

UPDATE

REPORTING RETIREES IN THE SUMMER

As summer approaches, TRS has received questions about how TRS retirees should be reported for the 2023 summer months. Retirees should be reported based on the work they are performing, and the pay received in that specific report month. Below are some reminders for submitting ER records throughout the summer.

Reporting Accrued Pay and Surcharges:

If a retiree does not work during the summer, and only receives accrued pay, then the same employment type should be reported during the summer month(s). In addition, the retiree should be reported with the “Zero Day Reason Code of A- accrued pay.” Since the retiree is not working during the month, they have not exceeded the allowable one-half time limit; therefore, surcharges are *not* due, even if the retiree is receiving accrued pay from the full-time position during the school year.

Reporting Employment Types:

Half-Time or Less Employment

- Applies to retirees who work 92 hours or less in the report month.
- Report employment type “H-Half-time or Less.”
- May also apply to retirees hired to work full-time but only work 92 hours or less in the report month.
- Example: Retiree hired as full-time from Sept. 1, 2022 through June 10, 2023, and worked 40 hours in the month of June.
 - Employment type would need to be updated to “H-Half-time or Less” for June 2023.
 - If the original employment was entered from September through June, then submit ER27 (Employment After Retirement adjustment record) to end the full-time employment for May, so that the new half-time employment can be entered for the month of June.

Full-Time Employment

- Applies to retirees who work more than 92 hours in the report month.
- Reporting employment type “F-Full-time.”
- Surcharges due on retirees who retired after Sept. 1, 2005.

Substitute Employment

- Applies to retirees who work in a substitute position (as defined by TRS) and are paid the daily rate of pay for substitutes.

- Report employment type “S-Substitute.”
- Exception: Retirees working in a vacant position as a substitute are considered substitutes for the first 20 days worked in the vacancy.
 - After the 21st day in a vacant position, retirees are no longer considered a substitute and their employment type needs to be reevaluated.

Combined Employment

- Applies to retirees who work in multiple positions with the same employer and combine substitute work and non substitute work in the same report month.
- Report employment type “C-Combination of Substitute and Half-time or Less.”
- Surcharges due on retirees who retired after September 1, 2005 and works more than 11 days in the combined employment for the report month.

Surge Personnel Employment

- Applies to retirees who meet all the requirements to be classified as a Surge Personnel Employee.
- Report employment type “EAR Surge Personnel Exception.”
- Surge Personnel certification must be completed in the RE portal to certify all requirements are met.
- Surcharges are not due.

Nonprofit Tutor

- Applies to retirees who meet all the requirements to be classified as a Nonprofit Tutor.
- Report one of the three applicable employment types: “B-Nonprofit Tutor Substitute”, “N-Nonprofit Tutor Half-Time or Less”, or “T-Nonprofit Tutor Full Time.”
- EAR Tutor certification must be completed in the RE portal to certify all requirements are met.
- Surcharges may be due on retirees who retired after Sept. 1, 2005 and based on the number of hours/days the retiree works in the report period.

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SUMMER REPORTING: NONRETIRED EMPLOYEES

Receiving Accrued Wages Only

Employees who have completed their FY2022-23 work agreements and are only receiving accrued wages through the summer months should be reported with no days or hours worked, and a “Zero-Day Reason Code of A-accrued pay” on their RP20 (current month payroll record).

- **Example:** 02 Teacher with an Aug. 23, 2022 through May 25, 2023 contract and is receiving accrued pay through August for a teaching position. Since the member completed their teaching contract in May, no time worked should be reported in June and July. If the employee returns to teach in August for the new school year, TRS time worked would be reported in August.

Receiving Accrued Wages and Working Summer School

Employees who completed their FY 2022-23 work agreement but are also performing summer school duties will need to be reported with two RP records. One RP20 should be reported with no days or hours worked, and a “Zero-Day Reason Code of A-accrued pay” on their RP20 record to reflect the accrued wages from their completed contract. The second RP20 record should reflect any time worked and pay received for the summer school duties.

- **Example:** 02 Teacher with an Aug. 23, 2022 through May 25, 2023 contract is receiving accrued pay through August for a teaching position. No time worked should be reported in June and July on their RP20 record for their 02-teaching position.
- Work performed for summer school will need to be reported separately under its own RP20 record for Position Code 09.

Beginning Contract for 2023-24 School Year

If an employee is receiving accrued wages and begins their new contract in the same month, the employee should have one RP20 record with accrued wages for FY22, and time worked in new contract combined.

12-month Employee Working Regular Schedule

Employees should continue to be reported with days and hours worked through the summer months. If returning in the new school year, an ED40 (new employment and position record) would be entered in the month that they begin working in the new contract.

WORKING WARNINGS – PART 1 – ELIGIBILITY WARNINGS

The quick completion of RE reports remains TRS’ highest priority. Even with the extension of the grace period through FY 24, there are steps that can be taken to streamline the reporting process. One way to do this is by working select warnings after the reports are completed for the month. The warnings can be signs of a future error and will allow you and your departments to get ahead of next month’s potential errors.

The first set of warnings that should be worked each month are for eligibility. Eligibility issues will display a warning for two months if an employee does not meet their expected hours. On the third month, the warning becomes an error. The three eligibility warnings on the next page are a good place to start as they can help address potential eligibility issues with the employee before they become an error on the report. *(continued)*

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WORKING WARNINGS – PART 1 – ELIGIBILITY WARNINGS continued from page 2

WARNING 562

- “Please verify TRS membership eligibility for this employee. The net hours reported are less than half of the full-time equivalent due to adjustment submitted for hours worked.”
- This indicates that the hours reported, after RP25 (employee’s compensation and contribution information record) adjustments, that this employee is working less than half-time, even though the employee is reported as TRS-eligible on the contract.

WARNING 569

- “Please verify TRS membership eligibility for this employee. Employee may be in TRS-eligible position since the hours reported are one half or more of the full-time equivalent.”
- This warning indicates that the hours reported are half-time or more of the FTE reported on the contract, even though the employee is reported as ineligible for TRS membership.

WARNING 572

- “Please verify TRS membership eligibility for this employee. The hours reported are less than half of the full-time equivalent.”
- This warning indicates that the hours reported are less than half-time of the FTE reported on the contract, even though the employee is marked as TRS-eligible.

Whenever you are working these warnings, it’s recommended to review your system, which is the system of record, then compare it to what has been reported to TRS. Certain scenarios may require you to reach out to your HR department or directly to the employee’s manager to resolve any issues.

Here are steps to conduct a review (flow chart included on next page):

Verifying information reported to TRS

1. Open all appropriate internal resources, including your software and the RE Portal.
 - a. Pull the employee up in your system and any relevant internal records.
2. In the RE Portal, access the Employees Tab and select the View Employee Information screen in TRS. For a full walkthrough of the View Employee Information screen, [click here](#).
 - a. Enter two fields only and click SEARCH. TRS recommends searching with the employee’s SSN and DOB.
 - b. Access the View Employee Demographic (ED) Information.
3. Verify reported Full-Time Equivalent (FTE).
 - a. Compare the FTE reported to TRS with the FTE on your system.
 - b. If the reported FTE is incorrect, submit an ED45 (employment and position adjustment record) to EDIT the FTE. All of the original information will need to be entered. Only the new FTE should be filled out with the correct FTE. The Adjustment Reason code will need to be EDIT. After the ED45 record posts, this should resolve the warning and prevent errors on your next monthly report.
 - c. If the FTE is correct, you will need to access the View Regular Payroll (RP) Transactions.
4. Verify reported time worked
 - a. Compare the hours reported to TRS with the actual hours worked/scheduled in your system.
 - b. If hours reported are incorrect, submit an RP25 for each month that has been incorrectly reported.
 - c. If hours reported are correct, contact the manager of the employee or HR to determine if the employee had a work agreement change

Work Agreement Review

- Work Agreement Change
 - If the employee had a work agreement change, you will need to determine what was the change and when the change was effective.
 - As a reminder, membership eligibility must be evaluated whenever there is a change in the work agreement.
 - An ED45 record must be submitted to report the work agreement change to TRS.

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WORKING WARNINGS – PART 1 – ELIGIBILITY WARNINGS continued from page 3

Work Agreement Review (continued)

- No Work Agreement Change
 - If the employee’s status has not changed, additional information is needed.
 - Contact the appropriate department and/or supervisor to obtain the following information:
- When did the employee begin to work outside of their hours hired to work?
- What is the reason for the change in hours worked?
- Is there a temporary business need that caused the employee to work more/less than scheduled?
- When is the employee expected to return to the hours hired to work?

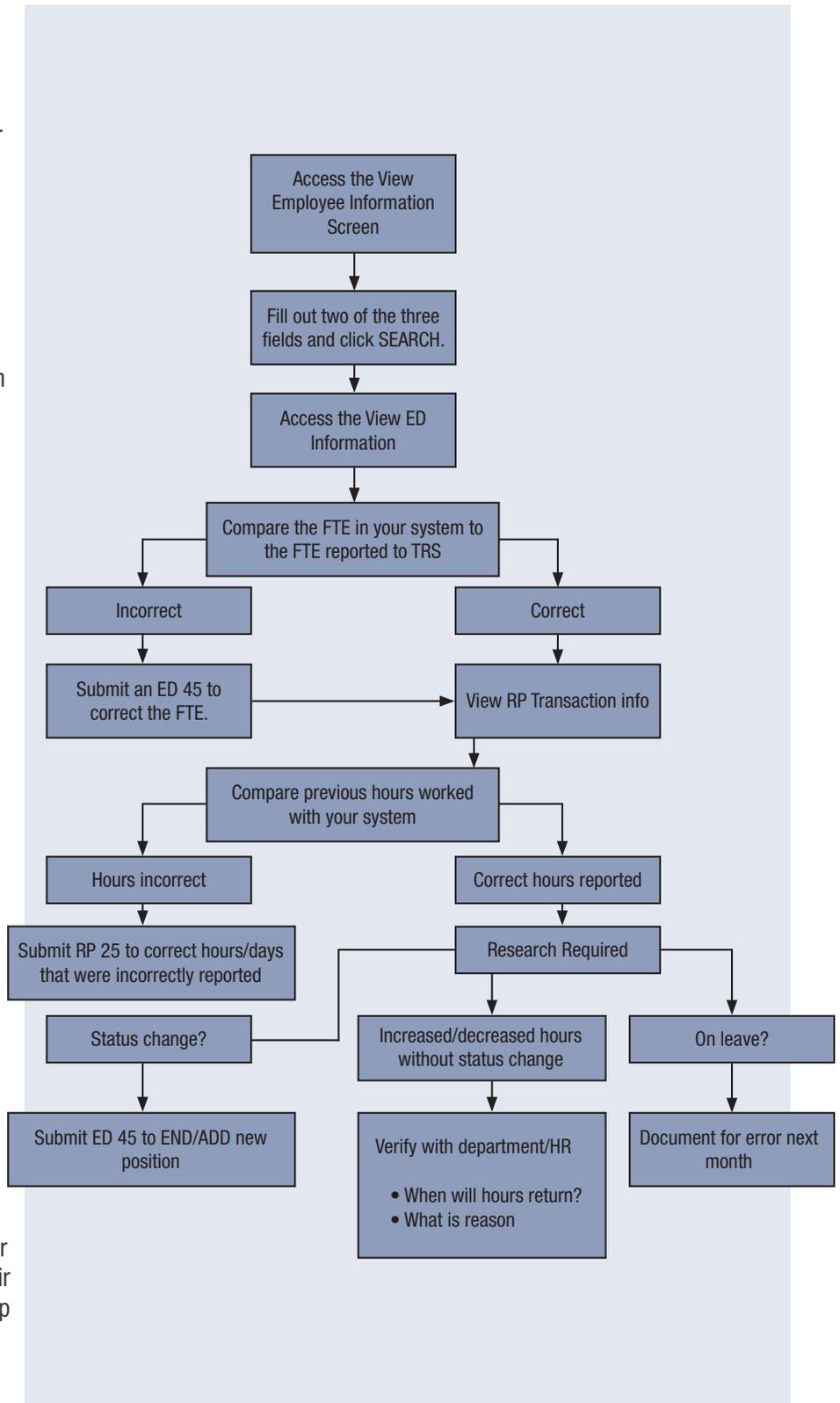
Employees on Leave

Another consideration would be if the employee is on any type of leave.

- Paid leave
 - Paid leave is considered time worked for TRS reporting purposes. If the leave was paid, the days and hours reported for the month should include the paid leave days and hours.
 - If they were excluded, submit an RP25 record to add the paid leave into the total hours and days worked.
- Unpaid Leave
 - If the employee had ongoing unpaid leave, then it is possible that the warning will become an error on a future report month that will require an override. In this case, we recommend making a note of this person to double check when your next reports are submitted.

Summary

By proactively working on your warnings after your reports clear, you will have an opportunity to have a conversation with HR or the employees’ department about reducing their hours if they are working over or increasing their hours if they are working under. This should help reduce errors on future report months and may also help minimize the amount of retroactive TRS eligibility adjustments.



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CONTRIBUTION RATES INCREASING FOR 2023-24

During the 86th Texas Legislative session, the legislature passed Senate Bill 12, the TRS Pension Reform bill, which provided for gradual contribution increases from the state, public education employers and active employees.

As a result of this legislation, the following rates will be effective beginning Sept. 1, 2023:

Contribution Type	Current Rates	Rates Effective 09/01/2023
Member Contribution	8.0%	8.25%
State Contribution	8.0%	8.25%
Public Education Employer	1.8%	1.9%
Pension Surcharge	16.0%	16.5%

Please keep in mind the new rates will apply to all TRS-eligible compensation **paid** on or after Sept. 1, 2023, and the rate increase will affect your RP and ER reports.

The following contribution rates will not change for FY 2024:

- TRS-Care Surcharge for Reported Retirees
- Member TRS-Care
- RE TRS-Care
- Federal TRS-Care

To see the complete chart of rate increases through FY 2025, please review the [TRS Website](#).

EVALUATING YOUR PAYROLL PROCESSES

The internal software that you use for TRS reporting is considered the true system of record.

What does that mean: Employment dates, contract information and payroll data (for both active employees and retirees) should be stored in your software.

Why does this matter: Submitting correct data to TRS is how you ensure that the employees are able to earn their benefits for retirement, put money in their actual TRS account, and create records that may be used to help purchase service credit in some situations.

It also helps fulfill your obligation as a RE to report data as accurately as possible.

Having accurate data in your software reduces time spent making corrections in the RE Portal and minimizes emails from the Exceptions teams at TRS.

Example: A teacher receives an eligible stipend for being a UIL sponsor. An RP20 (new person demographic information) was created for extra duties on an 03 position code, but it should have been reported on their 02 teaching record. The RP20 for the 03 record was deleted. Three years later, this employee wants to retire but he says his reported salary should be higher.

- Was the salary on the 03 record combined with the 02 RP20?
- Was the salary deleted and never reported in error?

Questions about discrepancies can only be resolved by reviewing your own records. *(continued)*

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EVALUATING YOUR PAYROLL PROCESSES *continued from page 5*

What can you do: Evaluate your processes so that the information submitted to TRS is as accurate as possible.

Make sure any changes submitted in the RE Portal are reflected in your internal software. For example, if you update the ending date of contract or TRS eligibility flag in the RE Portal, it should be reflected in your internal software. If you need to update the contract again, you want your software to populate the correct information.

It may help to reach out to your software provider that you use for TRS Reporting. They may be able to help configure your software so that it generates an accurate report with fewer errors. Ideally, the data you submit to TRS in the initial report is 100% accurate with no errors. **This will help reduce time spent working on your TRS Reporting.**

IN-PERSON WORKSHOPS

TRS will hold half-day workshops in all 20 regions this summer, from mid-July through August. These workshops will cover common reporting issues that reporting employers are encountering. All workshops will take place from 9 a.m. - noon at each location. **Each attendee must register separately since we are limited in the total number of seats per location.** Please visit our [RE Portal Training](#) page to register.

Date	Region	Location	Seat Limit
July 17, 2023	13	Education Service Center 13 • 5701 Springdale Rd, Austin TX	100
July 19, 2023	20	Education Service Center 20 • 1314 Hines, San Antonio TX	100
July 25, 2023	1	Education Service Center 1 • 1900 W Schunior, Edinburg TX	60
July 27, 2023	3	Education Service Center 3 • 1905 Leary Lane, Victoria TX	75
July 28, 2023	2	Education Service Center 2 • 209 N Water St, Corpus Christi TX	50
Aug. 1, 2023	19	Education Service Center 19 • 6611 Boeing Dr, El Paso TX	50
Aug. 8, 2023	11	Education Service Center 11 • 1451 S Cherry Lane, White Settlement TX	150
Aug. 9, 2023	10	Education Service Center 10 • 400 E Spring Valley Rd, Richardson TX	100
Aug. 15, 2023	6	Education Service Center 6 • 3332 Montgomery Rd, Huntsville TX	60

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Date	Region	Location	Seat Limit
Aug. 15, 2023	8	Education Service Center 8 • 4845 US Hwy 271 N, Pittsburg TX	75
Aug. 16, 2023	4	Hattie Mae White Center • 4400 W 18th St, Houston TX	300
Aug. 16, 2023	7	Education Service Center 7 • 1909 N Longview St, Kilgore TX	75
Aug. 17, 2023	12	Education Service Center 12 • 2101 W Loop 340, Waco TX	150
Aug. 17, 2023	5	Education Service Center 5 • 350 Pine St STE 500, Beaumont TX	70
Aug. 22, 2023	16	Education Service Center 16 • 5800 Bell St, Amarillo TX	60
Aug. 23, 2023	17	Education Service Center 17 • 1111 W Loop 289 Acc Rd, Lubbock TX	60
Aug. 29, 2023	18	Education Service Center 18 • 2811 La Force Blvd, Midland TX	50
Aug. 29, 2023	9	Education Service Center 9 • 301 TX-11 Loop, Wichita Falls TX	50
Aug. 30, 2023	14	Education Service Center 14 North • 1850 Hwy 351, Abilene TX	100
Aug. 30, 2023	15	Education Service Center 15 • 612 S Irene St, San Angelo TX	50

FY 2024 PENALTY FEE GRACE PERIOD

In March 2023, TRS emailed all Reporting Employers regarding the FY 2024 grace period. As a reminder, TRS has issued a final *extension* to the **one-month** grace period through the August 2024 report period. This decision was made after careful consideration of feedback from REs regarding the challenges they continue to face related to TRS reporting.

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 urged to submit and complete reports by the due date set forth in the Texas Government code. Information about the due dates can be found on the [TRS website](#). The FY 2024 schedule will be added to the website closer to the beginning of the new year.

In preparation of the grace period ending with the September 2024 report period, TRS recommends REs create an action plan **now** to begin completing reports as close to the TEXNET and report due dates as possible. This may involve reviewing and updating your RE's current payroll and/or report processes.

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TRS-ACTIVECARE 2023-24 RATES ARE HERE

Every year, the cost of medical services across the country increases. Texas is not immune from that trend. This is why the Texas Legislature took action to lessen the impact of that reality on TRS-ActiveCare rates with a contribution of \$588.5 million.

The contribution, along with TRS' aggressive cost containment strategies, allows TRS-ActiveCare to **continue outperforming its peers by keeping costs lower without sacrificing high-quality coverage.**

You can review your rates by visiting TRS' 2023-24 TRS-ActiveCare Rates [webpage](#). TRS-ActiveCare remains the highest-quality option for the lowest cost for public education employers.

Benefits Improvements

TRS made benefits changes that will reduce your employees' out-of-pocket expenses.

We lowered:

- Primary+ PCP and mental health **copays from \$30 to \$15**
- Primary+ **deductible from \$3,600 to \$2,400**
- Primary and Primary+ virtual mental health visit **copays from \$70 to \$0**
- Primary **maximum-out-of-pocket from \$8,150 to \$7,500**

Important Upcoming Dates

- **Annual Enrollment:** July 10 – Aug. 17. There will be an additional supplemental enrollment period from Aug. 18 – Aug. 31 to give you extra time, if needed.
- **Benefits Administrator Benefits Training:** Ongoing between June 13 – June 23. If you haven't registered yet, click on the date to register.

Benefits Training Date	Time	ESC Region	ESC
Tue, June 13	10 a.m. - 12:30 p.m.	Northeast	7, 8, 9
Wed, June 14	1:30 - 4 p.m.	Northwest	14, 15, 16, 17, 18, 19
Thu, June 15	10 a.m. - 12:30 p.m.	South	1, 12, 13, 20
Wed, June 21	10 a.m. - 12:30 p.m.	Gulf Coast	2, 3, 5
Thu, June 22	1:30 - 4 p.m.	Houston, DFW	4, 6, 10, 11
Fri, June 23	10 a.m. - 12:30 p.m.	Statewide	All

- **NEW! Participant Benefits Webinars:** TRS and Blue Cross Blue Shield of Texas will host benefits webinars for your employees from June 26 – Aug. 14.