

## Employer Announcement #70 Community Colleges: Eligibility and Use of FTE

PERS active membership qualification is normally based on hours of employment in a year. However, the basis for PERS qualification of community college academic employees is FTE (Full Time Equivalent).

Note: All references to “year” or “annual” refer 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.

ORS 238.074 and ORS 238A.142 set the minimum FTE requirements for community college academic employee qualification and active membership at .375 FTE for 12-month employment and .5 FTE for 9-month employment. That minimum is based on the academic duties the community college determines constitute 1.0 FTE for the position. Many community colleges make that determination on a per-term basis, with three or four three-month terms in the year (i.e., 9- and 12-month contracts).

Many employers used per-term FTE, but for PERS, qualification was based on a statutory annual FTE standard. PERS reconciled this difference by advising community colleges to base qualification on the annual sum of per-term FTE.

Example: If .5 FTE or .375 FTE per term added up to 1.5 FTE for a year, the position was considered qualifying.

That guidance was then modified to base qualification on average FTE per term, with a per-term average of .375 or .5 for the year required for qualification.

Community college employers can continue using these methods for current and future determination of position qualification/non-qualification status, but employers should be prepared to explain and support their chosen method. PERS staff will contact individual employers as necessary to clarify the employer’s FTE-reporting methodology and complete PERS determinations.

Reporting wages, hours, contributions and “hire intent” through EDX began January 1, 2004, and reporting “non-qualifying” hire intent by use of the DTL1 status code 15 began early 2007. Community college employers are required to use FTE to determine the qualifying or non-qualifying “hire intent” for a position, convert the FTE to hours, and report the hours to PERS.

Employers should consider the following when making that conversion and determining the number of hours to report.

1) Evaluation of .375 FTE for 12-month academic employment or .5 FTE for 9-month academic employment is based on academic duties for the position that constitutes 1.0 FTE. **The employer is responsible for determining the academic position duties that constitute 1.0 FTE and whether the .375 or .5 minimum qualifying FTE is met by the academic duties performed by the person holding the position.**

2) Statute states that .375 FTE for 12-month (four terms) academic employment or .5 FTE for 9-month (three terms) academic employment is considered equal to 600 hours in the year period, which makes a position qualifying. **The statutes establish an annual standard, and if .375 or .5 equal 600 hours annually, then for reporting purposes, a year contains 1,600 hours.**

3) Accordingly, on an annual basis 1.0 FTE equals 1,600 hours for 12 months and 1,200 hours for 9 months. Therefore, on a per term basis, 1.0 FTE for a three-month term is the equivalent of 400 hours for PERS purposes.

Paragraphs 4A – 4C below demonstrate how employers can apply FTE to the 400-hour per term to determine hours to be reported to PERS.

4A) If the employer uses FTE per term, PERS would expect an employer who specified qualifying hire intent for an academic position to report a minimum of:

**.375 per term FTE X 400 hours = 150 hours/term or  
.5 per term FTE X 400 hours = 200 hours/term.**

4B) If the employer uses an annual FTE divided by the number of terms, PERS would expect an employer who specified qualifying hire intent for an academic position to report a minimum of:

**.375 annual FTE/four terms = .09375 annual FTE/term; .09375 annual FTE X 1600 hours = 150 hours/term or  
.5 annual FTE/three terms = .167 annual FTE/term; .167 annual FTE X 1200 hours = 200.4 hours/term.**

4C) If the employer uses an annual FTE, then PERS would expect an employer who specified qualifying hire intent for an academic position to report a minimum of:

**.375 annual FTE X 1600 hours = 600 hours; 600 hours/four terms = 150 hours/term or  
.5 annual FTE X 1200 hours = 600 hours; 600 hours/three terms = 200 hours/term.**

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

Please direct any questions on this topic to your ESC account representative.

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