**Section 1600.260 Part-time/Concurrent Service Adjustment**

This Section will clarify how the *percentage of time employed for each year of employment* is determined for the service adjustment under Section 15-134.1(b) of the Code. This percentage cannot exceed 100%.

a) Determine the average monthly percent time worked.

1) Establish the monthly full-time equivalent (FTE) earnings for each employer by dividing the monthly earnings from that employer by the percent time the participant worked for that employer for that month.

2) Total the participant's earnings from all employers for that month and divide by the highest full-time equivalent.

3) This results in the average monthly percent time worked.

4) Example:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Actual Monthly |  | Monthly % |  |  |
| Employer |  | Earnings |  | Time Worked |  | Monthly FTE |
| Employer #1 |  | $200 |  | 20% |  | $1,000 |
| Employer #2 |  | $375 |  | 30% |  | $1,250 (highest) |
| Employer #3 |  | $420 |  | 40% |  | $1,050 |
| Total Actual |  | $995 |  |  |  |  |

Average monthly percent time worked = 79.6% ($995 divided by $1,250)

b) Determine the percentage of time employed for each relevant year of employment.

1) Total the average monthly percent time worked for each month in the academic year for which the participant had earnings.

2) Divide this number by the total number of months during the academic year for which the participant had earnings.

3) This calculation results in the percentage of time employed for each year of employment.

4) Example:

|  |  |  |
| --- | --- | --- |
| Average monthly % time worked |  | Earnings in: |
| 79.6 |  | September |
| 67.5 |  | October |
| 54.3 |  | November |
| 78.5 |  | December |
| 35.2 |  | February |
| 38.9 |  | March |
| 44.5 |  | April |
| 37.5 |  | May |
| Total 436.0 |  | 8 months of earnings |

Percentage of time employed for the year of employment is 54.5% (436.0 divided by 8).

c) Calculate Annuity

1) In calculating a retirement annuity, if the participant's "percentage of time employed for each year of employment is 50% or less for 3 or more years after September 1, 1959, service is granted for employment in excess of 3 years", in the proportion that the percentage of time employed for each year of employment bears to the average annual percentage of time employed during the period on which the final rate of earnings is based. An example calculation for this subsection (c) is:

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Unadjusted Service | Percentage of Time Employed | Adjusted Service |
| 1 | 1.00 | 25% | 1.00 |
| 2 | 1.00 | 25% | 1.00 |
| 3 | 1.00 | 30% | 1.00 |
| 4 | 1.00 | 30%/57.50% | 0.5217 |
| 5 | 1.00 | 45%/57.50% | 0.7826 |
| 6 | 1.00 | 50%/57.50% | 0.8696 |
| 7 | 1.00 | 55% | 1.00 |
| 8 | 1.00 | 60% | 1.00 |
| 9 | 1.00 | 65% | 1.00 |
|  | 9.00 |  | 8.1739 |

2) In this example, the final rate of earnings are based on years 6 through 9. The average annual percentage of time employed during the period on which the final rate of earnings is based is 57.5%. This is the sum of years 6 through 9 percentages divided by 4.

3) Years 1 through 6 have percentages of 50% or less and must be tested for adjustment. The participant receives 3 of these years without adjustment. To maximize the service that is used in the calculation of the retirement annuity, those years with the smallest percentages will be applied to the 3 years the participant receives without adjustment. In this example, that is years 1 through 3. Therefore, only years 4 through 6 require adjustment. To determine the adjusted service, divide the "percentage of time employed" by the "average annual percentage of time employed during the period on which the final rate of earnings is based", then multiply by the unadjusted service. If year 4's unadjusted service had been 0.50 year, the adjusted service would have been 30%/57.5% x 0.50 = .2609.

d) The service credit adjustment in subsection (c) is not made in determining the participant's eligibility for a retirement annuity, disability benefits, additional death benefits, or survivors' insurance.

(Source: Amended at 32 Ill. Reg. 16515, effective September 25, 2008)