

Changing Your Hours of Work Impact on your Benefits

Important Information

This booklet provides general information on the impact that changing from full-time to part-time service (or vice versa) has on certain benefits. It is not intended to change or otherwise modify any law, regulation, procedure, or collective bargaining agreement that may govern the subject matter covered in this document. If there is an inconsistency, the law, regulation, procedure, or collective bargaining agreement will prevail. Please also bear in mind that laws, regulations, procedures, and collective bargaining agreements may be amended at any time.

Please consult appropriate references, such as Sections 33-34 through 33-61H of the County Code (Employees' Retirement System Law) or Sections 33-113 through 33-127 of the County Code (Retirement Savings Plan), *ERS Summary Plan Document*, the Group Insurance Choice and Select Plan information, *Personnel Regulations*, and collective bargaining agreements for additional information.

Full-time to Part-time

Q. I've been working full-time, but I'd really like to switch to part-time work if I could. What do I need to know when considering such a change?

A. Changing your work status from full-time to part-time can have a significant impact on your benefits, including retirement, insurance, leave accrual, holiday leave and tuition assistance. Changing to part-time work will also affect your seniority in your job. Seniority is important during reduction-in-force (RIF).

Before you make such a change, be sure you understand how your benefits will be affected.

Retirement

Q. What would be the impact on my retirement?

A. If you're a member of the Employees' Retirement System (ERS), a reduction in hours worked (from full-time to part-time) will affect your retirement benefit – the amount of money you receive in your retirement check. That's because for most ERS participants the calculation of your retirement benefit is based on a formula that includes your average final earnings and years of credited service.

Clearly, your earnings as a part-time employee will be lower than if you remain a full-time employee. Also, if you've been a full-time employee but are a part-time employee at retirement, your average final earnings will need to be adjusted to account for the period of part-time earnings. The adjustment is made as follows:

- ❑ The total hours you've been paid during the relevant measuring period are calculated (12 months or 36 months, depending on your retirement plan).
- ❑ The total earnings from which you made retirement contributions during the measuring period are determined.
- ❑ The total earnings dollars are divided by the total hours to determine an "average hourly rate," which is then multiplied by 2,080 hours to determine the average final earnings on a full-time equivalent basis.

Changing to part-time work will also affect your credited service for determining your retirement benefit. If you work full-time and then change to part-time (20 hours per week or more), your part-time service is equated to full-time service based on the number of hours you were paid each fiscal year. (Each 176 hours paid equates to 1 month of credited service.) For example, if you're a member of the ERS for 10 years, and during that time you work 5 years full-time and 5 years part-time (20 hours a week), your 5 years of part-time service will equate to 2.5 years of credited service, and your total credited service for your retirement benefit will be 7.5 years – not 10 years.

If you change to part-time service that's less than 20 hours a week, in most cases you won't be eligible for any benefits, including continued participation in the ERS.

Remember, in the above example, your *membership* service in the ERS, which determines your *eligibility* for a benefit, will remain at 10 years, since full- or part-time status doesn't affect this. It's the *amount of the retirement benefit* that's affected by part-time service.

Q. What if I'm a member of the Retirement Savings Plan (RSP) and change from full-time to part-time service?

A. The major impact for RSP participants is the reduction in the amount of contributions --yours and the County's -- to your investment accounts because of your reduced salary. (Contributions are a percentage of earnings.) There are no direct changes in your retirement benefit based on changing from full-time to part-time service, since credited service is not a factor in the RSP retirement benefit -- only earnings on contributions.

Group Insurance

Q. What's the impact on my group insurance if I change from full-time to part-time service?

A1. If you're in the Choice Plan, changing from full-time to part-time (20 hours per week) will reduce the amount

of your life insurance by half, and you will lose your long-term disability insurance (LTD), if you are a member of the ERS. Also, keep in mind that the amount of life insurance you have when you retire affects the amount of life insurance you'll have as a retiree.

Your health coverage won't change.

If you change to less than 20 hours per week, in most cases you'll lose all your group insurance.

A2. If you're in the Select plan and change from full-time service to part-time, the County contributions toward the cost of your group insurance will be reduced, causing the amount of your contribution to increase. In addition, the amount of your life insurance will be reduced because of your salary reduction, and the amount of additional life insurance you're eligible to purchase will be reduced.

Note: if you're in the Select plan and plan to make any change to the number of hours you work, you should contact the Office of Human Resources' Benefits Team to determine exactly how the change will affect your benefits and costs.

Leave

Q. What’s the impact on my annual leave if I change from full time to part time service?

A. A full-time employee earns annual leave at rates which vary depending on years of service, as shown below.

Years of Service	Full-time County Employees earn:	Operational Firefighter (2496 hrs/yr) earn:
Less than 3	120 hours/year	144 hours/year
3 or more but less than 15	160 hours/year	192 hours/year
15 or more	208 hours/year	249 hours/year

If you work part-time, your annual leave accrual is based on your years of service and then pro-rated based on the number of hours you’re paid in a pay period.

Q. What about my sick leave?

A. Most full-time employees earn 120 hours of sick leave a year. If you work part-time, your sick leave accrual is prorated based on the number of hours you’re paid in a pay period.

Q. How is holiday leave affected if I change from full-time to part-time work?

A. Paid holiday leave is granted to full-time employees scheduled to work on a holiday observed by the County. For most full-time employees, the entire workday is the paid holiday.

If you’re a part-time employee, the holiday leave benefit is based on a prorated share of the hours you’re scheduled to work during the pay period in which the holiday falls, regardless of whether you’re scheduled to work on the holiday or not. The prorated hours are determined by dividing the number of hours you’re scheduled to work during the pay period in which the holiday falls by the number of work days in a pay period (10). For example, if you’re scheduled to work 20 hours per week, 40 hours (total hours worked in the pay period) is divided by 10. Your benefit is 4 hours of paid holiday leave.

If you worked on the holiday, you would be eligible for a maximum of 4 hours of holiday premium pay (HP1). Any hours over 4 worked on the holiday wouldn’t be eligible for the holiday premium.

Tuition Assistance

Q. How is my tuition assistance benefit affected?

A. Tuition assistance is available to permanent full-time employees, and to part-time employees who work at least 20 regularly scheduled hours per week on a regular basis. However, the financial benefit available per fiscal year is only half as much for a part-time employee as for a full-time employee. For example, at the present time, full-

time employees are eligible to receive up to \$780 for tuition expenses; part-time employees may receive a maximum of \$390.

Seniority

Q. How does changing to part-time work affect my seniority?

A. Seniority is calculated based on hours of paid service. Fewer paid hours will result in less seniority than if you remain a full-time employee.

Part-time to Full-time

Q. I've been working part-time, but I'd really like to switch to full-time if I could. What do I need to know when considering such a change?

A. Changing your work status from part-time to full-time can impact your retirement, group insurance, leave accrual, holiday leave and tuition assistance. Hours worked will also affect your seniority, which is a factor in reduction-in-force (RIF).

Before you make such a change, be sure you understand how your benefits will be affected.

Retirement

Q. What would be the impact on my retirement?

A. If you're a member of the Employees' Retirement System (ERS), an increase in hours worked (from part-time to full-time) will affect your retirement benefit – the amount of money you receive in your retirement check. That's because the calculation of your retirement benefit is based on a formula that includes your average final earnings and years of credited service.

As a full-time employee, your earnings will be greater than they were when you were a part-time employee. If your full-time service is just prior to your retirement, your average final earnings will also be higher, which will increase the amount of your retirement benefit.

Your credited service for your retirement benefit will also be affected by changing to full-time work. If you're a member of the ERS, all of your part-time service will be re-calculated to full-time service equivalency to determine your retirement benefit. (Each 176 hours paid equates to 1 month of credited service.) For example, if you're a member of the ERS for 10 years, and during that time you worked 5 years part-time (20 hours a week) and then 5 years full-time, your 5 years of part-time service will be re-calculated to determine your retirement benefit. Your 5 years of part-time service will equate to 2.5 years of credited service, and your total credited service for that 10-year period for your retirement benefit will be 7.5 years.

Q. What if I'm a member of the Retirement Savings Plan and change from part-time to full-time service?

A. The major impact for RSP participants will be an increase in the contributions (yours and the County's) to your investment accounts because of your higher salary. There are no direct changes in your retirement benefit based on changing from part-time to full-time service.

Group Insurance

Q. What's the impact on my group insurance if I change from part-time to full-time service?

A1. If you're in the Choice Plan, changing from part-time to full time will double the amount of your life insurance, and you'll be eligible for (and required to take) long-term disability insurance (LTD), if you are a member of the ERS. Your health coverage won't change.

A2. If you're in the Select plan and change from part-time to full-time service, the amount of the County contribution toward your group insurance costs will increase. In addition, the amount of your life insurance will increase because of your salary increase. Your other benefits won't change.

Note: If you're in the Select plan and plan to make any change to the number of hours you work, you should contact the Office of Human Resources' Benefits Team to determine exactly how the change will affect your benefits and costs.

Leave

Q. What's the impact on my annual leave if I change from part time to full time service?

A. If you change to full-time service, you'll be eligible for full-time annual leave accrual. A full-time employee earns annual leave at rates which vary depending on years of service, as shown in the following chart.

Years of Service	Full-time County Employees earn:	Operational Firefighters (2496hrs/yr) earn:
Less than 3	120 hours/year	144 hours/year
3 or more but less than 15	160 hours/year	192 hours/year

15 or more	208 hours/year	249 hours/year
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Q. What about my sick leave?

A. If you work full-time, you'll earn sick leave at the rate of 120 hours per year (144 hours if you're an operational firefighter).

Q. How is holiday leave affected if I change from part-time to full-time work?

A. Paid holiday leave is granted to full-time employees scheduled to work on a holiday observed by the County. For most full-time employees, the entire workday is the paid holiday, instead of the prorated amount available to part-time employees (see page 4).

Tuition Assistance

Q. How is my tuition assistance benefit affected?

A. The amount of yearly tuition assistance available to you will increase. At the present time, full-time employees are eligible to receive up to \$780 for tuition expenses; part-time employees are eligible to receive a maximum of \$390.

Seniority

Q. How does changing from part-time to full-time work affect my seniority?

A. Seniority is calculated based on hours of paid service. More paid hours will result in greater seniority than if you remain a part-time employee.

Additional Information

If you have questions about:

- Retirement, insurance, or deferred compensation, contact OHR's Benefits Team at 240-777-5000.
- Leave, contact the Labor/Employee Relations Team at 240-777-5114.
- Tuition assistance, contact the Staffing and Organizational Development Team at 240-777-5116

Note: This information can be made available in an alternate format, if necessary. Contact the Office of Human Resources at 240-777-5000.