

Help Me Understand How My Part-time Service is Calculated

~ Employees' Retirement System ~

“Tip Sheet”

Q. I am a part-time merit employee. Can you help me understand how to figure out how much service I will have when calculating my retirement benefit? Sometimes I work 30 or 35 hours a week but my regular work-week is 20 hours each week.

A. Your retirement benefit is calculated according to the number of hours for which you make contributions into the retirement system. Overtime is not compensable as part of your retirement benefit.

Your benefit is based on the number of hours worked in the course of a year. If you work 2080 hours in one year, that will be one year of benefit service. If you work 1,560 hours in a year, that will count as .75 of one year and so forth. You can calculate your own approximate benefit by determining how many retirement-eligible hours you have worked in your career. That benefit service, multiplied by your final average salary (FAS), multiplied by either 1.8% (Plan A or C) or 2% (Plan B or D) then increased by 3%, will give you a good approximation of your annual benefit.

Definition: *FAS (Final Average Salary) – FAS is the average of your highest 36 consecutive months of employment (78 consecutive pay periods for those paid bi-weekly) – FAS does not include overtime pay*

Q. When will I be eligible for regular retirement? AND, If I delay retirement and keep working, will my retirement benefit become higher?

A. You are eligible to retire with a Normal Service Retirement benefit when you turn age 65 with at least 5 years of FCERS contributable service (*eligibility service*) **OR** once you are age 50 and your age and eligibility service total 80 or more (*the “Rule of 80”*) for members of Plans A or B, **OR** once you are age 55 and your age and eligibility service total 85 or more (*the “Rule of 85”*) for members of Plans C or D. The longer you work after becoming eligible, as long as you are earning eligibility and benefit service, the higher your monthly benefit will be.

Definitions:

Eligibility Service – *Generally speaking, employees receive one year of eligibility service for each full year that is worked. School employees receive one year of eligibility service for each full school year (Sept – June) that is worked. No extra credit is granted for summer school employment.*

Benefit Service – *the time used to determine the amount of benefits received – generally based on 40 hours per week, 52 weeks per year. 2,080 hours = one full year of benefit service.*

Q. I understand that retirees may continue to receive health coverage if they are covered by a County/Schools plan at the time of retirement. Does this apply to all retirees regardless of number of years of service? How much will the retiree have to pay for health coverage?

A. At this time, if you have health insurance coverage at the time you retire, you are eligible to continue this coverage through the General County and the Schools system (**School employees must have had their coverage for at least 5 years at the point of retirement).

Please keep abreast of any changes through your Human Resources, Benefits department because the rules, carriers, premiums and subsidy amounts can change yearly with each Open Enrollment. The current health insurance subsidy amount is based on years of service with the County. The more years of service, the higher the subsidy. The years of service that determine the subsidy are the years of eligibility service years, not the years of *benefit* service.

****Schools Employees** are currently eligible to continue health and dental coverage in retirement **ONLY if the following criteria are met:**

- Enrolled in health/dental coverage at time of retirement
- Maintained enrollment in those plans for a minimum of five years immediately prior to retirement
- Immediately began drawing a retirement annuity at time of termination (i.e. not deferred vested).
- Elected to continue coverage prior to retirement.

Retirees are eligible to receive a subsidy based on years of service with FCPS. DROP service does not count toward subsidy calculation.

This "Q&A" was prepared by the Fairfax County Retirement Systems with input from Fairfax County Public Schools Human Resources Benefits Division

Additional information can be found at the Retirement Systems website at <http://www.fairfaxcounty.gov/retirement> and at the FCPS website at <http://www.fcps.edu/hr/>