

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:

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

EXAMPLE

Amy worked part time in 2016 and was paid \$22.00 per hour. She earned \$33,587.84. Her annual expected salary if she had worked full time was \$45,760.00. Her computation service credit for 2016 would be calculated in the following manner:

$$\begin{array}{rcccl} \$33,587.84 & / & \$45,760.00 & = & .734 \text{ (rounded up to .80)} \\ \text{actual earnings} & & \text{full-time yearly} & & \\ & & \text{base salary} & & \end{array}$$

Since Amy worked the full year in 2016 as a part-time employee she will get one year of eligibility credit, but only .80 of a year computation credit.

Service credit and retirement eligibility for part-time members are determined on a case-by-case basis.

First Eligible Dates

If you are a full-time member, you can estimate your service credit for a partial year and your first eligible date for retirement by using the chart below. If you work from January 1 through the dates listed below, you will be given the corresponding service credit. Your termination date is the last day of your employment. These estimated first eligible dates are subject to change based on when contributions are made from your agency. ■

Termination Date	Retirement/DROP Start Date	Service Credit
January 1*	January 2	.10
February 14	February 15	.20
March 31	April 1	.30
April 30	May 1	.40
May 31	June 1	.50
July 14	July 15	.60
August 14	August 15	.70
September 29	September 30	.80
October 29	October 30	.90
November 30	December 1	1 year

**Assuming contributions are reported for this day.*

EXAMPLE

Jane is 53 years old and had 29.80 years of service credit at the end of 2010. She will be first eligible to retire with 30 years of service, so she needs .20 of a year of service credit. Using the chart above, we find that her tentative first eligible date for retirement is February 15, 2011.