

Earned Service Credit for College and University Educators

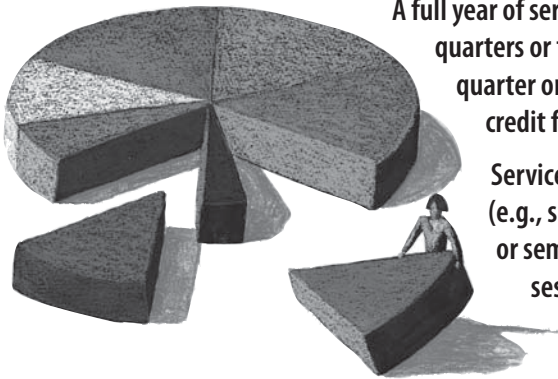
What Employers Need to Know

Full-Time Equivalent (FTE)

Service credit for college and university educators is generally determined on the basis of the institution's "full-time equivalent" (FTE) workload. FTE may vary by institution.

A full year of service credit is earned when the educator's workload, averaged over three quarters or two semesters during the fiscal year, exceeds 66% of the FTE. The entire quarter or semester must occur within the fiscal year for the educator to receive full credit for that quarter or semester.

Service credit granted for quarters or semesters divided into shorter units (e.g., split summer sessions) is limited to that unit's proportion of a full quarter or semester (i.e., 1/2, 1/3, etc.). To determine earned service credit for summer sessions that overlap fiscal years, use the portion of summer earnings actually earned during the fiscal year relative to the regular academic year's salary.



Using Days or Hours

Colleges and universities can use a calculation based on the number of days or partial days of paid service. This calculation can be used for a group of educators that do not fit into the full-time equivalent calculation because their work is irregular or their contract is based on days or hours worked.

- Educators who teach at least 90 days, have an employment relationship with the employer for at least 120 days, and whose total compensation is equal to or greater than the state minimum salary, receive a full year of service credit.
- Educators who work at least 90 days, have an employment relationship with the employer for at least 120 days, but earn less than the state minimum salary, receive credit equal to the greater of:
 - number of days ÷ 180 days, or
 - total compensation ÷ state minimum salary.
- The service credit calculation for educators who work less than 90 days or the employment relationship is not in effect for at least 120 days is the number of days or partial days of paid service divided by 180 days.

If the number of days or partial days of service is not available from payroll records and the individual is compensated on an hourly basis, service credit is determined using the number of paid hours. In this situation, the number of hours divided by 1,000 hours is used in place of number of days divided by 180 days in the above scenarios.

If the number of days or partial days of service is not available from payroll records and the educator's compensation is based on a percentage of full-time salaried service, service credit is determined by averaging the contract percentage over three quarters during the year. A full year of service credit will be granted when that average exceeds 66%.

(continued)

Examples

- A college or university has an FTE of 12 credit hours per quarter. A faculty member has the following workload:

| | |
|----------------|-----------------------|
| Fall quarter | 9 credit hours |
| Winter quarter | 3 credit hours |
| Spring quarter | 6 credit hours |
| Summer quarter | 6 credit hours |
| | <hr/> |
| | 24 total credit hours |

$$\text{Service credit} = \frac{24 \text{ total credit hours}}{36 \text{ FTE (12} \times 3 \text{ quarters)}} = .67 = 1.00 \text{ year of service credit}$$

- A college or university has an FTE of 15 hours per semester. A faculty member has the following workload:

| | |
|-----------------|-----------------------|
| Fall semester | 16 credit hours |
| Winter semester | 1 credit hour |
| | <hr/> |
| | 17 total credit hours |

$$\text{Service credit} = \frac{17 \text{ total credit hours} - 1 \text{ credit fall overload}}{30 \text{ FTE (15} \times 2 \text{ semesters)}} = .53 \text{ of a year of service credit}$$

- A college or university's FTE compensation is \$55,000 per year; a member earns \$40,000:

$$\text{Service credit} = \frac{\$40,000}{\$55,000} = .73 = 1.00 \text{ year of service credit}$$

- A member is employed at 50% of full-time service for two quarters. Service credit is based on the percentage of full-time salaried service over three quarters.

$$\text{Service credit} = \frac{50\% \times 2 \text{ quarters}}{3 \text{ quarters}} = .33 \text{ of a year of service credit}$$

- A member teaches a three-credit-hour course during a summer session from June 15 through Aug. 1, 2008, and earns \$3,000. The member earns \$1,000 in the 2007–2008 fiscal year ended June 30, 2008; the remaining \$2,000 is earned July 1 through Aug. 1 in the 2008–2009 fiscal year. Based on an FTE of 12 credit hours per semester, summer service credit would be granted as follows:

$$2007\text{--}2008 \quad \frac{(\$1,000 \div \$3,000)}{24 \text{ FTE (12} \times 2 \text{ semesters)}} \times 3 = .04 \text{ of a year of service credit}$$

$$2008\text{--}2009 \quad \frac{(\$2,000 \div \$3,000)}{24 \text{ FTE (12} \times 2 \text{ semesters)}} \times 3 = .08 \text{ of a year of service credit}$$

- A college or university's summer quarter is split into two sessions. A member works the second session from July 15–Aug. 31 at 100% FTE. The maximum credit that could be earned would be .17 for each summer session. The member's credit would be .17.

Information on the Employer Web Site

You can find more information about calculating service credit using FTE on the Employer Web Site at www.strsoh.org/employer, including an online service credit calculator and answers to frequently asked questions. You can also refer to the Earned Service Credit section of the *STRS Ohio Employers Manual* (also posted on our Web site).

For More Information

Refer to State Teachers Retirement Board Rule **3307:1-2-01**.

Call your employer advisor toll-free at **1-888-535-4050**.

Log on to the STRS Ohio Employer Web Site at **www.strsoh.org/employer**.