

Employer Announcement #93

Community Colleges: Eligibility and Use of FTE From 2011 through 2023

Revision of Employer Announcement #70 (2011)

This employer announcement applies to hours worked by community college academic employees from 2011 through 2023. For instructions on reporting college academic employee hours starting on January 1, 2024, read [employer announcement 103, "Reporting Hours for Community College and University Academic Staff."](#)

PERS active membership qualification is generally based upon 600 hours of employment in a year. However, PERS qualification of community college academic employees is based upon a minimum full-time equivalent (FTE) requirement.

According to [Oregon Revised Statute \(ORS\) 238.074](#) and [ORS 238A.142](#), an academic employee of a community college who is employed 0.375 full-time equivalent (FTE) on a 12-month basis or 0.50 FTE on a 9-month basis is considered to be employed for 600 hours or more in a year, which qualifies them for PERS benefits.

FTE in any given discipline or academic activity is determined by the governing body of the institution in which the academic employee is employed. The minimum FTE is based on the academic duties the community college determines constitute 1.0 FTE for the position. Community colleges may determine FTE on a per-term basis so long as they specify which basis they are using for the year (i.e., 9- or 12-month basis).

When reporting hours in EDX or on a Salary Breakdown (SBD), the community college employer reporter must convert hours based on the FTE worked.

The employer is responsible for determining the academic position duties that constitute 1.0 FTE and whether the 0.375 or 0.5 minimum qualifying FTE is met by the academic duties performed by the person holding the position.

Most employers should be able to use FTE-to-hour conversions and report hours accurately without the need to change their established FTE methodology.

Note: "Year" refers to a July 1 – June 30 school year for Tier One/Tier Two community college academic employees, and a January 1 – December 31 calendar year for OPSRP Pension Program community college academic employees.

If you have additional questions on this topic, please direct them to your ESC account representative.

Details and instructions

Community college employers are responsible for determining the FTE for an academic position based on the duties of the position as evaluated by the employer. For PERS membership eligibility purposes, FTE is considered on an annual basis. However, community college employers may hire academic employees for a single term, multiple terms, or for the entire year period. To accommodate employers' hiring practices with FTE requirements, there are two common methods used to assign FTE. To be considered qualifying for any year:

- FTE may average 0.375 FTE per term on a 12-month basis.
- FTE may equal 0.5 per term on a 9-month basis for academic employment.

Alternatively, employers may add all FTE for any given year period together, with a total of 1.5 FTE on either a 12-month or 9-month employment basis for an academic position to be considered qualifying. The method used to determine qualification (i.e., the minimum) 1.5 FTE total or average FTE per year period, is the employer's choice.

Once a community college determines the FTE for an academic position, it will convert the FTE to converted hours when the employer reports to PERS. Statute provides the conversion standard that 0.375 FTE/12-month or 0.5 FTE/9-month equals 600 hours per year period, establishing a "qualifying position" for PERS purposes.

For example, for a 12-month or 9-month contract, to convert FTE to hours for PERS reporting, if the minimum FTE equals 600 hours in a year period, then by simple math, 1.0 FTE per year period is 1,600 hours for a 12 month or 1,200 hours for a 9-month year period. On a monthly basis, 1,600 hours divided by 12 or 1,200 hours divided by 9 equals 133.33; this is the FTE conversion multiplier.

Each year period has four possible three-month academic terms – fall, winter, spring, and summer. The formula to convert the FTE you have assigned to an academic position into FTE converted monthly hours is to take the FTE of the position the member worked for a term and multiply it by the 133.33 multiplier. This is the number of hours to report for each month.

If you pay more frequently than once per month, you will need to divide the converted hours by the number of pay periods in that month (bi-weekly/bi-monthly) and report the hours attributable to each pay period.

An academic employee may hold multiple academic positions at one community college or at one or more community colleges concurrently. Employers may designate "hire intent" for a position by assigning FTE to the academic position based upon the work assigned to the employee. In any year period, if total combined academic position FTE for any PERS-covered position meets or exceeds minimum FTE qualification per year (1.5 FTE), a position originally designated as "non-qualifying" could change to "qualifying," based on concurrent employment.

Academic employees may also hold academic and non-academic positions concurrently. Qualification of concurrently held academic and non-academic positions is evaluated on hours worked for each position. This requires FTE for the academic position to be converted to PERS hours and combined with hours for the non-academic position. The total combined hours are then evaluated based upon the 600-hour minimum qualifying service requirements in any year period.

Questions

How do I report my converted FTE hours in EDX and on Salary Breakdowns?

Enter the FTE converted hours in EDX on your Detail 2 record or in the appropriate "hours" field on the salary breakdown.

I have a new hire for an academic position. How do I report "qualifying" hire intent?

"Qualifying" hire intent for an academic position is based on your expectation of the individual meeting the minimum 0.375 FTE/12 month or 0.5 FTE/9-month requirement during the relevant year period based upon the work assigned to the individual.

Examples

Community colleges are responsible for determining the FTE for an academic employee before converting the established FTE to hours. The examples below do not provide a method to establish FTE (which must be established by the employer prior to performing the conversion) and do not address “hire intent.”

Example 1: Academic Employee on a 12-Month Contract – Qualifying

A part-time math instructor works 350 actual hours on a 12-month contract. Because he is an academic employee at a community college, the college must make a FTE determination and then convert FTE to PERS-qualifying hours. First, the community college determines that the academic position constitutes 0.40 FTE per term based on the academic duties performed. This exceeds the minimum 0.375 FTE per term for a 12-month contract and is qualifying for PERS purposes. Next, the community college converts the FTE to PERS qualifying hours by multiplying the FTE by the 133.33 multiplier to determine the converted PERS hours per month as follows:

0.40 FTE x 133.33 multiplier = 53.33 FTE converted hours per month (approximately 640 hours in a year)

What to report to PERS:

- Detail 2 record

Report a Detail 2 with a 01 regular wage for the amount of regular wages paid and 53.33 regular hours including 6% IAP contribution.

Example 2: Academic Employee on a 9-Month Contract – Non-Qualifying

The community college hires a part-time English instructor. She works 450 actual hours during the year on a 9-month contract. The college determines the duties performed constitute 0.45 FTE per term. This does not meet the minimum 0.5 FTE per term for a 9-month contract and is considered non-qualifying.

.45 FTE x 133.33 multiplier = 59.99 FTE converted hours per month (approximately 540 hours in a year)

What to report to PERS

- Detail 2 record

Report a Detail 2 with a 02 non-qualifying wage for the amount of regular wages paid and 59.99 regular hours.

Example 3: Salary Breakdown (SBD) for Tier One/Tier Two Members Employed as Academic Employees at a Community College

PERS requests a salary breakdown (or the community college submits an SBD) for year 1999. This position is academic, so FTE must be determined and FTE converted hours must be reported based on academic year periods. During the 1998-99 academic year, the Tier One/Tier Two member worked 0.44 FTE per term in a 12-month position. During the 1999-00 academic year, the member worked 0.30 FTE per term in a 12-month position. The FTE for the 1998-99 academic year exceeds the minimum FTE of 0.375 per term for a 12-month contract. The FTE for the 1999-00 academic year does not meet the minimum FTE of 0.375 per term for a 12-month contract.

1998-99: 0.44 FTE * 133.33 multiplier = 58.67 FTE converted hours per month.

1999-00: 0.30 FTE * 133.33 multiplier = 39.99 FTE converted hours per month.

What to report to PERS

Salary Breakdown forms are used to report wages, hours, and contributions (if applicable) for all months in the calendar year period covered by the form. Enter hours for the month in which they were worked, and salary for the month it was paid. Fill out the salary breakdown completely; however, enter the FTE converted hours (instead of actual hours worked) for each half of the year based on which academic year it falls in. For January 1999 through June 1999, use 58.67 hours in each month of service. For July 1999 through December 1999, use 39.99 hours in each month of service. In the note section, indicate the position is academic so PERS will use the appropriate year period.

Note: Hire date entered on a Salary Breakdown form should be the date the employee began work. A change in hire date could result in a change in Contribution Start Date (CSD) which could create a contribution invoice and create prior year earnings (PYE). If you have additional questions on this topic, please direct them to your ESC account representative.

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