requesting a PSC, please fill out ONLY the subsection for "Permissive Service Credit" located on page two (2) of the TAF. Complete the form by signing and dating the request on the third page. Please note that it is important to carefully read the entire TAF as it will assist you in completing it correctly.

For NPA to correctly and successfully process your request please submit the completed Transaction Authorization Form, and the completed investment provider PSC request paperwork to NPA via any of the means listed at the base of the TAF. Your financial representative can assist you in filling out and completing all forms.

Once your request has been reviewed and approved it will be forwarded to the applicable investment provider for processing.