

Higher Education Essentials: Part 2

Calculating Service Credit Using FTE

What is service credit?

Service credit is the number of years earned through contributing service or purchased for certain types of past employment and leaves of absence.

Service credit is used to determine a member's eligibility to retire and to calculate the monthly benefit. Service credit is calculated by employers in accordance with Section 3307.53, Revised Code, and Administrative Code Rule 3307:1-2-01.

The Administrative Code Rule specifies that if actual number of days worked is available, the employer **must** use days to calculate service credit. Service credit is reported as a percentage of 1.00 full year and is granted for service from July 1 through June 30 of each year.

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 full-time equivalent (FTE) workload. FTE varies by institution.

How do I calculate service credit since we don't track days worked?

When workdays or hours are unknown, it may be easier to consider the type of position held by the individual when determining how to calculate service. Overall, STRS Ohio-covered members likely fall into one of four categories:

- 1) Full-time administrative faculty;
- 2) Credit hour teaching faculty;
- 3) Noncredit hour teaching faculty; or
- 4) Faculty on leave.

The following guidelines give options for calculating service for each employee group.

Calculating Service Credit Checklist

- Determine which method of service credit calculation you will use for each group
- Read all guidelines
- If using days or hours for any group, consult the *Service Credit Decision Tree* or online calculator
- If using FTE, be sure to follow all guidelines for that group
- Service credit cannot exceed .50 per semester
- Service credit for summer sessions that cross fiscal years must be prorated



Full-time administrative faculty

Service credit must be calculated using the same method for all full-time administrative faculty.

Option 1 — If you know days worked, you must calculate service credit using days. Once 120 days are worked, member receives full year of service credit.

Option 2 — If days are not known, service credit should be calculated as actual earnings ÷ contract amount. A full year of service credit is earned when the calculation exceeds 66%.

Example:

Days are not counted by your university. One of your academic deans is retiring effective Feb. 1. His regular contract amount for a full year is \$120,000. By the end of January, he earned \$80,000. His service credit would be calculated as follows:

= Actual earnings ÷ contract amount
= \$80,000 ÷ \$120,000 = 0.67
= Employer would report 1.00 year of service credit since the calculation is greater than 66%.

Full-time or part-time credit hour teaching faculty

Your college or university must determine its full-time equivalent and notify STRS Ohio. A typical FTE based on credit hours is 12 or 15 credit hours for most colleges and universities.

Once your FTE is established, you will add the total number of credit hours worked per semester, subtract any overload hours and divide by the total number of FTEs in the year to calculate service credit. Overload hours are the number of hours worked exceeding the set FTE.

A full year of service credit is earned when the calculation exceeds 66%.

Example 1 (with overload):

Your university has set 12 credit hours as the FTE per semester. A faculty member works 13 credit hours in fall semester and 6 credit hours in spring semester. Her service credit would be calculated as follows:

= (Fall + Spring – Overload) ÷ Total FTEs
= (13 credit hours + 6 credit hours – 1 credit hour) ÷ (12 credit hours x 2 semesters)
= 18 ÷ 24 = 0.75
= Employer would report 1.00 year of credit since the calculation is greater than 66%.

Example 2 (no overload):

Your university has set 15 credit hours as the FTE per semester. A faculty member works 9 credit hours in the fall and 6 credit hours in the spring. His service credit would be calculated as follows:

= (Fall + Spring – Overload) ÷ Total FTEs
= (9 credit hours + 6 credit hours) ÷ (15 credit hours x 2 semesters)
= 15 ÷ 30 = 0.50
= Employer would report 0.50 year of service credit.

Full-time or part-time noncredit hour teaching faculty

Service credit must be calculated using the same method for all noncredit hour faculty. In option 2 shown below, a full year of service credit is earned when the calculation exceeds 66%.

Option 1 — If the individual is paid hourly, employers can calculate service based on hours. For more information on calculating service credit by hours, please refer to the *Service Credit Decision Tree* available on the employer website.

Option 2 — If you choose not to calculate service based on hours, the college or university must determine a reasonable measure of the salary or other qualifications that would normally qualify an individual to be considered full time. In other words, the employer must determine criteria that would allow an individual to have the same pay and fringe benefits (i.e., health insurance) as other full-time staff.



- A. If you are able to determine a particular salary as a full-time measure, then service credit could be calculated as (total of actual earnings per semester – overload earnings) ÷ reasonable annual full-time salary determination.*

*Recommended calculation.

Example:

Your university has determined that an individual earning \$50,000 annually (\$25,000 per semester) would normally be eligible for full-time benefits at the university. An individual teaching noncredit hour courses earned \$26,000 in fall semester and \$14,000 in spring semester. Her service credit would be calculated as follows:

$$\begin{aligned} &= (\text{Actual earnings per semester} - \text{overload earnings}) \div \text{reasonable full time salary determination} \\ &= (\$26,000 + \$14,000 - \$1,000) \div \$50,000 \\ &= \$39,000 \div \$50,000 = 0.78 \\ &= \text{Employer would report 1.00 year of service credit.} \end{aligned}$$

- B. If you are unable to determine a reasonable salary, you may be able to make a reasonable determination by converting hours to credit hours and calculate using FTEs.

Example:

Your university has an FTE of 12 credit hours per semester. You determine that 10 hours of work would be equivalent to 1 credit hour. A noncredit hour individual works 50 hours each semester. This equates to 5 credit hours per semester. Using the FTE method as outlined for credit hour teaching faculty, this individual's service credit would be calculated as follows:

$$\begin{aligned} &= (\text{Fall} + \text{Spring} - \text{Overload}) \div \text{Total FTEs} \\ &= (5 \text{ credit hours} + 5 \text{ credit hours}) \div (12 \text{ FTE} \times 2 \text{ semesters}) \\ &= 10 \div 24 = 0.42 \\ &= \text{Employer would report 0.42 year of service credit.} \end{aligned}$$

Faculty on a partially paid leave of absence

Service credit calculation for an individual on a partially paid leave of absence is the compensation paid ÷ compensation the member would have received if he or she had remained working in the position held. Calculated service credit from 0.66 to 0.99 is **not** rounded up to one year of credit when calculating service for a leave of absence.

Example:

A full-time teaching faculty member takes a professional leave of absence after earning \$50,000 of his \$75,000 regular salary. His service credit would be calculated as follows:

$$\begin{aligned} &= \text{Compensation paid} \div \text{regular annual salary} \\ &= \$50,000 \div \$75,000 = 0.67 \\ &= \text{Employer would report 0.67 year of service credit.} \end{aligned}$$

Note: Since the faculty member is on a professional leave, he would be able to purchase remaining service credit if desired.

Are there any other general rules I should be aware of when calculating service credit?

There are a few other guidelines that must be taken into account when calculating service credit.

- The maximum credit that can be earned for a semester is 0.50 of a year.
- Service credit for summer sessions that cross fiscal years must be prorated. Credit can be divided between fiscal years by days, weeks or compensation.
- Service credit granted for semesters divided into shorter units, such as split summer sessions, is limited to that unit's portion of a full semester.

For more information on prorating summer service credit or split summer sessions, please see the *Calculating Service Credit (FTE) for College and University Educators* fact sheet available on the employer website.



How do I correct service credit for a prior year?

Send an email to report@strsoh.org or a letter to STRS Ohio with the member's name, last four digits of his or her Social Security number, fiscal year being corrected, correct service credit and the method used to substantiate corrected service credit calculation.



Higher Education Essentials: Part 2 Online Resources

ESS

Being a successful user

Logging in

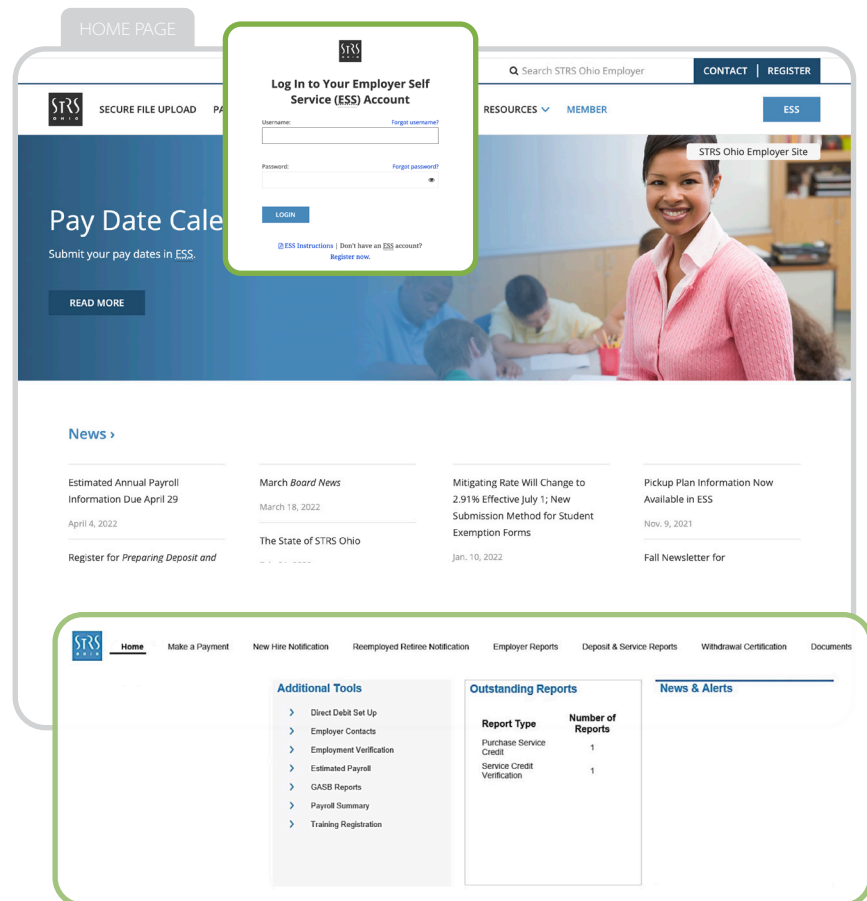
The Employer Self Service (ESS) area of the STRS Ohio Employer Website offers an avenue for submitting a variety of reports to STRS Ohio in a safe, secure and easy way. Here are a few tips that may help you log in and navigate the site:

- Be sure you are logging in on the employer website (www.strsoh.org/employer). Our member site and employer site look similar, so bookmark the employer site.
- Passwords are case sensitive. Make sure your caps lock key is not on.
- Passwords must have at least one number, one letter and one special character.
- Never share user names or passwords. All users should have their own login credentials.
- Review our online ESS instructions for more tips.

Submitting reports and payments

Once logged in, you can complete and submit the following reports to STRS Ohio:

- New hire and reemployed retiree notifications
- Payroll adjustments
- Backpostings
- Alternative retirement plan (ARP) monthly contribution reports and adjustments
- Service credit verifications
- Accrued verifications



- Violation period certifications
- Pay date calendars
- Purchase service credit reports
- Deposit and service reports
- Estimated annual payroll
- Employment verification

For employers who report solely through the web, ESS also offers payroll report and annual report submission. If you do not submit these reports via ESS, you can still view them in ESS after they have been received and processed.



Employers can also submit payments through our direct debit system in ESS. Please see the tutorials in the Education & Training section of our website.

Additional tools

In the Documents section of ESS, you can find your *Employer Detail Listing*, new hire and reemployed notification confirmation reports, annual adjustment summaries, delinquent membership notification reports and pay date calendars. GASB 68 reports are also available in this section.

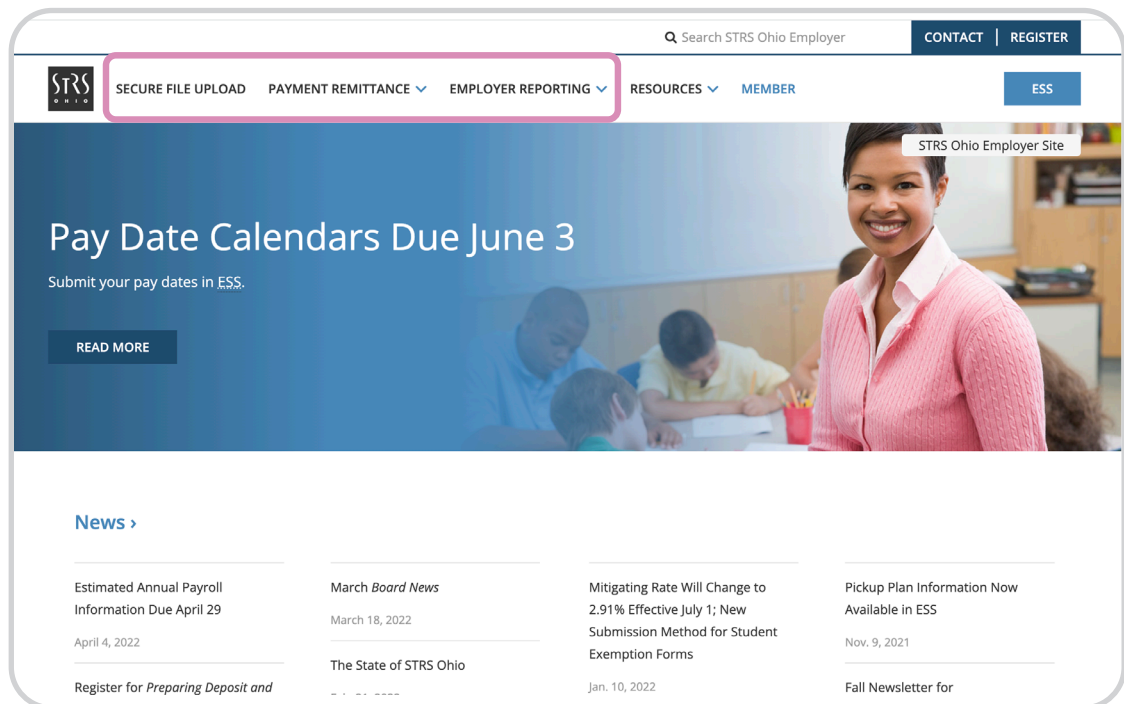
Under Additional Tools, click on “Payroll Summary” to view total member contributions reported in a chosen time frame by the district as a whole or by individual members. This can be helpful when reconciling current year reporting for a deposit and service report.

Registering for workshops and training classes

In the Additional Tools menu on the home page of ESS, click on “Training Registration.” Under Upcoming Events, enter the date range for the time period you are looking for and click “Search.” Select the program you’d like to attend and click on the gray “A” box. (If a seat is available, the box will turn green. If the program is full, a blue “WL” box will appear. Click on it to be added to the waitlist.) Register each attendee and click “Confirm.” If there is a fee for the workshop, STRS Ohio will send you an invoice.

Topic Driven Website

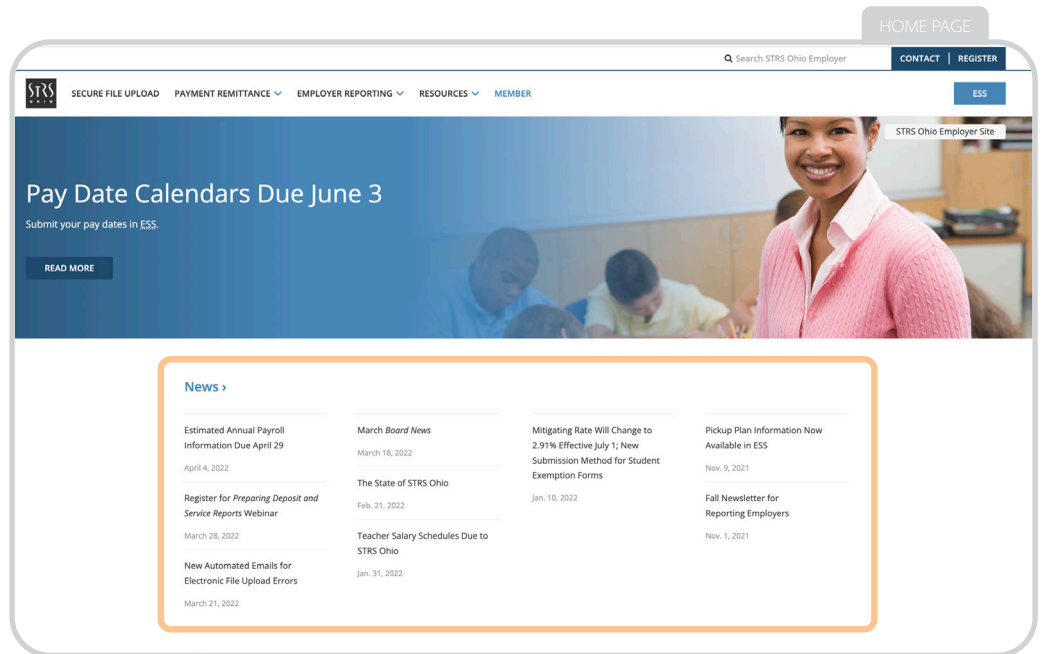
The home page features a list of the most common topics reporting employers need to know about. Click on a topic to find detailed information as well as related publications and videos in each section.



News

Hot topics

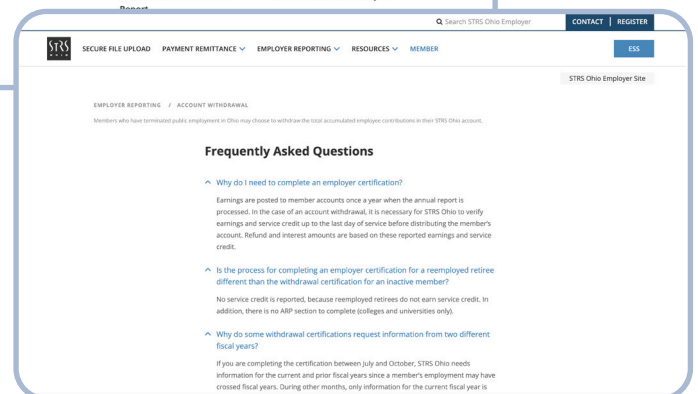
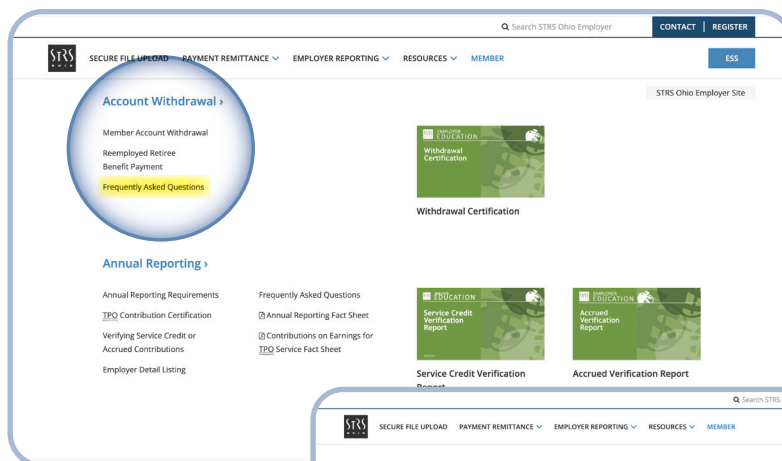
All recent news for employers can be found on the home page in the News section. Click on a subject to stay current on relevant information. Hot topics or upcoming training events are also featured in the main image on the home page. To learn more about the featured topic, just click on the image.



FAQs

Click before you call

If you are preparing to contact STRS Ohio with a general question, chances are you aren't the first person to ask. Most sections of the employer website contain a Frequently Asked Questions link. Click on it to find questions and answers related to each topic.



Education & Training

Education and you

The Education & Training section provides an overview of your main responsibilities as reporting employers, as well as information about workshops and training opportunities available, past employer workshop workbooks, tutorials and on-demand webinars.

Workshops & Training

- Employer workshops and training:
 - Overview of programs offered
 - List of upcoming workshops and training dates
 - How to register
- Past workbooks and training materials

Tutorials & Webinars

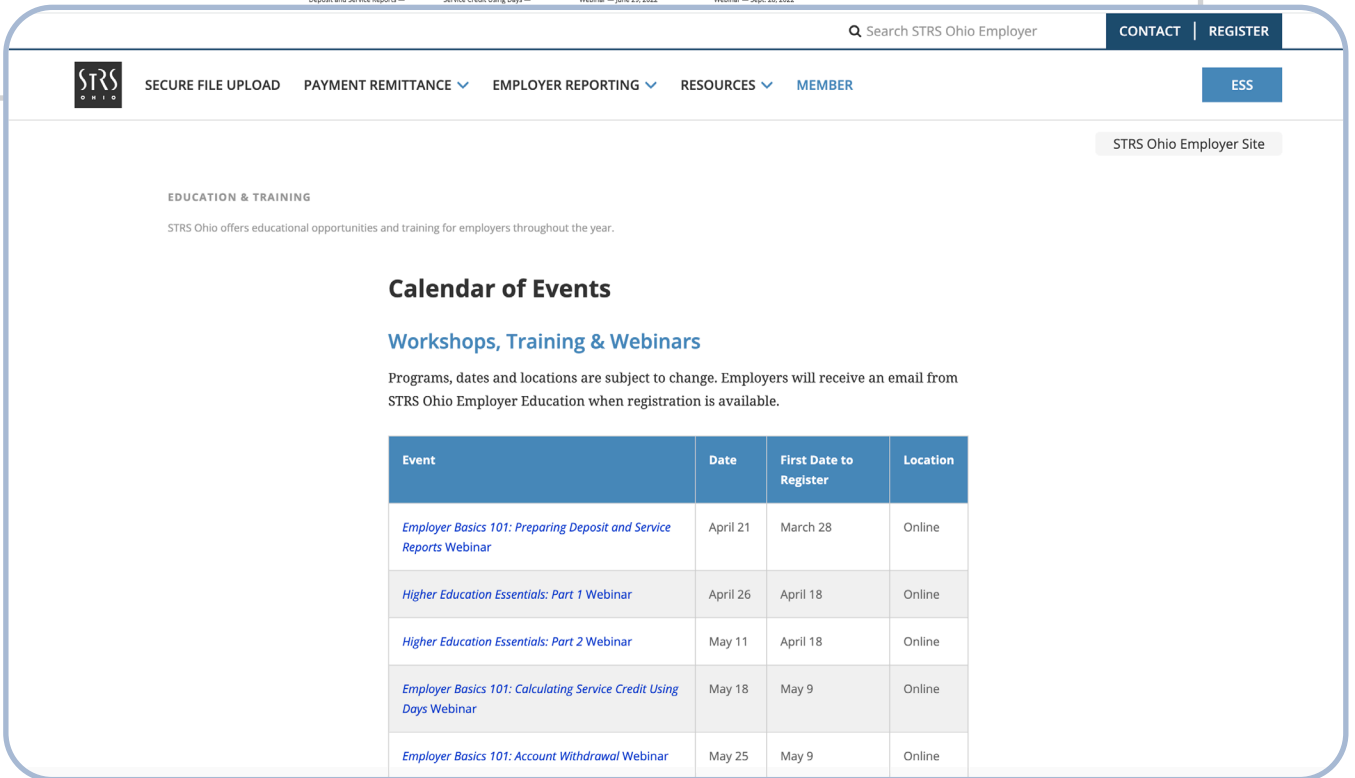
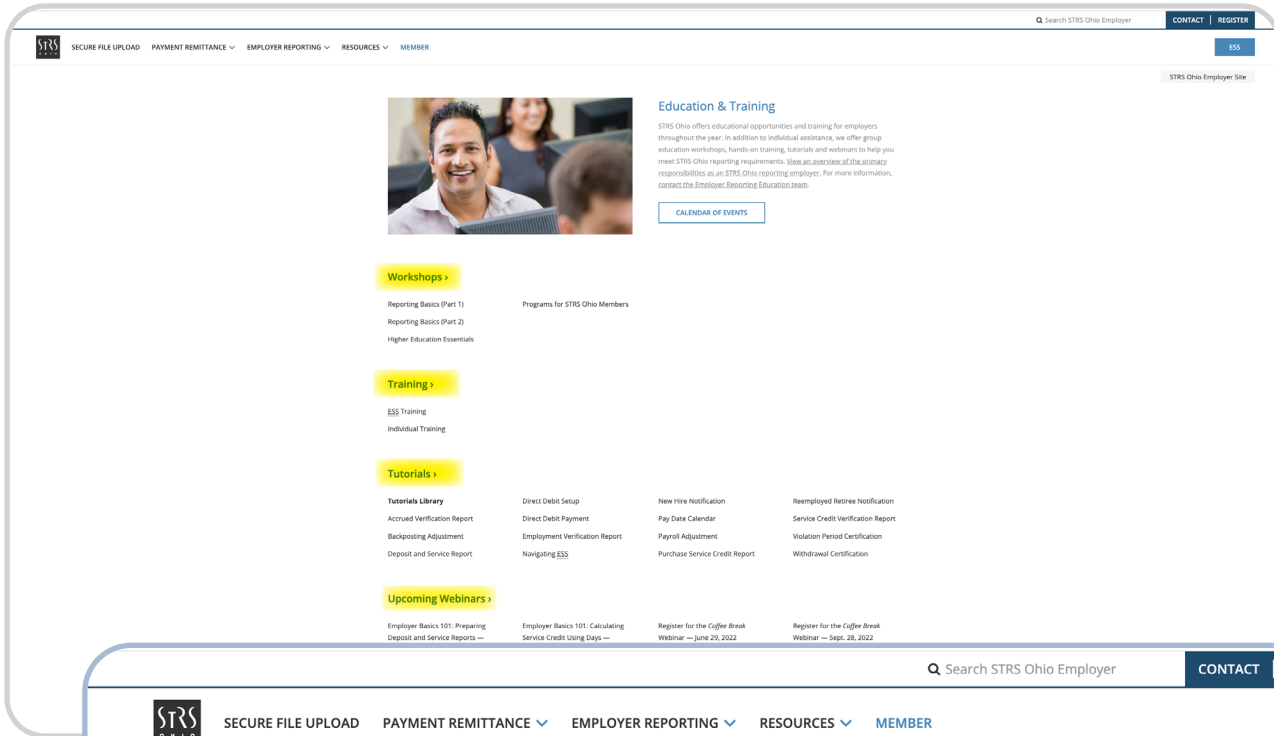
- Tutorials on how to complete reports in ESS
- A list of live webinar dates for the year
- Recorded webinars library

The screenshot shows the 'Education & Training' page on the STRS Ohio Employer Site. At the top right, there are links for 'HOME PAGE', 'CONTACT', and 'REGISTER'. Below these is a search bar labeled 'Search STRS Ohio Employer' and a navigation menu with 'SECURE FILE UPLOAD', 'PAYMENT REMITTANCE', 'EMPLOYER REPORTING', 'RESOURCES', and 'MEMBER'. A blue 'ESS' button is also visible. The main content area features a section for 'Education & Training' with a sub-section for 'Upcoming Event: Employer Basics 101: Preparing Deposit and Service Reports Webinar'. Below this is a 'Recent Webinar & Tutorial Videos' section with three video thumbnails: 'Pay Date Calendar', 'Employer Self Service (ESS) Training: Part 1', and 'Employer Self Service (ESS) Training: Part 2'. Each thumbnail includes a brief description of the content. At the bottom of the page, there is a button labeled 'VIEW THE ENTIRE CALENDAR OF EVENTS'.

Find upcoming education opportunities



Workshops, Training, Tutorials and Webinars

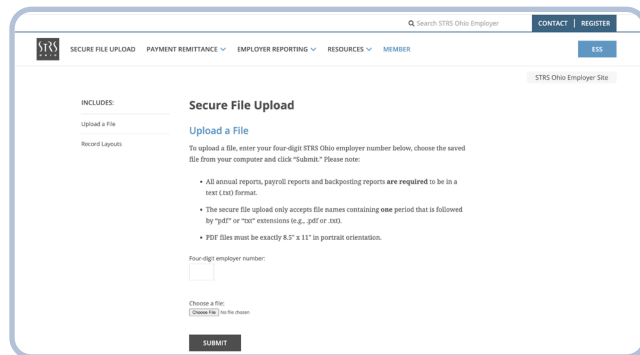
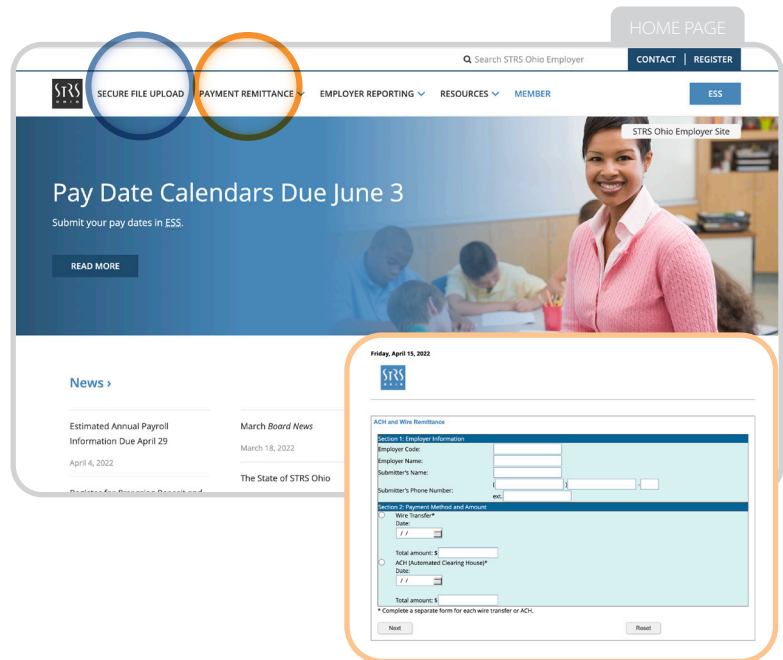


Secure File Upload

Safely submitting files

You can submit electronic files using the secure file upload accessed on our home page. By entering your four-digit employer number and then browsing for the file you want to upload, you can securely send information to STRS Ohio. Uploaded files can contain any or all of the following record types:

- Payroll report and monthly ARP reports
- Annual report
- New hire notification
- Reemployed retiree notification
- Prior fiscal year/backposting adjustment
- PDF of SSA-1945 form for new hires
- Salary schedules or average salary increase



Some details to keep in mind when uploading your file:

- A user name and password are not required to send files.
- PDF files must be exactly 8.5" x 11" and in portrait orientation.
- Do not encrypt the file. Encrypted files will be rejected.
- The file must be in ASCII format and follow the record layout provided on the Secure File Upload page.
- The maximum file size is 15 MB. Files exceeding 15 MB will be rejected.

Payment Remittance

Delivering details

When you remit payments by wire transfer or ACH, you must submit a payment remittance form to STRS Ohio. Payment remittance forms provide specific information about the payment, which allows us to match payments with the corresponding payroll report or invoice. Without these details, payments cannot be processed properly.

When you send a payment via wire transfer or ACH, submit an online payment remittance form. It can be found under Payment Remittance at the top of the home page.

STRS Ohio does not accept checks for member and employer contributions, but you may send a check for miscellaneous payments such as ARP contributions or adjustment of a member's account. Please send the paper *Check Remittance* form with your check.

Direct debit payments in ESS do not require a payment remittance form.



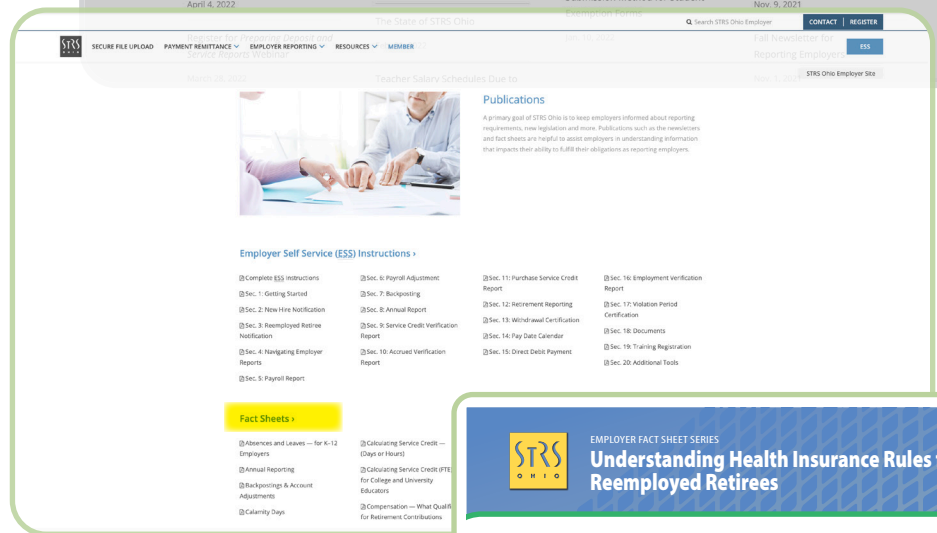
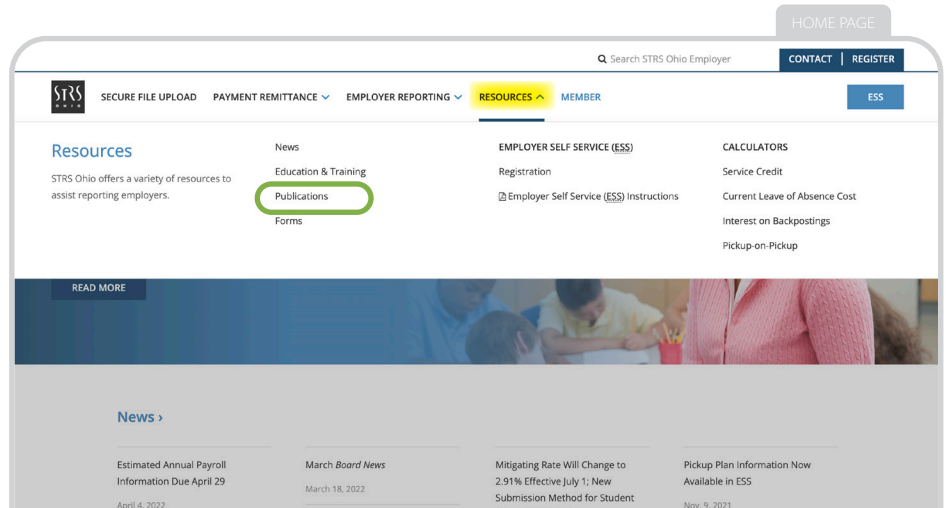
Publications

Plentiful resources

The Publications section of our site contains a variety of resources to assist you in understanding your responsibilities as an STRS Ohio employer.

In the Publications section, you will find the ESS Instructions, as well as a Fact Sheet series on a variety of topics important to employers. If you can't find the answer to a question in the FAQs, check the Fact Sheets. This series features more in-depth information on popular topics including leaves of absence, membership, calculating service credit and more.

Other publications needed periodically such as file record layouts, STRS Ohio's *Annual Comprehensive Financial Report* and newsletters can also be found under Publications.



EMPLOYER FACT SHEET SERIES

Understanding Health Insurance Rules for Reemployed Retirees

The federal Affordable Care Act (ACA) contains health insurance responsibilities for employers. ACA provisions can be difficult to understand, making it challenging to distinguish responsibility between employers and STRS Ohio. The following information and flow chart provide clarification on these responsibilities.

In general, the ACA requires employers with 50 or more full-time employees to offer minimum essential coverage to full-time workers. The fact that STRS Ohio offers health care coverage to reemployed retirees does not alter an employer's obligation under the ACA to extend coverage to its employees, including individuals who retired under STRS Ohio, another public entity or a private employer.

While employment contracts and collective bargaining agreements are unique, the rules for determining whether STRS Ohio provides primary or secondary health care coverage for reemployed retirees are defined by Ohio law. Under Administrative Code Rule 3307:1-17-03, reemployed retirees qualify for only secondary health care coverage from STRS Ohio if they:

- Are eligible for health insurance through their employer; or
- Hold a position for which other similarly situated employees are eligible for health insurance at the same cost as full-time employees. Note: The determination of similarly situated employee is based on position and employment status (part time/full time), not retirement status.

The rule applies to all reemployed retirees who are not eligible for Medicare, regardless of hire date or type of employment. Also, the rule applies when the employer plan provides both medical and prescription drug coverage.

If eligibility or cost for employer insurance is based on retirement status, the retiree is eligible for only secondary coverage from STRS Ohio. Primary coverage would need to be obtained from the employer or another plan.

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    graph TD
      Q1{Is the reemployed retiree eligible for Medicare (age 65 or older)?} -- No --> Q2{Does the employer offer health insurance to other similarly situated employees?}
      Q1 -- Yes --> A1{STRS Ohio offers primary coverage.}
      Q2 -- No --> Q3{Does the health insurance include medical and prescription coverage?}
      Q2 -- Yes --> A2{STRS Ohio offers primary coverage.}
      Q3 -- No --> A3{STRS Ohio offers secondary coverage.}
      Q3 -- Yes --> Q4{Is health insurance offered at the same cost as full-time employees?}
      Q4 -- No --> A2
      Q4 -- Yes --> A3
  
```

*Similarly situated employee is based on position and employment status (part time/full time), not retirement status.

(continued)



Forms

Finding forms

The employer website is a useful place to find most of the forms you need to submit information to STRS Ohio. In the Forms section, you will find forms related to the following topics:

- **Payment Remittance** — Online submission and paper version of payment remittance form
- **Employer Pickup** — *Notification for Employer Pickup of Employee Contributions* form and sample board resolution
- **Payroll Deduction Plans** — *Notice of Adoption of a Tax-Deferred Payroll Deduction Plan* form and sample board resolution
- **Retirement Reporting** — Deposit and service report and request for additional information form
- **Other** — *Retirement Plan Election, Exemption From Contributions for Student Employees* and *Notification of Leave of Absence*.

Calculators

Helpful tools

STRS Ohio offers several online tools to calculate service credit, the cost for a current leave of absence, interest on backpostings, as well as determining member contributions for pickup-on-pickup. Here is a quick overview of each calculator currently available:

- **Service Credit** — Calculate the amount of service credit a member should receive for the year
- **Current Leave of Absence Cost** — Calculate member contributions required to receive service credit for a current absence or leave
- **Interest on Backpostings** — Calculate estimated interest that will be charged for a backposting
- **Pickup-on-Pickup** — Calculate the amount of member contributions required for a member receiving pickup-on-pickup

The screenshot displays the STRS Ohio website interface. At the top, there is a search bar and navigation links for CONTACT and REGISTER. The main navigation menu includes SECURE FILE UPLOAD, PAYMENT REMITTANCE, EMPLOYER REPORTING, RESOURCES (highlighted), and MEMBER. The RESOURCES section lists various categories: News, Education & Training, Publications, and Forms (highlighted). The EMPLOYER SELF SERVICE (ESS) section includes Registration, Employer Self Service (ESS) Instructions, and a CALCULATORS section with links for Service Credit, Current Leave of Absence Cost, Interest on Backpostings, and Pickup-on-Pickup.

The Forms page is shown in a detailed view, listing various forms such as Notice of Adoption of a Tax-Deferred Payroll Deduction Plan, Retirement Reporting Checklist, and Contribution Certification. A Service Reports Webinar is also featured.

The Current Leave of Absence Cost calculator is shown with the following details:

Current Leave of Absence Cost

To determine the amount of member contributions required for a member on a current leave of absence.

1. Enter the amount of compensation the member would have earned if he or she worked the entire year: \$

2. Enter the member's actual earnings for the fiscal year, rounded to nearest dollar: \$

Calculation Result

The employer who granted the member's leave or absence is required to remit the corresponding employer contributions. Direct pay employers should remit employer contributions at the same time as member contributions. Employer contributions for state foundation program employers will be included as part of the annual reconciliation process.

	Member Contribution	Employer Contribution
Cost to purchase leave:	\$ <input type="text"/>	\$ <input type="text"/>

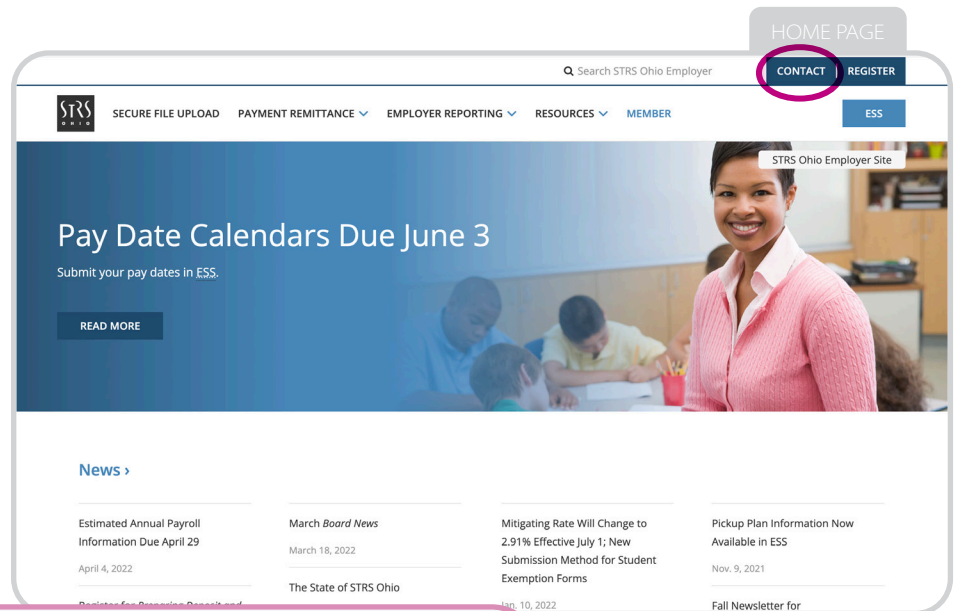
Disclaimer: STRS Ohio is created and governed by Chapter 3307 of the Ohio Revised Code. The estimates presented on this site are provided as a convenience to employers, but are not intended to provide complete information about the laws that create STRS Ohio or about rights and benefits under STRS Ohio. For more complete or specific information, refer to Chapter 3307 of the Ohio Revised Code or contact STRS Ohio at 888-535-4050.



Contact Us

Getting help

Find out who is assigned to assist you by clicking on "Contact" and entering your four-digit employer number or school name. Your representatives will be listed, along with their direct phone numbers. You can also call us toll-free at 888-535-4050 and ask to speak to any of your assigned representatives.



SCHOOL NAME / EMPLOYER NUMBER

Q 9599 SEARCH

Search employer contacts by your employer number

Here are your STRS Ohio contacts for **Buckeye University (9599)**:

Employer Advisor
Kele Willis
614-227-2914

Retirement Reporting Representative
Doug Hatton
614-227-5245

Annual Reporting Representative
Doug Hatton
614-227-5245

Payroll Reporting Representative
James Peterman
614-228-7224

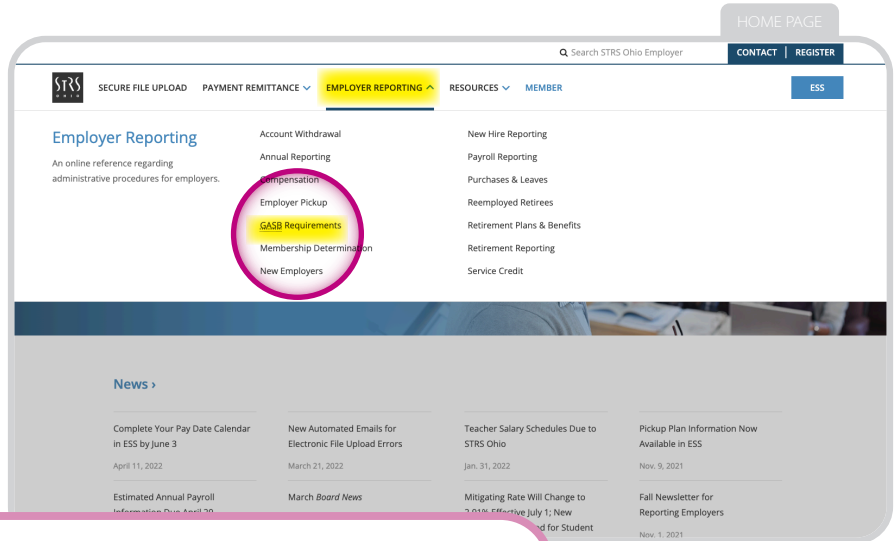
For general questions about your STRS Ohio employer account, contact the Employer Reporting Department by filling out the contact form below, listed under the "Email" section.



GASB Resources

GASB requirements

The Governmental Accounting Standards Board (GASB) issued standards under Statements 68 and 75 that requires employers to report certain information to increase transparency and accountability in reporting and accounting by governmental employers. The GASB Requirements section provides information to help employers understand these requirements.



GASB Requirements >

[GASB 68](#)

[GASB 75](#)

[GASB Reports](#)

[Resources](#)

[GASB Definitions](#)

[Frequently Asked Questions](#)

