

## **Frequently Asked Questions (FAQ) Community Colleges and Use of FTE**

(Please read Employer Announcement 93 “Community Colleges: Eligibility and use of FTE” before reviewing this FAQ.)

**Q1) What is FTE?**

A1) FTE (Full Time Equivalent) is used by community colleges to determine the PERS-qualifying status of academic employees.

**Q2) What is the purpose of FTE?**

A2) The duties of academic employees are not easily reconciled with straight hourly standards. The usage of FTE provides consistent eligibility guidelines for academic employees who may not otherwise appear to qualify for PERS.

**Q3) Who is an academic employee of a community college for purposes of FTE?**

A3) A community college academic employee is defined in OAR 459-010-0012(3) and OAR 459-070-0001(1) as “... an instructor who teaches classes offered for college-approved credit or on a non-credit basis. Librarians, counselors, and aides in non-teaching positions, tutors, or other non-teaching faculty, and classified, professional or non-professional support staff are not academic employees....”

**Q4) What year period do I use to determine FTE?**

A4) For Tier 1/Tier 2 academic employees, a year period is an **academic year** beginning July 1 of one calendar year and ending June 30 of the following year.

For OPSRP academic employees, a year period is a **calendar year** beginning January 1 and ending December 31.

**Q5) Statute establishes minimum FTE qualification equivalency standards for academic positions, equivalent to 600 hours in a year period. How can I determine my community college’s FTE, and then convert FTE to PERS-qualifying hours?**

A5) 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. FTE may average 0.375 FTE per term on a 12-month basis, or 0.5 FTE per term on a 9-month basis for academic employment to be considered qualifying in any year. 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, 1600 hours divided by 12; or 1200 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.

**Q6) How do I report my converted FTE hours in EDX and on Salary Breakdowns?**

A6) Enter the FTE converted hours in EDX on your DTL2 record or in the appropriate “hours” field on the Salary Breakdown.

**Q7) I have a new hire for an academic position. How do I report “qualifying” hire intent?**

A7) “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. Refer to the [Eligibility Presentation Slide](#) documentation for reporting to PERS.

**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” which is addressed in Q7 (above).

**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 the member 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 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:

$$\mathbf{0.40\ FTE \times 133.33\ multiplier = 53.33\ FTE\ converted\ hours\ per\ month}$$

**(approximately 640 hours in a year)**

**What to report to PERS:**

DTL2 record

Report a DTL2-01 Regular wage for the amount of regular wages paid and 53.33 regular hours including 6% employee contributions.

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

The community college hires a part-time English instructor. The member 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:**

DTL2 record

Report a DTL2-02 non-qualifying wage for the amount of regular wages paid and 59.99 regular hours.

### **Example 3: Salary Breakdown (SBD) for Tier 1/Tier 2 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 1998-1999 academic year, the Tier 1/Tier 2 member worked 0.44 FTE per term in a 12-month position. During the 1999-2000 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.

**1998-1999: 0.44 FTE \* 133.33 multiplier = 58.67 FTE converted hours per month**

**1999-2000: 0.30 FTE \* 133.33 multiplier = 39.99 FTE converted hours per month**

#### **What to report to PERS:**

Salary Breakdown

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.

**References:**

ORS 238.074 and OAR 459-010-0012 (Ch 238, Tier One/Tier Two); and ORS 238A.142 and OAR 459-070-0001 (Ch.238A, OPSRP).