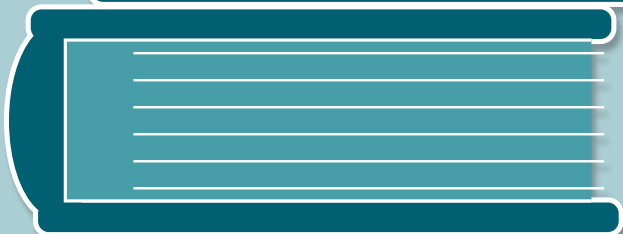
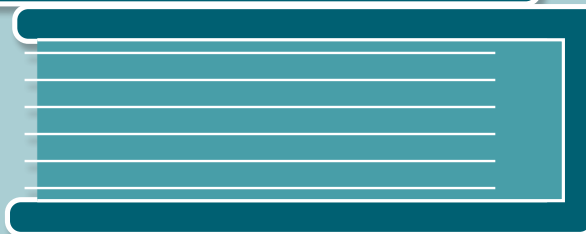
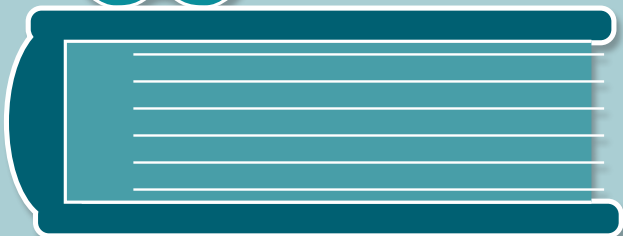


# Service Credit Guidelines

For members enrolled in the  
**Defined Benefit Plan**  
**Combined Plan**



**2018|2019**

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Service credit earned for employment as a teacher or administrator in Ohio public schools, colleges, universities and institutions determines eligibility for benefits under the STRS Ohio Defined Benefit and Combined Plans and is one factor used to calculate benefits. Service credit is reported to you each October on the *Annual Statement of Account*, but is subject to audit and correction before retirement. You should review the account statement every year to ensure the correct service credit and contributions have been reported from your current and past employers. Notify STRS Ohio of any discrepancies so that STRS Ohio can review, and if necessary, adjustments can be made before retirement.

In general, a member earns a year of service credit for each year of actual employment as a teacher or administrator contributing to STRS Ohio. Proportionate credit is earned for part-time employment as a teacher or administrator. You may receive a maximum of one full year of service credit for each STRS Ohio fiscal year. If you have credit in the Ohio Public Employees Retirement System or the School Employees Retirement System and participate in the Defined Benefit Plan, the maximum credit for all three systems combined is still one year in a fiscal year.

STRS Ohio members may purchase service credit for certain types of past employment and leaves of absence when a member was not actually employed as an Ohio public teacher and contributing to STRS Ohio. Information about the types of purchasable service that qualify and the eligibility requirements can be found online at [www.strsoh.org](http://www.strsoh.org) where you can also view and print a *Purchasing Service Credit* brochure.

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This brochure is a summary written in plain language for use by STRS Ohio members. It is not intended as a substitute for the Ohio Revised Code or the Ohio Administrative Code or for any state or federal law or regulation, nor will its interpretation prevail should a conflict arise between it and any law or regulation. More information may be obtained by contacting STRS Ohio toll-free at 888-227-7877.

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## Full-time public teaching service (kindergarten through 12th grade)

For STRS Ohio's purposes, a member is considered to be **full time** when the member's contract:

- Begins and ends on the first and last day of a 365-day calendar year or the first and last day of the normal academic school year; and
- Provides compensation equal to 100% of the full-time salary as defined by the employer's salary schedule for an individual teaching all day, every day of the school year.

### Full-time service occurring on or after Sept. 1, 1971

In determining total credit for benefit purposes, 120 or more days of full-time contributing service as a teacher or administrator for a single employer constitutes 1.00 year of service credit. (Employment must begin no later than the beginning of the academic school year and all 120 or more days must be paid at the full-time daily rate under contract.)

If fewer than 120 full-time days of teaching occur or employment begins after the school year starts, the annual service credit is determined using the part-time service rules.

#### Examples:

**A full-time teacher who began work on the first day of school and received compensation for 120 or more full-time days during the year (July 1–June 30) would receive 1.00 year of service credit. Assuming all 120 days were completed by the end of February in the final year of teaching, the member could retire on the first day of March with a full year of credit.**

**A full-time administrator who began work on July 1 and received compensation for 120 or more full-time days during the year (July 1–June 30) would receive 1.00 year of service credit. Assuming all 120 days were completed by the end of December in the final year of service, the member could retire on the first day of January with a full year of credit.**

## Part-time public teaching service (kindergarten through 12th grade)

**“Part-time” service** means employment on any basis other than full time.

### Part-time service occurring on or after Sept. 1, 1971

If a teacher has taught for one employer for at least 90 days (or at least 500 hours if the actual number of days of service is not available from the employer's records) in a fiscal year (July 1–June 30), service credit is calculated as follows provided that the employment relationship has been in effect for a period of time at least equal to 120 days during the regular academic year:

- If total compensation for the year is an amount at least equal to the first step of the state minimum salary schedule, annual service credit is 1.00 year. (See Page 11 for a year-by-year listing of state minimum salaries.)

#### Example:

**A teacher is employed Aug. 27, 2015, through Feb. 28, 2016, which spans at least 120 workdays, and worked 115 days. The teacher earned \$22,000 and the state minimum salary was \$20,000. Service credit = 1.00 year.**

- If total compensation is less than the first step of the state minimum salary schedule, annual service credit is the greater of:\*
  - Actual days or partial days of service divided by 180; or
  - Hours of service divided by 1,000, but only if the actual number of days of service is not available from the employer's records; or
  - Actual compensation for the year divided by the amount specified as the first step of the state minimum salary schedule.

\*Beginning July 1, 2019, if total compensation is less than the first step of the state minimum salary schedule, annual service credit will be the **lesser** of:

- Actual days or partial days of service divided by 180; or
- Hours of service divided by 1,000 if actual number of days is not available from the employer's records; or
- Actual compensation for the year divided by \$12,000.

**Example:**

A teacher is employed Aug. 27, 2015, through Feb. 28, 2016, which spans at least 120 workdays, and worked 99 days. The teacher earned \$13,200 and the state minimum salary was \$20,000. Service credit is .66 of a year, which is the greater of the following:

- 99 days ÷ 180 days = .55 of a year
- Hours do not apply
- \$13,200 ÷ \$20,000 = .66 of a year

If a teacher has taught for one employer for less than 90 days or less than 500 hours in a fiscal year (July 1–June 30), or if the employer relationship was less than 120 days:

- Service credit is determined by dividing the number of days or partial days for which compensation was paid for actual teaching service by 180.

**Example:**

A teacher worked 75 days.  
Service credit is  $75 \text{ days} \div 180 \text{ days} = .42$  of a year.

- If actual number of days or partial days is not available from payroll records and the teacher is compensated for hourly service, service credit is determined by dividing the number of hours for which compensation was paid by 1,000.

**Example:**

A teacher worked 440 hours. (Payroll records do not reflect the actual number of days employed.) Service credit is  $440 \div 1,000 = .44$  of a year.

If a teacher has worked for a single employer part of a day every day, as required for full-time teachers, annual service credit is 1.00 year.

The table below summarizes how part-time service credit is calculated.

Part-time Employment Status			
Days Worked	Days in Employment Relationship	Is Salary Greater Than State Minimum?*	Service Credit Calculation
≥ 90	≥ 120	Yes	1.00
≥ 90	≥ 120	No	Greater of:** Days ÷ 180 or Total Compensation ÷ State Minimum Salary*
≤ 90	≤ 120	N/A	Days ÷ 180

**Full-time college or university service**

For STRS Ohio’s purposes, a member is considered to be **full time** when the member’s contract:

- Begins and ends on the first and last day of a 365-day calendar or the first and last day of a school year of at least two semesters; and
- Provides compensation equal to 100% of the full-time salary as defined by the college or university’s compensation for full-time workload.

**Full-time service (contract based on percentage of full-time equivalent workload) occurring on or after Sept. 1, 1971**

Two semesters of full-time contributing service as a faculty member for a single employer constitutes 1.00 year of service credit in determining total credit for benefit purposes. (Split summer sessions do not apply.) This rule assumes that the actual number of days employed is not available from employer payroll records.

If fewer than two semesters of teaching occur, the annual service credit is determined using the part-time service rules.

\*For a chart of past and current state minimum salaries, please see the table on Page 11.

\*\*Beginning July 1, 2019, if total compensation is less than the first step of the state minimum salary schedule, annual service credit will be the **lesser** of:

- Actual days or partial days of service divided by 180; or
- Hours of service divided by 1,000 if actual number of days is not available from the employer’s records; or
- Actual compensation for the year divided by \$12,000.

### **Full-time service (contract based on days) occurring on or after Sept. 1, 1971**

This generally applies to administrative service contracts where members are awarded contracts based on days.

In determining total credit for benefit purposes, 120 or more days of full-time contributing service for a single employer constitutes 1.00 year of service credit. (Employment must begin no later than the beginning of the school year.)

If fewer than 120 days of service occur, the annual service credit will be determined using the part-time service rules.

#### **Example:**

A full-time administrator who began work on July 1 and received compensation for 120 or more full-time days during the year (July 1–June 30) would receive 1.00 year of service credit. Assuming these 120 days were completed during December in the final year of service, the member could retire on the first day of January with a full year of service credit.

## **Part-time college or university service**

“**Part-time**” service means employment on any basis other than full time.

### **Part-time service (contract based on full-time equivalent workload) occurring on or after Sept. 1, 1971**

Service credit earned on a contract, which is issued as a percentage of full-time equivalent (FTE), is determined in accordance with the actual contracted workload percentage averaged over two semesters during the year. (Assumes actual number of days employed is not available from employer payroll records.)

Semester examples:

- Contract for 50% of FTE for two semesters:  $(50\% \times 2 \text{ semesters}) \div 2 \text{ semesters} = .50$  of a year of service credit.

- Contract for 75% of FTE for two semesters:  $(75\% \times 2 \text{ semesters}) \div 2 \text{ semesters} = (.75) = 1.00$  year of service credit.\*

### **Part-time service (contract based on days) occurring on or after Sept. 1, 1971**

If less than 120 full-time days, service credit is calculated on the actual number of days employed.

If a faculty member has taught for one employer for at least 90 days (or at least 500 hours if the actual number of days of service is not available from the employer’s records) in a fiscal year (July 1–June 30), service credit is calculated as follows provided that the employment relationship has been in effect for a period of time at least equal to 120 days during the regular academic year:

- If total compensation for the year is an amount at least equal to the first step of the state minimum salary schedule, annual service credit is 1.00 year. (See Page 11 for a year-by-year listing of state minimum salaries.)

#### **Example:**

A professor is employed Aug. 27, 2015, through Feb. 28, 2016, which spans at least 120 workdays, and worked 115 days. The professor earned \$22,000 and the state minimum salary was \$20,000. Service credit = 1.00 year.

- If total compensation is less than the first step of the state minimum salary schedule, annual service credit is the greater of:\*\*
  - Actual days of service divided by 180; or
  - Hours of service divided by 1,000, but only if the actual number of days of service is not available from the employer’s records; or
  - Actual compensation for the year divided by the amount specified as the first step of the state minimum salary schedule.

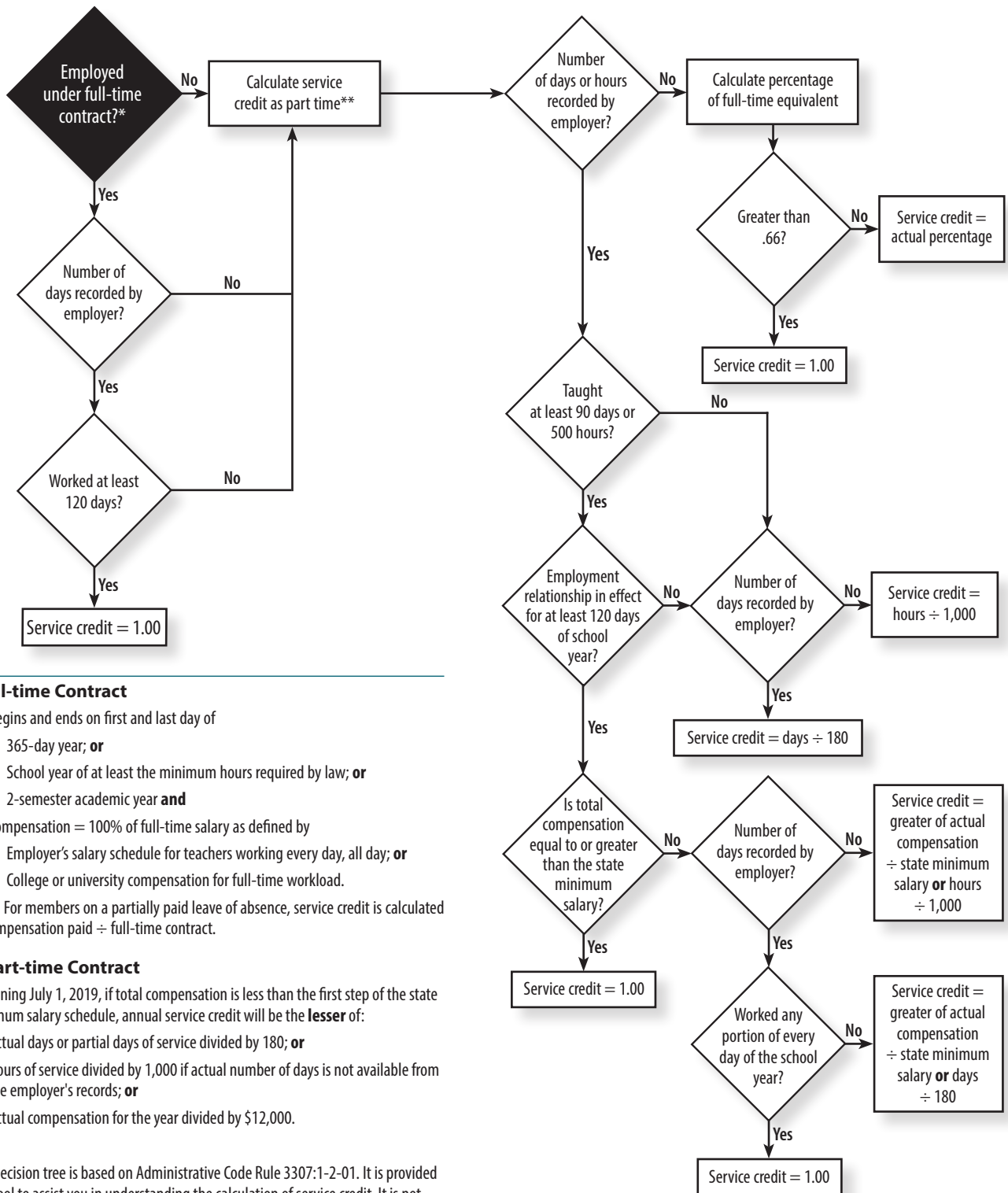
*(continued on Page 10)*

\*Service credit earned for a year (July 1–June 30) greater than .66 equals 1.00.

\*\*Beginning July 1, 2019, if total compensation is less than the first step of the state minimum salary schedule, annual service credit will be the **lesser** of:

- Actual days or partial days of service divided by 180; or
- Hours of service divided by 1,000 if actual number of days is not available from the employer’s records; or
- Actual compensation for the year divided by \$12,000.

# Service Credit Decision Tree — Effective Jan. 19, 1996



## \*Full-time Contract

1. Begins and ends on first and last day of
  - 365-day year; **or**
  - School year of at least the minimum hours required by law; **or**
  - 2-semester academic year **and**
2. Compensation = 100% of full-time salary as defined by
  - Employer's salary schedule for teachers working every day, all day; **or**
  - College or university compensation for full-time workload.

**Note:** For members on a partially paid leave of absence, service credit is calculated as compensation paid ÷ full-time contract.

## \*\*Part-time Contract

Beginning July 1, 2019, if total compensation is less than the first step of the state minimum salary schedule, annual service credit will be the **lesser** of:

- Actual days or partial days of service divided by 180; **or**
- Hours of service divided by 1,000 if actual number of days is not available from the employer's records; **or**
- Actual compensation for the year divided by \$12,000.

This decision tree is based on Administrative Code Rule 3307:1-2-01. It is provided as a tool to assist you in understanding the calculation of service credit. It is not intended to be a comprehensive description of the rule.

**Example:**

A professor is employed Aug. 27, 2015, through Feb. 28, 2016, which spans at least 120 workdays, and worked 99 days. The professor earned \$13,200 and the state minimum salary was \$20,000. Service credit is .66 of a year, which is the greater of the following:

- $99 \text{ days} \div 180 \text{ days} = .55 \text{ of a year}$
- Hours do not apply
- $\$13,200 \div \$20,000 = .66 \text{ of a year}$

If a faculty member has taught for one employer for less than 90 days or less than 500 hours in a fiscal year (July 1–June 30), or if the employer relationship was less than 120 days:

- Service credit is determined by dividing the number of days or partial days for which compensation was paid for actual teaching service by 180.

**Example:**

A professor worked 75 days.  
Service credit is  $75 \text{ days} \div 180 \text{ days} = .42 \text{ of a year}$ .

- If actual number of days or partial days is not available from payroll records and the faculty member is compensated for hourly service, service credit is determined by dividing the number of hours for which compensation was paid by 1,000.

**Example:**

A professor worked 440 hours. (Payroll records do not reflect the actual number of days employed.) Service credit is  $440 \div 1,000 = .44 \text{ of a year}$ .

**Summer school service**

Members who teach during a summer session between two full-time school years ordinarily do not earn additional service credit, but they do make contributions to STRS Ohio. Some teachers who are not otherwise earning a full year of service credit for the school years before and after a summer session may be granted service credit as follows, although no more than a year of service credit can ever be earned for a year beginning July 1 and ending June 30.

Ohio Administrative Code Rule 3307: 1-2-01 Service Credit Calculation			
No Experience — BS Degree			
Fiscal Year	State Minimum Salary	Fiscal Year	State Minimum Salary
1971–72	\$5,800	1995–96	\$17,000
1972–73	6,400	1996–97	17,000
1973–74	6,400	1997–98	17,000
1974–75	6,400	1998–99	17,000
1975–76	7,400	1999–00	17,000
1976–77	7,900	2000–01	17,000
1977–78	8,400	2001–02	20,000
1978–79	8,900	2002–03	20,000
1979–80	9,500	2003–04	20,000
1980–81	10,100	2004–05	20,000
1981–82	10,500	2005–06	20,000
1982–83	11,500	2006–07	20,000
1983–84	12,100	2007–08	20,000
1984–85	12,700	2008–09	20,000
1985–86	13,700	2009–10	20,000
1986–87	14,800	2010–11	20,000
1987–88	14,900	2011–12	20,000
1988–89	15,100	2012–13	20,000
1989–90	16,000	2013–14	20,000
1990–91	16,700	2014–15	20,000
1991–92	16,700	2015–16	20,000
1992–93	17,000	2016–17	20,000
1993–94	17,000	2017–18	20,000
1994–95	17,000	2018–19	20,000

Service credit for summer is based on a .50 for a semester. Split summer sessions are prorated so that the maximum credit allowed for all summer sessions is .50 for a semester. Service credit calculations are based on the university calendar rather than an individual faculty member’s schedule.

Summer service split by the fiscal year change (July 1) is prorated between the two fiscal years. Service credit earned before July 1 is credited to the previous fiscal year. Service credit earned July 1 and after is credited to the next fiscal year. See the examples on Page 13.

Service credit earned during summer sessions is added to service credit earned during the academic year to determine total service credit for the fiscal year. Therefore, service credit earned July 1 and after can be added to other FTE credit for that year and, if the total credit exceeds .66, the service credit for the year will be 1.00 year.

Service credit based on days for summer employment cannot be combined with service credit based on FTE for the academic year to determine total service credit.

**Note:** STRS Ohio has established general maximum credit limit guidelines for summer sessions which have been divided into shorter units (see the table below). Specific situations may vary.

Session Length	Maximum Credit (Cap)
9–16 weeks	.50
5–8 weeks	.25
3–4 weeks	.12
1–2 weeks	.06

**Example:**

**Service credit prorated between fiscal years using weeks**

A member wants to work the summer semester before retiring. He is teaching a three-credit hour course for the entire 10-week session from May 19–July 28. The member works six weeks (May 19–June 30) during the 2016–2017 fiscal year and four weeks (July 3–28) during the 2017–2018 fiscal year. Based on an FTE of 12 credit hours per semester, prorated summer service credit using weeks would be calculated as follows:

**2016–2017**

$$\frac{3 \text{ credit hours}}{24 \text{ FTE (12 x 2 semesters)}} \times \frac{6 \text{ weeks}}{10 \text{ weeks}} = .08 \text{ service credit}$$

**2017–2018**

$$\frac{3 \text{ credit hours}}{24 \text{ FTE (12 x 2 semesters)}} \times \frac{4 \text{ weeks}}{10 \text{ weeks}} = .05 \text{ service credit}$$

**Example:**

**Service credit prorated between fiscal years using compensation earned**

A member teaches a three-credit hour course during a summer session from May 17–July 26, 2017, and earns \$6,000. The member earns \$3,600 in the 2016–2017 fiscal year ended June 30, 2017; the remaining \$2,400 is earned July 3–26 in the 2017–2018 fiscal year. Based on an FTE of 12 credit hours per semester, prorated summer service credit using compensation earned would be calculated as follows:

**2016–2017**

$$\frac{(\$3,600 \div \$6,000)}{24 \text{ FTE (12 x 2 semesters)}} \times 3 = .08 \text{ service credit}$$

**2017–2018**

$$\frac{(\$2,400 \div \$6,000)}{24 \text{ FTE (12 x 2 semesters)}} \times 3 = .05 \text{ service credit}$$



## Any teaching or administrative service occurring before Sept. 1, 1971

Service credit shall be the greater of:

- Percentage of annual contract earned;
- Full or partial days employed divided by 180; or
- Hours paid divided by 1,000.

## Nonteaching periods (leaves of absence)

Service credit granted for nonteaching periods is determined by comparing the amount you earn to the amount you would have earned for full-time employment if the nonteaching period had not occurred. Contributions must be made on a full year's salary for a full year of credit to be granted.

Nonteaching periods include unpaid sick leave, professional leaves and sabbatical leaves with partial pay. Leaves with no pay for teachers (kindergarten through 12th grade) are also included under this section of the law.

### Example:

If a teacher is on a partially paid leave of absence and earns \$10,000 in a year in which the full-time earnings would have been \$30,000, the teacher will earn .33 of a year of service credit ( $\$10,000 \div \$30,000$ ).

Further information about purchasing credit for leaves of absence as well as a *Purchasing Service Credit* brochure are available at [www.strsoh.org](http://www.strsoh.org).

## Contacting STRS Ohio

### By phone: 888-227-7877 (toll-free)

Our dedicated team of member service representatives is available to answer your questions when you need them.

- Call Monday–Friday, 8 a.m.–5 p.m.

When you need more detailed information, our benefits counselors can provide you with one-on-one consultation in our Columbus office, through a teleconference or during field counseling sessions held throughout the state each year.

### On the Internet: [www.strsoh.org](http://www.strsoh.org)

A quick way to access information is through STRS Ohio's website, where you will find the items below and much more.

- Benefit information (while teaching and in retirement)
- Online Personal Account information
- Videos and on-demand webinars
- Counseling and seminar information
- STRS Ohio publications and forms
- Benefit calculators

### By email: [contactus@strsoh.org](mailto:contactus@strsoh.org)

### Email news service

STRS Ohio updates members about legislation, benefits and other issues affecting the STRS Ohio membership through our email news service — *eUPDATE*. All members with an email on file receive the *eUPDATE*.



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## Publications available

The following STRS Ohio publications are available on the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org) or by calling toll-free 888-227-7877.

- *Account Withdrawal*
- *Comprehensive Annual Financial Report*
- *Death Benefits*
- *Disability Allowance*
- *Disability Benefits (Combined Plan)*
- *Disability Retirement*
- *Educational Opportunities*
- *Employment After Retirement*
- *Preparing for Retirement*
- *Purchasing Service Credit*
- *Service Credit Guidelines*
- *Service Retirement and Plans of Payment*
- *Survivor Benefits*
- *Understanding Your STRS Ohio Benefits — Plan Summary*

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