



Changes to PERS Service Credit Explained

May 26, 2016

To Our Members:

House Bill 899 (2016 Legislative Session) amended several Public Employees' Retirement System of Mississippi (PERS)-related statutes, including how PERS will award service credit for periods of service after July 1, 2017.

This bill was recommended by the PERS Board of Trustees and PERS staff and was outlined in detail in your [Spring 2016 Looking Forward](#) newsletter. We are in the process of updating our publications to incorporate these and all of the most recent legislative changes; however, I want to take this opportunity to provide further clarification about the implementation of the change from quarterly to monthly service credit accruals.

Why the Change Was Recommended

Service credit is important because it counts toward a member's retirement. And while PERS has collected wage and contribution information on a monthly basis since January 1987, the awarding of service credit has been on a quarterly basis since 1953. Aligning the collection and posting of wages and contributions with the awarding of service credit will not only make for more efficient processing, it is a more equitable way to award service credit.

Earning Service Credit

Currently, a member who works year round is only required to work a minimum of 15 days in the first month of his or her last quarter of employment to earn that quarter. After July 1, 2017, a member will receive service credit for each month worked. This means that an individual who retires after July 1, 2017, will have to work at least 15 days into the last month of that quarter to receive credit for all three months of that quarter. The following chart demonstrates the current and future method of awarding service credit for time worked after July 1, 2017.

Service Credit Conversion Illustration*

Month	Current		After July 1, 2017	
	Quarterly Accrual	Cumulative Accrual	Monthly Accrual	Cumulative Accrual
July	0.2500	0.2500	0.0833	0.0833 (1 month)
August	0.0000	0.2500	0.0833	0.1667 (2 months)
September	0.0000	0.2500	0.0833	0.2500 (3 months)
October	0.2500	0.5000	0.0833	0.3333 (4 months)
November	0.0000	0.5000	0.0833	0.4167 (5 months)
December	0.0000	0.5000	0.0833	0.5000 (6 months)
January	0.2500	0.7500	0.0833	0.5833 (7 months)
February	0.0000	0.7500	0.0833	0.6667 (8 months)
March	0.0000	0.7500	0.0833	0.7500 (9 months)
April	0.2500	1.0000	0.0833	0.8333 (10 months)
May	0.0000	1.0000	0.0833	0.9167 (11 months)
June	0.0000	1.0000	0.0833	1.0000 (12 months)

* For school employees employed pursuant to a contract, the employee must substantially complete the legal school term in order to receive credit for a full year of service. For employees who work for less than a full contract term, service credit is awarded on the same basis as all other employees.

Earning Credit for Unused, Uncompensated Leave

PERS awards service credit at retirement to members, if eligible, for accumulated, uncompensated unused leave. For members who retire after July 1, 2017, PERS will award service credit for unused, uncompensated leave in monthly increments. Members will still earn one quarter (three months) of service credit with their first 15 days (120 hours) of accumulated leave and two quarters (six months) of service credit with their first 78 days (624 hours) of leave. However, from that point forward, individuals will accrue an additional month of service credit for every 21 days (168 hours) of accrued leave. The following chart demonstrates the current and future methods of awarding service credit for accumulated leave for members who retire on or after July 1, 2017.

Unused Leave Conversion Illustration

Current methodology			Leave conversion effective July 1, 2017		
Total Hours*	Equivalent No. of 8-Hour Work Days**	Applicable Service Credit Based on No. of 8-Hour Work Days	Total Hours*	Equivalent No. of 8-Hour Work Days**	Applicable Service Credit Based on No. of 8-Hour Work Days
120	15	0.25	120	15	0.2500 (3 months)
288	36	0.25	288	36	0.2500 (3 months)
456	57	0.25	456	57	0.2500 (3 months)
624	78	0.50	624	78	0.5000 (6 months)
792	99	0.50	792	99	0.5833 (7 months)
960	120	0.50	960	120	0.6667 (8 months)
1128	141	0.75	1128	141	0.7500 (9 months)
1296	162	0.75	1296	162	0.8333 (10 months)
1464	183	0.75	1464	183	0.9167 (11 months)
1632	204	1.00	1632	204	1.0000 (12 months)
1800	225	1.00	1800	225	1.0833 (13 months)
1968	246	1.00	1968	246	1.1667 (14 months)

* 120 hours for first month and 168 hours for each subsequent month

** 15 days for first month and 21 days for each subsequent month

As always, PERS is here to help you with any questions you may have about your retirement system. Please call or e-mail us if you need further explanation, 800-444-7377, 601-359-3589, or customerservice@pers.ms.gov. Thank you.

Sincerely,



Pat Robertson
Executive Director