



VI. Service Credit

Retirement benefits are calculated using a defined retirement formula: $2\% \times (\text{service years}) \times (\text{final average salary}) \div 12 = \text{monthly benefit}$. The 2% factor is fixed; however, benefits will vary depending on the number of service years (service credit) and the final average salary.

Service credit is the term used to define a year or years that a member has both worked for an eligible employer of the retirement system and made the statutorily required contributions for the year they worked. Eligible members may receive either a full year of service credit or a fractional year, depending on factors such as days required to work and actual days worked. The accumulated body of awarded years of service is commonly referred to as “creditable service”, “service credit” or “years of service.” The methodology for calculating Service credit has changed throughout the years. The current methodology (for service on/after July 1, 2019) is addressed in this section.

For earlier calculation methodology, please refer to the TRS rules located on our website at <https://oklahoma.gov/trs.html>. Employers should stay current with the rules as they can change annually.

1. Earned Service Credit

Service Credit on/after July 1, 2019.

The formula used to calculate service credit will be applied in the same manner for both full-time and part-time employment. The minimum requirement for full-time employment is 6 hours per day, 30 hours per week, 8 months per year. Service credit will be reduced if the employee works less than the minimum requirement for full-time employment, or less than the full-time equivalent for the position worked.

Governance

Rule 715:10-3-1

(d) For service performed on or after July 1, 2019, the formula used to calculate service credit will be applied in the same manner for both full-time and part-time employment. The minimum requirement for full-time employment is 6 hours per day, 30 hours per week, and 8 months per year. Service credit will be reduced if the employee works less than the minimum requirement for fulltime employment or less than the full-time equivalent for the position worked. Service credit will be calculated by multiplying the full-time equivalent percentage by the employment year percentage as follows:

(1) Full-time equivalent percentage is calculated by dividing the number of hours per week the member was employed by the number of hours per week for the full-time equivalent position.

(2) Employment year percentage is calculated by dividing the number of days the member was employed by the number of days required for the full-time equivalent position for the full employment year.



- 1) Earned Service credit is based on contributions paid while employed.
- 2) To receive a full year of service credit, members must meet both the TRS minimum requirement for full-time employment and the full-time equivalent for their position.
- 3) As of July 1, 2019, service credit will be applied in the same manner for both full-time and part-time employment.
 - a) The TRS minimum requirement for full-time employment is a minimum of 6 hours per day, 30 hours per week and 8 months per year.
 - b) This does not mean a full year of service credit is earned by working the minimum. The full-time equivalent is the basis for the required time to be worked.
- 4) Full-time equivalent requirement
 - a) Member must work the number of days the position would be expected to work during the entire employment year
 - b) Employers in operation 5 days per week will assume a 5-day per week requirement while employers in operation 4 days per week will assume a 4-day per week requirement for full-time employment.
 - c) Service credit will be calculated by multiplying the full-time equivalent percentage by the employment year percentage as follows:
 - (1) Full-time equivalent percentage is calculated by dividing the number of hours per week the member was employed by the number of hours per week for the full-time equivalent position. (2) Employment year percentage is calculated by dividing the number of days the member was employed by the number of days required for the full-time equivalent position for the full employment year. See examples below.
 - d) Fractions will be rounded to the nearest tenth. For example, .94 will receive .9 service credit while .95 will receive 1 service credit.
- 5) Members who do not meet all the minimum full-time requirements will be considered part-time employees by TRS.
- 6) Days Paid = Days Worked: Days on which member receives compensation and contributions are paid will count as a day worked.
- 7) Leave Without Pay: Days on which member receives \$0.00 compensation and \$0.00 contributions are paid will not be counted as a day worked.



- 8) See Workers Compensation and FMLA for more information regarding these specific types of leave.
- 9) Service credit examples submitted on Employment Year End Report:

Information submitted on Employment Year End Report								Service Calculation				
Employment Info (applies to this individual employee only)				Position Info (applies to any employee working this position)				Status: Full-time or Part-time	Days Required (from Position Info)	Days Worked (from Employment Info)	Service Credit Calculation	Service Credit Awarded
Example #	Hours Per Days Worked	Hours Per Week Worked	Days Per Year Worked	FTE Hours Per Day	FTE Hours Per Week	FTE Months Per Year	FTE Days Per Year					
1	7	35	175	7	35	9	175	Full-time	175	175	$35/35=1$ $175/175 = 1$ $1*1=1$	1
2	7	35	160	7	35	9	175	Full-time	175	160	$35/35=1$ $160/175 = .91$ $1*.91=.91$	0.9
3	4	20	175	4	40	9	175	Part-time	175	175	$20/40=.5$ $175/175 = 1$ $1*.5=.5$.5
4	4	20	73	4	35	9	160	Part-time	160	73	$20/35=.57$ $73/160=.46$ $.57*.46=.26$.3
5	8	40	240	8	40	12	240	Full-time	240	240	$40/40=1$ $240/240 = 1$ $1*1=1$	1
6	8	40	90	8	40	12	240	Full-time	240	90	$40/40=1$ $90/240 = .38$ $1*.38=.38$	0.4

2. Combined Service

For service performed prior to July 1, 2013, fractions of school terms performed as an active, contributing member in different school years, may be combined to make a total of 6 full months to receive one year of creditable service. However, service in one school year may not be divided up into different service years. A partial year of service may also be combined with unused sick leave credit until the combined total is 120 days for another year of credit. For service performed on or after July 1, 2013, fractional service credit will be added together, and the resulting sum value shall be included in the retirement formula calculations.

3. Other Types of Service Credit

a. Sick Leave Credit

Sick Leave Credit is service credit for documented unused sick leave accrued while working in Oklahoma public education. A total of 120 days of unused sick leave may count as one year of service credit. As of August 1, 2012, if member has less than 120 days, additional service credit for sick leave days shall be equal to the number of



unused sick leave days divided by one hundred twenty (120) days. Such service shall be added to other service credit earned while employed by the public schools of Oklahoma. Sick leave in excess of 120 days will not be recognized. The following restrictions apply to sick leave for service credit: Donated leave, sick leave that accrued during non-creditable service, or sick leave accrual in excess of 15 days per year will not count toward sick leave credit. Sick leave must be verified by employer at retirement or termination of employment. When sick leave cannot be verified, 10-year averaging (of sick leave usage during the last 10 years of employment) may be used to determine sick leave credit for early undocumented employment. *Please see [TRS Form 6 Verification of Unused Sick Leave](#).*

b. Purchased Service Credit

Purchased Service is subject to verification and documentation before a billing statement is prepared, including:

- 1) Substitute service (120-day minimum in same school year) See [TRS Form 9](#).
- 2) Adjunct service (18 or more credit hours in same school year) See [TRS Form 9](#).
- 3) Military service (180-day minimum in same fiscal year) See [TRS Form 7](#).
- 4) Out-of-state service (6 months of full-time employment in same school year) See [TRS Form 8](#).
- 5) Prior Oklahoma service (non-contributory service) See [TRS Form 9](#).
- 6) Optional service performed prior to July 1, 2021, provided the member has not previously withdrawn such service or ceased making contributions to TRS while continuing working during the time period of such service. See [TRS Form 9](#).
- 7) Service accrual during leave--various time limits may apply in which to notify Teachers' Retirement of intent to purchase and make payment to receive proper credit for leave taken under Workers' Compensation guidelines, when called into active, military duty (under USERRA), due to family leave (during child's first year of life), or due to official sabbatical from an Oklahoma school (requires employer to remit contributions for fulltime pay, commensurate with prior year, while member receives one-half pay during leave).