What are Police Officer and Firefighter (P & F) Units?
P & F units are an additional benefit a police officer and firefighter may purchase with after-tax dollars. After retirement the unit account will provide a monthly stream of income, usually for five years, which is partially paid by your employer as long as payments are received by age 65.

Who qualifies to purchase P & F units?
You qualify if you are employed in a PERS-qualifying position classified as a police officer or firefighter (P & F) as defined in Oregon Revised Statute Chapter 238. Your employer is responsible for the accurate reporting of your job classification to PERS.

When can I purchase P & F units?
You can purchase P & F units through monthly payroll contributions if you are an active member currently employed in a police officer or firefighter position and are less than age 65. If you retire before you purchase the maximum of eight units (but you have made previous payroll contributions for units), you can purchase any remaining units by making a lump-sum payment of any remaining amount required for the purchase. The lump-sum purchase must be made within 60 days before your date of retirement and before reaching age 65.

How much do I have to pay for the P & F units?
The cost to purchase eight units of additional P & F benefits is $4000. You may elect monthly payroll deduction at or before age 60. The payroll deduction is based on your age when you sign up for P & F units and is based on the actuarial assumed rate of interest. This is currently 7.2 percent, but could change.

How do I sign up to purchase P & F units?
To make this purchase through payroll deduction, contact your personnel (benefits) department. They will have you complete the Notice of Unit Election form and inform you of the amount that will be withheld (based on the number of units you purchase). To make the purchase immediately before retirement, complete the P & F Member Unit Purchase Election at Retirement form obtained from PERS.

If I have not made payroll contributions for units, can I make a lump-sum purchase of units when I retire?
You can make a lump-sum purchase of the total cost of up to eight units if you are less than age 60.

Does my unit account earn interest?
Yes. Your account will be credited annually with the same earnings as your regular member account. The amount in your unit income account will be shown on your PERS Member Annual Statement.

Can my unit income account be transferred into the variable account.
No.

Can I withdraw my P & F unit income account?
You may voluntarily withdraw your unit income account by filing a Request for Refund if you are no longer employed by a PERS-participating employer or a participating public employer's controlled group under the federal law. If you voluntarily withdraw your unit income account, you will not be allowed to sign up for P & F units again if you return to a PERS qualifying P&F position. You can withdraw a P & F unit account without having to withdraw member accounts.
What happens to my P & F unit income account if I withdraw my PERS account?
Your P & F unit income account balance will be involuntarily refunded along with your other PERS account. You would be allowed to sign up for P & F units again if you return to a PERS qualifying P & F position.

When can I begin receiving my P & F unit benefit?
P & F unit payments may begin on or after the date of your service or disability retirement or upon reaching age 50, whichever is later.

How much will I receive from my P & F unit income account?
Payments are made over a minimum of five years (60 months) unless payments begin after you reach age 60. Each P & F unit purchased provides a $20 monthly benefit if paid for 60 months, $10 from your unit income account and $10 from your employer. Eight fully paid-up units provides $160 per month for 60 months. Receiving your P & F unit income account over a longer period of time (more than 60 months) reduces the amount of each monthly payment.

What if my P & F unit income account is more than the amount required to fund the maximum benefit when I start my P & F unit payments?
Sometimes the earnings credited to unit income accounts exceeds the actuarially assumed interest rate and the account balance may be greater than $4000 when you start your P & F unit payment. You will receive a lump-sum, distribution of any amount over $4000. This payment may be eligible for rollover treatment. You will receive information regarding the rollover of this payment, if applicable.

What if my unit income account at retirement is less than the amount required to fund the maximum units of P & F benefits?
If your last PERS-qualifying position was P & F and you are less than age 65, you will be given the opportunity to purchase the remaining balance or, if you choose not to make the additional purchase, you will receive a reduced monthly unit benefit based on the balance in your unit income account.

Do I have to start my unit monthly benefit at the same time I retire and, if not, how do I apply for a later payment date?
At retirement you will make application for your units to begin either effective at your retirement date or a future date. PERS will automatically start your unit monthly benefit at the time you choose. However, monthly unit benefits will not be paid once you reach age 65.

What if I make application for my P & F unit benefits to begin at a future date and later change my mind?
You may change your unit benefit begin date anytime before the issue date of your first unit benefit payment.

How does early withdrawal affect my benefits?
Police officers and firefighters who terminate prior to the calendar year in which they reach age 50 and apply to start unit benefits prior to age 59 1/2 may be subject to a federal penalty of 10 percent on unit benefits received.