

# Preparing for Midyear Retirements



EMPLOYER  
EDUCATION



50-113c, 8/19/0

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## Preparing for Midyear Retirements



### Agenda

- **The importance of service credit calculation.**
- **Contract implications that can affect members retiring midyear.**
- **Proper completion of key portions of the deposit and service report.**

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## Service Credit – Full-time Contract



### When is a full-time member eligible for a year of service credit?

- **Must work 120 days in the fiscal year for same employer (days method).**
- **Must earn at least 0.66 service credit (college or university employers using FTE method).**
- **Member is considered full time when contract:**
  - Begins and ends on first and last day of a 365-day year or is based on a school year of at least the minimum hours required by law or two semester academic year; **and**
  - Provides compensation equal to 100% of the full-time salary as defined by the employer's salary schedule for individual teaching all day, every day, or college or university compensation for full-time workload.

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## Service Credit Myth



### Myth

**“If I work through the end of December, I will receive a full year of service credit.”**

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## Service Credit – Colleges and Universities



### FTE Method

- **Maximum credit per semester = 0.50**
  - Fall semester only does not equal 1.00.
- **Summer session in July and/or August + fall semester**
  - Could mean year of service credit by the end of fall semester.
  - Depends on FTE percentage.

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## Service Credit – 180-Day Contracts



### General timetable for 180-day contracted teachers

- **Generally, 180-day contract teachers reach 120 days by:**
  - End of January = Feb. 1 retirement if school year begins mid-August.
  - End of February = March 1 retirement if school year begins late August or early September.
- **Jan. 1 retirement does not equal a year of credit.**
  - Mid-August to end of December estimated at 100 days.

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## Service Credit – Administrators



### General timetable for administrators

- **220- or 240-day contract, not working in July = Feb. 1 retirement.**
- **240-day contract, working in July or 260-day contract administrators may reach 120 workdays by end of December = Jan. 1 retirement.**

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## Service Credit



### Don't!

- **Allow a member to work on weekends or holidays to reach 120 workdays (unless others in the same position normally do).**

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## Service Credit



### Don't!

- Calculate service credit by dividing days worked by the number of contract days.

### Do!

- Follow the decision tree FULLY; or
- Use the online service credit calculator.

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## Contract Myth



### Myth

**“It won't hurt anything if we shorten his contract term to six months since we know he wants to retire at the end of January.”**

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## Contract Implications



### Don't!

- **Alter a full-time contract so that it ends midyear.**

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## Contract Implications



- **If work begins before the start of the school year, there must be pay associated with that time worked.**
  - Example: Supplemental contract or extended days.
  - Regular teacher contract dates generally from first to last teacher workday.
- **Extended days — can be worked at beginning or end of school year, regardless of how they have been worked in the past.**

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## Deposit and Service Report



### Don't!

- Enter the same amount on Line 1 and Line 14.

### Line 1 should not equal Line 14

- List earnings for the fiscal year on Line 1.
- Line 14 should list FULL contract amount even though it wasn't earned.

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## Deposit and Service Report



### Extended Days

- Should be listed as supplemental on Line 4.
- For a midyear retirement (only), list total number of extended days in comment section.

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## Resources Available



### We're here to assist you!

- **Call toll-free: 888-535-4050.**
- **Send an email: [report@strsoh.org](mailto:report@strsoh.org).**
- **Visit our website: [www.strsoh.org/employer](http://www.strsoh.org/employer).**