

UPDATE

MONTHLY HOUR LIMITS ARE KEY WHEN RETURNING TO EMPLOYMENT AFTER RETIREMENT

Employment After Retirement Hourly Limits

For most retirees who may work as a substitute or half-time or less, understanding the Employment After Retirement (EAR) monthly time limits is key to avoiding surcharges for your employer and helping your retirees avoid losing their annuity.

It is the responsibility of the **retiree** to understand the time restrictions for working after retirement. TRS does not expect Reporting Employers (REs) to be able to advise a retiree on the EAR restrictions. If retirees have any questions regarding EAR restrictions, please have them contact a TRS Benefits Counselor at 1-800-223-8778. Counselors are available Monday–Friday from 7 a.m.–6 p.m.

For REs, the first thing to remember is that the half-time or less hour restrictions are determined on a calendar month basis. A retiree who is working half time or less is limited to working four clock hours for every weekday in a calendar month, regardless of whether the employer is open for business or not. The retiree may work their hours in any arrangement, so long as they do not exceed the total hourly limit each month. TRS provides an [EAR Limits chart](#) on our website at the beginning of each fiscal year showing the maximum number of hours a retiree may work in each month to avoid exceeding EAR limits. The third column in the chart below specifies for each month the number of hours a retiree may work and still be considered half time or less. The number of hours vary each month based on the total number of workdays available in that calendar month.

A retiree working half time or less may work **up to** the hours shown in a calendar month. You may share this chart with your retirees to help them understand the limits on their hours for each month.

EAR Limits for FY20			
Month	Total Number of Workdays in Calendar Month	Number of Hours a Retiree Working One-Half Time or Less May Work Without Triggering Surcharges	Number of Workdays Retiree Combining Substitute and Other TRS-Covered Employment May Work Without Triggering Surcharges
September 2019	21 days	84 hours	10 days
October 2019	23 days	92 hours	11 days
November 2019	21 days	84 hours	10 days
December 2019	22 days	88 hours	11 days
January 2020	23 days	92 hours	11 days
February 2020	20 days	80 hours	10 days
March 2020	22 days	88 hours	11 days
April 2020	22 days	88 hours	11 days
May 2020	21 days	84 hours	10 days
June 2020	22 days	88 hours	11 days
July 2020	23 days	92 hours	11 days
August 2020	21 days	84 hours	10 days

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For those retirees whose work hours vary each day or have an inconsistent schedule, it is especially important for the retirees to ensure that they are monitoring their hours and communicating with their employer if they will exceed the month's hour limit. Please be cautious when communicating work expectations as working less than a specific number of hours per week. For example, if you communicate a policy that the retiree needs to work "less than 19.5 hours per week," this could result in the retiree exceeding the limit because calendar months often begin and end during the workweek. Communicating the work expectation in this way may result in surcharges for your entity as well as potential loss of annuity for your employees.

As an example, the month of October 2019 had an hourly limit for half-time or less employees of 92 hours. If the retiree planned to work 19 hours per week, but their regular schedule is to work 9.5 hours on Tuesday and Thursday, then they would have gone over the half-time limit for the month of October, even though the total hours they worked in the **week** is less than half the number of hours available in the week. There are five Tuesdays and five Thursdays in the month of October. If this person worked their normal schedule, then they would exceed the 92 available hours for October, as $9.5 \text{ hours} \times 10 \text{ days} = 95 \text{ hours total}$.

Conversely, if the retiree was limited to four hours per day in the month, they would have worked exactly 92 hours for the month and would not have exceeded the half-time limit.

For higher education, please also note that the hours shown per month are in CLOCK hours. If the retiree is teaching a course for college credit, then the credit hours must be converted to clock hours and reported.

You can find additional information on how to convert clock hours in the Payroll Manual on page 70 (https://www.trs.texas.gov/TRS%20Documents/re_payroll_manual_higher_education.pdf)

Determining Hours and Days Worked for Courses Measured in hours or semester hours rather than clock hours

If the employment is measured in hours or semester hours rather than clock hours, each hour of instruction in the classroom or lab will count as two clock hours in order to reflect instructional time as well as preparation and other time typically associated with one hour of instruction. If your entity has established a greater amount of preparation time for each hour of instruction, the established standard will be used to determine the number of course or semester hours the retiree may teach without loss of annuity.

The employee and/or the employer must track and determine actual number of days worked each calendar month.

Reporting Actual Time Worked Each Month

Since all TRS retirees should be reported with both actual hours and actual days worked during the month, please keep the following in mind when reporting that time:

- Hours should be totaled for each day worked. Use the exact time, do not round the hours. Once they have calculated the total hours for the month, they should round the total down to the nearest whole number.
- When reporting days, retirees should count the total number of days when they had reported any time worked. Any portion of a day worked counts as an entire day, regardless of the total time worked during that day.

SUBMITTING ADJUSTMENTS FOR PREVIOUS FISCAL YEARS

Sometimes reporting mistakes happen. If an RE discovers that something was reported incorrectly, or not reported at all, adjustments are required for the current fiscal year. If something was incorrect for a certain employee, and that employee is still employed and has pay still due to them, corrections are not optional. Here are the guidelines for making corrections if something was reported incorrectly, or not reported at all.

SUBMITTING ADJUSTMENTS FOR PREVIOUS FISCAL YEARS continued from page 2

Corrections to One Fiscal Year Prior:

If contributions were withheld at the time of payment, but they were not reported to TRS, an RE may make corrections, though an override will be required.

If contributions were **not** withheld at the time payment was issued to the employee, corrections may be made by the employer if the member so chooses, provided that the person is still employed and has additional pay due to them. REs are **not** required to issue a correction in this scenario, but if the member does not have the corrections made, then they may have to pay the actuarial cost of the service if they wish to purchase service credit at a later time.

Corrections to Two-Five Prior Fiscal Years:

If contributions were withheld at the time of payment, but they were not reported to TRS, an RE may make corrections, though an override will be required.

If contributions were **not** withheld at the time payment was issued to the employee, corrections through the reporting process are not permitted. Corrections of this type through the reporting system are allowed for the **current fiscal year** and **one prior fiscal year** only. If the employee wants to receive credit, they will need to have the appropriate form filled out by the Reporting Official to verify the service and/or salary and the form will need to be returned to TRS. The member will have to pay actuarial cost to purchase the service. Verifying the unreported service during this time period will preserve the member's ability to buy the service at a later time.

Corrections to More Than Five Fiscal Years Prior:

Once information has been reported on a member's annual statement and five years has passed, the statement cannot be changed. Similarly, a member cannot have an employer verify the unreported time they worked in order to be able to purchase service rendered more than five fiscal years prior. Thus, **any** adjustments to more than five fiscal years prior are **not** permitted. This includes adjustments to days only that would result in a change in a year of service credit.

Texas Government Code 823.002 (a)(b) requires that TRS be notified on or before the last day of the fifth school year after the end of the school year in which the service was rendered in order for a correction to be made.

- Exceptions
 - More than 3 years are involved in the correction
 - If corrections are required as the result of fraud

TRS AWARDS NEW MEDICAL BENEFIT ADMINISTRATOR CONTRACT FOR TRS-ACTIVECARE

BLUE CROSS AND BLUE SHIELD OF TEXAS IS THE NEW MEDICAL PLAN ADMINISTRATOR FOR TRS-ACTIVECARE



**BlueCross BlueShield
of Texas**

At its Feb. 21, 2020 meeting, the TRS Board of Trustees awarded a new contract to Blue Cross and Blue Shield of Texas (BCBSTX) for the health plan administrator for TRS-ActiveCare medical benefits. The contract will take effect on Sept. 1, 2020. Aetna will continue to serve TRS-ActiveCare through Aug. 31, 2020. They have worked for TRS members and retirees at different points over 30 years, and we thank them for their service and partnership.

BCBSTX has a long-standing relationship with the program, when it administered the program at its start in 2004 through 2014. Ensuring your employees and their families health care needs are met effectively is our top priority and re-establishing our relationship with BCBSTX allows us to offer greater value services to them while sustaining TRS-ActiveCare.

TRS AWARDS NEW MEDICAL BENEFIT ADMINISTRATOR CONTRACT FOR TRS-ACTIVECARE continued from page 3

TRS strives to maximize the value of every health care dollar spent by your employees and this includes competitively bidding our contracts to ensure your employees and their families receive the highest-value health benefits. BCBSTX made a strong commitment to support TRS in building primary care-based health care delivery and improving access to affordable health services for public school employees and their families, thereby increasing the value of TRS-ActiveCare. They were able to offer financial competitiveness through their negotiated provider rates and robust network of providers, which is projected to save the program up to \$300 million over the next three years.

We recognize that affordability is a concern for TRS-ActiveCare participants, and we're committed to improving the program so that it offers the highest value to your districts and families across Texas who access health care each day. We know that school districts like yourself use benefits to recruit top talent in education and that the cost of coverage is at the forefront of your minds. Through strategies such as reprocurring health care services, our goal is to make TRS-ActiveCare the clear health program choice for Texas school districts, their employees, and families and our partnership with BCBSTX is a step toward that direction.

What Does this Mean for You?

- **ID Cards:** TRS-ActiveCare participants will continue to use their Aetna medical ID cards through Aug. 31, 2020. BCBSTX will issue new cards for the upcoming plan year 2020-21.
- **Providers:** Plan participants will be able to check BCBSTX's online provider search tool around the annual enrollment period this summer.
- **Undergoing care:** If you know of any of your employees who will be undergoing care or will be pregnant over this change, we'll coordinate with them on a personalized transition of care plan.
- **Benefit Administrator Training:** We will hold Benefit Administrator (BA) trainings across the state throughout May to provide you with all the information needed to prepare your employees before the school year ends. BCBSTX representatives will be traveling with us and you'll have a chance to hear presentations from them and get your questions answered.
- **HMOs:** The TRS board will consider rates, benefit and contract changes to the Health Maintenance Organizations (HMOs) serving certain regions of the state at the April 16-17, 2020 meeting.
- **2020-21 Rates & Benefits:** With the new contract, we're developing rates and benefits for the upcoming school year and will present them to the TRS board for approval at the April 16-17, 2020 meeting.

Where Can I Find More Information?

We'll communicate updates through our [TRS Health Plan Transition page](#) and digital health newsletter, *The Pulse for TRS-ActiveCare*. Visit our email subscription page, [Subscribe!](#) for instructions on signing up. You can also expect BA Blasts for benefits administrators about these changes.
