



REPORTING ENTITY PENSION SURCHARGE FOR REPORTED RETIREES REPORT TABLE OF CONTENTS

Purpose

Report and TEXNET Deposit Due Date

Report Components

TEXNET Deposit and District Ledger Balance

Certain Retirees are Exempt

Error Messages

Prior Month Adjustments

Helpful Hints

REPORTING ENTITY PENSION SURCHARGE FOR REPORTED RETIREES REPORT

- As of September 1, 2005, **all** reporting entities are required to make monthly surcharge payments to the TRS pension fund for certain retirees returning to work.
- The Pension Surcharge is a total of 14.5% of the salary paid to that retiree in that calendar month. It is a combination of the employee contribution rate (currently 7.7%) and the state contribution rate (currently 6.8%)
- This surcharge will be collected through the *Reporting Entity Pension Surcharge for Reported Retirees Report*. The TRS Rule for the employer pension surcharge can be found in Chapter 31, Rule 31.41



SURCHARGE 'TRIGGER'

- Surcharges are due each month on all retirees who:
 - Retired after 9/1/05
 - Work more than the equivalent of 4 clock hours for each work day in the calendar month under the one-half time exception
 - Work more than half the number of work days in the calendar month when combining one-half time employment and substitute employment in the same calendar month
- Applies to Service and Disability retirees



HOW MUCH MAY A RETIREE WORK EACH MONTH WITHOUT TRIGGERING THE SURCHARGE?

Month	Total Full-Time Hours in Calendar Month ('Work Units Required' on ER10)	Number of Hours a Retiree Working One-Half Time or Less May Work Without Triggering Surcharges	Total Number of Workdays in Calendar Month ('Work Units Required' on ER10)	Number of Workdays Retiree Combining Substitute and Other TRS-Covered Employment May Work Without Triggering Surcharges
September 2016	176 hours	88 hours	22 days	11 days
October 2016	168 hours	84 hours	21 days	10 days
November 2016	176 hours	88 hours	22 days	11 days
December 2016	176 hours	88 hours	22 days	11 days
January 2017	176 hours	88 hours	22 days	11 days
February 2017	160 hours	80 hours	20 days	10 days
March 2017	184 hours	92 hours	23 days	11 days
April 2017	160 hours	80 hours	20 days	10 days
May 2017	184 hours	92 hours	23 days	11 days
June 2017	176 hours	88 hours	22 days	11 days
July 2017	168 hours	84 hours	21 days	10 days
August 2017	184 hours	92 hours	23 days	11 days

**Please refer to the *Employment After Retirement* section of the TRAQS Payroll Reporting Manual for instructions on reporting retirees on the Employment After Retirement report.



CERTAIN RETIREES ARE EXEMPT

Retiree reported only as a substitute

For the purposes of Employment After Retirement *only*, retirees are also allowed to serve in a vacant position or positions for no more than 20 days in each vacant position and still be considered a 'substitute,' provided the retiree is not serving the vacant position created by that retiree's retirement

EXCEPTION: If substitute service is combined with other TRS-covered employment, the surcharge is owed by the employer on all compensation earned, including compensation for the substitute service.

Retirement date is prior to September 1, 2005

Retiree working under the one-half time exception does not work more than the equivalent of 4 clock hours times the number of workdays in the calendar month or, if combining substitute and on-half time employment in the same calendar month, works no more than half the available work days in the calendar month.



THE REPORT CONSISTS OF THE FOLLOWING INFORMATION:

1. Total number of non-exempt retirees included in this report.
2. Total amount of salary paid to all non-exempt retirees included in this report.
3. Total amount of pension surcharge for non-exempt retirees included in this report.



REPORT AND TEXNET DEPOSIT DUE DATE

- Submit the *Reporting Entity Pension Surcharge for Employed Retirees Report* each month, September through August
- The monthly report and surcharges are due to TRS by the 6th of the month following the close of the calendar month for which the report is prepared.
- Monthly deposits (contributions) are remitted to TRS through the State Comptroller using the Texas Network for Electronic Transfers (TEXNET). Deposits must be transmitted via TEXNET no later than 6:00 p.m., Austin time, on the 6th of the month following the close of the calendar month for which the deposits are due.
- *If the 6th falls on a weekend or a Federal holiday*, the TEXNET and Signature component must be transmitted no later than 6:00 p.m. the previous business day.



REPORT COMPONENTS

- Signature
- TEXNET Deposit

A Detail file is not a required component of the *Reporting Entity Pension Surcharge for Reported Retirees Report*. However, the reporting entity is responsible for retaining the detailed data along with supporting documentation which may be needed for future reference or audit.



REPORT COMPONENTS, CONTINUED

Signature – used to report and certify the total number of non-exempt retirees and the total amount of salary and pension surcharge for the month.

- (1) The Signature is an electronic signature.
- (2) A Signature may only be submitted by a TRAQS user who has Signature authority.
- (3) **Submit the Signature component each month even if there are no non-exempt retirees to report. The number of non-exempt retirees, salary and pension surcharge amounts would be reported as zero.**



REPORT COMPONENTS, CONTINUED

TEXNET Deposit – Contribution to the pension fund for non-exempt reported retirees.

- Use the “Query” function of TRAQS to view the result of the TEXNET transmission. The result will be available the business day following the TEXNET settlement date.



TEXNET DEPOSIT AND DISTRICT LEDGER BALANCE

- Use the “Query” function of TRAQS to view the “District Ledger Balance” on the History Detail screen.
- The *Reporting Entity Pension Surcharge for Reported Retirees Report* will reach the “Completed” status when the TEXNET Deposit and “District Ledger Balance” are equal to or greater than the amount indicated by the TRS-accepted Signature.
- The report status of “Completed” must be reached every month.



TEXNET DEPOSIT AND DISTRICT LEDGER BALANCE, CONTINUED

- **If the TEXNET Deposit for *Reporting Entity Pension Surcharge for Reported Retirees Report* contains more money** than the Signature component indicates, the overage will be shown in the “District Ledger Balance” on the History Detail screen AFTER the report reaches the “Completed” status.
- When an overage occurs, reduce the amount of the TEXNET Deposit for that particular fund type the next month

OR

Submit a prior month adjustment on the next month’s Signature component to apply the overage.

- **If the TEXNET Deposit contains less money** than the Signature component indicates, the Report Status will be “Failed”. Send an additional TEXNET Deposit for the balance due.



ERROR MESSAGES

- Use the “Query” function of TRAQS to view possible Error Messages AFTER each submission.
- An Error Message is fatal.
- Read the Error Message to determine the corrective action required.



PRIOR MONTH ADJUSTMENTS

- The Signature component contains the adjustments for salaries and contributions reported in error.
- The total of all prior month adjustments must be shown on the “Prior Month Adjustment” line of the Signature.
 - The reporting entity is responsible for retaining detailed data along with any supporting documentation which may be needed for future reference or audit.
- A positive adjustment is understood.
- A negative adjustment requires a minus sign.



HELPFUL HINTS

- “Query” each day until the Report Status of “Completed” has been reached.
- Each month’s *Reporting Entity Pension Surcharge for Employed Retirees Report* must reach the Report Status of “Completed” before the next month’s report can reach the “Completed” status.

