

Impact of Part-Time, Seasonal, and Intermittent Employment on Your OPERS Retirement Account



When you work part-time, intermittently, or seasonally for an OPERS-covered employer, your OPERS retirement plan may be impacted. The information below outlines how your work status may affect your retirement planning.

TRADITIONAL PENSION AND COMBINED PLANS

What is service credit and why does service credit matter?

Service credit represents the period of time during which you are employed by a public employer and making contributions to OPERS.

You earn service credit for each reporting month you contribute to OPERS. Under the Traditional Pension Plan and the defined benefit component of the Combined Plan, service credit is calculated on a monthly-basis, January through December of each year. It is used to determine eligibility for retirement, disability, and survivor benefits as well as health care coverage. Service credit is also used in calculating your retirement benefit.

In 2021, your gross earnable salary each month must be at least \$684.86 to earn the full amount of service credit for a month. When OPERS estimates your retirement date and monthly retirement benefit amounts on estimates and your annual statements, it is assumed you are earning the full amount of service credit per month. If you were to earn more than the minimum earnable salary in a given month during the year, the amount earned over the minimum during that month cannot be allocated to a different month during which you fell short of earning the minimum salary for a full month of service credit.

The minimum earnable salary will increase in the coming years, view the chart below for more information.

Year	Amount	Year	Amount
2020	\$673.08	2025	\$734.07
2021	\$684.86	2026	\$746.91
2022	\$696.84	2027	\$759.99
2023	\$709.03	2028	\$773.82
2024	\$721.44	2029+	\$786.82

How does OPERS determine a month of service credit?

You earn contributing service credit when your contributions are remitted to OPERS by your employer and posted to your OPERS account. Service credit is accrued based on the month in which the reporting period ends, not necessarily for the actual day(s) worked within a given month.

Considering part-time, seasonal, or intermittent work with your employer

Possible impacts to your retirement plan that you should understand when considering working less than a full-time schedule:

- 1. You may receive partial service credit.** If you earn less than the minimum earnable salary in a given reporting month, you will earn less than the full amount of service credit for that month. This can impact your planned retirement date by requiring you to work longer to meet service credit eligibility for retirement.

Service credit is granted for a given month only if the pay period ended in that month. You can view your current service credit by signing into your online account at opers.org.

Considering part-time, seasonal, or intermittent work with your employer *(continued)*

- 2. Interested in the OPERS health care program at retirement?** Currently, to earn a full month of service credit applicable to health care coverage eligibility, you must earn a minimum of \$1,000 per reporting month. Health care qualifying service credit is not prorated if you earn less than \$1000 for a given month. Visit opers.org to view health care eligibility requirements based on your retirement group.
- 3. Your final average salary may be impacted.** Final average salary is the average of your highest years of earnable salary, which may be a three or five-year average based on your retirement group. If are employed part-time, seasonally, or intermittently, your final average salary may be less than you expected at retirement. OPERS uses the average of the highest three or five years or final 36 or 60 months of earnable salary, depending on your retirement group, to calculate your retirement benefit amounts.

If you currently work part-time, intermittently, or seasonally, and you're deciding when to retire, contact OPERS at 800-222-7377 for more information.

COMBINED AND MEMBER-DIRECTED PLANS

Since the Combined and Member-Directed Plans have defined contribution components, there are some unique points to consider when deciding to work part-time, seasonally, or intermittently.

- Your account value could be impacted.** A monthly administrative fee of \$5 on your defined contribution balance is assessed whether you are actively contributing to OPERS or your account is on deposit with OPERS, but you are not publicly employed and actively contributing.
- The balance of the defined contribution portion of your account is still subject to gains and losses.** Although you may not be contributing to your retirement account regularly, your funds are still invested and may fluctuate with market changes.

When you retire, OPERS calculates your defined contribution benefit based on the account value at that time. If there are changes to the value of your account, be prepared for your benefit amount at retirement to be different than the amount you were expecting.