

TEACHER RETIREMENT SYSTEM of TEXAS

UPDATE

WE WANT YOUR FEEDBACK! 2023 REPORTING EMPLOYER SATISFACTION SURVEY

Teacher Retirement System of Texas (TRS) has partnered with Elite Research to conduct the annual Reporting Employer Satisfaction Survey. The survey is designed to provide TRS with valuable feedback so we can continue to improve the services we provide to you.

What You Need to Know:

- The survey should be completed by the individual who submits reports to TRS. As such, all Reporting Employers (RE) Payroll Contacts should expect to receive an email from Elite Research with the survey invitation in February.
- If you receive an invitation to participate in the survey and are not the person who submits reports to TRS, please contact Melissa Belson with Elite Research at survey@eliteresearch.com or (972) 538-1374 to provide information on the person who does submit reports.
- If you think you should receive a survey invitation but do not receive one in February, please contact Melissa Belson with Elite Research at survey@eliteresearch.com or (972) 538-1374 so we can ensure you receive the invitation. You may also want to check your email spam folders.
- Survey responses are confidential and will only be used to help improve the information, resources, training, and services TRS provides to REs. Thank you for providing your candid and honest feedback. We look forward to working to improve our customer service.

If you have questions about the survey, please contact Sunitha Downing at sunitha.downing@trs.texas.gov or Melissa Belson at survey@eliteresearch.com or (972) 538-1374.

SUBMITTING AN ED90 BEFORE THE FINAL REGULAR PAYROLL (RP) TRANSACTION

The submission timing of an ED90 termination record is especially important. For terminated employees, please submit and post an ED90 before the final RP transaction. It should be submitted and posted before the final RP20 or RP25 is submitted.

This is true whether that final transaction has time worked, time worked and pay, pay only, or a Zero Days Reason Code with no work or pay.

This helps to ensure:

1. New member contributions are calculated and reported correctly.
2. Eligibility issues with concurrent REs are identified as soon as possible.
3. No incorrect days are reported in the month following the termination date.

The third item in the list above is particularly important for refunding or retiring employees. Those processes are usually waiting for a final RP transaction. In short, submitting a timely ED90 can make TRS reporting easier for everyone. (*continued*)

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SUBMITTING AN ED90 BEFORE THE FINAL REGULAR PAYROLL (RP) TRANSACTION *continued from page 1*

Example: An employee terminated in March. The April RP20 will have the employee's final reported pay only. It is the first week of May and you are about to submit your April RP report for validation.

The ED90 should be submitted in May right before the April RP report is submitted for validation. This will help to ensure the employee does not have any days reported on the April RP in error.

Reminder: An ED90 record must be submitted for all employees who have terminated all employment with your RE, regardless of the termination reason.

COMPLETING AND SUBMITTING FORM TRS 28:

Certain higher education positions are eligible to opt out of TRS participation and elect to participate in the Optional Retirement Program (ORP). Election for ORP requires the employee to complete a [TRS 28 form – Election to Participate in Optional Retirement Program and/or Refund](#) and for the RE business office to authorize the election. Once the form is ready to be submitted to TRS, the employer may either mail the documents to TRS or send them through email to BenefitProcessingSupport@trs.texas.gov. If submitting through email, make sure only one PDF is created per TRS 28 form. All forms should be submitted to TRS as soon as they are completed to allow time for the documents to be reviewed and processed by TRS. Submitting the TRS 28 form once your reports are due can delay the completion of your reports.

Pages one and two must be completed by the employee and page three must be completed by an RE contact with signature authority level. Below are the fields on page three of form TRS 28, including instructions on how to complete each field with the correct information.

- **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 the employee signed the TRS 28 election form. This must be within 90 days of the eligibility date.
- **ORP Effective Date**
 - If election is on initial ORP eligibility date: For 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 date of ORP eligible employment).
 - If election is 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 date of the month.
- **Report Month/Year for Final Deposit to TRS**
 - No Dual Contributions – Contributions to TRS and to an ORP company within the **same** month shall not be permitted, as provided in Rule [§25.6\(a\)\(4\)](#).
 - 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 Sept. 1 and made the election Sept. 15. The effective date of ORP is Oct. 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 should be left blank.

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REPORTING CONTRACTS FOR ADJUNCTS

TRS reporting requires employers to report eligible and ineligible employee contracts to align with the work period in which the employee will perform the work, not based on dates paid. The following are common but sometimes tricky situations which employers encounter.

TRS defines adjunct instructors as employees hired to work on a semester-by-semester basis; compensated on a per class basis; and duties include only those directly related to instruction of students.

Eligibility of all employees must be evaluated upon hire, beginning with each new contract/work agreement and anytime the expectation of position changes. Adjuncts working 20 clock hours or more, and whose employment is expected to or does continue for more than one semester, are TRS eligible and should be reported as eligible on the ED40 contract record.

An adjunct instructor's contract dates should follow the dates the adjunct is expected to perform duties for that semester's classes. This often aligns with the employer's semester dates. Here are some considerations:

- If hired to work in the fall, the ED40 dates should include **only** the fall semester and appropriate eligibility related to the specific semester. If their position continues into the spring semester with the **same TRS eligibility**, an ED45 to extend the contract end date to the spring semester end date may be submitted.
- If the fall semester ends and the employee will continue working in the spring with a different eligibility, a new ED40 should be submitted to include only the dates of the spring semester.
- If working into the summer with the same eligibility as spring, an ED45 may be submitted or an ED40 if the eligibility is not the same as spring.
- Contracts for adjuncts should **not** be submitted to cover the entire school year (Sept. 1 – Aug. 31) unless the adjunct is expected to work each semester within the year. Eligibility will still need to be evaluated at the start of each semester and an ED45 submitted if the eligibility status changes.

Commonly occurring examples:

Fall Semester	Spring Semester	TRS Eligibility
Less than half 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/classes dropped</i>		In any semester, if the classes dropped changes the TRS eligibility status, then the change is retroactive. Review other eligibility scenarios to determine if a change is needed.
Half time or more	Less than half time	Adjunct is TRS eligible in the fall due to the expectation of continuing employment. Adjunct is not 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 would return to TRS eligible.

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REPORTING CONTRACTS FOR ADJUNCTS *continued from page 3*

Reevaluation of Eligibility is Vital

Accurately reporting TRS eligibility is important due to concurrent employment rules which impact multiple employers. If an RE continues to report an individual to hold an eligible position because they have not reevaluated eligibility, this may cause a trickle-down effect of adjustments for multiple employers. This is due to continuously reporting incorrect information or making assumptions from previously reported information.

For example, reporting an adjunct instructor who concludes all their work for the fall semester in December, but the contract end date was reported into January or the spring semester may result in validation errors for other employers showing the individual earned a year of service with TRS (when the participant actually worked less than 90 days in an eligible position and whose new position is no longer eligible). Other employers continue to report employment as TRS eligible when that is not the case. Once the error is discovered, all employers may need to submit adjustments and refund contributions. This is made more cumbersome if the individual has terminated employment and/or taken a refund and their TRS account is closed.

If you have any questions about reporting adjunct instructors or whether an individual holds eligible concurrent employment, please contact your TRS coach.

REMINDER FOR TEXNET SUBMISSIONS: RP AND ER ADJUSTMENTS

TRS has been seeing an increase in the number of adjustments being submitted. As a reminder, anytime an adjustment is submitted that is adding either contributions or surcharges, REs must review their ledger balances to assess if additional funds need to be sent. Below are some examples of different adjustments that can be submitted in the portal and when additional funds may need to be sent.

Scenario 1:

Exception team reaches out to an RE regarding records that were deleted for March 2021. After review, it is determined that a few RP20 records containing eligible compensation and contributions were left off the March 2021 report.

- **RE Actions:**

The RE submits RP25s on an RP-Adjustment file (separate from their RP Report) with the positive adjustments to add the missing records. Before submitting the signature, the RE realizes that they do not have any available balances in their ledger to cover the adjustments being submitted. The RE completes their report and submits a TEXNET within **one business day** for the additional contributions being submitted.

- **Penalty Incurred:**

Penalty interest will be incurred for any positive adjustments to member contributions; Member Retirement Contribution (MC) and Member TRS-Care Contribution (IN).

Due to the TEXNET being submitted within **one business day**, penalty interest would not be incurred for the employer contributions. (*continued*)

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REMINDER FOR TEXNET SUBMISSIONS: RP AND ER ADJUSTMENTS *continued from page 4*

Scenario 2:

RE Coach reaches out to an RE regarding records for a member who retired in May 2022 that was reported as active that should have been reported as a retiree. Corrections are needed from the RE so that TRS can close the account for retirement.

- **RE Actions:**

First the RE submits RP25s to remove any active postings and contracts. Once the account has been properly closed for retirement, the RE submits ER adjustments to add the time worked and any compensation that was paid. When adding the adjustments, some of the records are triggering surcharges due to the retiree working over the half-time limits. The RE adds the surcharges on the report, but once they completed their file, they now have negative balances for the surcharges. The RE does not realize that they have negative balances until a week later and submits their TEXNET for the surcharges.

- **Penalty Incurred:**

Since the report contained positive adjustments for surcharges and the TEXNET was not submitted within the **one business day** time frame, penalty interest will be incurred for the employer surcharges.

Our goal is to minimize penalty interest as much as possible, and for employer contributions this can be avoided if the TEXNET is submitted within **one business day** of the adjustment report being completed. Other scenarios of when penalty interest is incurred can be found on the [TRS website](#). As more adjustments are submitted due to the review of participant accounts by TRS, please remember to always check your ledger before and after reports are completed.

NOMINATION PROCESS DEADLINE NEARING IN 2023 TRS TRUSTEES ELECTION

The nominations process will be ending Jan. 25 for the Retiree and At-Large Board of Trustees positions in the 2023 TRS Board Election. Know someone who'd make a great trustee? Maybe it's you!

An eligible member for the **At-Large position** is a retiree who is receiving benefits from the system, a higher education employee, or a current employee of a public school district, charter school, or regional education service center. An eligible member for the **Retiree position** is a former member who is retired and currently receiving benefits.

Active members are eligible to nominate candidates for the At-Large position. Retired members are eligible to nominate candidates for the At-Large and Retiree positions. Retirees may only run for either the At-Large or Retiree Position, but not both positions for this election.

TRS is offering two ways in which a nominee may collect the required 250 signatures of eligible members for nomination:

- A nominee may collect the 250 signatures electronically by declaring their interest to be a nominee to the [Secretary to the Board of Trustees](#). Once the member's eligibility is validated, the member's name will be posted on the [nomination site](#) where the nominee may direct eligible members to sign the nominee's electronic petition. For an electronic petition, the nominee does not need to submit anything further to TRS, but must have 250 eligible member signatures by **Jan. 25, 2023**, to be considered a candidate.
- Nominees may also collect 250 signatures of eligible members with paper petitions, which are also due at TRS no later than **Jan. 25, 2023**. A member may download the [Retiree Petition \(pdf\)](#) or [At-Large Petition \(pdf\)](#). If a member does not have access to a printer, the member may contact the [Secretary to the Board of Trustees](#) to have a petition mailed to them.

Voting in the election will take place between March and May of 2023. Both terms begin as early as Sept. 1, 2023, and end Aug. 31, 2029.

The TRS Board is the trustee of all plan assets and is responsible for the general administration, operation of TRS and the investment of its funds. The board is also authorized by law to adopt rules for the administration of TRS and the transaction of the business of the board.

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