

# Creditable Service & Rule of 80

## **1 What is creditable service?**

Creditable service is the length of time spent as a member of the System. However, creditable service may also include credit for any annual leave forfeited after January 1, 1980, and, at your election, credit for any unused sick leave. You may also make a deposit to obtain credit for eligible pre-TVA employment military service.

## **2 How is creditable service used in determining my benefits?**

We will use creditable service (exclusive of pre-TVA employment military service) to determine when you are vested, but all creditable service is used to calculate the maximum pension to which you are entitled.

## **3 Why is creditable service sometimes different from actual service?**

Any one of the following situations may cause creditable service to differ from actual service.

- Credit for unused sick leave and forfeited annual leave is added to your actual service.
- Time spent as an hourly or contract employee is not creditable.
- Time spent as a part-time annual employee may or may not be creditable.
- Service for a predetermined period of six months or less may not be creditable.
- Some periods of leave without pay are not creditable.

**4 How does including my unused sick leave and forfeited annual leave balances in the calculation of my creditable service help me?**

These balances give you additional service, which results in a larger pension. To calculate the additional service, add your unused sick leave balance to your forfeited annual leave balance. If the total is 1,000 or less, you receive hour-for-hour credit of additional service.

For example:

500	hours of unused sick leave
<u>+ 20</u>	hours of forfeited annual leave
520	hours of unused sick and forfeited annual leave, or 0.25 years of service (2,080 hours = 1 year)

However, if the total is greater than 1,000, you receive double credit for the hours in excess of 1,000.

For example:

900	hours of unused sick leave
<u>+ 120</u>	hours of forfeited annual leave
1,020	hours of unused sick and forfeited annual leave. Double the hours in excess of 1,000 for a total credit of 1,040 hours or 0.50 years of service.

**5 May I receive credit for an unlimited number of unused sick leave and forfeited annual leave hours in the calculation of my benefits?**

You will automatically receive credit for your annual leave forfeited after January 1, 1980. At your election, you may also receive credit for your entire unused sick leave balance.

**6 I will be working for another federal agency. May I use my unused sick leave and forfeited annual leave balances to calculate my pension from TVA?**

If you are transferring to another federal agency, your unused sick leave will transfer to that agency. There are no provisions for forfeited annual leave to transfer; therefore, it will automatically be used in calculating your pension benefit. The rules on transferring from TVA to another federal agency are extremely complex. You should contact Retirement Services as early as possible so we may provide information to you about your benefits.

**7 I worked as an hourly employee for two years before becoming an annual employee. Is that service creditable?**

No. Hourly employment is not included in your creditable service.

**8 Is service as a part-time annual employee included in creditable service?**

Part-time service after January 1, 1987, with a minimum schedule of 16 hours per week is included in creditable service on a pro rata basis. In addition, part-time service for up to one year in TVA's formalized part-time employment program is included. Any other part-time service is not creditable.

**9 Is military service included in creditable service?**

Military service is not used in determining whether you are vested, but is used in determining the Rule of 80 and in calculating your pension benefit. Please see the Military Service Credit FAQs for additional information.

**10 I had to take a period of leave without pay for a short time. Is that period included in my creditable service?**

If the period of leave without pay was for less than 30 days, the service would be creditable. In addition, if the period of leave without pay was for less than 12 months and TVA kept you "in service" for retirement service credit, the service would be creditable. Please contact Retirement Services if you have specific questions about a period of leave without pay.

**11 What is the Rule of 80?**

The Rule of 80 is an important calculation in determining your pension factor. It is the sum of your attained age and creditable service calculated as of your date of termination. To determine whether you have obtained the Rule of 80, add your attained age to your creditable service. If the sum is 80 or more and you are at least actual age 45, you have obtained the Rule of 80 and will be eligible for the maximum pension factor. A Rule of 80 Calculator is available on the Retirement Services Web site on InsideNet.

**12 What is attained age?**

Attained age is your actual age plus credit for any annual leave forfeited after January 1, 1980, and, at your election, credit for your unused sick leave balance.

**13 Is my actual service or creditable service included in the Rule of 80 calculation?**

Creditable service is used in the Rule of 80 calculation.

**14 Does my unused sick leave and forfeited annual leave credit apply to my age and my service?**

Yes. You will automatically receive credit toward your age and service for your annual leave forfeited after January 1, 1980. At your election, you may also receive credit for your entire unused sick leave balance on both your age and service.

**15 How is a partial month credited?**

For purposes of determining whether you have obtained the Rule of 80, age and service are each rounded to the nearest month, then added together.

**16 I will not have obtained the Rule of 80 when I retire. May I forfeit some of my accumulated annual leave during the year of my retirement and have it included in my creditable service?**

Annual leave is only included after it has been forfeited at the end of each leave year. You will receive payment from TVA for your accumulated annual leave upon termination.

*Should there be any conflict between the information provided herein and the TVA Retirement System Plan provisions, the plan provisions and not this document shall be controlling.*

Retirement Services  
400 West Summit Hill Drive, ET 8B-K  
Knoxville, Tennessee 37902

Phone: 865-632-2672  
Fax: 865-632-8591  
TTY: 865-632-7576

E-mail: [retsvcs@tva.gov](mailto:retsvcs@tva.gov)