



## ***Questions about the salary for the 2014-2015 school year shown on the TRS annual statements mailed to active members***

TRS mailed annual statements to active TRS members in October. These statements contain information pertaining to the recently completed 2014-2015 school year as well as information regarding the total accumulated contributions in the member's account and the amount of service credit recognized by TRS. There has been some confusion and concern that the members' salaries for the 2014-2015 school year are not accurately reflected on some members' annual statements.

**MISSING ONE MONTH OF SALARY:** A TRS rule change adopted in December 2014 may affect the amount of compensation reflected on the annual statements for 2014-2015. The rule change requires reporting entities to report compensation to TRS in the month in which it is paid instead of the month in which it is earned. This change took effect Sept. 1, 2015 and was needed to standardize how compensation is reported to TRS by all employers.

If the employer previously reported compensation to TRS in the month it was earned, the shift to reporting compensation to TRS in the month it is paid could cause members employed by that employer to have one month in the 2014-2015 school year in which no compensation was reported to TRS. If the employer made this change, members may notice on their annual statements that the compensation shown on the statement for the 2014-2015 school year does not include 12 months of compensation. In most instances, it is the compensation for August 2015 which is not included in the compensation total for the 2014-2015 school year. Rather, the compensation for August 2015 was reported in September 2015 and will be reflected in the annual statement for the 2015-2016 school year along with the member contributions on that compensation.

If the 2014-2015 school year is short one month of compensation due to the change in employer reporting requirement AND the 2014-2015 school year is one of the member's highest years of compensation TRS uses to calculate benefits or to prepare a benefit estimate, TRS will attribute an additional month of compensation to the member in the 2014-2015 school year for benefit calculation purposes. The amount of compensation that TRS will attribute for the 2014-2015 school year will **not** be reflected on the current or future annual statements. The amount of compensation that TRS will attribute for the missing month of salary is the amount of compensation that would have been reported for the missing month if the requirement to report compensation in the month it is paid was not in place and the employer reported the compensation in the month it was earned. If the member is not retiring or the 2014-2015 school year would not be in the salaries used to calculate a member's TRS benefit, TRS will not attribute an additional month of compensation to the 2014-2015 school year.

If a member is missing compensation from the 2014-2015 school year for **any other reason**, TRS will **not** attribute additional salary to the 2014-2015 school year. If a member has unreported service or compensation that is not caused by the change in reporting requirements discussed above, see below to learn how members may be able to receive credit for the unreported service and/or compensation without paying more than the member contributions due on the unreported amounts.

**MAY 31, 2016 DEADLINE FOR CORRECTING MISSING SERVICE CREDIT AND/OR COMPENSATION IN THE 2014-2015 SCHOOL YEAR AT NO ADDITIONAL COST TO THE MEMBER:** If a member rendered service and/or received compensation from a TRS-covered employer in the 2014-2015 school year that is not reflected on the member's annual statement and the missing service credit and/or compensation is not due to the change in reporting requirements as described above, please notify TRS immediately. If the employee is still working for the same employer and is due additional compensation from that employer, the error can be corrected in the current school year. The employer must withhold the member contributions that are due on the

unreported service and/or compensation from any remaining compensation due to the employee using the same deduction process used by the employer for collecting member contributions. Notify TRS by May 31, 2016 of the error in order for the correction to be made in the current school year. An error cannot be corrected in this manner if the employee is no longer employed by the same employer or there is no additional compensation due to the employee from that employer in the current year. If the error is not corrected in the current school year, a member may still purchase the unreported service and/or compensation if it is verified to TRS by the end of the fifth school year after the school year in which the service was rendered or the compensation was paid. However, the cost to purchase the service credit and/or compensation credit increases **significantly** to the member to the actuarial cost of the increased benefits associated with the unreported service and/or compensation paid if the error is not corrected by the end of the school year following the school year in which the error was made.

**NOTE:** *Errors in service credit or compensation for school years prior to Aug. 31, 2011 must be verified by Aug. 31, 2016 or the service credit and/or compensation credit cannot be purchased.*

**RETIREMENT ESTIMATE MISSING OR DOES NOT INCLUDE CORRECT COMPENSATION:** If a member met age and service requirements for retirement, that member's annual statement included an unaudited estimate of the member's retirement benefits. However, members who received a separate estimate prepared by TRS within the previous 12 months did not receive an estimate on the statement. If the annual statement does not include an estimate of the member's retirement benefits, the member may find it helpful to visit the TRS website and use the [Retirement Estimate Calculator](#) in creating a retirement estimate. The calculator is featured in the *MyTRS* portion of the website. Members can register for *MyTRS* via the TRS website ([www.trs.texas.gov](http://www.trs.texas.gov)) by clicking on the *MyTRS* link under "Quicklinks" on the right-hand side of the home page and following the instructions for registration.

If the member's annual statement included an estimate but the employer's report to TRS for September had not been received at the time the estimate was prepared, the member's compensation for the 2014-2015 school year may not have been used in the estimate. If it was used, it may have only included 11 months of salary due to the change in reporting requirements addressed above. If this occurred, future retirement estimates will include the additional month of salary attributed to the 2014-2015 school year or the member may contact TRS for a current estimate.

**NO ANNUAL STATEMENT:** If the employee became a new member of TRS or recently returned to TRS-covered employment after the end of the 2014-2015 school year, that member will not receive an annual statement until the fall of 2016. Members should review annual statements carefully and promptly notify TRS if the member's records are inconsistent with the reported compensation or number of years of service credit shown on the statement.

For answers to frequently asked questions on annual statements, please visit the [Guide to Reading Your 2015 TRS Annual Statement](#).

## ***Reporting Entity Portal training enrollment***

As mentioned in January's *Update*, TRS will conduct certification training sessions for the new Reporting Entity Portal throughout the spring and summer of 2016. The new Reporting Entity Portal will replace TRAQS and will 'go live' in September 2016.

Training sessions will be offered at each Education Service Center and also at the TRS offices in Austin. **One reporting representative from each reporting entity is required to attend the certification training.** Due to space and time limitations, only one employee per reporting entity should register for training at an Education Service Center. That employee will be able to then provide the training information to others at their entity. We are not able to accommodate multiple attendees from the same reporting entity at the service center trainings.

However, if your reporting entity feels that additional employees need to attend the training provided by TRS, those employees are welcome to attend training at TRS offices in Austin. All scheduled sessions are listed on the [Reporting Entity Portal Training](#) enrollment web page.

A [list of dates, times, and locations for the scheduled training sessions](#), including those at TRS, may be found on the TRS website. You **MUST** register for a session through the link provided in order to attend. Please do not attempt to register through an Education Service Center. Only those who register through this site will be guaranteed a spot in a class.

Sessions are half day. Reporting representatives should only sign up for and attend one session. If you submit reports for more than one reporting entity, only sign up once. You will provide the TRS numbers of all entities for which you report on the registration form, and your attendance will count for all listed reporting entities.

TRS is tracking which reporting entities have registered a representative for training and classes are filling up quickly, so please be sure to sign up soon!

### ***Contact your software provider***

Some reporting entities create their monthly TRAQS reports using software from a software provider. If this is the case with your entity, please contact your software provider to ensure that they have the newest report formats. These formats can be found on the [TEAM Program Communications](#) web page under [Reporting/Data Elements](#). These formats will need to be used by each entity when the new reporting entity portal goes live later this year.

Prior to the launch of the new portal, each reporting entity is required to submit test reports for certification. These test reports will be validated by TRS to ensure that the reports are formatted correctly and can be processed successfully. This test process and access to the certification environment will be provided to those who attend training. Reporting entities can begin this certification process in March following the training class.

During the test certification period, please continue to submit normal monthly TRAQS reports per current procedures.