



RE Payroll Manual

Higher Education

October 2023



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Part One

General Reporting Requirements

Introduction:

This Payroll Manual provides instruction to TRS Reporting Employers that are part of Texas Public Education, including Senior Colleges, Community/Junior Colleges, and Medical Dental/Schools.

General Reporting Requirements

Payroll Report Due Date

The Regular Payroll (RP) report is due to TRS by the 6th day of the month following the close of the preceding calendar month. If the 6th day of the month falls on a weekend or a federal holiday, the report must be submitted by the previous business day.

The RP report must be submitted and completed in month order from September-August.

Payroll Report TEXNET Deposit Due Date

Monthly deposits (contributions) are remitted to TRS through the Texas Comptroller of Public Accounts (State Comptroller) using the Texas Network for Electronic Transfers (TEXNET).

Deposits for contributions on the Regular Payroll report must be transmitted via TEXNET no later than 8:00 p.m., Central Standard Time, on the 6th day of the month following the close of the calendar month for which the deposits are due. If the 6th day of the month falls on a weekend or a Federal holiday, the TEXNET Deposit for the Regular Payroll report must be transmitted no later than 8:00 p.m. on the previous business day.

The report month on the TEXNET submission should follow the TRS fiscal year. September should be entered as month 01 through August which will be 12.

Click [HERE](#) to access [TEXNET instructions](#).

Employment After Retirement Report Due Date

The Employment after Retirement (ER) report and required surcharges are due to TRS on the 10th of the month following the close of the preceding calendar, except for the August report each year. The August ER report and all required surcharges for that month are due on Sept. 6th each year. If the 10th of the month (or Sept. 6th in the case of the August report) falls on a weekend or federal holiday, the report and all surcharges are due on the last business day prior to the weekend or federal holiday.

The ER report must be submitted and completed in month order from September-August.

Employment After Retirement TEXNET Deposit Due Date

Monthly deposits (contributions) are remitted to TRS through the Texas Comptroller of Public Accounts (State Comptroller) using the Texas Network for Electronic Transfers (TEXNET).

Deposits for contributions on the Employment after Retirement report must be transmitted via TEXNET no later than 8:00 p.m., Central Time, on the 10th day of the month following the close of the preceding calendar month for which the deposits are due, except for the August report each year. The August report and all required surcharges for that month are due on Sept. 6th each year. If the 10th of the month (or Sept. 6th in the case of the August report) falls on a weekend or federal holiday. If the 10th day of the month falls on a weekend or a Federal holiday, the TEXNET Deposit for the Employment after Retirement report must be transmitted no later than 8:00 p.m. on the previous business day.

Click [HERE](#) to access [TEXNET instructions](#).

Penalty Interest

When the TEXNET is transmitted after the due date, penalty interest is due to TRS.

Penalty Interest accrues daily on the TEXNET dollar amount that is submitted through TEXNET after the due date. For example, if the entire deposit is late, penalty interest will accrue on the entire amount. When a portion of the deposit is transmitted by the due date, but it is not enough to clear the report, penalty interest is assessed only on the portion of funds that is overdue. Penalty Interest will show on the View RE Ledger screen AFTER each report reaches the report status of "Complete" and the TEXNET deposit is posted for that month. Once assessed, penalty interest does not accrue on interest balances due to TRS.

Penalty interest on late TEXNET deposits remains in effect. Please remember to transmit your TEXNET deposits on time so that penalty interest is not accrued on those deposits.

The settlement date of the TEXNET deposit is generally the business day after the date the deposit is submitted through the comptroller. If the settlement date is changed to a later business day, the deposit will be considered late. The deposit posts to TRS the business day after the settlement date.

Penalty Interest on Prior Month Adjustments

For records reported for the current report month (RP20 and ER20), PI will be assessed if the TEXNET deposit is submitted after the monthly due date.

Adjustments submitted on a regular monthly report (RP or ER report)

- Prior month adjustment records (RP25) included on a regular month's RP report that are reporting additional salary and contributions will incur penalty interest on any member contributions based on the month the record is adjusting.
- Prior month adjustments records (RP25, ER25, ER27) included on a regular month's RP or ER report that are adjusting employer contributions will incur PI only if the TEXNET deposit for the report month is sent after the due date. If the TEXNET for the report month the adjustment record is on is sent on time, no PI will be charged.
 - Example 1: In February, the RE reports salary as being paid out of local funds on the RP20. The RE later determines that the salary should be allocated to Federal Funds. An RP25 is submitted on the May RP report to report the Federal Fund Compensation, Federal Fund Contribution, and the Federal TRS-Care Contribution. The May TEXNET deposit was submitted by the June 6 deadline; thus, no PI is charged.
 - Example 2: a TRS retiree is left off the January report. The RE creates an ER25 and submits it on the April ER report. The April TEXNET for the ER report is submitted by the May 6 deadline, no PI is charged.

Adjustments submitted on a separate adjustment report (RP Adjustment or ER Adjustment report)

- Prior month adjustments included on a separate RP Adjustment report rather than on the regular monthly report will incur penalty interest on any member contributions based on the month the record is adjusting.
- Employer contribution adjustments submitted on an RP Adjustment report or ER Adjustment report will not incur PI if the TEXNET is submitted within 1 business day following the completion of the RP Adjustment or ER Adjustment report. If the TEXNET is not submitted within one business day after the completion of the adjustment report, PI will be charged from one business day of completion of the adjustment report until TRS receives the deposit.
 - Example: RE completes a January RP Adjustment report on 2/15/19. The RE has until the following business day to submit their TEXNET deposit to TRS without incurring a penalty interest on those employer contributions.

- If the regular monthly report completes prior to due date, and the RE submits an adjustment report, but the current month due date not reached yet, the TEXNET for both reports is due by the normal due date.
 - Example 1: the May RP report is completed by June 2. The RE determines they need to submit adjustments to May on an RP Adjustment report and completes the adjustment report by June 4th. The TEXNET for *both* the May RP and the May RP Adjustment report is sent by the June 6th due date, no PI is assessed.
 - Example 2: the May ER report is completed by June 8th. The RE determines they need to submit adjustments to May on an ER Adjustment report and completes this adjustment report on June 9th. The TEXNET for both the May ER and May ER Adjustment report is sent after the June 10th due date, PI is assessed on the late TEXNET deposit.

Penalty Interest TEXNET Deposit

Pension Penalty Interest (PI) accrues on pension contribution types. TRS-Care Penalty Interest (CI) accrues on Health Care contribution types. The payment for the interest transactions (Pension or TRS-Care) must be submitted on the appropriate line on the TEXNET form.

Name on TEXNET Form:	Name on TRS:
Pension Penalty Interest Amount Due	Penalty Interest (PI)
RE TRS-Care Penalty Interest Amount Due	TRS-Care Penalty Interest (CI)

Penalty Fees

Penalty Fees accrue each business day the RP and/or ER report is not at a “Complete” status after the due date. The penalty fee is based on the number of TRS eligible members reported on the May report for the previous school year. The late fee is not to exceed \$1,000 per business day, for each business day that a required employer report is late. There is a cap of \$25,000 per report month on the late fees for each report.

Penalty Fees Table

Penalty Fees Table		
Number of Employees	First Business Day past due	Each Subsequent Business Day
1-99	\$100	\$10
100-499	\$250	\$25
500-1000	\$500	\$50
1001 and above	\$1000	\$100

Senate Bill 1663 and TRS Rule 25.28, establish penalty fees on late reports.

More information about penalty fees can be found on the [Penalty Fees](#) page of the TRS website.

Remitting Contributions to TRS

TEXNET Menu

This is the menu when submitting the TEXNET payment on the Texas Comptroller of Public Accounts (TXCPA) website.

*Total Amount	<input type="text" value="\$0.00"/>
*Bank Account	<input type="text"/>
*Settlement Date	<input type="text"/>
*Report Month	<input type="text"/>
Member Contribution Amount	<input type="text" value="\$0.00"/>
Member TRS-Care Contribution Amount	<input type="text" value="\$0.00"/>
RE Federal Fund/Private Grant Contribution Amount	<input type="text" value="\$0.00"/>
RE Statutory Minimum Contribution Amount	<input type="text" value="\$0.00"/>
RE Non-Education/General Funds Contribution Amount	<input type="text" value="\$0.00"/>
Pension Penalty Interest Amount Due	<input type="text" value="\$0.00"/>
RE Federal Fund/Private Grant TRS-Care Contribution Amount	<input type="text" value="\$0.00"/>
RE Educational/General Funds Contribution Amount	<input type="text" value="\$0.00"/>
Member Service Credit Purchase Payroll Deduction Amount	<input type="text" value="\$0.00"/>
RE TRS-ActiveCare Premiums Billed Amount	<input type="text" value="\$0.00"/>
RE TRS-Care Contribution Amount	<input type="text" value="\$0.00"/>
RE New Member Contribution Amount	<input type="text" value="\$0.00"/>
RE Pension Surcharge for Reported Retirees Contribution Amt	<input type="text" value="\$0.00"/>
RE TRS-Care Surcharge for Reported Retirees Contribution Amt	<input type="text" value="\$0.00"/>
RE Community/Junior College Contribution Amount	<input type="text" value="\$0.00"/>
RE Public Education Employer Contribution Amount	<input type="text" value="\$0.00"/>
RE TRS-Care Penalty Interest Amount Due	<input type="text" value="\$0.00"/>
Penalty Fee Amount Due	<input type="text" value="\$0.00"/>

Contribution Rates

The current and recent fiscal year contribution rates can be found on the [Contribution Rates](#) page of the TRS Website.

IRS Salary Cap Provision

Some highly paid members may have their annual creditable compensation limited in accordance with Section 401(a)(17) of the Internal Revenue Code. These limits affect individuals who joined TRS for the first time on or after September 1, 1996. The annual limit is subject to indexing each plan year, based on federal regulations. Amounts excluded from creditable compensation under this law are not subject to member contributions and will not be used in calculating benefits.

Do not report an amount of TRS Eligible salary in excess of the salary cap to TRS for those members who joined TRS on or after September 1, 1996.

The cap is based on the TRS plan year of September through August and not the member's contract/work agreement year. Once the member's reported salary beginning with the September posting reaches the salary cap for that year, no further salary is to be reported until the following September which is the beginning of the next plan year. ***However, Days Worked, Hours Worked/Scheduled and Total Gross Compensation must continue to be reported for these employees after they have reached the salary cap.***

The current and recent fiscal year [IRS Salary Cap Provision](#) amounts can be found on the TRS Website. An employer can determine if an employee is subject to the salary cap by looking up the employee on the View Employee Information screen.

Reporting Employer Contacts

The Head of Institution at every TRS Reporting Employer is required to assign a Web Administrator by completing the [TRS 597A](#) and emailing the completed form to Reporting@trs.texas.gov.

The Web Administrator responsibilities include:

- Authorize users at your RE to access the Teacher Retirement System of Texas (TRS) RE Portal.
- Take appropriate measures to verify the identity and business need for access of anyone requesting access to the RE Portal before activating his or her account.
- Create, activate, update, and deactivate Web Accounts for the RE's users.
- Communicate to the RE's users the importance of protecting User IDs and passwords to avoid compromising security.
- Ensure that RE's users are proficient in usage of the RE Portal

- Report any unauthorized access or use of TRS member information to TRS as soon as it is identified.

Additional information for Web Administrators can be found in the [Instructions for Web Administrators](#) document on the TRS Website.

Each Reporting Employer is required to have someone designated as a Web Administrator, Head of Institution, Reporting Official, HR Contact and Payroll Contact types always.

Limits on Transfers and Refunds

To comply with IRS requirements for qualified pension plans, effective immediately TRS will limit the transfers that may be made between contribution types (buckets) and will no longer be able to refund any overages. The employer will need to use the overage in a bucket as a credit against future contributions due for that bucket.

Therefore, it is crucial that all Reporting Employers submit TEXNET deposits into the correct bucket. It is highly recommended that all reporting Employers submit their TEXNET deposits using the TEXNET website instead of submitting by phone.

Transfers will NOT be allowed into or out of:

- Member Retirement Contribution – RP
- Member TRS-Care Contribution – IN
- SSBB Payroll Deduction – SP
- TRS-Active Care – AC

Transfers ARE allowed between Pension buckets:

- Federal Fund Contribution – FG
- Statutory Minimum Contribution – SM
- Reporting Employer Payments for New Member – NM
- Reporting Employer Public Education Employer Contribution – EC
- Community/Junior College Contribution – CJ
- Reporting Employer Pension Surcharge for Retirees – PS
- Non-Education Contribution – NE
- Education/General-Local Funds – EG

Transfers ARE allowed between Health Insurance buckets:

- RE Federal Fund/Private Grant TRS-Care Contribution – FI

- Reporting Employer TRS-Care Contribution – RI
- Reporting Employer TRS-Care Surcharge for Retirees – CS

Transfers are **NOT** allowed between a Pension bucket and a Health Insurance bucket.

RE Portal Worklist Items

Currently Reporting Employers can submit the following certifications under the My Worklist -> Certifications menu of the RE Portal:

- Refund Certification
- ORP Election Certification
- Certify Performance Pay (ISD and Charter Schools only)
- Salary Certification
- Waiting Period Certification
- Certify Actual Days Worked for Employment After Retirement
- Retirement Certification (previously TRS 7)
- Death Certification (previously TRS 8)
- State Sick and/or Personal Leave Certification (previously TRS 587)

Step-by-step instructions on completing each certification can be found in the [RE Portal User Guide](#) and the [RE Portal Certification User Guide](#).

RE Portal – Employees Tab

- View Employee Information
 - Use this screen to look up all new employees
 - When entering search criteria, the employee’s SSN or TRS-Assigned Temp ID is required in combination with either the Last Name **or** Date of Birth.
 - Section 4.1.1 of the [RE Portal User Guide](#)
 - [Active Employee View Employee Information](#) Quick Reference
 - [TRS Retired Employee View Employee Information](#) Quick Reference
- SCP agreements
 - The View Purchase Payments menu option provides the ability to view participants with current purchase payments (installment agreement status of “active”) for the RE. The details of the payment plan can be viewed if the participant has chosen payroll deduction as the payment method.
- 401a Limits
 - The View 401 (a)(17) Limit menu option provides the ability to view a list of all members for:

- whom your reporting Employer has reported TRS-eligible compensation and/or performance pay in the current TRS plan year,
 - who have an original TRS membership date after 8/31/1996,
 - and who have reached or exceeded **85%** of the IRC 401 (a)(17) limit for the TRS Plan Year.
 - If the employee does not appear on this screen, and you have reported 85% of the limit for the year, then the employee is likely *not* subject to the salary limit
- An employer can also determine if an employee is subject to the salary cap by looking up the employee on the View Employee Information screen.
- ORP Participant
 - The View ORP Participants menu option provides the ability to view employees who have elected to participate in Optional Retirement Program (ORP). This view will help you to know how these members should be reported to TRS.
 - Section 4.3 of the [RE Portal User Guide](#)

Part Two

Active Employee Reporting

Active Employee Reporting

Active Employees are all employees who have not retired from TRS. This includes all substitute, temporary, part time and ORP participants. Active Employee reporting consists of the Employee Demographic and Regular Payroll reports. TRS Retirees should NOT be included on these reports. Higher education REs are not required to report student employment to TRS.

Employee Demographic Report

The purpose of the Employee Demographic Report is to create and maintain information for TRS participants. At times, TRS may require documentation of demographic information such as a copy of a driver's license, social security card, passport, or any other documentation necessary to verify a participant's identity. TRS requires that the name of a participant must be reported as it appears on the participant's social security card.

This data affects a participant's:

- Welcome to Membership packet, which includes the Designation of Beneficiary form
- Annual Statement of Account
- Application of salaries for benefit calculation
- Refunds of TRS contributions

ED Report Due Date

The Employee Demographic report is not a required report type. However, many Regular Payroll report validations rely on the appropriate ED records and an ED report will likely be submitted each report period.

ED Report Components

The Employee Demographic report only requires a detail component. A Signature page is not required.

Since the Employee Demographic Report can be submitted multiple times in a month, it should be submitted whenever an employee's data changes. An ED report can contain any combination of the following record types:

- ED20, Employee Demographic Record
- ED25, Employee Demographic Adjustment Record
- ED40, Employee Contract & Position Record
- ED45, Employee Contract & Position Adjustment Record
- ED90, Employee Termination Record

Please be sure to look up any new employees in ‘View Employee Information’ to determine if the employee has a TRS account. You may view instructions for this system in the [User Guide](#).

The Employee Demographic Report should always be completed first before submitting the Regular Payroll report.

Note: Submit ED records ONLY for employees who are currently reported or will be reported on the Regular Payroll Report. Do not send ED records for TRS retirees.

ED Record Type	Purpose
ED20 - Employee Demographic Record	<ul style="list-style-type: none"> • The ED20 provides basic enrollment information for employees. • If an employee does not have a valid Social Security number, contact TRS for a temporary ID number. • The name of the employee must be the name as shown on the employee’s Social Security card. • If the new employee being reported is a new TRS member, the account will be created using the information submitted through the ED20 record. • If the new employee being reported has an existing TRS account and the data in View Employee Information does not match your data, submit an ED25 not an ED20. <p>ED20 – Formatting Guidelines</p>
ED25 - Employee Demographic Adjustment Record	<ul style="list-style-type: none"> • USE EXTREME CAUTION WHEN COMPLETING THIS RECORD AS UNINTENDED CHANGES CAN HAVE SERIOUS CONSEQUENCES TO A MEMBER’S ACCOUNT. • This record is used to submit a change in demographic information (Social Security number, name, date of birth or gender) • All the “Original” data fields of the ED25 must be completed, and the information in those fields must match the TRS data so that

	<p>TRS can locate the proper account to be changed.</p> <ul style="list-style-type: none"> • ONLY the “New” data fields of the ED25 – i.e., those that require a change on TRS records – are to be completed. • The Electronic File Format clearly indicates which fields are “Original” data and “New” data. For example, if the member has a new last name, the old name will appear in the “Original Last Name” field and the new name will be placed in the “New Last Name” field. <p>ED 25- Formatting Guidelines</p>
<p>ED40 - Contract & Position Record</p>	<ul style="list-style-type: none"> • This record provides information about the employee’s contract/work agreement and position type. • Refer to the TRS Eligibility Guidelines to determine employment that is eligible for TRS membership. These individuals will have the Membership Eligibility flag of ‘Y’ on the ED 40 record. • ORP information • For <u>existing</u> employees, always submit an ED40 at the beginning of the new school year or at the start of the contract/work agreement. <ul style="list-style-type: none"> ○ In July for employees who have contracts or work agreements that begin in July. ○ In August for employees who have contracts or work agreements that begin in August. ○ In September for employees who have standard (September through August) contracts or work agreements • For <u>new</u> employees, always submit an ED40 at the time of hire but before reporting the



	<p>person on the Regular Payroll Report for the first time. An ED20 record must also be sent in the same month.</p> <ul style="list-style-type: none"> • The contract/work agreement dates on the ED40 must reflect the employee’s employment dates for that school year. Contracts may not begin any earlier than July 1 of that fiscal year. • If an employee performs multiple jobs with different position codes, the employee should have multiple ED40 records submitted. However, if multiple jobs fall within the same position code, only one record may be submitted per position code. • If the employee’s hiring date and termination date are within the same month or different months, the ending date on the ED40 should reflect when the contract end date would have been if the employee had not terminated. After submitting the ED40, submit a separate ED90 termination record with the actual termination date. <p>ED 40 - Formatting guide</p>
<p>ED45 - Contract & Position Adjustment Record</p>	<ul style="list-style-type: none"> • This record provides an adjustment to the employee’s contract/work agreement and/or position type. • This record can be used to: <ul style="list-style-type: none"> ○ Edit a previously submitted and TRS-accepted ED40 record. ○ End a previously submitted and TRS-accepted ED40 record. ○ Delete a previously submitted and TRS-accepted ED40 record. ○ End/Add a previously submitted and TRS-accepted ED40 record. <p>*Examples of the ED45 Formatting Guide</p>
<p>ED90 - Termination Record</p>	<ul style="list-style-type: none"> • The ED90 record is used to report an employee who no longer has any



	<p>contract/work agreement with the reporting Employer for one of the following reasons:</p> <ul style="list-style-type: none"> ○ ALL Employment is terminated by the employee or the reporting Employer (including a member who is terminating to retire from TRS) ○ Employee died while employed <p>• The ED90 record is submitted the same month that the final transaction for the employee is reported on the Regular Payroll Report. Additional examples for Final Report Month. Formatting Guide</p>
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ED25 – Demographic Documentation

TRS may require the following documentation for demographic updates. Please note that this is not a comprehensive list and sometimes additional documentation may need to be provided on a case-by-case basis.

- Social security number change
 - Copy of legible social security card
- Date of birth and/or gender change due to error
 - Copy of government-issued ID
- Partial name change
 - Copy of legible social security card
- Complete name change (must verify this is truly the same person)
 - Legal/court documents authorizing complete name change
 - Social security card (old & new if available)
 - Driver’s license
- Gender identity change
 - Copy of court documents
 - Social security card
 - Driver’s license

ED40 - Employment Types

There are four employment types that can be used by ISDs, Charter Schools and Education Service Centers:

1. S = Substitute only applies to employees filling in for an employee of record who is out on leave.

2. P = Less than ½ time: used for employees who are working less than ½ time of a position's FTE.
3. F = Half Time or More: used for employees who are working ½ time or more of the position's FTE. Employee must be eligible for TRS if using this employment type.
4. M = Temporary: used for employees whose overall employment is expected to last less than 4 ½ months in a school year.

ED40 – Full Time Equivalent

For TRS purposes, we define the Full-Time Equivalent (FTE) as the number of hours per week that an employee must work to be considered full time in a particular position.

Generally, a full-time position requires an employee to work 40 hours per week, which would be reported as an FTE of 40. A Reporting Employer (RE) may have positions that require fewer than 40 hours per week to be considered full time, but a full-time position can never be less than 30 hours per week.

If an RE has positions in which no employee is required to work between 30-40 hours a week, TRS considers these positions to have no full-time equivalent. If there is no FTE for a given position, an employee must be hired to work at least 15 hours per week to be eligible to participate in TRS. This requirement applies to all positions, including bus drivers, but excludes adjunct faculty in higher education.

ED45 - Contract & Position Adjustment Record - Examples

1. Edit a previously submitted and TRS-accepted ED40 record. If the position code, dates, or any other information were wrong on the original ED40, submit an ED45 with an Adjustment Reason Code of "E" (Edit) and put the corrected information in the applicable "New" fields. The ED45 must have the exact same Beginning Date of Contract/Work Agreement for the same FY as the originally accepted contract. The original contract is voided and is replaced by the information on the new ED45.
2. End a previously submitted and TRS-accepted ED40 record. There are two instances when a reporting Employer may need to end an existing ED40 record.
 - i. If an employee changes from one position to another, the original contract/work agreement will have ended earlier than the original end date due to the change. To report this change, submit an ED45 to end the original contract by updating the New Ending Date of Contract/Work Agreement and reporting an Adjustment Reason Code of "N" (End). This ends the original ED40 Contract and Position record. Then submit a new ED40 to start the new contract and position with a

begin date right after the end date on the old contract. Or the instructions in option 4 under this section can be used (End/Add).

- ii. If an employee has multiple ED40 records because each job is in a different position code and the employee terminates from one of the positions, then an ED45 record with an updated Ending Date of Contract/Work Agreement will need to be submitted for the terminated position. An Adjustment Reason Code of “N” (End) will also be used.
3. Delete a previously submitted and TRS-accepted ED40 record. If a reporting Employer submitted an ED40 record for an employee in error or for an employee who resigned before performing any duties, then an ED45 may be submitted with an Adjustment Reason Code of “D” (Delete).
4. End/Add a previously submitted and TRS-accepted ED40 record. This allows the ED45 to both end an existing contract/position record and start a new contract/position going forward. Unlike an Edit, the End/Add functionality does not replace the original contract/work agreement as it remains on the system. The original contract/work agreement is given a new ending date of the day prior to the beginning date of the new contract/work agreement and another contract/work agreement is added to the system using the new information on the ED45. Instead of submitting an ED45 to end the old position and then submitting an ED40 to start the new position, an ED45 with an Adjustment Reason Code of “A” (End/Date) can be reported to reflect a change in position. All “New” fields need be to be reported if the Adjustment Reason Code is “A” even if the previously reported data will be the same for the new position.

ED 90- Final Report Month to TRS

The Final Report Month to TRS should be last report month that eligible compensation and contributions will be reported to TRS.

1. For employees who have ever been reported in TRS-eligible positions by the employer, the final transaction month may either be the final eligible salary and deposits OR an adjustment to eligible salary and deposits previously reported.
 - a. If the employee held a TRS eligible position at your Employer in prior fiscal years, and the data is no longer accessible, contact your coach for assistance in determining the final report month of the eligible position.
2. If the employee terminated and receives [ineligible compensation](#) (such as a payoff of unused leave) after the Final Report Month for TRS Contributions, this ineligible compensation should not be reported.

3. For employees who have always been employed in positions ineligible for TRS, the Final Report Month for TRS Contributions field is *not* required on the ED 90.
 - a. If the final pay for the employee is 2 or more months *after* the termination date, the ineligible compensation cannot be reported to TRS.
4. The ED90 record and the final transaction reported through the Regular Payroll Report must be submitted before TRS can process a refund, death claim, or retirement for a member.
5. If the final transaction month was incorrectly reported on the ED90, submit a new ED90 to replace the original reported month.

Creating an ED Report

Creating an ED Report instructions can be found in Section 3.2.2 of the [RE Portal User Guide](#).

ED Report Statuses

- Incomplete- one or more ED records within the report have errors and are at a Suspended status. Some ED records within the report have posted to TRS.”
 - If the Employee Demographic Report has reached the status of “Incomplete,” corrections should be made through the RE Portal Edit function. **Do not resubmit the entire original ED file.**
 - An ED report at Incomplete status cannot be deleted because some of the records on that report have posted.
- Rejected- all ED records within the report have errors and are at a Suspended status.
- Completed- all ED records within the report have posted to TRS.

Position Codes

Each employee must be assigned one of the following position codes. Position code assignments are at the discretion of the employer.

- Professional/Administrative (01) - Examples: Chancellor, Dean, President, Superintendent, Principal, Attorney, Accountant, Director, Administrator, etc.
- Teacher, Full-Time Librarian (02)
- Support Staff-Other (03) - Examples: Aide, Clerk, Security, Maintenance, Groundskeeper, Secretary, Computer Operator, etc.
- Bus Driver (04)
- Full-Time Nurse/Counselor (05)
- Peace Officer (06)
 - “Peace Officer” means an officer commissioned under [Section 37.081, Education Code](#), or Subchapter E, Chapter 51, Education Code. Section 37.081 authorizes

the board of trustees of a school district to commission peace officers. Section [51.203 of Subchapter E](#) authorizes the governing boards of each state institution of higher education and public technical institute to employ and commission peace officers.

- Support Staff-Food Service Worker (07)
- Summer School (09)
 - ISD and Charter Schools *only*

Non-Standard Work Week

This flag is used to notify TRS when an employee is regularly scheduled to work in a Full-Time position less than 5 days a week. An example is an employee working (4) ten-hour days. Another example is an Adjunct professor who meets TRS eligibility, but their classes only meet on Tuesday and Thursday each week. Employee's working in a Non-Standard work week also has a different method to earn a year of TRS creditable service. Additional information can be found on page 14 of the member's [TRS Benefits Handbook](#).

Participant Addresses

Address changes submitted on an ED20 or ED25 are not being updated if TRS already has an address on file for the participant. Member who needs to change their address must complete a [TRS 358 Change of Address Notification](#) form and mail it to TRS.

There are no plans currently to resume accepting address changes from the employer through the ED25.

Employment Eligible for TRS Membership

As a condition of employment, an employee must be a member of the Teacher Retirement System if employed in a position in a Texas public educational institution that is eligible for membership in TRS. [Sec. 822.001 \(b\)](#).

TRS Membership eligibility must determine at the time of hire and re-evaluated any time a work agreement change occurs.

Only persons employed in institutions of higher education as full-time faculty and identified by the employer as eligible for the Optional Retirement Program (ORP) may opt out of TRS to participate in ORP. See: [TRS Rules, Chapter 25, Subchapter M, Optional Retirement Program](#).

Employment eligible for membership in TRS must meet the three (3) requirements listed below. Membership eligibility in retirement system is established through a **single** employer:

1. Employment must be on a regular basis for either an indefinite period of time e.g., at-will employment, or a definite period of 4½ months or more.
2. Employment must be for one-half or more of the time required of the standard workload for the same or similar full-time position.
3. Salary must be comparable to the rate of pay earned by other employees in the same or similar position types. The rate of pay is comparable if it is in the range of pay set by the board of trustees or is the customary rate of pay for that position.* **

Membership eligibility for positions requiring a varied work schedule is based on the average of the number of hours worked in a calendar month and the average number of hours worked must equal or exceed one-half of the hours required for a similar full-time position.

*If an employee is working 20 hours or more per week for a definite period of 4½ months or more, the requirement for the comparable rate of pay does not have to be considered.

**Rate of pay should not usually exclude an employee from membership; if requirements number 1 and 2 as listed above are met, contact TRS for review before excluding an employee from membership based solely on rate of pay.

[TRS Rules Chapter 25, Subchapter A Rules 25.1, Full-time Service](#)

To determine if employment meets requirement #2 above, the amount of time required of the full-time position must be determined. Generally, a full-time position is one that requires employment of 40 hours per week. For TRS purposes, 40 hours per week is the standard workload unless the reporting Employer has established a lesser requirement that does not require substantially less service per week. For example, some positions such as those held by support staff may require less than 40 hours per week. However, a full-time position can never be less than 30 hours per week.

Example- Determining Half-Time or More

Hours Hired to Work per Week	Position's FTE	Half-Time or More (Y/N)
20	40	Y
19	38	Y
18	37	N- must be 18.5 or more hours per week
14	00	N- must be 15 or more hours per week

No Full Time Equivalent

If there is no full-time equivalent for a given position, the minimum number of hours required per week that will qualify the position for TRS membership is 15. This requirement applies to all positions, except an adjunct faculty position.

Minimum Age for Membership

TRS follows the minimum age requirements set by the United States Department of Labor. The minimum age can be found on their website on the [Workers Under 18](#) page.

Other Employment Eligible for TRS Membership

In addition to the three (3) general requirements for employment eligible for TRS membership, the following are also considered eligible.

Adjunct Instructor

Employment as an adjunct instructor is eligible for TRS:

- if the number of clock hours worked per week is 20 or more
- and the employment is expected to last more than one semester or in fact does continue for more than one semester. Rule 25.1 (g)

To determine the number of clock hours worked per week, employment measured in semester or course hours or credits, instructional units, or any other unit representing class or instructional time is to be converted to clock hours and counted as a minimum of two clock hours for each clock hour of instruction in the classroom or lab. This reflects instructional time as well as preparation, grading, and other time typically associated with one hour of instruction. If the employer has established a greater amount of preparation time for each hour in the classroom or lab, the employer's standard will be used to determine the number of clock hours scheduled for work.

If all time worked is tracked for the employee, hours worked for the report month must be reported in lieu of converting to clock hours and report hours scheduled.

Independent Study Courses

Employees who are hired to work independent study courses may be considered adjunct instructors for TRS Purposes and the hourly conversion apply.

Adjunct Eligibility Examples

Eligibility is established at the time of hire and at each work agreement change. For Higher Education institutions, this may require an eligibility review at the beginning of each semester.

Fall Semester	Spring Semester	TRS Eligibility
Less than ½ Time (Less than 20 hours per week)	Half Time or More (20 or more hours per week)	Adjunct becomes TRS eligible in the Spring semester since the total employment continued for more than one semester. Rule 25.1(g)
Half Time or More	Not expected to return	If employment is expected to terminate at the end of the Fall semester, this is a type of temporary employment and not eligible for TRS.
Half Time or More	Expect the employee to return *Course load can be unknown	TRS eligible employment begins with the Fall semester since the employment is expected to continue for more than one semester. Rule 25.1(g)
Half Time or More- <i>Classes don't make</i>		In any semester, if the classes dropped changes the TRS eligibility status, then the change is retroactive.
Half Time or More	Less than Half Time	Adjunct is TRS eligible in the Fall due to the expectation of employment continuing. Adjunct is <i>not</i> TRS eligible in the Spring since hours drop to less than half time. If the adjunct resumes Half Time or more in the Summer Semester, they will return to TRS eligible.

Concurrent Employment

- Concurrent employment in more than one position at the same employer and each position does not meet the requirements of eligible employment is membership eligible if the *combined* employment at the same employer meets the three (3) requirements for employment eligible,

- Example 1- an employee in a TRS eligible position, that also Substitutes at the same employer, the substitute position is eligible for TRS.
- Example 2- an employee in a non-eligible position and substitutes, the two positions cannot be combined to make the person eligible.
- Substitute employment cannot be used to make an employee TRS eligible.

-OR-

- Concurrent employment in one position that does not meet the requirements for employment eligible becomes eligible when it is combined with employment in another position that is TRS eligible. Eligibility is established at **one** Reporting Employer, then all other employment is TRS eligible except Substitute at a different Employer.
 - Example 1- Employee meets TRS membership eligibility requirements at Employer A. The part time position at Employer B is also eligible for TRS.
 - Example 2- Employee meets TRS membership eligibility requirements at Employer A. The substitute *only* position at Employer B is not eligible for TRS.
 - Example 3- Employee meets TRS membership eligibility requirements at Employer A. The temporary position at Employer B is also eligible for TRS.

TRS Creditable Year of Service

Employment that does not meet the requirements for eligible employment is eligible if the member has already earned a TRS creditable year of service for the current school year.

- The employee must be reported as TRS eligible through the remainder of the current fiscal year. Membership eligibility can be reevaluated at the beginning of the next TRS fiscal year.
- If a TRS member earns a creditable year of service, and then accepts substitute *only* employment, membership will end.

Vacant Position

Interim or temporary employment in a vacant position is eligible:

- If it is expected to continue for four and one-half months or more, or indefinitely,
- If it is expected to continue until a permanent replacement is found
- and/or if the search is expected to last four and one-half months or more.

Because the position is vacant, the person serving in the position is not considered a substitute for TRS purposes and membership eligibility must be determined based on the amount of work and the length of time the employment is expected to last. Eligibility should be determined the **first** day in the vacant position. If an employee is hired as a substitute and the position later becomes vacant, membership eligibility must be evaluated at the point the position became vacant.

Employment by a Public School after retirement from ORP

Employment by a public school after retirement from the Optional Retirement Program (ORP) and the employment is otherwise eligible for TRS membership.

See: TRS Laws Chapter 822, Subchapter A, Section 822.001, Membership Requirement and TRS Rules Chapter 25, Subchapter A Rules 25.1, Full-time Service and 25.2, Bus Drivers. When in doubt about eligibility, contact TRS.

Employment Not Eligible for TRS Membership

Substitute

Work as a substitute is not eligible for TRS membership. For TRS purposes, the definition of a substitute is a person who serves on a temporary basis in the place of a current employee and paid at the daily rate of pay as set by the employer.

For TRS purposes, there is only one term used to denote "substitute" service and only one definition of "substitute" service. Various other terms are used within the public-school community which have no meaning within TRS Laws and Rules. These "substitutes" may be eligible for TRS. Examples are:

- Long-term substitute
- Short-term substitute
- Permanent substitute

Reporting entities generally identify such positions as "substitute" because the rate of pay is based on the rate of substitute pay as approved by the employer. For TRS purposes, the rate of pay does not determine whether an individual is a substitute. These other "substitute" terms have no meaning within TRS Laws and Rules and do not determine membership eligibility for individuals serving in those positions. Employment in such positions must be evaluated as to whether the employment meets the requirements for TRS membership eligibility.

Working in a vacant position is also not considered substitute service for the purpose of TRS. This type of service should be evaluated to determine if it is membership eligible. [RULE §25.4](#)

Part-Time Employment

For TRS purposes, part-time is defined as employment that is less than one-half the position's Full Time Equivalent. Employment that is part-time is not eligible for TRS membership.

[TRS Rules Chapter 25, Membership Credit, Rule 25.6 Part-time or Temporary Employment.](#)

Irregular, Seasonal or Temporary Employment

Employment that is irregular, seasonal, or temporary is not eligible for TRS membership.

- Irregular employment is a type of temporary employment that occurs sporadically or on an as needed basis. Report as *Less Than Half Time* employment type on the ED 40 record.
- Seasonal employment is a type of temporary employment that occurs at predictable or expected times but is not ongoing. Report as *Less Than Half Time* employment type on the ED 40 record.
- Temporary employment is employment that is expected to last less than four and one-half months in a school year. Employment for an indefinite period such as at-will employment is not temporary employment for TRS purposes.

Independent Contractor

Work as an independent contractor. TRS Rules, Chapter 25, Membership Credit, Rule 25.3, Independent or Third-Party Contractor. [RULE §25.3](#)

Student Employment

Employment by a **Texas public college or university** when being enrolled as a student is a condition of employment is never eligible for TRS. [TRS Rules Chapter 25, Membership Credit, Rule 25.10, Student Employment](#). Student employment is never eligible for TRS purposes and cannot be used to make an employee TRS eligible.

TRS has decided that higher education REs are not required to include these student employees in their TRS reporting.

Please keep in mind that this **ONLY** applies to employees in positions where being enrolled as a student at that college or university is a requirement of the position held. It does not apply to positions filled by students where being enrolled is not a condition of employment.

Employment after Retirement from TRS or ORP

Employment by a Texas public college or university after retirement from TRS or ORP is not eligible for TRS membership. The exception to this rule are ORP retirees who establish TRS membership at a Public School. The ORP retiree must terminate *all* higher education employment and meet TRS eligibility at the Public School to return to TRS membership.

Hour Conversions for Higher Education Employers

If time worked is *not tracked* by the employer, a conversion from semester, course hours, credits, instructional units, or any other unit representing class or instructional time is to be converted to clock hours depending on the course type.

In Person Courses

Employment measured in semester or course hours or credits, instructional units, or any other unit representing class or instructional time is to be converted to clock hours and counted as a minimum of two clock hours for *each clock hour of instruction in the classroom or lab*. This reflects instructional time as well as preparation, grading, and other time typically associated with one hour of instruction. If the employer has established a greater amount of preparation time for each hour in the classroom or lab, the employer's standard will be used to determine the number of clock hours scheduled for work.

Online Courses

Employment as an instructor of an on-line class taken by students for college credit that is measured or expressed in terms of the number of courses; semester or course hours/credits; instructional units; or other units of time representing class or instructional time must be counted as a minimum of two clock hours for each course hour or semester hour. If the employer has established a greater amount of preparation time for each hour in the classroom or lab, the employer's standard will be used to determine the number of clock hours scheduled for work.

Other Courses

Employment as an instructor of continuing education, adult education, and/or classes offered to employers or businesses for employee training, that is not measured or expressed in terms of the number of courses; semester or course hours/credits; or instructional units or other units of time rather than clock hours and for which the students/participants do not receive college credit must be considered for membership based on the number of clock hours worked. Conversion of course hours to clock hours is not used in this scenario.

Adjunct Hour Conversion Examples

Online Adjunct Faculty-

Credit Hours	Conversion	Number of Courses	Total Clock Hours Per Week
3 hours	2	3	$3 \times 2 \times 3 = 18$
3 hours	2	4	$3 \times 2 \times 4 = 24$

In Person Adjunct Faculty-

Instructional Time in Class or Lab per week	Conversion	Number of Courses	Total Clock Hours Per Week
3 hours (1 hour course that meets 3 times per week)	2	3	$3 \times 2 \times 3 = 18$
3 hours (1 hour course that meets 3 times per week)	2	4	$3 \times 2 \times 4 = 24$

Mixed Course Load- Online & In Person-

	Number of Courses	Credit Hours per Course	Hours Per Day	Days Per Week Course Meets	Clock Hour Conversion Rate	Clock Hours Per Week
Online	1	3			2	$3 \times 2 = 6$
In Person 8 Week	1	3	2	2	2	$2 \times 2 \times 2 = 8$
In Person 16 Week	1	3	1	2	2	$1 \times 2 \times 2 = 4$
Total Number of Clock Hours per Week:						18

Optional Retirement Program (ORP)

An employee of a Texas public institution of higher education who meets the eligibility requirements for TRS membership is required to be a TRS member, unless the employee is eligible to make a one-time, irrevocable election to participate in ORP in lieu of membership in TRS and the employee makes a timely election to participate in ORP. Eligibility to participate in ORP is determined by the employing higher education institution in accordance with the Texas Higher Education Coordinating Board's Chapter 25 rules.

However, TRS determines whether an individual has timely made an election to participate in ORP in lieu of membership in TRS.

If an employee is newly hired or promoted to a position that is eligible for ORP, the employee's eligibility to elect ORP participation, in lieu of membership in TRS, begins on the employee's first day of employment in the ORP-eligible position. This is the employee's Initial ORP Eligibility Date.

A person who is eligible to participate in the Optional Retirement Program (ORP) must elect to participate before the 91st day after becoming eligible to participate.

ORP Administrative Errors

Additional provisions were passed by the 85th Texas Legislature in the event that the employer fails to inform the employee of his or her eligibility to participate in ORP on the date the person becomes eligible.

After 1 st day in ORP eligible position, before the 91 st	After 91 st day, before the 151 st day	151 st day or later
Employee must make his/her election before the later of the 91st day after the first day of eligibility or the 31st day after he/she was notified of eligibility.	Employee must make his/her election before the later of the 151st day after the first day of eligibility or the 31st day after he/she was notified of eligibility.	Employee is not eligible to elect to participate in ORP and must remain a participant of the TRS retirement plan.

Both the employee and an authorized reporting employer business official must properly complete and sign all applicable sections on the TRS 28. **The properly completed TRS 28 must be sent to TRS without delay.**

If you need additional information regarding ORP, please contact the Texas Higher Education Coordinating Board (THECB) or review the THECB's An Overview of TRS and ORP brochure available on the [THECB website](#).

TRS 28 Form - Election to Participate in Optional Retirement Program and/or Refund Election for ORP requires the [TRS 28](#) form to be completed by the employee and authorized reporting employer business official. The completed TRS 28 form must then be mailed to TRS.

Pages 1 and 2 must be completed by the employee, page 3 is to be completed by a RE contact with signature authority level.

Example of the TRS 28 Form

Name _____ Social Security Number _____

Section 7 - Employer Certification

This is to certify that the above named individual is eligible and has elected to participate in the Optional Retirement Program in lieu of membership in the Teacher Retirement System of Texas.

Name of Institution of Higher Education _____

TRS Reporting Entity Number _____

Date First Eligible to Elect ORP _____

ORP Eligibility Notification Date _____

ORP Election Date _____

ORP Effective Date _____

Report Month/Year for Final Deposit to TRS _____

Printed Name of Reporting Official _____

Title of Reporting Official _____

Signature of Reporting Official _____

Date _____

- Date First Eligible to Elect ORP
 - Date the employee first entered the ORP Eligible Position
- ORP Eligibility Notification Date
 - Date employer notified the employee of their eligibility to elect ORP in lieu of TRS
- ORP Election Date
 - The date that the employee signs the TRS 28 election form and be within 90 days of the Eligibility date. *[Administrative Errors](#)
- ORP Effective Date
 - Election on Initial ORP Eligibility Date- new employees who sign the TRS 28 ORP election form on or before their initial ORP eligibility date, the participation start date shall be the initial ORP eligibility date (i.e., first day of ORP-eligible employment).
 - Election after the Initial ORP Eligibility Date. The participation start date for ORP-eligible employees who sign the TRS 28 ORP election form *after* their initial ORP eligibility date, shall be the first day of the month.

- Report Month/Year for Final Deposit to TRS
 - No Dual Contributions- contribution to TRS and to an ORP company within the same calendar month shall not be permitted, as provided in Rule [§25.4\(a\)\(4\)](#).
 - The Final Report Month to TRS should be based on compensation *earned* up to the Effective Date of the ORP election.
 - Example: employee entered ORP eligible position September 1 and made the election September 15. The effective date of ORP is October 1. The compensation earned in September must be reported as eligible with contributions to TRS. The month in which the employee receives this compensation is the Final Report Month to TRS.
 - If the employee elected ORP on or before the first day eligible, this field will be blank.

Contract/Position Records (ED 40) for ORP Participants

The ORP Eligible Position Flag should be ‘yes’ or ‘no’ depending on the position’s ORP eligibility.

The “Beginning Date of Contract/Work Agreement” and “Ending Date of Contract/Work Agreement” fields should reflect the dates the employee was hired to work in that fiscal year.

Example	TRS Membership Eligibility Flag	ORP Eligible Position Flag	Notes
ORP employee is enrolled and participating prior to the beginning of the fiscal year.	NO	YES	
The employee is hired into a TRS-eligible position during the fiscal year that is also an ORP-eligible position.	YES	YES	If the member elects ORP during the 90-day period, but after the first day in the ORP eligible position, additional action will need to be completed.
The employee is hired into a TRS-eligible position during the fiscal year that is also an ORP-eligible position; however, the employee decides to remain in TRS and does not elect ORP.	YES	YES	No ED45 adjustment record is needed since the employee did not elect to participate in ORP.

Contract/Position Record Changes (ED45) TRS to ORP

Participant Elects ORP on or prior to first day in ORP eligible position

- ED 40- TRS 'No, ORP 'Yes' – ORP Eligibility Date should be the first date in the ORP eligible position

ORP Eligible position	<input type="text"/>
ORP Eligibility Date	<input type="text"/>
ORP Vested Flag/Indicator	<input type="text"/>

Participant Elects ORP after the first day in the ORP eligible position but within 90-day election period

- ED 40- TRS 'No, ORP 'Yes' – ORP Eligibility Date should be the first date in the ORP eligible position. Contract dates should be the original hired dates
- ED 45- Submit in the month the ORP election is effective, prior to posting the RP report for that month. End the TRS eligible position one day prior to the effective date of ORP and begin TRS 'No', ORP 'Yes' as of the effective date.
- If the ED 45 to end/add is not submitted in the month the ORP election is effective, payroll transactions will have to be deleted from the TRS database, the position corrected and then the transactions re-reported. This is an extensive process and should be avoided by submitting the position change timely.

Participant begins in TRS Ineligible position becomes TRS/ORP Eligible

- ED 40- TRS 'No, ORP 'No – Contract dates should be the original hired dates
- ED 45 to end the TRS Ineligible position, add the TRS and ORP eligible position
- If the ORP Election is not made on or before the first date of the ORP eligible position, another ED 45 will be submitted in the report period of the ORP Effective Date.

Validation Error 414- Employment Type 'F' cannot be used when the TRS Membership Eligibility Flag is set to No.

If the employee has elected ORP in lieu of TRS, notify your coach to review the ORP status on the employee's TRS account. A copy of the TRS 28 election form may be requested if not on file. After the ORP election data has been updated on the TRS database, you will be required to resubmit the report for validation.

If the employee did *not* elect ORP and is *not* eligible for TRS, then update the employment type to the appropriate code.

If the employee did *not* elect ORP and is TRS eligible, then update the TRS membership eligibility flag to 'Yes'.

Dual Credit Courses

Dual Credit courses allow students to earn credit for high school and college simultaneously. The employee teaching the course often performs all the dual credit duties at one reporting employer. However, the employee may be paid by the ISD and/or the college. The following guidelines must be utilized when reporting dual credit.

If the employee performs any additional duties at the ISD or college unrelated to the dual credit course, the respective employer must report the additional time.

Example 1:

If the dual credit class is taught at the ISD, the college pays the employee directly, but no work is being performed at the college, then:

- The ISD will need to report hours/days associated with the dual credit course
- The college will report the pay. If no other work is performed at the college, then a zero-day reason of "A – Accrued Pay" would be required for the system to accept the pay.

Example 2:

If the dual credit class is taught at the ISD, the college and ISD pay the employee directly and work outside of the dual credit class is being performed at the college, then:

- The ISD will need to report pay and hours/days associated with the dual credit course
- The college will report the pay and hours/days associated with the work performed outside of the dual credit course only.

Compensation Eligible for TRS

Compensation reported to TRS should reflect the types of monetary compensation that are recurring base pay for periods of employment that meet the definition of "salary and wages", as that term is defined by the TRS plan terms. "Salary and wages" is monetary compensation that is (1) payment for services rendered (2) earned or accrue proportionally as the work is performed, (3) paid at fixed intervals, and (4) not specifically excluded under applicable laws and rules.

In addition, compensation eligible for TRS purposes may include:

- Payments of normal compensation when vacation, sick leave, or compensatory time is taken by the employee.
- Additional duties and pay authorized by the employer and paid to an employee serving in a TRS eligible position. The following are examples of pay for additional duties performed by someone who is already serving in a TRS eligible position:
 - Teaching Driver Education as part of regularly assigned duties during the regular classroom hours of the school day.
 - Teaching Driver Education outside the regular classroom hours of the school day and during the summer is an additional duty; however, the amount of compensation credited for this type of additional work is limited to \$5,000.00 annually.
 - Tutoring students outside the regular classroom hours of the school day.
 - Driving the school bus.
 - Covering a class during an off period for an absent teacher.
 - UIL sponsor, class sponsors, student teacher sponsor, annual sponsor, etc.
 - Teaching summer school when performed by an employee who had served in a TRS eligible position during that school year and earned a year of TRS service credit.
 - Overload scheduling (employment beyond the standard workload).
- Compensation for Overtime if paid as salary and wages rather than compensatory leave as the service is rendered. If compensatory leave is given for overtime worked in lieu of wages, payment at a later point for any unused leave is never eligible compensation.
- Workers' compensation paid as temporary wage replacement pay is creditable compensation if verified to TRS on the form TRS 22W and the member contribution paid in a lump sum by the end of the school year after the school year in which the compensation was received. If the employee is also receiving compensation from the employer, the compensation should be reported on the regular monthly payroll report as well.
- Longevity pay when it is paid in periodic payments as the service is rendered. Lump sum payments paid as retention bonuses or other incentives to retain employees are not considered longevity pay and should not be reported as TRS eligible compensation.

- Service in a particular location that the employer has determined requires additional compensation compared to other employees of that employer. For example, a reporting employer may pay employees working at a specific school more than other employees performing similar duties at other locations. However, payment for relocating to a new employer or to compensate an employee for differences in the cost of living at a new location is not eligible compensation.
- Service in a particular specialty that the employer has determined requires additional compensation compared to other employees of that employer. For example, paying an additional stipend for bilingual teachers or teaching advanced placement classes is creditable compensation.
- Pay for Assault leave. Salary that is continued while the employee is on assault leave as authorized by Section 22.003 of the Education Code is eligible compensation for TRS purposes. If the employee receives both workers compensation paid as temporary wage replacement pay and compensation from the employer, the workers compensation may be verified to TRS on the form TRS 22W, and member contributions paid in a lump sum by the end of the school year after the year in which the workers compensation was paid. Member contributions on continuing compensation from the employer should be withheld and reported to TRS by the employer on the regular monthly report. See Section 22.003 of the Education code and Sections 25.21, 25.43, and 25.47 of the TRS Rules.
- Settlement Pay. Eligible only if the employer paying amounts to a member pursuant to a settlement agreement obtains a written determination from TRS that the amounts are creditable compensation before reporting such amounts to TRS as compensation. In the absence of the written determination from TRS, amounts paid pursuant to a settlement agreement are not creditable compensation for TRS purposes.
- Delayed payments of lump sum amounts that by law or contract should have been paid at fixed intervals provided that the amounts are credited to the payroll period in which they were earned.

Note: Retroactive payments are NOT delayed payments. Delayed payments are, for TRS purposes, “delayed payments of lump-sum amounts which by law or contract should have been paid at fixed intervals and which otherwise meet the requirements of subsection (b) of this section provided the amounts are credited to the payroll period in which they are earned.” See § 25.21(c)(4), Title 34, Texas Administrative Code, Part 3. Payments authorized after work has commenced are not delayed payments under that section of the TRS rule because they were not required by law or contract to be paid at the time the work commenced; the increase in compensation was not approved until after the work has been performed in part.

- Amounts deducted from regular pay for:
 - A tax-sheltered annuity (403(b))
 - A cafeteria plan qualifying under Section 125 of the United States Internal Revenue Code
 - Other deferred compensation under 401(k), 403(b), or 457
See TRS Rules, Chapter 25, Subchapter B, Rule 25.22.
 - Amounts deducted from regular pay for a qualified transportation benefit under Government Code 659.202 (Higher Education only).
 - Merit salary increases, including one-time lump-sum merit payments made under Section 51.962, Education Code and defined in TRS Laws, Subchapter B, Section 822.201 (b) (8) (Higher Education only).
- One-time salary increases provided pay is for service rendered and the right to receive the salary increase accrues proportionately as service is rendered. These salary increases must be approved by the local Board of Trustees in advance of the school year and before employee begins work. Usually, this type of pay increase is paid outside of the normal salary schedule but is not intended to bind the employer to continue to pay the increase in years to come. This type of pay increase is usually provided to all employees and may be paid in one lump sum provided the lump sum payment is made after all service under the contract has been rendered.
- Corrective Payments. When a member is underpaid in a prior school year or school years and the employer issues a lump sum payment to correct the error in an amount equal to the additional amount the member should have received in previous months, the corrective payment is creditable for TRS purposes, provided the underlying compensation is creditable. However, the payment must be reported and credited as compensation for the report month in which the lump sum was paid to the employee, rather than the month(s) it should have been paid. See Rule 25.46(b).

Compensation Not Eligible for TRS

The following types of compensation should **not** be reported as TRS Eligible Salary. It should only be reported under Total Gross Compensation of the RP 20. *If a payout of only ineligible compensation is paid after a TRS eligible employee's Final Report Month of eligible compensation, it cannot be reported.*

- Payments for terminating employment or paid as an incentive to terminate employment. Examples of such payments are contract buy-outs, amounts paid pursuant to an agreement for the employee to waive or release rights to future employment, and amounts paid pursuant to early retirement incentive programs, or other programs intended to increase the compensation paid to the employee upon receipt of the resignation of the employee, waiver, or release of rights to future employment.
- Settlement Pay (payment of a "settlement amount" in lieu of the amount of salary and wages owed in resolution of an employee's claim). The employer paying amounts to a member pursuant to a settlement agreement must obtain a written determination from TRS that the amounts are creditable compensation before reporting such amounts to

TRS as compensation. In the absence of the written determination from TRS, amounts paid pursuant to a settlement agreement are not creditable compensation for TRS purposes. Ongoing payments of compensation while an employee is on paid administrative leave are not usually considered settlement pay.

- Any type of reimbursement for an expense is not eligible compensation. Examples of an expense are (but not limited to):
 - Travel and travel related expenses
 - Tuition, fees, and other related school expenses
 - Professional development classes/fees
 - Supplies for the classroom purchased by the teacher for which the teacher is reimbursed
 - TRS member contributions
 - Health care
- Any type of an allowance is not eligible compensation. Examples of an allowance are (but not limited to):
 - Housing
 - Car
 - Cell Phones
 - Relocation costs
 - Health care
- Payments for accrued vacation, sick, or compensatory leave.
- Payments for accrued compensatory time for overtime worked. Compensatory leave (or time) is time-off granted in lieu of overtime wages under the Fair Labor Standards Act (FLSA). When leave is granted in lieu of wages at the time the overtime is worked, the characterization of the overtime pay is leave. If unused leave (earned as a result of working overtime) is later "cashed out" the pay for the unused leave is NOT creditable compensation. Compensatory time converted to a monetary payment is never TRS eligible compensation.
- Bonus and incentive payments, unless state law expressly provides that the type of bonus or incentive payment is to be considered TRS-creditable compensation
- Payments that exceed \$5,000.00 annually for teaching a driver's education and traffic safety course outside the regular classroom hours of the school day.
- Employer payments for fringe-type benefits such as but not limited to:
 - Insurance
 - Employee's FICA tax
 - Payment for the purchase of special service credit or withdrawn service
 - Employer payments of TRS member contributions
- Cash payments in lieu of a fringe benefit provided by the reporting employer.
- Pay for work as an independent contractor or consultant.
- Signing bonus.
- Retention bonus or payment.
- Payments that exceed the salary cap. Due to IRS requirements there is a salary cap for an employee who first became a member of TRS on or after September 1, 1996. The

threshold generally changes on September 1st each year. Refer to the Employers section of the TRS website for the current salary cap.

- "At risk" pay. Pay identified by the employer that can be lost or is "at risk" when certain performance or other criteria are not met. "At risk" pay is not the same type of pay as pay that is earned proportionately as service is rendered.
- Retroactive pay increases excluded by the plan's terms. Article III, Section 53 of the Texas Constitution prohibits the grant of "extra compensation, fee or allowance to a public officer, agent, servant or contractor, after service has been rendered, or a contract has been entered into, or performed in whole or in part". For this reason, a pay increase given retroactively after work has commenced under the contract or work agreement is excluded as creditable compensation for TRS purposes because it is not paid pursuant to a valid contract.
- Performance Pay cannot be reported by institutions of higher education.

See: TRS Laws Subchapter B, 822.201, Member Compensation; and TRS Rules 25.21, Compensation Subject to Deposit and Credit and 25.24, Performance Pay. **When in doubt about compensation eligibility, please contact your TRS Reporting Employer Coach.**

Conversion of Non-Creditable Compensation to TRS Creditable Compensation

The information concerning conversion of non-creditable compensation to TRS creditable compensation is provided as a resource for the reporting employer when considering conversion of a payment to salary. The rules for conversion do not affect reporting of salary and deposits for monthly reporting purposes. The reporting employer must always withhold contributions and report creditable compensation, including converted amounts, when it is earned.

At the time of a member's retirement, TRS will review all compensation reported, and adjust, if necessary, a member's annual compensation to comply with the requirements of [TRS Rule 25.30\(a\) or \(b\)](#). TRS will refund to the member contributions paid above the allowed amount.

TRS Laws and Rules allow non-creditable compensation to be converted to TRS creditable compensation. Conversion occurs whenever an employer has paid an employee non-creditable compensation in the past but changes the nature of the compensation in order to pay a member with creditable compensation for services performed in the future. For example, if in one year an employer provided a member with an allowance for cell phone expenses but then in a later year replaces that allowance with additional salary, a conversion of compensation has occurred.

Under TRS Rule 25.30, non-creditable compensation converted after the 2005–06 school year or contract year and paid in any of the three (3) or five (5) school years before retirement will

be excluded from benefit calculations. (Note, however, that payment for unused accrued leave or unused accrued compensatory time for overtime worked is not TRS-creditable compensation at any time, regardless of whether payment for the leave occurred before the 2005–06 school year or after that school year.)

This rule applies only to compensation converted after the 2005–06 school year. Amounts converted during the 2005–06 school year will be included as compensation provided the member began to receive the converted compensation during the 2005–06 contract year.

Reporting Employers are required to certify at the time of a member's retirement on form TRS 7, Notice of Final Deposit before Retirement, whether non-creditable compensation was converted to TRS creditable compensation in the last three (3) or five (5) contract years prior to retirement. Amounts converted during the 2005–06 school year will be included in the benefit calculation as compensation; only amounts converted after 2005–06 that are within the last three (3) or five (5) years before retirement will be excluded from the benefit calculation.

If compensation is excluded under TRS Rule 25.30(a) or (b), the member may provide additional information in the form of written documentation to demonstrate that the compensation should not be excluded. TRS may also request the reporting employer to provide documents or records concerning the characterization of the compensation.

TRS makes the final determination regarding the characterization of compensation as creditable or not creditable.

Percentage Limits on Compensation Increases

[TRS Rule 25.31](#)

Compensation earned after the 2005–06 school year is subject to a limit on the amount creditable compensation can increase from one school year to the next in each of the last three years prior to retirement. Increases in creditable compensation are capped at the greatest of 10% of the previous year's compensation or \$10,000.

If the member's change in salary occurs prior to 2011–12 and is the result of one of the following exceptions, compensation increases will not be subject to the percentage limits:

- Change of employer
- Change of duties
- Performance of additional duties or work
- Increase in percentage of time worked
- Federal or state law changes

Beginning the first day of the 2011–12 school year and thereafter, there are no exceptions to the percentage increases in compensation over the allowable limits. Additionally, limits on compensation increases will apply to the last three (3) school years prior to retirement for grandfathered members and the last five (5) school years prior to retirement for non-grandfathered members as follows:

TRS makes the final determination regarding whether compensation is creditable and can be used in the member's benefit calculation and may also request the employer to provide documents or records concerning the basis for the increased compensation.

Regular Payroll Report

The purpose of the Regular Payroll report is to report:

- The monthly TRS-eligible salary and retirement contribution of each TRS-eligible employee
- Monthly gross salary for all employees
- Individual member's monthly payment for the purchase of special service (if applicable)
- Number of hours worked in that calendar month or hours scheduled to work per week for each employee
- Number of days worked in that calendar month by each employee
- Adjustments for prior months' reports (if applicable)
- Reporting employer contribution for:
 - New Members
 - Federal Fund/Private Grants
 - Non-Education/General-Local
 - Education/General-Local
 - Community/Junior College

RP Report and TEXNET Due Date

Please refer to [Payroll and TEXNET Due Date](#) page of the Payroll Manual

Individuals to be Reported

Full Payroll Reporting is REQUIRED, meaning all employees on the employer's payroll register EXCEPT TRS Retirees should be included on the Regular Payroll Report. Active Employees are all employees who have not retired from TRS. This includes all substitute, temporary, part time and ORP participants.

Do not report TRS Retirees using the Regular Payroll Report. Retirees should be reported on the Employment after Retirement Report (ER).

Please refer to the [TRS Eligibility Guidelines](#) to determine employment that is eligible for TRS membership.

Reporting a Non-Eligible Employee

On the RP 20 record, Total Gross Compensation, Hours Worked or Scheduled and Days Worked are the only required fields.

Reporting an Eligible Employee

On the RP 20 record, Total Eligible Gross Compensation, Total Gross Compensation, Hours Worked or Scheduled, Days Worked and the applicable contributions should be completed.

RP Report Types

- Regular Payroll Report
 - To report on a monthly basis the salary, time worked and any applicable contributions of all active employees.
 - Can include RP 20, Current Month Records and RP 25 Prior Month Adjustment Records.
- RP Adjustment Report
 - An ad hoc report used to adjust previously completed report periods.
 - The RP Adjustment report month will default to the last completed RP report month.
 - Can only include RP 25 records.

RP Report Components

The Regular Payroll and RP Adjustment report requires a detail and signature component.

RP Detail Component

The Detail file is used to report the employment, salary, time worked, and any associated contributions of all active employees, regardless of TRS membership status.

RP Detail record types associated with the [Regular Payroll](#) report are:

- RP20 - Current Month Record
- RP25 - RP Adjustment Record

RP Detail record type associated with the [RP Adjustment](#) report is:

- RP25 - RP Adjustment Records – Add, Edit, or Delete a previously reported record
- Cannot contain RP 20 Current Month Records

RP Record Type	Purpose
<p>RP20 - Current Month Regular Payroll Record</p>	<ul style="list-style-type: none"> • Used to report the current month’s compensation, time worked and/or contributions • Days Worked- must be the actual number of days worked by the employee in the report period. See additional examples here. • Hours Worked- must be reported if the employee’s hours are tracked in any way. This is the total number of hours worked in the <i>report period</i>. • Hours Scheduled- can only be reported if the employee’s hours are <u>not</u> tracked in any way. This is the total number of hours the employee is scheduled to work per <i>week</i>. • Zero Day Reason Code- should only be used for a report period in which the employee did not work or use paid leave. <ul style="list-style-type: none"> ○ A = Accrued Pay/Not Terminated ○ C = Employee on less than 12 month pay schedule/Not Terminated ○ F = Final Pay/Terminated ○ L = Leave Without Pay • Total Gross Compensation- reported for <i>all</i> employees that receive compensation within the report period • Eligible TRS Gross Compensation and Contributions- only reported for TRS eligible employees who receive compensation that is eligible for TRS purposes within the report period <p>RP 20 – Formatting Guideline</p>
<p>RP 25 – Prior Month RP Adjustment Record</p>	<ul style="list-style-type: none"> • Used to adjust a previous month’s compensation, time worked and/or contribution • Can be used to Add, Edit or Delete previously reported data



	<ul style="list-style-type: none"> ○ Add- no data was reported in a previous report month for the employee's position. All amounts that should have originally been reported are included on the record. ○ Edit- originally posted data needs to be revised. This is a 'Net' difference adjustment. <ul style="list-style-type: none"> ○ Example- 12 days were originally reported. The employee actually worked 15. The RP 25 would only report a positive 03 days to increase the original amount reported from 12 to 15. ○ Delete- to delete a previously posted record, <u>all</u> original information must be reversed. The amounts reported on the RP 25 must be negative amounts and the Zero Day Reason Code must be Delete. If data was not originally reported in a data field, leave the field blank on the RP 25. <p>RP 25 – Formatting Guidelines</p>
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Reporting Days Worked

- Working any portion of a day counts a one day for TRS purposes.
- Time Worked tracked- must report the actual number of days worked by the employee in the report period.
- Time Worked *not* tracked- report the total number of days scheduled to work by the employee in the report period.
- If an employee transitions from an Ineligible position to an Eligible position (or vice versa) in the same month, and both positions fall under the same position code, only report the days worked in the eligible position.
- If an employee is working in multiple positions, separate RP20's will be needed for each position to report the time worked.
- When reporting substitutes who are non TRS-retirees, report only days worked. Hours are not required if the substitute is not a TRS retiree.
- Paid leave taken by the employee is considered time worked for TRS
- Days worked must be reported in the first month of a contract.

- Higher Education Employers
 - Online Courses- The days worked should be reported based on a similar in person course. As an example, if an in-person English 101 meets 3 times a week, you will report the online English 101 as 3 days per week as well.
 - If actual and/or scheduled days are unknown for faculty/instructor positions, it is acceptable to assume 5 scheduled days per week; however, this must be converted into the appropriate number of days in the reporting period month.
 - Dual Credit Courses

RP Signature Component

- The signature component is an electronic signature.
- The signature can only be submitted by a user who has Administration or Signature authority
- The Signature Component is used to:
 - Certify that the total number of records and all salary and contribution information submitted through the detail is accurate and complete in the reporting of all employees for that report month.
 - The RE Portal user who submits the signature is confirming that the report is accurate and complete.
- If the Signature Totals are incorrect, reject the signature page and correct the report.

REs may not remove records from the report for the sole purpose of bringing the report to complete status. If a record is causing a report to not come to a completed status the payroll reporting official should work with their RE Coach to determine a resolution.

Section 821.101(b) of the Texas Government Code states that, *“A person commits an offense if the person knowingly or intentionally makes or permits the making of a false record for or statement to the retirement system in an attempt to defraud the retirement system.”* Therefore, when an RE contact accepts a signature certifying the report is correct, but records have been removed from that report to bring the report to complete status to avoid penalties, that RE contact is engaging in fraudulent reporting.

Prior Fiscal Year Corrections

Sometimes reporting mistakes happen. If an RE discovers that something was reported incorrectly, or not reported at all, adjustments are required for the current fiscal year. If something was incorrect for a certain employee, and that employee is still employed and has pay still due to them, corrections are not optional. Here are the guidelines for making corrections if something was reported incorrectly, or not reported at all.

A TRS coach can assist in determining which correction can be submitted through reports. For a determination, send the following information: Employee's Full Name, last four of SSN, Year(s) that need to be corrected, if TRS contributions were withheld at the time paid and if the person is still employed with your employer.

Corrections to One Fiscal Year Prior

If contributions were withheld at the time of payment, but they were not reported to TRS, an RE may make corrections, though an override will be required.

If contributions were not withheld at the time payment was issued to the employee, corrections may be made by the employer if the member so chooses, provided that the person is still employed and has additional pay due to them. REs are not required to issue a correction in this scenario, but if the member does not have the corrections made, then they may have to pay the actuarial cost of the service if they wish to purchase service credit at a later time.

Corrections to Two-Five Prior Fiscal Years

If contributions were withheld at the time of payment, but they were not reported to TRS, an RE may make corrections, though an override will be required.

If contributions were not withheld at the time payment was issued to the employee, corrections through the reporting process are not permitted. Corrections of this type through the reporting system are allowed for the current fiscal year and one prior fiscal year only. If the employee wants to receive credit, they will need to have the appropriate form filled out by the Reporting Official to verify the service and/or salary and the form will need to be returned to TRS. The member will have to pay actuarial cost to purchase the service. Verifying the unreported service during this time period will preserve the member's ability to buy the service at a later time.

Corrections to More Than Five Fiscal Years Prior

Once information has been reported on a member's annual statement and five years has passed, the statement cannot be changed. Similarly, a member cannot have an employer verify the unreported time they worked to be able to purchase service rendered more than five fiscal years prior. Thus, any adjustments to more than five fiscal years prior are not permitted. **This includes adjustments to days only that would result in a change in a year of service credit.**

Texas Government Code 823.002 (a)(b) requires that TRS be notified on or before the last day of the fifth school year after the end of the school year in which the service was rendered for a correction to be made.

Creating an RP or RP Adjustment Report

Creating an RP or RP Adjustment Report instructions can be found in Section 3.2.2 of the [RE Portal User Guide](#).

Additional Resources for Completing an RP report

In addition to the Payroll Report Manual, you may utilize the following documents when resolving report errors:

- [Error Resolution Guide](#)

RP/RP Adjustment Report Statuses

Rejected	One or more RP records within the report are Suspended with errors.
Pending	All the RP Records are error free in a Valid status. Report is ready for the Signature page to be reviewed and accepted if the totals are correct.
Pending Complete	The RP Records are going through validation and posting to the TRS Database.
Complete	The RP records within the report have all posted to the TRS database. A report at a Complete status cannot be deleted.

Member Contributions for TRS Eligible Employees

Member Retirement Contribution

- Member's contribution to their retirement account, is based on the current [contribution rate](#)
- TRS Eligible Compensation is Tax Sheltered
- The Contribution is based on the eligible compensation received by the employee in the report period
- Reporting Employers cannot contribute to TRS on behalf of a member.

Service Credit Purchase (if applicable)

- Member's monthly payment for the purchase of TRS special service made through payroll deduction
- The member's monthly payment is determined by TRS and can be found on the View Purchase Payments screen in the RE Portal. (Section 4.5 of the [RE Portal User Guide](#))
- The payment amount is not tax sheltered
- Negative service credit purchase deduction adjustments should NOT be reported. TRS will return any overpayments directly to the member.

Employer Contributions for TRS Eligible Employees

Reporting Employer Payment for New Members Contribution

Reporting entities are required to pay the [state contribution](#) on any TRS eligible pay received during the report periods that contain the first 90 days of employment for new TRS members.

The reporting employer should look up all employees hired on “View Employee Information.” (Section 4.1.1 of the [RE Portal User Guide](#))

“View Employee Information” will display a message indicating if the new hire has a TRS account and if the New Member Contributions are due.

How to Determine the Period of Employment (90 Days) Subject to New Member Contribution

1. The First Day in the TRS Eligible Position counts as Day 1 of the 90-day period
2. Count all the calendar days of the employment period
 - a. Including school closures and weekends
 - b. Regardless of whether the days are in different school years
3. Do not count any calendar days between periods of employment
4. Service provided by an employee on one calendar day to more than one reporting employer counts as only one calendar day in the payment period. Each reporting employer must submit the required payment on the salary paid.
5. If a person has not reached the 90th calendar day before the summer begins, count the days during the summer only if the person is considered to be an employee of the district during the summer. The same guideline applies to those who are not working during the summer but receive accrued pay.
 - a. If the employee is being paid accrued pay during the summer and considered an employee of the district, the new member contribution is due.

TRS Definition of “Date of Employment”

With respect to [TRS Rule 25.35](#), “date of employment” means the date on which an employee begins to perform service for a reporting employer and the service performed is eligible for TRS membership.

If the date of employment is a holiday or any other type of work-free day, the day may be considered the first day of employment if the reporting employer considers the individual to be an employee on that day.

Contributions for the 1st and 90th day of Employment

New Member Contributions are due on pay received during an employee’s first 90 days of TRS membership, not when the employee is paid for work performed during the first 90 days.

Submit employer payments to TRS on compensation paid to an employee for the entire report month that contains the first (1st) day of the employee’s eligibility for membership.

Submit employer payments to TRS on compensation paid to an employee for the entire report month that contains the 90th day of employment.

New Member Contribution Examples

Example 1:

John is hired at RE on 9/15. RE researched employee in View Employee Information at the time John was hired and determined that John was not a member of TRS as of the hire date. John’s 90th day of employment will be December 13th. John will receive his first paycheck on 10/1. Here’s how the New Member Contribution would be reported:

Report Month	Eligible Compensation Received	New Member Contribution Due	Notes
September	\$0	NO	New Member Contribution is not due in September since John did not receive any pay, but the time worked in September must be reported on the September RP.
October	\$1500 (for time worked 9/15-9/30)	YES	The RE will pay the New Member Contribution on the \$1500.00 on the October RP report.
November	\$3000 (time worked 10/1-10/31)	YES	The RE will pay the New Member Contribution on the \$3000.00 on the November RP report.
December	\$3000 (time worked 11/1-11/30)	YES	The RE will pay the New Member Contribution on the \$3000.00 on the December RP report. John’s 90th day of employment fell within December, so New Member Contribution is due on all pay received in the report month that contains the 90th day.
January	\$3000 (time worked 12/1-12/31)	NO	Since John is out of his 90-day New Member period in January, no New Member Contributions are due on the January RP report.

Example 2:

Using the same employee and salary amounts, what if John received his first paycheck on 9/30 and was paid on the last day of each month rather than the first day of the following month? Here's how the New Member Contribution would be reported:

Report Month	Eligible Compensation Received	New Member Contribution Due	Notes
September	\$1500 (paid 9/30)	YES	The RE will pay the New Member Contribution on the \$1500.00 on the September RP report.
October	\$3000 (paid 10/31)	YES	The RE will pay the New Member Contribution on the \$3000.00 on the October RP report.
November	\$3000 (paid 11/30)	YES	The RE will pay the New Member Contribution on the \$3000.00 on the November RP report.
December	\$3000 (paid 12/31)	YES	New Member Contribution due on \$3000 on the December RP report because New Member Contributions are due on pay received during the report month that contains the 1st-90th days.
January	\$3000 (paid 1/31)	NO	No New Member Contributions due since John is out of 90-day New Member period in January.

Example 3:

Mary was hired at the same RE on 9/1. RE researched employee in View Employee Information at the time Mary was hired and determined that Mary was not a member of TRS as of the hire date. Mary's 90th day of employment will be November 29th. Mary will receive her first paycheck on 10/1. How will New Member Contributions be reported for Mary?

Report Month	Eligible Compensation Received	New Member Contribution Due	Notes
September	\$0	NO	Mary did not receive any pay, but the days she worked in September must be reported on the September RP report.
October	\$3000 (for time worked 9/1-9/30)	YES	The RE will pay the New Member Contribution on the \$3000.00 on the October RP report.
November	\$3000 (time worked 10/1-10/31)	YES	The RE will pay the New Member Contribution on the \$3000.00 on the November RP report. Mary's 90 th day of employment fell within November, so New Member Contribution is due on all pay received in the report month that contains the 90 th day.
December	\$3000 (time worked 11/1-11/30)	NO	No New Member Contributions due since Mary is out of the 90-day New Member period in December.

Example 4:

Mary from the previous example terminated employment on October 15 and will receive her final paycheck on 11/1.

Report Month	Eligible Compensation Received	New Member Contribution Due	Notes
September	\$0	NO	Mary did not receive any pay, but the days she worked in September must be reported on the September RP report.
October	\$3000	YES	The RE will pay the New Member Contribution on the \$3000.00 on the October RP report.
November	\$3000	NO	No New Member Contributions are due on the November RP report because Mary is no longer employed during the November report period

Example 5: (use this example when an employee elects ORP in lieu of TRS)

Michael was hired at the same RE on 9/1. RE researched employee in View Employee Information at the time Michael was hired and determined he was not a member of TRS as of the hire date. Michael' 90th day of employment will be November 29th and he will receive her first paycheck on 10/1. However, the employee transitioned to TRS ineligible Position effective 11/1. How will the New Member Contribution be reported for Michael?

Report Month	Eligible Compensation Received	New Member Contribution Due	Notes
September	\$0	NO	Michael did not receive any pay, but the days she worked in September must be reported on the September RP report.
October	\$3000	YES	The RE will pay the New Member Contribution on the \$3000.00 on the October RP report.
November	\$3000	NO	No New Member Contributions are due on the November RP report because Michael is no longer employed in a TRS eligible position during the November report period

Example 6:

Michael from the previous example, using all the same information *except*, the employee transitioned to TRS ineligible Position effective 11/15. How will the New Member Contribution be reported for Michael?

Report Month	Eligible Compensation Received	New Member Contribution Due	Notes
September	\$0	NO	Michael did not receive any pay, but the days she worked in September must be reported on the September RP report.
October	\$3000	YES	The RE will pay the New Member Contribution on the \$3000.00 on the October RP report.
November	\$3000	YES	The RE will pay the New Member Contribution on the \$3000 on the November RP report because Michael was employed in the TRS eligible position during the November report period
December	\$2000	NO	No New Member Contributions are due on the December RP report because Michael is no longer employed in a TRS eligible position during the December report period

State Contributions Paid through other TRS Contributions – during New Member period

The [state contribution](#) will be collected through the Reporting Employer Payment for New Members Contribution in the new members first 90 days of employment.

Do not report the new member with Federal Fund/Private Grant, Statutory Minimum, Educational/General-Local, Non-Educational/General Contributions or Community/Junior College until AFTER the first 90 days of employment (if applicable)

BUT

Do report the new member on the Federal Grant TRS-Care contribution DURING the first 90 days.

This contribution is applied to Texas Public School Retired Employees Group Insurance program.

New TRS Member – View Employee Information

If the new hire does not have an active TRS account, the following screen will display:

Employee Information
[? Activity Help](#)

Search Employee

SSN or TRS-Assigned Temp ID	
Last Name	
Date of Birth	

Search
Clear

Employee Information

The information provided is based on the most recent data available, but may be affected by outstanding data. This data is subject to audit, adjustments and correction.

SSN or TRS-Assigned Temp ID	
TRS Member	No
New Member Contributions Due	Yes

If an employee does not have prior TRS membership and has not completed any of the 90-day New Member period, then the appropriate field will show as zero (0).

Employee Information

The information provided is based on the most recent data available, but may be affected by outstanding data. This data is subject to audit, adjustments and correction.

As Of Date	08/24/2023	New Member Contributions Due	Yes
SSN or TRS-Assigned Temp ID		New Member Days completed as of 1st of Current Month	0
First Name		In a TRS Eligible Position	No
Middle Name		TRS Eligible Date Range	
Last Name		Subject to Salary Cap	Yes
Suffix		Concurrent Employment	No
TRS Member	Yes		

View ED Contract Info
View RP Payroll Info

A TRS member can fulfill all or portion of the 90-day New Member Requirement within an employment. The View Employee Information Screen indicates the New Member Days completed as of the 1st of the Current Month, not the as of date on the screen. In the example below, 8/1 would be the 69th day of the 90-day New Member period because the member completed 68 days through 7/31.

Employee Information			
The information provided is based on the most recent data available, but may be affected by outstanding data. This data is subject to audit, adjustments and correction.			
As Of Date	08/24/2023	New Member Contributions Due	Yes
SSN or TRS-Assigned Temp ID		New Member Days completed as of 1st of Current Month	68
First Name		In a TRS Eligible Position	Yes
Middle Name		TRS Eligible Date Range	05/25/2023 - 08/31/2023
Last Name		Subject to Salary Cap	Yes
Suffix		Concurrent Employment	Yes
TRS Member	Yes		
View ED Contract Info		View RP Payroll Info	

If the employee has completed the 90-day New Member period, the View Employee Information screen will indicate “Over 90 Days” in the New Member field.

Employee Information			
The information provided is based on the most recent data available, but may be affected by outstanding data. This data is subject to audit, adjustments and correction.			
As Of Date	09/01/2023	New Member Contributions Due	No
SSN or TRS-Assigned Temp ID		New Member Days completed as of 1st of Current Month	Over 90 days
First Name		In a TRS Eligible Position	Yes
Middle Name		TRS Eligible Date Range	07/10/2023 - 06/24/2024
Last Name		Subject to Salary Cap	Yes
Suffix		Concurrent Employment	Yes
TRS Member	Yes		

ORP Participant – View Employee Information

Employee Information			
The information provided is based on the most recent data available, but may be affected by outstanding data. This data is subject to audit, adjustments and correction.			
Note: This employee is an ORP participant and not eligible for TRS membership.			
As Of Date	10/23/2023	New Member Days completed as of 1st of Current Month	0
SSN or TRS-Assigned Temp ID		In a TRS Eligible Position	No
First Name		TRS Eligible Date Range	
Middle Name		Subject to Salary Cap	Yes
Last Name		Concurrent Employment	No
Suffix		ORP Election Date	08/01/1980
TRS Member	No	ORP Vesting Status	Yes
View ED Contract Info		View RP Payroll Info	



Federal Fund/Private Grant Contribution

The purpose of the Federal Fund/Private Grant Contribution is to report on a monthly basis the total amount of salary paid from federal funds and private grants to TRS-eligible employees and to reimburse the State for the [State Contribution](#) due on the salary.

General Information

If an employer applies for money provided by the United States, an agency of the United States, or a privately sponsored source, and if any of the money will pay part or all an employee's salary, the employer shall apply for any legally available money to pay state contributions.

If the maximum percentage legally provided for retirement purposes from the funds is less than the current state contribution rate, the employer shall transmit the amount provided.

Non-Education/General Funds Contribution

The purpose of the Non-Educational/General Funds Contribution is to report on a monthly as is the total amount of salary paid from non-educational and general funds by senior universities, medical schools, and dental schools. This contribution is based on the current [State Contribution](#) rate.

Non-educational and general funds are defined as all funds *except* those funds used as a method of financing for an institutional appropriation in the General Appropriations Act or dedicated by the Constitution of the State of Texas.

Education/General- Local Funds

The purpose of the Educational/General-Local Funds Contribution is to report on a monthly basis the total amount of salary paid from educational and general-local funds by senior universities, junior and community colleges, medical schools, and dental schools.

Educational and general-local funds are funds such as net tuition, special course fees, lab fees, student teaching fees, hospital and clinic fees, organized activity fees, proceeds from the sale of educational and general equipment, and indirect cost recovery fees. These funds are described in [Section 51.009\(c\) of the Texas Education Code](#).

This contribution is based on the current [State Contribution](#) rate.

Proportionality- Education/General Local

Proportionality pertains to an Institution of Higher Education's annual requirement to ensure payments of benefit costs are proportional to the employer's method of finance. This specifically applies to funds held within the State Treasury, which are General Revenue (GR) and

General Revenue Dedicated (GR-D). General Revenue is also known as Fund 001, which is typically legislative appropriated and committed funds. General Revenue Dedicated is also known as Fund 002, which is appropriated in the General Appropriations Act, typically statutory tuition, and board authorized tuition.

TRS expects higher education entities to only report Fund 002 (GR-D) on their monthly Regular Payroll report. Employer's typically use the prior fiscal year's proportional rate to determine the amount of salary subject to the Education/General Local contribution for the new fiscal year.

Example:

Employer's GR-D Percentage	12.5%
Eligible TRS Gross Compensation	\$1,000
Amount of eligible compensation subject to EG (Eligible Compensation Paid from Education/General-Local on RP 20)	$\$1,000 \times 12.5\% = \125.00
Education/General-Local Contribution	$\$125.00 \times 8.25\% = \10.31

Proportionality- Annual Adjustments

Annually each employer must send Benefits Proportional by Fund (APS011) reports to the Texas Comptroller's office that indicate actual revenues and actual benefit expenditures. The report indicates local fund adjustments related to excluded funds with salary restrictions. The totals on this report establish the percentage of General Revenue and General Revenue Dedicated used in that fiscal year. After the report is reviewed and approved by the Comptroller's office the employer may owe additional Education General/Local contribution to TRS or the employer may be due a credit from TRS. Employer's typically use the prior fiscal year's proportional rate for the new fiscal year.

A copy of the APS 011 form should be faxed to TRS in the Fall, typically around October, when the financial reports are originally created. As the comptroller reviews and requires changes, the revised APS 011 forms should be forwarded to TRS.

Adjustments to TRS cannot be reported until after the Comptroller finalizes the annual review and confirms the amounts. TRS contacts each employer to provide instructions on how to report the proportionate adjustment to TRS.

Community/Junior College Contributions

As of September 1, 2013, all Community and Junior Colleges are required to pay the [State Contribution](#) on 50% of creditable compensation paid to eligible members whose duties are instructional or administrative (I&A) and whose salaries may be fully paid from funds appropriated under the General Appropriations Act, whether the salaries are actually paid from appropriated funds.

Community and Junior Colleges must pay the state contribution amount on 100% creditable compensation for all other TRS members employed by these entities (non-I&A).

[Section 825.4071 of the Texas Government Code](#) also provides that the number of instructional and administrative employees for which the state must make contributions on creditable compensation may not be increased at a greater rate than the percentage growth in student enrollment.

Other miscellaneous contribution through which the state contribution may be collected in whole or in part are:

- Federal Fund/Private Grant contribution
- Reporting Employer Payment for New Members contribution
- Educational/General-Local Funds contribution

Any salary amounts reported on the reports listed above should *not* be included in the salary totals given in the Community/Junior College contribution

Head Count – Community/Junior College

The eligible head count are all Instructional or Administrative (I&A) staff who are benefits eligible.

The number of I&A staff that can be reported as qualifying employees cannot be adjusted in a proportion greater than the change in student enrollment.

The state contribution rate is not adjusted for student enrollment. Rather, it is the number of qualifying employees that is adjusted.

Please be advised that TRS does not monitor or administer the head count regulations. All records and documentation used by the reporting employer, to verify the head count used, is to be kept by the employer.

Position Codes- Community/Junior College

- I & A staff must be reported under position codes 01 or 02.
- All other employees, including “no longer eligible due to the enrollment cap” staff, using position codes 03-07. The position code might not correspond to their job duties, which is acceptable under the circumstances.
- Employees that have multiple positions- must report under separate position code if each position’s eligibility for I&A differs

Community/Junior College Contribution Examples

All examples are based on the FY 2024 State Contribution Rate, 8.25%. For the current State Contribution rate go to the [Contribution Rate](#) page on the TRS Website.

Example 1

Employee is TRS eligible and classified as I&A staff. Employee is paid \$5,000 in creditable compensation.

Calculate 50% of Creditable Compensation	$\$5,000 \times 50\% = \$2,500$
Community/Junior College Contribution	$\$2,500 \times 8.25\% = \206.25

Example 2

Employee is TRS eligible and classified as Non-I&A staff. Employee is paid \$5,000 in creditable compensation.

Community/Junior College Contribution	$\$5,000 \times 8.25\% = \412.50
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Example 3

Employee is TRS eligible and classified as I&A staff. Employee is paid \$5,000 in creditable compensation. \$2,500 of which is paid from Federal Funds/Private Grants.

Calculate 50% of Creditable Compensation	$\$5,000 \times 50\% = \$2,500$
Subtract the Compensation paid from Federal Funds/Private Grants	$\$2,500 - \$2,500 = \$0$
Community/Junior College Contribution	\$0

Example 4

Employee is TRS eligible and classified as Non-I&A staff. Employee is paid \$5,000 in creditable compensation. \$5,000 of which is paid from Federal Funds/Private Grants.

Subtract the Compensation paid from Federal Funds/Private Grants	$\$5,000 - \$5,000 = \$0$
Community/Junior College Contribution	\$0

Example 5

Employee is TRS eligible and classified as I&A staff. Employee is paid \$5,000 in creditable compensation. \$1,000 of which is paid from Federal Funds/Private Grants.

Calculate 50% of Creditable Compensation	$\$5,000 \times 50\% = \$2,500$
Subtract the Compensation paid from Federal Funds/Private Grants	$\$2,500 - \$1,000 = \$1,500$
Community/Junior College Contribution	$\$1,500 \times 8.25\% = \123.75

Example 6

Employee is TRS eligible and classified as Non-I&A staff. Employee is paid \$5,000 in creditable compensation. \$1,000 of which is paid from Federal Funds/Private Grants.

Subtract the Compensation paid from Federal Funds/Private Grants	$\$5,000 - \$1,000 = \$4,000$
Community/Junior College Contribution	$\$4,000 \times 8.25\% = \330

Part Three

TRS Retired Employee Reporting

TRS Retired Employees

TRS Retired Employees are all employees who have retired from TRS regardless of retirement date and position held. TRS Retired Employee reporting consists of the Employment After Retirement report. Active Employees should NOT be included on this report.

Employment After Retirement Report

The purpose of the Employment after Retirement Report (ER Report) is to report, on a monthly basis, the TRS retirees returning to work. The information reported on the ER Report is not based on the reporting employer's pay periods, the retiree's schedule or when the retiree is paid for the work performed. It is strictly based on the actual number of hours or days the retiree has worked or was on paid leave during the calendar month. If a retiree works or is on paid leave in December, but is paid for that time in January, the time must be included on the December ER Report, not the January ER Report. This means that, in most cases, the ER report cannot be submitted to TRS until the end of the calendar month in which the work was performed or the beginning of the next month.

Reporting entities are required to report detailed information on all TRS retirees regardless of retirement dates. Reporting actual hours and actual days worked in a calendar month is required for all retirees.

TRS contributions are not withheld from the retiree's salary.

ER Report and TEXNET Due Date

Please refer to [Payroll and TEXNET Due Date](#) page of the Payroll Manual

Individuals Reported

TRS Retirees ONLY. Report all non-TRS retirees (including ORP retirees) using the Regular Payroll Report as a part of full payroll reporting.

ER Report Types

- ER Report
 - To report on a monthly basis the salary, time worked and any applicable contributions of all TRS retired employees.
 - Can include ER 20 (Current Month Records) and ER 25/27 (Prior Month Adjustment Records)
- ER Adjustment Report
 - An ad hoc report used to adjust previously completed report periods.
 - The ER Adjustment report month will default to the last completed ER report month.

- Can only include ER 25 and ER 27 records

ER Report Components

The ER Report consists of a detail report and a signature component.

Detail

Detail is used to report the employment of all TRS retirees regardless of retirement date, and any Pension Surcharge and TRS-Care Surcharge due from the employer based on the time the retiree worked that calendar month.

The Detail record types associated with the ER Report are:

- ER20, Current Month Record
- ER25, ER Adjustment Record – Add a previously unreported retiree
- ER27, ER Adjustment Record – Edit or Delete a previously reported record

The Detail record types associated with the ER Adjustment Report are:

- ER25, ER Adjustment Record – Add a previously unreported retiree
- ER27, ER Adjustment Record – Edit or Delete a previously reported record
- Please note that an ER 20 *cannot* be included on an ER Adjustment Report type

ER Record Type	Purpose
ER20 - Current Month ER Record	<ul style="list-style-type: none"> • Used to report employment information for all service and disability retirees, regardless of their retirement date • If a retiree performs multiple jobs, there would only be one ER20 record submitted for each retiree under their primary position code. See position codes here. • Days Worked- must be the actual number of days worked by the employee in the report period. <u>Cannot be scheduled days.</u> • Hours Worked- must be the actual hours worked. This is the total number of hours worked in the <i>report period</i>. <u>Cannot be scheduled Hours.</u> • Zero Day Reason Code- should only be used for a report period in which the retiree did not work or use paid leave.

	<ul style="list-style-type: none"> ○ A = Accrued Pay/Not Terminated ○ C = Employee on less than 12 month pay schedule/Not Terminated ○ F = Final Pay/Terminated ○ L = Leave Without Pay <ul style="list-style-type: none"> • ER Employment Type • ER Employment Dates • Total Gross Compensation- reported for <i>all</i> retirees that receive compensation within the report period. The Compensation amount should only include compensation that falls within the TRS Creditable Compensation guidelines. • Pension Surcharge • TRS-Care Surcharge <p>ER 20 – Formatting Guideline</p>
ER 25 – Prior Month ER Adjustment Record	<ul style="list-style-type: none"> • Used to ADD the retiree’s employment record to a previously complete report month that did not originally include the retiree. • Use the ER 20 reporting guidelines above <p>ER 25 – Formatting Guidelines</p>
ER 27 – Prior Month ER Adjustment Record	<ul style="list-style-type: none"> • Used to EDIT or Delete the retiree’s employment record posted on a previously completed report month. • Edit- <ul style="list-style-type: none"> ○ Must complete all “original” fields to match the ER 20 that posted ○ Only complete Adjustment/New Fields for data that needs to be corrected. ○ If adjusting one or more of the following fields, a <u>net difference</u> transaction needs to be reported: <ol style="list-style-type: none"> a) Hours Worked Adjustment



	<ul style="list-style-type: none"> b) Days Worked Adjustment c) Total Gross Compensation Adjustment d) Pension Surcharge Adjustment e) TRS-Care Surcharge Adjustment <ul style="list-style-type: none"> • Delete- When deleting a record that was previously reported in error: <ul style="list-style-type: none"> ○ Must complete all “original” fields to match the ER 20 that posted ○ All the following data must <u>net to zero</u> by entering negative values: <ul style="list-style-type: none"> a) Hours Worked Adjustment b) Days Worked Adjustment c) Total Gross Compensation Adjustment d) Pension Surcharge Adjustment e) TRS-Care Surcharge Adjustment <p>ER 27 – Formatting Guidelines</p>
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ER Position Codes

Each retiree must be assigned *one* of the following position codes. Position code assignments are at the discretion of the employer.

- Professional/Administrative (01) - Examples: Chancellor, Dean, President, Superintendent, Principal, Attorney, Accountant, Director, Administrator, etc.
- Teacher, Full-Time Librarian (02)
- Support Staff-Other (03) - Examples: Aide, Clerk, Security, Maintenance, Groundskeeper, Secretary, Computer Operator, etc.
- Bus Driver (04)
- Full-Time Nurse/Counselor (05)
- Peace Officer (06)
 - “Peace Officer” means an officer commissioned under [Section 37.081, Education Code](#), or Subchapter E, Chapter 51, Education Code. Section 37.081 authorizes the board of trustees of a school district to commission peace officers. Section [51.203 of Subchapter E](#) authorizes the governing boards of each state institution of higher education and public technical institute to employ and commission peace officers.

- Support Staff-Food Service Worker (07)

If a retiree works in more than one position during the report month, report the retiree under the position code of the primary job.

ER Signature Component

- The signature component is an electronic signature.
- The signature can only be submitted by a user who has Administration or Signature authority
- The Signature Component is used to:
 - Certify that the total number of records and all salary and contribution information submitted through the detail is accurate and complete in the reporting of all employees for that report month.
 - The RE Portal user who submits the signature is confirming that the report is accurate and complete.
- If the Signature Totals are incorrect, reject the signature page and correct the report.

REs may *not* remove records from the report for the sole purpose of bringing the report to complete status. If a record is causing a report to not come to a completed status the payroll reporting official should work with their RE Coach to determine a resolution.

If a reporting employer has no TRS retiree information to report for a report period, meaning no TRS retiree worked, took paid leave, or received compensation, then a “zero signature” page can be submitted. Use caution when clicking the box on the Submit Signature screen as it will complete the report period indicated next to the box without records. Refer to Section 3.3.3. of the [RE Portal User Guide](#) for additional information.

Report	Period	Date/Time
RP--Regular Payroll	May 2015	05 2015 09:33:45
RP--Adjustment	April 2015	04 2015 10:25:55
ER--No retirees employed	May 2015	Submit ER-No Retirees Employed

Creating an ER or ER Adjustment Report

Creating an ER or ER Adjustment Report instructions can be found in Section 3.2.2 of the [RE Portal User Guide](#).

Additional Resources for Completing an ER Report

In addition to the Payroll Report Manual, you may utilize the following documents when resolving report errors:

- [Error Resolution Guide](#)

ER/ER Adjustment Report Statuses

Rejected	One or more RP records within the report are Suspended with errors.
Pending	All the RP Records are error free in a Valid status. Report is ready for the Signature page to be reviewed and accepted if the totals are correct.
Pending Complete	The RP Records are going through validation and posting to the TRS Database.
Complete	The RP records within the report have all posted to the TRS database. A report at a Complete status cannot be deleted.

ER Employment Dates

Reporting ER employment dates for a school year are not based on the retiree's contract with the employer, nor are all retirees required to be reported with employment dates of Sept. 1 – Aug. 31.

The dates should be based on the dates the retiree will be employed in a particular position and/or employment type within the TRS fiscal year. The fiscal year is Sept. 1 – Aug. 31.

If a retiree will have varying employment throughout the TRS Fiscal Year, an employer may choose to report employment dates based on the report period. As an example, employment dates on the September report period would be September 1 through September 30.

12 Month Break in Service

A retiree who retired after January 1, 2011, must have a 12-consecutive calendar month break in service before they may return to TRS-covered employment on a full-time basis without forfeiting their retirement annuity.

Those who retired effective May 31, 2019, but worked into June 2019 under the "June 15th Rule," have not fulfilled the 12-consecutive calendar month break in service necessary to return to work full-time without loss of annuity until July 1, 2020. Working even one day in June 2019 means that month does not count toward the required break in service resulting in the retiree's break beginning with the month of July 2019.

However, if the retiree's termination date was in May of 2019 and they did not work at all in the month of June 2019, they could return to work full time without losing their annuity in June of 2020 as long as they had no other TRS-covered employment during that 12 consecutive calendar month period. If you have any questions, please contact your RE coach at 1-800-433-5734

It is the responsibility of the RETIREE to determine if they have met the required break in service to return to work without loss of their annuity. Retirees with questions about satisfying the full 12 consecutive month break in service should call a TRS Benefits Counselor at 1-800-223-8778.

Determining Hours and Days Worked for Courses Measured in hours or semester hours rather than clock hours

If the employment is measured in course hours or semester hours rather than clock hours, each hour of instruction in the classroom or lab will count as a minimum of two clock hours to reflect instructional time as well as preparation and other time typically associated with one hour of instruction. If your employer has established a greater amount of preparation time for each hour of instruction, the established standard will be used to determine the number of course or semester hours the retiree may teach without loss of annuity.

Must track and determine actual number of days worked each calendar month.

In Person Courses

Each hour of instructional time or lab work for the class will count as a minimum of two hours worked in a week. If your employer has established a greater amount of preparation time for each hour of instruction, the established standard will be used to determine the number of course or semester hours.

In Person Course - Hours Worked Example:

A TRS retiree is teaching a 1 semester hour lab at a college. The lab meets once a week on Mondays for 4 hours. The students receive college credit for the lab.

	Number of Courses	Credit Hours per Course	Hours Per Day	Days Per Week Course Meets	Clock Hour Conversion Rate	Clock Hours Per <u>Week</u>
In Person 8 Week	1	1	4	1	2	$4 \times 1 \times 2 = 8$

If there were five Mondays in the calendar month, then the retiree would be reported as working 40 hours (8 x 5) for the month.

Online and Hybrid Courses

Each hour of college or semester credit given for the class will count as a minimum of two hours worked in a week. If your employer has established a greater amount of preparation time for each hour of instruction, the established standard will be used to determine the number of course or semester hours.

Hours Worked Example:

A 3 hour online or hybrid class- to calculate the Hours Worked in a month:

Credit Hours	Conversion	Number of Courses	Number of Hours per Week	Number of Days Worked/Week	Number of Hours Worked per DAY
3 hours	2	1	$3 \times 2 \times 1 = 6$	5	$6 \div 5 = 1.2$ Hours
3 hours	2	1	$3 \times 2 \times 1 = 6$	3	$6 \div 3 = 2$ Hours

Multiply the number of hours worked per day by the total days worked in a month to get the Hours Worked in a calendar month.

Number of Hours Worked Per Day	Total Number of Days Worked in the Month	Total Number of Hours Worked in the Month
1.2 Hours	20	$1.2 \times 20 = 24$ Hours
2 hours	20	$2 \times 20 = 40$ Hours

Continuing Education Courses

Continuing education courses that are not taken for college credit, hours are counted on an hour per hour basis.

Mixed Course Load- Online and In Person

Use the calculations above for each course type separately, then add together to get the grand total hours worked in the calendar month.

Dual Credit Courses

Dual Credit courses allow students to earn credit for high school and college simultaneously. The employee teaching the course often performs all the dual credit duties at one reporting employer. However, the employee may be paid by the ISD and/or the college. The following guidelines must be utilized when reporting dual credit. **If the retiree performs any additional duties at the ISD or college unrelated to the dual credit course, the respective employer must report the additional time.**

Example 1:

If the dual credit class is taught at the ISD, the college pays the retiree directly, but no work is being performed at the college, then:

- The ISD will need to report hours/days associated with the dual credit course
- The college will report the pay. If no other work is performed at the college, then a zero-day reason of “A – Accrued Pay” would be required for the system to accept the pay.
- If the retiree exceeds half-time under the ISD and no work is being performed at the college, then Pension and TRS-Care surcharges are *not* due by the college.

Example 2:

If the dual credit class is taught at the ISD, the college and ISD pay the retiree directly and work outside of the dual credit class is being performed at the college, then:

- The ISD will need to report pay and hours/days associated with the dual credit course
- The college will report the pay and hours/days associated with the work performed outside of the dual credit course only.
- If the retiree exceeds half-time due to the concurrent employment, then Pension and TRS-Care surcharges are due by both employers.

ER Employment Types

The employment type for the ER reports is based on the duties performed and time worked by the retiree in the report month. This employment type does not always align with the position the retiree was hired to work.

ER Substitute Employment

In accordance with [Rule 31.1\(b\)](#), Service retirees may substitute an unlimited number of days during the school year if the following two (2) criteria are met:

1. A retiree who serves on a temporary basis in the place of a current employee (employee of record)
- AND**
2. The salary earned is not more than the daily rate of substitute pay as set by the employer.

ER 20-Day Substitute in a Vacancy

Effective September 1, 2016, the definition of “substitute” was updated for employment after retirement purposes ONLY.

The update allows retirees to serve in a vacant position or vacant positions for no more than 20 days in *each* vacant position and still be considered a “substitute” for employment after retirement purposes ONLY, provided the retiree is not serving the vacant position created by that retiree’s retirement.

Further clarification, a retiree cannot be hired as an employee to fill a vacant position and be reported as a substitute for the first 20 days; however, a retiree can be hired as a substitute and paid the substitute daily rate of pay to fill a vacant position for up to 20 days. If the retiree continues to work in the vacant position past the 20-day mark, then the retiree will need to be reported under a different employment type and will no longer be considered a substitute under TRS laws and rules. In most cases, this will cause the retiree to exceed the employment after retirement limits if the retiree has not satisfied their 12-month break in service.

Here are some examples:

Example 1

An employer creates a new adjunct position. A TRS retiree is asked to fill that vacant position as a substitute. In this case, the retiree would be considered a substitute for the first 20 days if the retiree is hired as a substitute and paid the substitute daily rate of pay. If the retiree continues to work past the 20 days, then the retiree would no longer be considered a substitute. In addition, if the retiree was permanently hired into this position, the employer cannot report the retiree as a substitute for the first 20 days.

Example 2

An employer has an independent study course. A student is enrolled in the independent study course the employer hires a TRS retiree to teach/service the student. Since the retiree was permanently hired into this position, the employer cannot report the retiree as a substitute for the first 20 days. The position is considered an adjunct instructor and the hourly conversion is used to determine employment type.

Example 3

An employer had a professor who resigned midyear. The position is vacant, and the district asked a retiree to fill the vacancy as a substitute beginning Jan. 5. After 15 days of serving as a substitute, the employer hires the retiree full time beginning Feb. 1. For the 15 days in January, the retiree is reported as a substitute to TRS; however, beginning in February, the retiree can no longer be reported as a substitute because the retiree has now been hired as full time.

Additional Information for Reporting ER Substitute Employment

- Working any portion of a day as a substitute counts as working a full day for TRS purposes.
- Reporting Entities are required to report both HOURS and DAYS worked for all retirees, regardless of retirement date and employment type
- Report substitutes under the position code in which they worked. If a person works in more than one position during the report month, report the retiree under the position code of the primary job.

ER One-Half Time or Less Employment

For employment after retirement purposes ONLY, “one-half time” is defined as working 92 hours or less in a calendar month. The total number of hours allowed for that month may be worked in any arrangement or schedule. This standard will apply to *all* positions, including bus drivers.

Paid time off (sick leave, vacation, admin leave, etc.) taken by the retiree is considered employment for the purpose of determining the amount of time worked in a calendar month.

To access the most recent calendar showing what is considered one-half time for each month, refer to the [Employment After Retirement \(EAR\) Limits \(for Reporting Employers\)](#) page on the TRS website.

Additional Information for Reporting ER One-Half Time or Less Employment

Hours worked should reflect actual clock hours a retiree has worked from the first day of the month to the last day of the month. Be sure to include any paid time off taken by the retiree (sick leave, vacation, admin leave, etc.), since it is considered employment for the purpose of determining the amount of time worked in a calendar month.

Reporting Entities are required to report both HOURS and DAYS worked for all retirees, regardless of retirement date and employment type.

ER Full Time Employment

Full-time employment is defined as working **more than** 92 hours in a calendar month.

Paid time off (sick leave, vacation, admin leave, etc.) is considered employment for the purpose of determining the amount of time worked in a calendar month.

To access the most recent calendar showing what is considered one-half time for each month, refer to the [Employment After Retirement \(EAR\) Limits \(for Reporting Employers\)](#) page on the TRS website.

ER Combination Employment Type

Combination Employment type is defined as a retiree combining a Substitute and One-Half Time Employment in the same calendar month. This employment type should only be used if the retiree combines the employments at the *same* employer in the *same* calendar month.

A retiree may work as a substitute and as a one-half time or less employee in the same calendar month without forfeiting their monthly annuity payment if the total time worked in both positions does not exceed one-half the number of workdays in the calendar month.

Work for any part of a day is considered a full day when combining substitute and half-time or less employment. When combining substitute and one-half time employment in the same month, the retiree **cannot** substitute an unlimited number of days that month.

Be sure to include any paid time off (sick leave, vacation, administrative leave, etc.), since it is considered employment for the purpose of determining the number of days worked in a calendar month.

To access the most recent calendar showing what is considered one-half time for each month, refer to the [Employment After Retirement \(EAR\) Limits \(for Reporting Employers\)](#) page on the TRS website.

Note: Reporting Entities are required to report both HOURS and DAYS worked for all retirees; regardless of retirement date and employment type.

Combination Employment Examples

Example 1

A TRS retiree is employed as a substitute but is asked to tutor in addition to her substitute duties. The retiree worked as a substitute on May 2, 3, and 4, and then tutored on May 5 and 6. The retiree did not work for the rest of May. How many days did this retiree work?

Since any part of the day counts as a full day, the retiree worked a total of five (5) days and would be reported as such on the ER20 record.

Total hours worked for the month is also required on the ER 20 record, even though hours worked are not the determining factor for surcharges.

Example 2

A TRS retiree is employed as a substitute but is also asked to tutor in addition to her substitute duties. The retiree worked as a substitute on May 2, 3, and 4 and tutored on the *same* days. The retiree did not work for the rest of May. How many days did this retiree work?

Since the dates that the retiree worked as a substitute and worked half-time or less were on the *same* days, the retiree worked a total of three (3) days and would be reported as such on the ER20 record.

Total hours worked for the month is also required on the ER 20 record, even though hours worked are not the determining factor for surcharges.

Additional Information for Reporting Combination Employment Type

- This employment type should only be used if the retiree combines the employments at the *same* employer in the *same* calendar month.
- A retiree may be limited to the number of days available to work in a calendar month if they combine employment types at multiple employers:
 - Example, John Smith retired from TRS in May 2016.
 - He worked as a Substitute at Employer A
 - He worked in a One-Half Time or Less Position at Employer B.
 - He cannot exceed one-half the number of workdays in the calendar month.
 - Each employer would report their respective Employment type based on the work performed only at their employer

Additional ER Report Considerations

Disability Retiree

A disability retiree is allowed to work a TOTAL of 90 days per school year (September to August) as a substitute or on a one-half time or less basis. In both provisions, the number of days worked must be reported.

A disability retiree can work full-time by using the Three-month trial exception. This is a one-time exception and requires that form [TRS 118D - Employment After Retirement Disability Election](#), be submitted. The three months listed on the form TRS 118D must be consecutive and may cross school years.

If the retiree continues to work full-time after the third month of the Three-month trial exception, the disability retiree will be returned to active status.

Disability retirees must be reported, regardless of their retirement date.

To access the most recent calendar showing what is considered one-half time for each month, refer to the [Employment After Retirement \(EAR\) Limits \(for Reporting Employers\)](#) page on the TRS website.

Independent Contractor

ER Independent Contractor Reporting Requirements

For purposes of employment after retirement, retirees are considered employees during the first 12 consecutive-calendar-months following retirement, if they are performing duties or providing services for an educational institution that an employee of the institution would otherwise perform, and waiving, deferring, or foregoing compensation for those duties or services; working as independent contractors; or working as a volunteer but performing duties or providing services that the retiree performed immediately before retiring and has an agreement to perform or provide those same services or duties after the first 12 full, consecutive-calendar-months after retirement. Employers are required to report these retirees, as if they were employees, each month during the first 12 calendar months after the retiree's effective date of retirement. This change applies to a retiree who retires after Sept. 1, 2017, and a retiree who on Sept. 1, 2017, is within the first 12 consecutive-calendar-months following the effective date of retirement.

Independent Contractor Defined

An Independent Contractor is typically an individual who is not an employee of the reporting employer but who is retained to perform a service or complete a project for the reporting employer. An independent contractor is usually not:

1. under the day-to-day control of the reporting employer;
2. is not required to keep "office hours" or "work hours" as does an employee;
3. does not utilize the reporting employer's facilities, equipment, or materials to perform the service; and
4. does not usually market the services to only one reporting employer.

Duties for a position that are established in employer policies, laws, and/or rules indicate that the person is under the day-to-day control of the reporting employer. Further, having to teach a class or meet with students at an established time is considered having to keep "work hours".

For these reasons, a superintendent, principal, assistant principal, teacher, administrator, and/or coach are not independent contractors. Please note that this list of positions does not

include all the positions that are not suitable for independent contractors but includes the positions most frequently misidentified as independent contractor

A retiree and employer should carefully consider whether the work arrangement with an Independent Contractor meets all the legal tests for this type of relationship. A simple change of title to “independent contractor” is not sufficient; there must be a true termination of the retiree’s employment. Laws governing federal income tax and Social Security are also involved in determining whether a retiree is an independent contractor. TRS-covered employers should seek advice from their own attorneys to determine whether the work arrangement is one of an independent contractor. A retiree’s status as an independent contractor must meet all the legal requirements for this type of work arrangement. If the employer is in doubt, check with TRS. TRS is the governmental agency charged with the legal authority to decide this.

There are companies, such as Educational Independent Contractors, L.L.C., which market themselves to TRS retirees and offer them the opportunity to become shareholders in the company (or limited liability company), which provides services to TRS-covered employers. Retirees are advised by these entities that they may contract with a TRS-covered employer as an independent contractor in their capacity as a shareholder of the company and avoid the limits on employment after retirement. Retirees are led to believe that they are working as independent contractors as they perform the same duties that they had before retiring, including duties as teachers, coaches, principals, and superintendents. These duties are often described in the contract as “consulting services.”

[Additional Information Regarding Educational Independent Contractors, LLC](#)

Following an investigation in 2010 into Educational Independent Contractors, L.L.C.’s offer of this arrangement and a review of documents provided by the attorney for the limited liability company, including the company agreement with the shareholders, a sample contract between shareholder and a TRS-covered employer, and responses to direct questions posed to the company’s attorney by TRS, TRS determined that companies offering these arrangements are third-party entities providing personnel to TRS-covered employers and that the retirees providing the services are employees of these third-party entity. Retirees employed by a third-party entity are subject to subject to TRS Laws and Rules governing employment after retirement and must be reported each month on the Employment after Retirement Report. The entities are aware of TRS’ determination but continue to market themselves to retirees.

When TRS learns of these arrangements, it must collect annuities from retirees serving in these arrangements for the months the retiree worked more than one-half time as well as collect surcharges from the TRS-covered employers for which the retirees performed services. The

financial consequences can be staggering when TRS does not learn of the arrangement for months or even years after the work is performed and must collect for all the overpayments. If the retiree cannot repay the annuities with a lump sum, TRS must actuarially reduce the amount of future annuity payments to cover the overpayments. The reductions continue for as long as the annuity is payable, i.e., for the life of the retiree.

Retirees who were first employed by the third-party entity prior to May 24, 2003, are not considered employees of the TRS-covered employer and should not be reported on this report. Report retirees who were first employed by a third-party entity on or after May 24, 2003, as you do other retired employees. Retirees who retired prior to January 1, 2011, are not subject to any limits on employment but must be included retirees reported on the Employment after Retirement Report.

Please do not rely on the name of the company or the work contract to determine whether the retiree is an independent contractor or an employee of a third-party entity. If you would like to have a determination from TRS regarding your specific arrangement with a company, please contact your coach and provide copies of the contracts for review, along with information regarding the duties performed and/or services provided by each retiree in question, or if you have questions regarding this notice, email TRS at reporting@trs.texas.gov.

3rd Party Entity

For purposes of employment after retirement, a third-party entity is an employer retained by a Texas public educational institution to provide personnel to the institution to perform duties or provide services that employees of the institution would normally perform or provide.

If the institution does not outsource 100% of the position, then the employment by a third-party entity is considered employment by a Texas public educational institution subject to the employment after retirement laws and rules.

If an institution outsources 100% of a position, then the employment by the third-party entity is not subject to the employment after retirement laws and rules.

If you would like to have a determination from TRS regarding your specific arrangement with a company, please contact your coach and provide copies of the contracts for review, along with information regarding the duties performed and/or services provided by each retiree in question.

Volunteer

For TRS purposes, volunteering is generally considered an altruistic activity intended to promote good or to help others. There is no immediate financial gain for the volunteer.

Volunteering to perform services that are normally provided by a paid employee or waiving payment for service may be considered service that must be reported to TRS.

Volunteering during the first full calendar month after the retirement date may be considered service that revokes retirement.

For a May 31st retiree working into June, volunteering during the first 2 months after the retirement date may be considered service that revokes retirement.

ER Volunteer Reporting Requirements

For purposes of employment after retirement, retirees are considered employees during the first 12 consecutive-calendar-months following retirement, if they are performing duties or providing services for an educational institution that an employee of the institution would otherwise perform, and waiving, deferring, or foregoing compensation for those duties or services; working as independent contractors; or working as a volunteer but performing duties or providing services that the retiree performed immediately before retiring and has an agreement to perform or provide those same services or duties after the first 12 full, consecutive-calendar-months after retirement. Employers are required to report these retirees, as if they were employees, each month during the first 12 calendar months after the retiree's effective date of retirement. This change applies to a retiree who retires after Sept. 1, 2017, and a retiree who on Sept. 1, 2017, is within the first 12 consecutive-calendar-months following the effective date of retirement.

ER Surcharges

Under SB 202, effective September 1, 2021, employers cannot directly or indirectly pass the cost of the employer surcharges on to the retiree through payroll deduction, by imposition of a fee, or by any other means designed to recover the cost.

Please use the View Employee Information link in the [RE Portal](#) to determine if the retiree retired before or after Sept. 1, 2005, and if the TRS-Care surcharge applies for a particular retiree.

The surcharges apply to both Service and Disability retirees.

RE Pension Surcharge for Reported Retirees

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 percentage of the [TRS Creditable](#) salary paid to that retiree in the calendar month the retiree exceeded half time employment. It is a combination of the employee contribution rate and the state contribution rate.

This surcharge will be reported on the Employment After Retirement report. Please refer to the [Formatting Guide](#).

The TRS Rule for the employer pension surcharge is TRS [Rule 31.41](#).

“Trigger” - Pension Surcharge for Reported Retirees

Surcharges are due each month on all retirees who:

- Retired after September 1, 2005, AND
- Work more than 92 hours in the calendar month under the one-half time exception.
or
- Work more than 11 days in the calendar month when combining one-half time employment and substitute employment in the same calendar month.
 - Working any part of a day, including a Saturday or Sunday, counts as one of the days a retiree may work when combining substitute and other work in the same calendar month.

For calendar months prior to November 2021, the limits were calculated based on the workdays in that calendar month. Historical EAR Limits can be found on the [Employment After Retirement \(EAR\) Limits \(for Reporting Employers\)](#) page of the TRS website.

The surcharges apply to both Service and Disability retirees.

Exemptions - Pension Surcharge for Reported Retirees

- Retiree Reported *only* as a Substitute
 - For the purposes of Employment after Retirement Report 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 paid in the month the retiree exceeds, including compensation for the substitute

service. If the retiree performs work at multiple employers in the month they exceed, then *each* employer must remit the Pension Surcharge based on the compensation paid in that report period.

- Retirees who retired before September 1, 2005 are *not* subject to surcharges
- Retirement date is after September 1, 2005, and retiree does *not* exceed half time in a calendar month
- Retirement date is after September 1, 2005, and retiree exceeds half time in a calendar month, but no compensation is received in the month they exceed.

RE TRS-Care Surcharge for Reported Retirees

As of September 1, 2005, all reporting entities are required to make monthly surcharge payments to TRS-Care for certain retirees returning to work.

This surcharge will be reported on the Employment After Retirement report. Please refer to the [Formatting Guide](#).

This surcharge is due on each retiree reported on the Employment after Retirement Report with a retirement date after September 1, 2005, unless the retiree is exempt.

The TRS Rule for the employer TRS-Care surcharge can be found in TRS [Rule 41.4](#).

Effective September 1, 2016, the TRS-Care Surcharge is \$535.00 for all retirees enrolled in TRS-Care.

Use the [View Employee Information](#) screen to determine if a retiree is enrolled in TRS-Care.

“Trigger”- RE TRS-Care Surcharge for Reported Retirees

Surcharges are due each month on all retirees who:

- Retired after September 1, 2005, AND
- Work more than 92 hours in the calendar month under the one-half time exception.
or
- Work more than 11 days in the calendar month when combining one-half time employment and substitute employment in the same calendar month.
 - Working any part of a day, including a Saturday or Sunday, counts as one of the days a retiree may work when combining substitute and other work in the same calendar month.

For calendar months prior to November 2021, the limits were calculated based on the workdays in that calendar month. Historical EAR Limits can be found on the [Employment After Retirement \(EAR\) Limits \(for Reporting Employers\)](#) page of the TRS website.

If a retiree exceeds in a calendar month, but does not receive compensation in that month, the TRS-Care surcharge is still applicable.

The surcharges apply to both Service and Disability retirees.

Multiple Employers- TRS-Care Surcharge

Surcharge amounts will be prorated evenly among reporting entities if the retiree and/or other individuals enrolled in TRS-Care under the same identification number are reported by two or more reporting entities. Example, retiree is employed by two employers. Each employer will be responsible for ½ of the \$535 surcharge (\$267.50) any month the retiree exceeds the allowable one-half time limits for that calendar month.

Exemptions- RE TRS-Care Surcharge for Reported Retirees

- The TRS-Care surcharge is not due on retirees who are not enrolled in TRS-Care.
- Retiree Reported *only* as a Substitute
 - For the purposes of Employment after Retirement Report 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 paid in the month the retiree exceeds, including compensation for the substitute service.
- Retirees who retired before September 1, 2005 are *not* subject to surcharges
- Retirement date is after September 1, 2005, and retiree does *not* exceed half time in a calendar month

Retirement Date Categories – Surcharges

Retired BEFORE September 1, 2005	Retired between September 1, 2005 – January 1, 2021	Retired AFTER January 1, 2021
Retiree may work without limit and receive annuity	Retiree may work without limit and receive annuity	Retiree limited to working one half-time or less or substitute UNLESS there has been a 12-consecutive-month break in service
No surcharges due	Surcharges due if retiree works more than amount allowed	Surcharges due if retiree works more than amount allowed

View Employee Information- TRS Retiree

Reporting Employers should utilize the View Employee Information screen to determine the retiree’s Retirement Date and applicable surcharges.

In the screenshot below, the TRS Retiree is subject to both Pension and TRS-Care Surcharges.

Employee Information

The information provided is based on the most recent data available, but may be affected by outstanding data. This data is subject to audit, adjustments and correction.

Note: Member retired after September 1, 2005. If the employment of the retiree exceeds one-half time in the report month, TRS-Care and Pension Surcharges are due on all pay received in that month. See Pension Surcharge and TRS-Care Surcharge guidelines for more information.

As Of Date	10/23/2023	TRS Retiree	Retired after September 1, 2005
SSN or TRS-Assigned Temp ID		Retirement Date	05/31/2007
First Name		Monthly TRS-Care Surcharge Amount	\$535.00
Middle Name		Pension Surcharge (% of salary paid in the calendar month)	16.50%
Last Name			
Suffix			

[View ER Employment Info](#) [View ER Transaction Info](#)

Part Four

Additional Reporting Information

Glossary of Terms

The following is a list of defined terms that are commonly used within this Payroll Reporting Manual and TRS communications to Reporting Employers.

Account

An individual member's TRS account containing applications of salaries, deposits, payments for special service credit (excluding administrative fees), and interest earned.

ActiveCare Contact

The staff member selected to be the Reporting Employer Portal contact responsible for submitting TRS ActiveCare information.

Adjunct Instructor

An instructor position with an institution of higher education that is filled on a semester-by-semester basis, compensated on a per class basis, and the duties include only those directly related to instruction of students.

State Minimum Salary

State Minimum Salary published by TEA.

TRS Salary

Compensation paid for services performed:

- As a teacher, full-time librarian, counselor, or nurse.

OR

- In a position covered under former Section 16.056* of the Texas Education Code (i.e., superintendent, principal, administrative officer, instructional officer, diagnostician, etc.); **This section was repealed by the 74th Legislature (1995). It is only valid for the purpose of this report.*

PLUS

- Any supplemental pay for duties that are part of a particular position that is subject to the state minimum salary.

- Salary docks, if any, are to be subtracted from the TRS salary and the state minimum salary.
- Payment for duties that constitute a “wholly separate” job are excluded from the TRS salary for the purpose of this report.
- Annual TRS salary and annual state minimum salaries are divided by the appropriate number of months in the term of payment of the contract (generally 10, 11, or 12 months).

Annuity Payment

A monthly retirement benefit payment to service and disability retirees of TRS; a monthly survivor benefit to the beneficiary of a TRS member or retiree; or a payment under a QDRO (Qualified Domestic Relations Order) to an alternate payee of a portion of a retiree’s monthly retirement benefit payment.

Assault Leave

The number of days of leave necessary to recuperate from all physical injuries sustained as a result of the assault sustained during the performance of the employee's regular duties.

Assault Leave Pay

Salary that is continued while the employee is on assault leave, as authorized by Section 22.003 of the Texas Education Code. It is eligible compensation for TRS purposes. If the employee receives worker's compensation paid as temporary wage replacement pay and compensation from the employer, the compensation from the employer may be reported to TRS and contributions withheld. Worker's compensation paid in the form of temporary wage replacement pay should be verified by the employer on the form TRS 22W, Verification of Worker's Compensation Payments, and the form should be submitted to TRS. If the employee verifies the worker's compensation to TRS by the end of the school year after the school year in which it is received, the cost to the employee is only the member contributions that would have been paid on the compensation. The member contributions must be paid in a lump sum by the end of the school year after the school year in which the worker's compensation is received. If the worker's compensation is not verified and the lump sum contributions are paid in the time period provided, the employee may establish the additional service credit and compensation by purchasing it as unreported service and compensation.

Authority Level

There are four (4) levels of authority in the RE Portal, which are assigned by the RE's Web Administrator:

1. Administration

This level of authority is only available to the designated Web Administrator at each reporting employer. Administration authority will have rights and responsibilities to create, update, and inactivate RE contacts per the business needs of the RE and will also be able to manage web accounts for other RE contacts. Administration authority also includes Signature, Submit, and Display authority.

2. Signature

An electronic signature is the official certification required by law which attests to the accuracy and completeness of the information submitted to TRS. Signature authority includes Submit and Display authority.

3. Submit

The Submit authority level allows the designated contact to submit report Detail components, Query for report processing results, and use the "View Employee Information" function.

4. Display

The most limited level of authority. This level of authority allows the designated contact to Query for report processing results and use the "View Employee Information" function.

Casual Employment

A term used by some reporting entities for irregular employees. See Irregular Employment

Cost of Education Index (CEI)

An adjustment adopted in December 1990 by the foundation school fund budget committee. The basic allotment for each school district is adjusted by the assigned index to reflect the geographic variation in known resource costs of education due to factors beyond the control of the school district. *The Cost of Education Index (CEI) is no longer applicable in the Statutory Minimum contribution calculation effective with the September 2019 reports forward.*

Comptroller of Public Accounts (CPA)

The state agency that operates and maintains the TEXNET system used by reporting entities to submit required monthly contribution deposits

Contract/Work Agreement

An oral or written employment agreement between an employee and a reporting employer.

Creditable Compensation

The salary and wages paid to TRS members that is eligible to be applied toward the member's retirement benefit calculation. See "Creditable Compensation" section earlier in this document

Current Month

The month for which a report is currently due.

Delinquent Report Payments

Payments for TRS monthly reports that are transmitted via TEXNET after the due date. The due date is the 6th day of the month following the calendar month for which the report is due. The TEXNET Deposits must be transmitted via TEXNET no later than 6 p.m., Austin time. If the 6th day of the month falls on a Saturday, Sunday, or Federal holiday, the due date is the previous business day.

Deposit(s)

Contributions made on behalf of a member through an employer pickup arrangement. Also referred to as "member contributions". These amounts are "picked up" and deposited with TRS before taxes are withheld. In addition, this term can refer to the remittance of any contribution submitted by the reporting employer through any of the various monthly reports.

Detail

Detail is one of the required report components. Detail is used to report data required by each report.

Employment Eligible for TRS Membership

[Please click here](#)

Full-time Employment

Employment that is usually 40 clock hours per week. However, an employer may establish a lesser requirement for full-time employment for specified positions as long as the full-time requirement is not substantially less than 40 hours per week. In no event may full-time employment require less than 30 hours per week.

If there is no equivalent full-time position for a given position, the minimum number of hours required per week that will qualify the position for TRS membership is 15. This requirement applies to all positions.

Full Time Equivalent

For TRS purposes, we define the Full-Time Equivalent (FTE) as the number of hours per week that an employee must work to be considered full time in a particular position.

Generally, a full-time position requires an employee to work 40 hours per week, which would be reported as an FTE of 40. A Reporting Employer (RE) may have positions that require fewer than 40 hours per week to be considered full time, but a full-time position can never be less than 30 hours per week.

If an RE has positions in which no employee is required to work between 30-40 hours a week, TRS considers these positions to have no full-time equivalent. If there is no FTE for a given position, an employee must be hired to work at least 15 hours per week to be eligible to participate in TRS. This requirement applies to all positions, including bus drivers, but excludes adjunct faculty in higher education.

Head of Institution

The head of the reporting employer (e.g., the superintendent, president, chancellor, commissioner, director, or executive director). The head of the reporting employer remains ultimately responsible for the report and its accuracy and completeness.

Independent Contractor (consultant)

An individual who is not an employee of the reporting employer but who is retained to perform a service or complete a project for the reporting employer. An independent contractor is usually not (1) under the day-to-day control of the reporting employer; (2) is not required to keep “office hours” or “work hours” as does an employee; (3) does not utilize the reporting employer’s facilities, equipment, or materials to perform the service; and (4) does not usually market the services to only one reporting employer. Duties for a position that are established in

employer policies, laws, and/or rules indicate that the person is under the day-to-day control of the reporting employer. Further, having to teach a class or meet with students at an established time is considered having to keep “work hours”. For these reasons, a superintendent, principal, assistant principal, teacher, administrator, and/or coach are not independent contractors. Please note that this list of positions does not include all of the positions that are not suitable for independent contractors but includes the positions most frequently misidentified as independent contractor

Instructional Year

The term used by TRS to distinguish "school year" for TRS plan purposes from the 12-month period of each employer's academic school year.

Irregular Employment

Is typically employment that occurs sporadically or on an "as needed" basis. Irregular employment is not eligible for membership in TRS.

Member Account Adjustment

Refers to an adjustment procedure used to effect a change to a member's account for salaries and/or deposits through the Regular Payroll Report using an RP 25, Regular Payroll Adjustment Record.

Member Contributions

For the purpose of the monthly report, the term “member contributions” refers to three types of contributions made by the member:

The amount of member compensation withheld by the reporting employer before taxes and applied to the member’s account. These rates are set by the State Legislature and subject to change. Beginning September 1, 2014, interest on the member’s account balance is earned at the rate of 2% on the average balance in the account for the fiscal year.

Member compensation withheld by the reporting employer for the benefit of the retiree’s health insurance program, TRS-Care. This contribution is: (1) not tax-sheltered, (2) not applied to the member’s account, (3) not included in the amounts shown on the member’s annual Statement of Account, and (4) never refunded to the member.

Special Service Buyback

Payment by a member toward an installment agreement to purchase years of service in the retirement system through payroll deduction at the employer. Special Service Buyback is not a pre-tax deduction.

Name of Participant

The name of the participant as reflected on the member's Social Security card and as reported by the reporting employer through the ED 20, Employee Demographic Record, and the RP 20, Regular Payroll Detail Record.

ORP

Optional Retirement Program available only for certain employees in Higher Education. Additional Information can be found on the [Important ORP Information](#) page of the TRS website.

Part-time Employment

*Active Employees, does not apply to TRS Retired Employees.

Employment that is less than one-half of the standard workload and is not eligible for membership in TRS unless combined with other employment at the same TRS-covered employer so that the minimum requirements for membership are met by the combined employment at that single employer.

Payroll Contact

The staff member designated by the Head of Institution to serve as the main contact for TRS reporting

Refund

A refund of a member's account balance that is issued at the request of the member and in accordance with TRS Laws and Rules. At the member's request, membership in TRS is terminated and all of the member's pension contributions plus any interest credited to the account are refunded. All service credit associated with the contributions is also terminated. State and employer contributions, however, are not part of the member's account and remain in the TRS fund.

A member is eligible for a refund when the member has permanently terminated all employment with TRS-covered employers, including any employment that is not eligible for TRS membership, does not have a promise or agreement for future employment, and has not applied for employment with a TRS-covered employer. The only exception to the requirement that all employment with a TRS-covered employer must cease is if a member is serving only as a substitute. For TRS purposes, the definition of substitute is someone who takes the place of a current employee and is paid at the daily rate of pay as set by the employer.

If an employee has earned a year of service credit for the school year and then drops to a position that is not eligible for membership, the employer is required to continue to report and make contributions for the employee for the remainder of that school year. TRS Rules 27.2, 27.3, and 27.4.

Reports

The TRS reports that are the subject of this manual that are submitted monthly and must be certified by a contact with Signature authority.

Reporting Employer

A Texas public educational institution covered by TRS.

Reporting Employer Contributions

Payments by the reporting employer for employer contributions due TRS on various monthly reports as mandated by the State Legislature. Also referred to as deposit(s).

Information on required Employer Contributions by Reporting employer can be found on the [TRS Contributions to be Submitted](#) page of the TRS website.

Reporting Official

For TRS purposes, the Reporting Official is the primary reporting contact responsible for certifying to the accuracy and completeness of all reported information. The Reporting Official may authorize others to report information to TRS and certify as to its accuracy and completeness.

Salary Dock

A deduction from salary for unpaid sick leave or personal leave days Subtract any salary docks from the state minimum salary and the TRS salary.

Salary Paid Above State Minimum Salary

Determined by subtracting the state minimum salary from the TRS salary. The district must pay the state contribution on the total amount of salary paid above the state minimum salary.

School Year

A 12-month period beginning September 1 and ending August 31 of the next calendar year.

Seasonal Employment

A type of temporary employment that occurs at predictable or expected times but is not ongoing and is not eligible for membership in TRS.

Settlement Pay

Payment in resolution of an employee's claim against an employer and usually in lieu of the amount of salary and wages owed. An employer paying amounts to a member pursuant to a settlement agreement must obtain a written determination from TRS that the amounts are creditable compensation before reporting such amounts to TRS as compensation. In the absence of the written determination from TRS, amounts paid pursuant to a settlement agreement are not creditable compensation for TRS purposes. Amounts of on-going compensation while an employee is on paid administrative leave is not considered settlement pay.

Settlement Date

This is the date that the CPA drafts the TEXNET deposit from your Reporting Employer's bank account. The deposit will post to TRS the business day after the Settlement Date.

Signature

Signature is one of the required report components. Signature is used to report and certify the information in the report is accurate and complete. Signature is an "electronic signature" that may only be submitted by an RE Portal user with Signature authority,

Staff Contact

A reporting employer contact who is authorized by the Head of Institution to have access to the Reporting Employer Portal, but is not designated as the Payroll Contact, Reporting Official or other contact type.

Student Employment

A person employed with a Texas **public college or university** is not eligible for membership if that employment is conditioned upon enrollment as a student.

State Contribution

Funds paid to TRS by the State of Texas at the rate set by the State Legislature. The state contribution rate is set by the Legislature and is also used to establish the rate of employer contributions owed on amounts paid above the statutory minimum salary, on money for compensation received from private and/or federal grants, for compensation paid in the first 90 days of employment for new members, and for pension surcharges.

State Contribution Rate

The State contribution rate for the Teacher Retirement system is set by the Texas Legislature. View the [Contribution Rates](#) page on the TRS website to see the current contribution rates.

Substitute

A person who serves on a temporary basis in the place of a current employee and is paid at the daily rate of pay as set by the employer.

Substitute – RETIRED MEMBERS Only

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

TDA

The abbreviation for Texas Department of Agriculture.

Temporary Employment

Employment that is expected to last less than four and one-half (4½) months. Employment for an indefinite period of time, e.g., at-will employment, is not temporary employment for TRS purposes.

TEXNET

The acronym for the Texas Network for Electronic Transfers system. This is the system used by reporting entities to remit TEXNET Deposits to TRS through the State Comptroller.

TEXNET Deposit

TEXNET Deposit is one of the required report components. TEXNET Deposit refers to the monthly deposits (contributions, i.e., the actual funds) transmitted to TRS via TEXNET.

Third-Party Entity

For purposes of employment after retirement, an entity retained by a Texas public educational institution to provide personnel to the institution to perform duties or provide services that employees of the institution would normally perform or provide.

TRS

The abbreviation for Teacher Retirement System of Texas.

TRS-Covered Employee

An employee at a Texas public educational institution subject to TRS Laws and Rules.

TRS-Covered Employer

A Texas public educational institution subject to TRS Laws and Rules.

TRS-Covered Employment

Employment with a TRS-covered employer.

TRS-Eligible Gross Compensation

Compensation paid to a TRS member who meets the requirements of eligible compensation according to TRS Laws and Rules. Generally, eligible compensation is salary and wages paid or accrued proportionately as service is rendered that is not specifically excluded by law or rule. See TRS Laws, Section 822.201, Member Compensation, Texas Government Code, and TRS Rule 25.21, Compensation Subject to Deposits and Credit.

TRS Laws

The laws adopted by the Texas Legislature governing the Teacher Retirement System. See "[Laws, Rules and Legislation](#)" under "About TRS" on the TRS website for links to TRS Laws and TRS Rules.

TRS Monthly Reports

Reports from TRS-covered employers that are required by law or rule that are submitted monthly and must be certified by a contact with Signature authority:

- Regular Payroll Report;
- Employee Demographic Report;
- Employment after Retirement Report;

TRS Reporting Employer Number

The unique four-digit number assigned by TRS to each TRS-covered employer.

TRS Rules

The rules adopted by the TRS Board of Trustees implementing TRS Laws and administering the TRS retirement plan. TRS Rules are codified in Part 3 of Title 34 of the Texas Administrative Code (34 Tex. Admin. Code §§ 21.1–53.20).

TRS Service Credit

A year of TRS service credit is earned in one-year increments. Only one year of service may be credited in any one school year. The beginning date for calculating a year of service credit in a school year is September 1 and extends for 12 months through August 31.

To earn a year of service credit for a school year, a member:

- must work in a TRS-eligible position or receive paid leave from a TRS-eligible position for at least 90 available work days from September 1 through August 31 (the TRS school year),
OR
- be serving in a TRS-eligible position and regularly scheduled to work fewer than five (5) days per week for four and one-half (4½) months; provided the four and one-half month (4½) period includes four (4) full calendar months in which the member renders service and is paid or the member uses paid leave, for at least eight (8) days and an additional

five (5) days of service rendered and for which the member is paid or paid leave used in another calendar month or months, but not to include the four (4) full calendar months.

In the school year in which a member retires, a year of service credit may be granted for completing the full, fall semester with no unpaid leave.

Web Administrator

The person authorized by the Head of Institution to be responsible for updating and maintaining contacts in the Reporting Employer Portal.

Work Agreement

See Contract/Work Agreement

Work Day

Monday thru Friday

Training

[Reporting Employer Portal Training](#) material can be found on the TRS website. The materials include videos, printable user guides and interactive web-based training.

In-Person Training opportunities are published on the [RE Portal Onsite Training](#) page when available. The notifications for these training opportunities are published in the Update Newsletters.