

## CHAPTER 04

# SERVICE CREDIT

(La. R.S. 11:421)

Once you are enrolled as a member of LASERS, you will begin paying employee contributions and accruing service credit. You will be sent an annual member statement at the beginning of each calendar year which details the employee contributions you paid during the previous year and the total contributions you paid since your enrollment. This statement also contains the service credit that you earned during the previous year along with your total service credit.

Eligibility service credit is the service that will be used to determine your entitlement for benefits provided by LASERS. Computation service credit is the service that will be used to compute the amount of your LASERS benefit. Depending on your situation, your eligibility service credit may be different from your computation service credit.

The annual member statements are unaudited. You should review your annual member statement each year and notify your HR Office in writing if any discrepancies are found.

### Full-Time Employees

If you are a full-time employee, your service credit is calculated by taking your actual earnings for a year and dividing by your yearly base salary which is your annual expected salary. This figure is then rounded up to the nearest tenth. A member cannot receive more than one year of service credit for any calendar year.

### Part-Time Employees

If you are a part-time employee, your service credit is calculated by taking your actual earnings for a year and dividing by the yearly base that you would have received as a full-time employee. You will not earn an entire year of computation credit, but you may earn a year of eligibility credit if you worked part time for at least 11 months during that calendar year.

#### EXAMPLE

Sue worked full time in 2016. She earned \$37,273.06. Her annual expected salary was \$37,355.00. Her service credit for 2016 would be calculated in the following manner:

$$\begin{array}{r} \$37,273.06 \\ \text{actual earnings} \end{array} \quad / \quad \begin{array}{r} \$37,355.00 \\ \text{full-time yearly} \\ \text{base salary} \end{array} = .998 \text{ (rounded up to one year)}$$

