



## ***TRS member contribution rate change and reporting when paid***

The member contribution rate is changing from 7.2 to 7.7 percent as of Sept. 1, 2016. Please follow the guidance below when filing the September report.

According to Texas Government Code Section 825.402, the rate of contributions for each TRS member is:

- 7.2 percent of the member's annual compensation for service rendered after Aug. 31, 2015 and before Sept. 1, 2016; and
- 7.7 percent of the member's annual compensation for service rendered after Aug. 31, 2016 and before Sept. 1, 2017.

This means that the member contribution rate is based on when the service was rendered, not based on when it was paid.

For September reports (and any other later reports submitting RP15 adjustments for pay earned prior to Sept. 1, 2016 but paid in September 2016 or later), please note the following steps:

1. Submit report – some RP10s may be at 7.2 percent rate if salary was earned prior to Sept. 1, 2016; some RP10s will be at the 7.7 percent rate if the salary was earned after Aug. 31, 2016.
2. Submit signature with all totals added together.
3. Errors may occur because the contribution percentage is not “Correct” per TRAQS calculation.
4. Send an email to the designated TRS TRAQS coach detailing:
  - How much of total salary was earned prior to Sept. 1, 2016 and the corresponding member contribution at 7.2 percent, and
  - How much of total salary was earned after Aug. 31, 2016 and the corresponding member contribution of 7.7 percent.

Following these steps will help TRS complete the regular payroll reports in a timely manner.

## ***Reporting time worked for retirees teaching hybrid courses in higher education and determining TRS membership eligibility for employees teaching hybrid courses***

Class formats in higher education are ever-changing and more colleges are offering multiple online formats. TRS rules require that, for employment-after-retirement purposes, teaching online classes must be counted as working two clock hours for every college credit hour. But how is time spent teaching hybrid classes counted? Teaching a hybrid course, a class that includes teaching face-to-face in a classroom and online instruction is counted as if the class were an online course.

When reporting time worked for a **TRS retiree** who is teaching a hybrid course, apply the standard for teaching online courses: the amount of time worked by a retiree is counted as working a minimum of two clock hours for every college credit hour assigned to the class.

The conversion of the minimum of two clock hours per each credit hour takes into consideration preparation time, grading time and other time typically associated with one hour of instruction. However, if the employer

has established a greater amount of preparation time for each hour in the classroom or lab, the employer's established standard will be used in determining the amount of time worked for the calendar month.

Keep in mind that multiplying the number of college credit hours assigned to the class by two results in a weekly rate of hours worked. The weekly rate must be broken down into a daily rate by dividing by five (the number of workdays in a week) and then multiplying that number by the number of workdays (Monday through Friday) in the given calendar month to arrive at the number of hours worked by the retiree in that calendar month teaching the online or hybrid class.

For example, if a retiree is teaching a three-hour hybrid course, each hour of credit counts as a minimum of two clock hours of time worked in that week. The three credit hours count as working six hours in a week (three credit hours multiplied by two clock hours) divided by the five workdays per week, equaling 1.20 clock hours per day. If the month has 20 available workdays, then the retiree would be charged with working a total of 24 clock hours for the month for the hybrid course (1.20 clock hours multiplied by 20 available workdays).

Similarly, when determining **TRS membership eligibility** for employees who are teaching hybrid courses, apply the standard for teaching online courses: the amount of time worked by the employee is counted as working a minimum of two clock hours for every college credit hour assigned to the class.

The conversion of the minimum of two clock hours per each credit hour takes into consideration preparation time, grading time and other time typically associated with one hour of instruction. However, if the employer has established a greater amount of preparation time for each hour in the classroom or lab, the employer's established standard will be used in determining the amount of time worked for the calendar month.

Please refer to [Employment Eligible for TRS Membership](#) for more information on membership eligibility rules.

### ***When surcharges are due for retirees working more than one-half time***

The table below illustrates:

1. the total number of hours available each month, based on eight hours multiplied by the number of workdays in the calendar month (each Monday-Friday in the calendar month, including holidays and days that the employer is closed for business that fall on a Monday-Friday);
2. the number of hours a retiree may work or be on paid leave under the one-half time or less exception, i.e., four hours multiplied by the number of workdays in the calendar month;
3. the total number of workdays available each month; and
4. the number of days a retiree who is combining substitute and any other type or amount of working the same calendar month may work or be on paid leave without the employer incurring the pension and TRS-Care surcharges.

When a TRS retiree who retired after Sept. 1, 2005 works more than one-half time in the calendar month (see columns 3 and 5 on the following page), the employer is required to pay surcharges to TRS. In the 2015-16 school year, the pension surcharge is 14 percent of the compensation paid to that retiree in a given month. The surcharge rate for work performed after Aug. 31, 2016 is 14.5 percent. Effective Sept. 1, 2016, the TRS-Care surcharge is a standard monthly amount of \$535 for all retirees. Please use the "View Employee Information" link in TRAQS to determine if the TRS-Care surcharge applies for a particular retiree.

**Please refer any TRS retiree with questions about the amount of time the retiree is allowed to work or be on paid leave without affecting his or her annuity to a TRS benefit counselor.**

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

### ***Tips for year-end processing***

Year-end processing for TRS will soon be underway. As the new school year begins, TRS is winding down its 2016 fiscal year. This time of year can be hectic for everyone. The following is a list of tips to help make things run more smoothly:

1. All August reports and TEXNET deposits are due by **6 p.m. CST on Sept. 6, 2016**. Regular payroll **MUST** be at "Complete" status by 5 p.m. on Sept. 14, 2016. Failure to bring regular payroll reports to "Complete" status by the deadline will result in incorrect annual statements for your employees.
2. If a TRAQS password is lost or the reporting entity receives an "Access Denied" message, select the "Click Here if You Have Forgotten Your Password" link and follow the prompts to reset the password and access.
3. Year-end processing is a very busy time at TRS. Coaches may not be able to respond immediately due to request volume. TRS asks that reporting entities call **or** email coaches only once. If a response is not received within one business day or if the coach is unknown, email [reporting@trs.texas.gov](mailto:reporting@trs.texas.gov). Please be sure to include the entity's specific four-digit TRS number in any email or voice message.

### ***TEAM Program Update***

In June, TRS notified reporting entities and software providers of a possible delay in the deployment date of the new TRS Pension Line of Business, which includes the Reporting Entity Portal. TRS has determined that a delay in deployment is necessary in order to ensure that the best quality product is provided to users.

At this time, TRS plans to deploy the new system no later than September 2017. In the event that the system is ready for deployment earlier than September 2017, the application may be deployed as early as March 2017.

Due to the delay in deployment of the Reporting Entity Portal, TRS is extending the certification deadline from July 31, 2016, to Dec. 31, 2016. It is important that all reporting entities be certified by that date so TRS can validate the system and, should defects be identified based on certification file submissions, ensure that adequate time is available to make necessary corrections.

It is very important for reporting entities to be ready with the new file formats when TRS is ready to go live with the new system. All reporting entities should be able to continue to submit reports through TRAQS for September 2016 reports. However, if a reporting entity has made updates to its system and is now unable to use the existing TRAQS system, please email the appropriate TRS coach.