



Calculating Service Credit (FTE)

for College and University Educators

Service credit is an important part of a member's retirement benefit calculation. Administrative Code Rule 3307-1-2-01 specifies that the number of days of service be used in determining total service credit for STRS Ohio purposes. However, many colleges and universities maintain that payroll records do not reflect the number of days of service. Therefore, the rule also allows for the calculation of service credit based on the percentage of "full-time equivalent" (FTE) when days are not available.

Using Days or Hours

Colleges and universities should use a calculation based on the number of days or partial days of paid service. This calculation should be used for educators whose contract is based on days or hours worked. Any portion of a day that is worked is considered a day for service credit calculation purposes. Please note the following:

- Service credit for full-time (year-round) administrative faculty should be calculated based upon days.
- Service credit for noncredit hour instructors should be based upon days or hours worked.

For more information, please see the *Calculating Service Credit (Days or Hours)* fact sheet on the employer website.

Full-Time Equivalent (FTE)

If the number of days or hours is unknown, service credit for college and university educators can also be determined on the basis of the institution's FTE workload. FTE is based upon the school's definition and does vary by institution. A typical FTE based on credit hours is 12 or 15 credit hours.

Please note:
*Important points
to remember when
calculating service
credit using FTE.*

- A full year of service credit is earned when the educator's workload averaged over two semesters during the fiscal year exceeds 66% of the FTE.
- The maximum credit that can be earned for a semester at 100% FTE is .50 of a year.
- The entire semester must occur within the fiscal year for the educator to receive full credit for that semester. STRS Ohio's fiscal year is July 1–June 30.
- Service credit for sessions that cross fiscal years must be prorated. Credit can be divided between fiscal years by days, weeks or compensation (earnings).
- Service credit granted for semesters divided into shorter units (e.g., split summer sessions) is limited to that unit's portion of a full semester.

Note: STRS Ohio has established general maximum credit limit guidelines for summer sessions which have been divided into shorter units. 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 |

Refer to the reverse side of this fact sheet for examples and sample calculations.

(continued)



Full-Time Equivalent (FTE) Examples

Service credit exceeding 66% of educator's workload

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

| | |
|-----------------|------------------------|
| Fall semester | 9 credit hours |
| Spring semester | 6 credit hours |
| Summer semester | 1 credit hour |
| | <u>16 credit hours</u> |

$$\text{Service credit} = \frac{16 \text{ credit hours}}{24 \text{ FTE (12 x 2 semesters)}} = .67 = 1.00 \text{ year of service credit}$$

Maximum service credit per semester .50

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

| | |
|-----------------|------------------------|
| Fall semester | 16 credit hours |
| Spring semester | <u>15 credit hours</u> |
| | 31 credit hours |

$$\text{Service credit} = \frac{31 \text{ total credit hours} - 1 \text{ credit hour overload}^*}{30 \text{ FTE (15 x 2 semesters)}} = 1.0 \text{ of a year of service credit}$$

***Note:** The 16 credit hours for the fall semester exceeded the FTE of 15 hours, one hour overload must be subtracted from the total credit hours.

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 20–July 26. The member works six weeks (May 20–June 28) during the 2018–2019 fiscal year and four weeks (July 1–26) during the 2019–2020 fiscal year. Based on an FTE of 12 credit hours per semester, prorated summer service credit using weeks would be calculated as follows:

$$2018-2019 \quad \frac{3 \text{ credit hours}}{24 \text{ FTE (12 x 2 semesters)}} \times \frac{6 \text{ weeks}}{10 \text{ weeks}} = .08 \text{ service credit}$$

$$2019-2020 \quad \frac{3 \text{ credit hours}}{24 \text{ FTE (12 x 2 semesters)}} \times \frac{4 \text{ weeks}}{10 \text{ weeks}} = .05 \text{ service credit}$$

Service credit prorated between fiscal years using compensation earned

A member teaches a three-credit hour course during a summer session from May 13–July 19, 2019, and earns \$6,000. The member earns \$3,600 in the 2018–2019 fiscal year ended June 30, 2019; the remaining \$2,400 is earned July 1–19 in the 2019–2020 fiscal year. Based on an FTE of 12 credit hours per semester, prorated summer service credit using compensation earned would be calculated as follows:

$$2018-2019 \quad \frac{(\$3,600 \div \$6,000)}{24 \text{ FTE (12 x 2 semesters)}} \times 3 = .08 \text{ service credit}$$

$$2019-2020 \quad \frac{(\$2,400 \div \$6,000)}{24 \text{ FTE (12 x 2 semesters)}} \times 3 = .05 \text{ service credit}$$

Service credit divided into shorter units

A college or university's summer semester is split into two sessions. Summer Session I: May 13–June 28 (seven weeks) and Summer Session II: July 1–Aug. 16 (seven weeks). Service credit is limited to the unit's portion of a full semester (.50). The maximum credit that could be earned would be .25 for each summer session. A member works the second session at 100% FTE. The member's service credit would be .25 for the second session.