



# Higher Education Essentials Part 2: Calculating Service Credit Using FTE and Online Resources

50-2071, 4/22/0

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## Agenda

- What is service credit and why is it important?
- Proper calculation of service credit using full-time equivalent (FTE)
- Service credit and leaves of absence
- Correcting service credit for prior years
- STRS Ohio online resources

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## Calculating Service Credit Using FTE

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## Calculating service credit

### What is service credit?

- Earned through contributing service or purchased for certain types of past employment and leaves of absence
- Impacts:
  - Retirement eligibility
  - Calculation of monthly benefit

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## Calculating service credit

### Methods

1. Days
2. Hours
3. FTE



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## Calculating service credit (FTE)

### FTE = full-time equivalent

- Can be used if number of days or hours worked is unknown
- Based on school's definition of FTE workload
  - Varies by institution
  - Typically 12 or 15 credit hours



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## Calculating service credit (FTE)

### Important points

- One year of service credit granted when workload averaged over two semesters exceeds 66% of FTE
- Maximum credit per semester at 100% FTE is **0.50** of a year
- Service credit for semesters divided into shorter units is limited to that unit's portion of a full semester
- Service credit for summer sessions that cross fiscal years must be prorated (fiscal year is July 1-June 30)



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## Calculating service credit (FTE)

**If workdays or hours are unknown, consider the position held when determining how to calculate service:**

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



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## Full-time administrative faculty

### Example – Days not known

- One of your academic deans is retiring Feb. 1
  - Regular contract amount for full year: \$120,000
  - Earnings by end of January: \$80,000

$$\begin{aligned} & \$80,000 \div \$120,000 = 0.67 \\ & \text{Member earns 1.00 year of service credit} \end{aligned}$$

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## Full- or part-time credit hour teaching faculty

- Employer determines FTE
- A full year of credit is earned when the calculation exceeds 66%
- Calculation:

$$\left( \begin{array}{l} \text{Sum of credit} \\ \text{hours worked} \\ \text{per semester} \end{array} - \text{Overload hours} \right) \div \begin{array}{l} \text{Total FTEs} \\ \text{in the year} \end{array}$$

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## Full- or part-time credit hour teaching faculty

### Example – No overload

- Your school has set 15 credit hours as the FTE per semester
- A faculty member works nine credit hours fall semester and six credit hours spring semester

$$(9 + 6) \div (15 \text{ credit hours} \times 2 \text{ semesters})$$

$$15 \div 30$$

Member earns 0.50 year of service credit

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## Full- or part-time noncredit hour teaching faculty

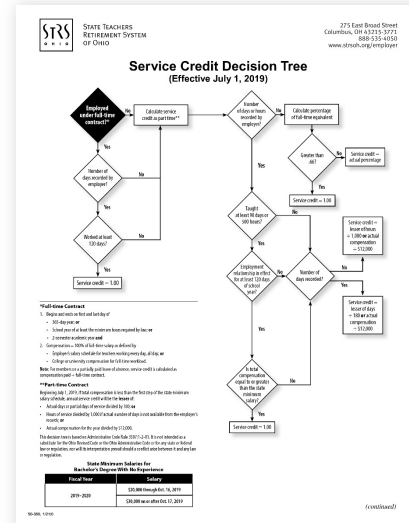
- A full year of credit is earned when the calculation exceeds 66%
- Use a consistent calculation
  - Hours
  - Reasonable full-time measure

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## Full- or part-time noncredit hour teaching faculty

### Option 1 – Paid hourly

- Calculate service credit based on hours
- Follow *Service Credit Decision Tree*



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## Full- or part-time noncredit hour teaching faculty

### Option 2 – Reasonable full-time measure

- Your university must determine a reasonable measure of salary or other qualifications to be considered full time (i.e., receive all benefits as a full-time person)
  - **Salary:** (Total actual earnings - overload earnings) ÷ reasonable full-time salary determination
  - **Conversion to FTE:** Converting hours to credit hours and calculate using FTE

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## Full- or part-time noncredit hour teaching faculty

### Example 1 – Salary

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

$$(\$26,000 + \$14,000 - \$1,000) \div \$50,000$$
$$\$39,000 \div \$50,000 = 0.78$$

**Member earns 1.00 year of service credit**

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## Full- or part-time noncredit hour teaching faculty

### Example 2 – Conversion to FTE

- Your university has set 12 credit hours as FTE per semester. You determine that 10 hours of work is equivalent to one credit hour
- A noncredit hour individual works 50 hours per semester, which would equate to five hours FTE

$$(5 + 5) \div (12 \times 2) = 10 \div 24 = 0.42$$

**Member earns 0.42 year of service credit**

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## Nonteaching periods (leaves of absence)

Faculty on a partially paid leave of absence

Compensation paid

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Compensation the member  
would have received if  
remained in position held

Calculated credit exceeding 66% is *not* rounded to a year



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## Correcting service credit for prior years

Send an email or letter to STRS Ohio including:

- Member's name
- Last four digits of Social Security number
- Fiscal year being corrected
- Correct service credit
- Method used for calculation



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Slide 19 features a dark teal background with a faint pattern of overlapping dollar signs and an apple. In the top left corner, the STRS OHIO logo is displayed next to the text "EMPLOYER EDUCATION". In the top right corner, there is a white icon of an apple with a dollar sign inside it. The main title "Online Resources" is centered in a large, white, sans-serif font.

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Slide 20 has a light teal background with a faint pattern of overlapping dollar signs and an apple. The title "Online resources" is at the top left in a bold, dark teal font. Below it is a bulleted list of resources. In the bottom right corner, the STRS OHIO logo and the text "EMPLOYER EDUCATION" are visible.

## Online resources

- Employer Self Service (ESS)
- News
- Education & Training
- Secure File Upload
- Publications and Forms
- Calculators
- Contact Us

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## Online resources

*Employer website demonstration*

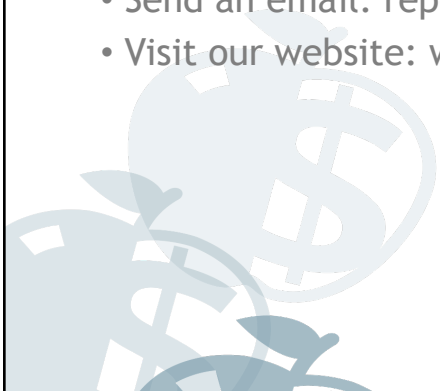


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## Questions

**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)



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## Thank You!

- A recording of this webinar will be available in the Education & Training section of the employer website
- Certificates of completion will be emailed within two weeks
- Please complete the evaluation

