JULY 2023 VOLUME 42 | NUMBER 7

TEACHER RETIREMENT SYSTEM of TEXAS

UPDATE

ANNUAL CONTRIBUTION REVIEW AND COLLECTION

As we near the end of the fiscal year, TRS will begin the annual contribution review and collection for fiscal year 2023. The collection process will involve reminders to Reporting Employers (REs) with outstanding balances through the end of the fiscal year. The review and collection efforts apply to all REs.

Please take a moment to log in to the RE Portal and review all your fund type accounts on the RE Ledger, including Penalty Interest (PI), TRS-Care Penalty Interest (CI) and Penalty Fee (PF).

If you do not have any outstanding (negative) contribution balances, no action is required at this time. Please continue to review your RE ledger balances after each report completes to ensure no negative balances are created.

If you have negative balances, please be sure to remit the TEXNET deposit or complete allowable transfers as soon as possible. If the outstanding balance is due to a reporting correction needed, the adjustments must be completed by **Aug. 31, 2023**.

Failure to resolve the balances by the end of the fiscal year will result in additional collection efforts. The Head of Institution for any RE with negative balances after the completion of their August reports (due Sept. 6, 2023) will receive a demand letter.

MONTHLY ED SUBMISSIONS – PREPARING FOR REMOVAL OF GRACE PERIOD

In March 2023, REs were notified of the *final* extension of the one-month penalty fee grace period for fiscal year 2024. The grace period does not change the due date for reports and TEXNET deposits. Instead, it allows your teams extra time to complete reports before penalty fees are assessed. REs are still expected to submit and complete reports by the due date as stated in the Texas Government code. Information about the due dates can be found on the TRS website.

RE coaches have observed that most contract corrections are due to the untimely submission of an ED40 (new employment and position record) or ED45 (employment and position adjustment record), which then requires RP25s (compensation and contribution information record) before the contract can be updated. In preparation for the removal of the grace period, REs are encouraged to make sure that ED records are being submitted in the month that the employment begins, or the change occurs. For more information about timely ED submissions, please see the May Update Newsletter.

If your RE is experiencing limitations with your software provider for timely ED submissions, please take measures with your software provider within this next year so that the ED records can be submitted with the monthly reporting in which the employment change occurs.

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ORP ELIGIBILITY FLAG ON ED40 CONTRACT FOR HIGHER EDUCATION EMPLOYERS

Certain higher education employees may be eligible to make a one-time, irrevocable election to participate in the Optional Retirement Program (ORP) in lieu of membership in TRS. Eligibility to participate in ORP is determined by the employing higher education RE in accordance with the Texas Higher Education Coordinating Board's Chapter 25 rules.

What should be reported on the ED40 for the ORP Eligible flag?
The TRS Report Formatting Guide explains that the **ORP Eligible** field is to indicate whether the employee is working in an ORP-eligible position. This indicator is based on the employee's workload and not the position itself.

The ED40 (new employment and position record) for the employee's contract must indicate if the employee meets the criteria for ORP eligibility by submitting the ORP Eligible Position flag as "Yes" when an employee is eligible to elect ORP. If the employee is not eligible to elect ORP, the ORP Eligible Position flag should be submitted as "No."

For example, if an employee holds a position that might be ORP eligible, but the employee does not meet criteria for participating in the ORP, the ED40 should indicate "No" for the ORP Eligible flag. This is because the specific employee is not eligible to elect ORP.

ORP ELIGIBLE FLAG = YES

- Employee meets all criteria for ORP Eligibility
- Employee is participating in ORP
- Employee is ORP Retiree
- Employee is ORP Vested

ORP ELIGIBLE FLAG = NO

- Employee does **not** meet all criteria for ORP eligibility and not vested in ORP
- After ORP participation, employee terminated all Higher Education employment and held TRS eligible position

If the ORP Eligibility flag was noted as "Yes" but the employee was not eligible, please submit an ED45 (employment and position adjustment record) to edit the contract.

If you have questions, please reach out to your RE coach.

MAINTAINING REPORTING EMPLOYER PORTAL CONTACTS

With the end of the school year, and the new school year around the corner, it is not uncommon for there to be staffing changes. Due to the amount of information available in the Reporting Employer (RE) Portal, it's important to end access for contacts that no longer require it in a timely manner.

TRS requires that the RE Portal Contacts always be up to date. It is the responsibility of the Web Administrator for the RE to maintain *all* contacts.

The following is a list of *required* RE Portal contact types for *all* REs:

- Web Administrator
- Head of Institution
- Reporting Official
- Payroll Contact

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MAINTAINING REPORTING EMPLOYER PORTAL CONTACTS *continued from page 2*

As a reminder, credentials to access the RE Portal should never be shared. The Web Administrator will add any new contacts and assign the appropriate Level of Authority for the contact, so that their individual credentials can be generated by the system.

Step by step instructions on how to maintain RE Portal contacts can be found here.

Lastly, if the Web Administrator is no longer with the RE, TRS will require a new TRS Web Administrator Authorization Agreement (TRS 597A) form to update the Web Administrator. This form should be completed by the Head of Institution and the new Web Administrator. Upon completion, the form should be emailed to reporting@trs.texas.gov for processing. When possible, we recommend that a new TRS 597A be submitted to TRS no later than the last working day of the current Web Administrator's assignment. This will help ensure that their access is ended in a timely manner and that your RE does not go without a Web Administrator for an extended period.

The TRS 597A form can be found here: TRS Web Administrator Authorization Agreement

TRS MEMBERSHIP ELIGIBILITY

As a condition of employment in Texas public education, an employee must be a member of the Teacher Retirement System of Texas if employed in a position that is TRS membership eligible. To meet eligibility, the employment must meet the following three requirements:

1. Employment must be considered regular employment with a single public, state-supported educational institution in Texas that is expected to last for a 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

TRS membership eligibility must be determined at the time of hire **and** when the employment expectations have changed. TRS eligibility should ***not*** be changed retroactively unless the original eligibility status was reported incorrectly.

When determining whether the employee will be working one-half time or more of the Full Time Equivalent (FTE) for the position, please use the following chart for reference.

FTE	Half-time of the FTE
40	20
39	19.5
38	19
37	18.5
36	18
35	17.5
34	17
33	16.5
32	16
31	15.5
30	15
00	15

If the position the employee is working does not have a true FTE, you would report the contract with an FTE of "00." Therefore, any employee working 15 hours per week or more in the same position could potentially be TRS eligible if they meet eligibility requirements.

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WARNINGS – PART 2 – MISSING REGULAR PAYROLL INFORMATION

As a part of the full payroll reporting requirement, TRS expects a record for each employee for every month of their contract. This helps to ensure that the employee's report is being reported accurately and that each member's annual statement is correct.

There are seven warnings that identify individuals with active contracts covered by the current report month, and who have information missing from the current or prior months. This article will cover **three** of the warnings. Additional articles will follow with information about the remaining report warnings.

Working these warnings will help ensure that all your employees are being reported correctly and are in compliance with the TRS Laws and Rules. It also helps minimize corrections needed through early detection of incorrect reporting. It's recommended to begin working your warnings for the current report month as soon as the RP report has cleared. Investigation into the three warnings will need both the View Employment Information screen and your employer system. The Active Employee View Employee Information Screen document provides a full walkthrough of this screen.

The three warnings for Missing Regular Payroll records that this article will focus on are as follows:

WARNING 544

- ***"For regular payroll report period <Month> <Year>; no records found for NAME SSN. If the employee has terminated, please submit ED90."***
- This indicates that the employee who is ineligible for TRS membership, has a contract that covers the current report period, but the employee does not have an RP20 within the file. This is per position code.

WARNING 638

- ***"For regular payroll report period <Month> <Year>; no records found for NAME SSN. If the employee has terminated, please submit ED90."***
- This indicates that the employee who is ineligible for TRS membership, has a contract that covers the current report period, but the employee does not have an RP20 within the file. This is per position code.

WARNING 804

- ***"For regular payroll report period <Month> <Year>; no records found for <Name> <SSN>. If the employee has terminated, please submit an ED90. If the employee did not work and did not receive any pay in the report period, please submit an RP20 with zeros to confirm."***
- This indicates that the employee who is eligible for TRS membership, has a contract that covers the current report period, but the employee does not have an RP20 within the file. This is per position code.

Each of these warnings focus on individuals with an open contract that did not have an RP20 (employee compensation and contribution record) record for the current month. To work warnings of this type, review the person's status in your system. Simultaneously, please open the View Employee Information screen in the RE Portal.

Terminated Employee

If this employee has terminated all employment, regardless of the termination reason, submit an ED90 (employee compensation and contribution record). Review the transactions on the View Employee Information screen to ensure the employee has an RP transaction for each month they have worked and/or received pay from your RE.

Nonterminated Employee

Verify the employee's reported position code(s) on the View Employee Information screen and compare it to your system. If the position code is incorrect, please submit an ED45 (employment and position adjustment record) record to update the position code on file with TRS. Contact your RE coach if you encounter any unexpected errors on the ED45 record. *(continued)*

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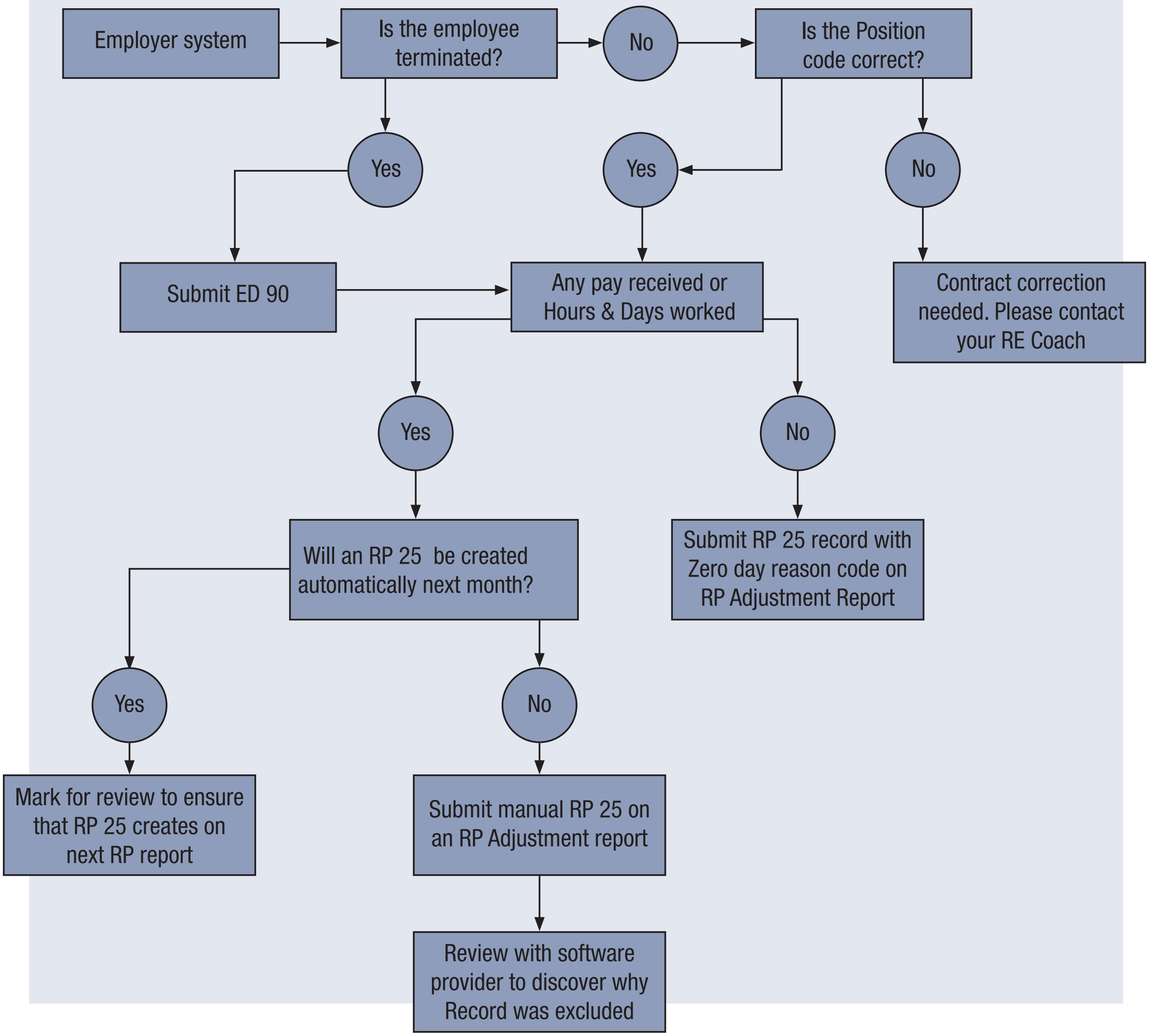
WARNINGS - PART 2 - MISSING REGULAR PAYROLL INFORMATON *continued from page 4*

If the position code in TRS matches your system, review your system to see if this person received any pay and/or worked any hours/days in the report month. If there are no hours and days, you will need to submit a Zero Record with the appropriate Zero Day reason code to TRS using an RP25 (adjustments to employee compensation and contribution information record).

If you determine there should have been a record created, review your system to see if an RP25 will be created on the next month's report. If you are not certain, please contact your software provider so that your set up can be reviewed. If the RP25 will not automatically be created by your software system, create an RP25 on an RP Adjustment report within the RE Portal.

FLOWCHART FOR REVIEWING THE MISSING RP TRANSACTION WARNINGS



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RETIREES ADVISORY COMMITTEE SEEKING NOMINATIONS

Make a difference for Texas educators by nominating a peer for the TRS-Care Retirees Advisory Committee (RAC)!

The RAC:

- Holds public meetings on group coverage
- Recommends minimum standard and plan features
- Recommends changes to rules affecting TRS-Care

Visit Retirees Advisory Committee webpage to learn more.

TRS is seeking nominations for three vacant RAC positions. If you know someone who is passionate about making a difference for Texas educators, eager to represent the opinions of TRS-Care retirees, and are one of the following, please apply:

- Active teacher
- Retired teacher
- Retired school administrator

Visit RAC Eligibility Criteria and Enrollment to learn more.

TRS will accept nominations and applications for this RAC vacancy through Aug. 15, 2023. Staff will interview qualified nominees and make recommendations to the TRS Board of Trustees at their September 2023 meeting. The term for these new RAC members is from Feb. 1, 2024 to Jan. 31, 2028.

We look forward to adding new voices and perspectives to this important committee.

ANNUAL ENROLLMENT BEGINS JULY 10

TRS-ActiveCare Annual Enrollment is July 10 – Aug. 17. There will be an additional supplemental enrollment period from Aug. 18 – Aug. 31 for Benefits Administrator (BA) staff who may need extra time. Please do not share the additional supplemental enrollment period dates with employees.

The Blue Cross and Blue Shield of Texas (BCBSTX) dedicated BA website includes an Annual Enrollment Toolkit. You'll find resources such as:

- Annual Enrollment Guide
- Administrative Guide
- 2023-24 Plan Highlights
- BA training recordings
- Downloadable forms, fliers and posters
- and more

Don't hesitate to reach out to the District Ambassador assigned to your region if you have questions during Annual Enrollment. Find them through the District Ambassador Directory.

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TRS-CARE WEBINARS FOR EMPLOYEES NEARING RETIREMENT

A new webinar for retiring public school employees, Retire Healthy with TRS-Care, launched in May. This webinar is for any employee nearing retirement. They do not need to be in TRS-ActiveCare to enroll in TRS-Care, the health program for retirees.

The next webinar is Friday, July 21, 11 a.m. – 1 p.m. CST.

Retire Healthy with TRS-Care offers critical information to help employees make a fully informed decision about health care in their retirement years. The webinar provides:

- An overview of TRS-Care and the different plans it offers
- A review of eligibility criteria and the enrollment process
- Help with preparing to sign up for TRS-Care
- Information on what to expect after you enroll in TRS-Care

Visit TRS Health Care Events for registration, additional dates and more.

STAY IN THE KNOW: BENEFIT ENHANCEMENT UPDATES FROM THE 88TH LEGISLATIVE SESSION

With the 88th Legislative Regular Session concluding May 29, 2023, we know some may have questions about TRS-related legislation around retiree benefit enhancements.

Please share the news with fellow TRS retirees that the 2023 TRS Retiree Benefit Enhancements webpage on the TRS website has been updated with the latest information. Here, they can find frequently asked questions (FAQs) about the one-time stipends and COLAs, important upcoming dates, and helpful links to additional resources.

This webpage is the one-stop TRS source for information related to this topic. Please continue to check back as further information is announced. In addition, we encourage them to follow us on Facebook, Twitter or Instagram @TRSofTexas for instant news.