TEACHER RETIREMENT SYSTEM of TEXAS

UPDATE

REPORTING REQUIREMENTS FOR EMPLOYMENT AFTER RETIREMENT

When submitting Employment after Retirement (ER) reports, each report month should contain a snapshot of the calendar month. This includes the actual days and hours worked by a retiree within that calendar month and the actual pay that was issued during that calendar month. The number of days and hours worked by the retiree during a pay period is separate, and, therefore, is not tied to the pay reported on the ER report. Reporting Entities (REs) should not report the number of days and hours worked by the retiree that the pay on the ER record represents.

An ER retiree likely has to adhere to limits for how much time he or she can work for a TRS-covered entity within a calendar month. In the example below, the retiree (who retired after Sept. 1, 2005 and is not enrolled in TRS-Care) only exceeded the half-time exception for time worked in the September, October and December report periods. TRS laws and rules state that the pension surcharge is due to TRS on **ANY** pay issued in the report month that the retiree exceeds the half-time exception (regardless of when the pay was earned). Since there was no pay issued in the September report period, no pension surcharge was due even though the retiree worked over the half-time exception. The pension surcharge would only be due on the pay issued in October and December for a total of $649.60.

Report Month	Actual Days & Hours Worked	Retiree Exceeded Half-time Exception	Actual Pay Issued	Pension Surcharge Portal will Require
September	18 days/144 hours	YES	No Pay	N/A
October	16 days/128 hours	YES	$2,880	$417.60
November	10 days/80 hours	NO	$2,560	N/A
December	11 days/88 hours	YES	$1,600	$232.00
January	N/A	NO	$1,760	N/A

In the example below, the RE **incorrectly** reported the number of days and hours worked by the same retiree. By reporting the number of days and hours worked based on the pay that was issued in each report month, instead of within a calendar month, the total pension surcharge due would be $1,044. In addition, if the RE correctly reported the retiree's employment end date as December, then the RE would see an error on the January ER record that includes the number of days and hours.

Report Month	Days & Hours Worked *(Based on Pay Issued)*	Retiree Exceeded Half-time Exception *(Based on Incorrect Days/Hours)*	Actual Pay Issued	Pension Surcharge Portal will Require
September	N/A	NO	N/A	N/A
October	18 days/144 hours	YES	$2,880	$417.60
November	16 days/128 hours	YES	$2,560	$371.20
December	10 days/80 hours	NO	$1,600	N/A
January	11 days/88 hours	YES	$1,760	$255.20

If the RE correctly reports the number of days and hours actually worked by the retiree in each report month, this ensures that the correct pension surcharge will be paid ($649.60 instead of $1,044). Failure to report correctly could result in the retiree having to forfeit an annuity check in error. In addition, this could cause the RE to either overpay or underpay surcharges.

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REPORTING ENTITY PARTNER SURVEY

We need your help. TRS commissioned the Public Policy Research Institute (PPRI) at Texas A&M University to conduct a survey of REs. The survey is designed to provide TRS with feedback so we can continue to improve on the services we provide.

The survey should be completed by the individual who submits reports to TRS. As such, all RE payroll contacts were emailed the survey on Jan. 15. If a payroll contact has not been designated, the survey was sent to the web administrator. If you or a colleague received the survey, please take a few minutes to complete the questionnaire. If you think you should have received a survey but did not, please check your spam folders or contact Kirby Goidel at kgoidel@tamu.edu or 979-458-3231.

The survey will be confidential, so feel free to provide your honest feedback. We look forward to sharing the results with you and working to improve our customer service. If you have any questions about the survey, feel free to email Caasi Lamb at TRS or Kirby Goidel at PPRI.

HIGHLIGHTING CREDITABLE COMPENSATION ISSUES

It can be challenging to report on an employee transitioning from a TRS-eligible position to an ineligible position when it comes to creditable compensation. Many TRS REs pay in arrears, which causes the final compensation for the eligible position to be *paid* in the month after the position ended. The report-when-paid rule requires REs to report the compensation to TRS in the month it is paid. However, the rule regarding contributions requires the compensation and contributions to be based on when the compensation was *earned*. If the compensation was *earned* while the employee was working in a TRS-eligible position, then it must be reported as TRS-eligible compensation with contributions. For example, if the employee concluded his or her TRS-eligible position at the end of October and began an ineligible position at the beginning of November, then the compensation for time worked in October is *paid* in November. Since the time worked for the eligible position was paid in November, the compensation is creditable compensation and contributions must be withheld.

For higher education entities, this scenario applies for employees that elect to pay into an Optional Retirement Program (ORP) in lieu of TRS. Any compensation *earned* prior to the effective date of the ORP election must be reported as TRS creditable compensation, even if the compensation is *paid* after the effective date. The final report month for TRS contributions on Form TRS 28 – *Election to Participate in Optional Retirement Program and/or Refund* will indicate the month in which the final compensation *earned* prior to the ORP effective date will be paid and reported.

If the employee receives compensation for their prior eligible position and new ineligible position in the same report month, and the position codes are the same, the current month Regular Payroll (RP) record will include both payments. Compensation earned in the eligible position will be reported in Eligible TRS Gross Compensation. The Total Gross Compensation will include the compensation paid for both positions since this field is to report eligible *and* ineligible compensation. If the positions fall under separate position codes, two current month RP records must be reported.

ENHANCEMENT TO .CSV DOWNLOADS

REs will see the release of another set of enhancements to the RE Portal in mid-January. This maintenance release will include an improvement to downloading .CSV files that REs have previously indicated will be extremely helpful.

With this release, the last four digits of the employees' social security number (SSN) or TRS-issued temporary ID number will be unmasked. For the continued security of our members, TRS is not able to unmask the entire SSN or ID, but we hope the last four digits will provide some benefits not previously available when reviewing reported information.

Due to HIPAA regulations, we also cannot unmask TRS-Care contribution information. REs will need to refer back to their database and software for information on what TRS-Care contributions were submitted.

UPCOMING TRAINING OPPORTUNITIES TO BE HELD AT TRS HEADQUARTERS IN AUSTIN

TRS will be holding two, separate training opportunities this February:

1. The first session is specifically designed for higher education reporting requirements and the unique situations that higher education entities face.

2. The second session will help individuals who are new to TRS reporting gain a better understanding of TRS' laws and rules as well as the reporting process.

Training Session #1: Higher Education Reporting Entities

Higher education entities only are invited to attend a day-long training session to discuss topics specifically related to higher education.

When: Tuesday, Feb. 12, 2019
Topics include, but are not limited to:

– Proportionality
– Community/Junior College contribution
– Eligibility rules for adjuncts
– Online courses
– Employment after retirement

Attendees at this training will have the opportunity to register for a one-hour, one-on-one session with a reporting coach that will be held the following day, Wednesday, Feb. 13, 2019. This will give attendees the opportunity to discuss reporting issues they are encountering at their individual RE. **Attendance at the Tuesday, Feb. 12, 2019 training is a requirement to register for a one-on-one session**

Training Session #2: Introduction to TRS Reporting

We will host a full day of training for those who are relatively new to TRS reporting. If you have been involved with TRS reporting for two years or less, this training is for you.

When: Wednesday, Feb. 20, 2019
Topics include, but are not limited to:

– Functionality of the RE Portal
– Membership eligibility
– Creditable compensation
– Required employer contributions
– Employment after retirement

Attendees at this training will have the opportunity to register for a one-hour, one-on-one session with a reporting coach that will be held the following day on Thursday, Feb. 21, 2019. This will give attendees the opportunity to discuss reporting issues they are encountering at their individual RE. **Attendance at the Wednesday, Feb. 20, 2019, training is a requirement to register for a one-on-one session.**

Registration Details:

Registration for both trainings is available on the Reporting Entity Portal Training page on the TRS website. Each individual who plans on attending a training session must register separately, and registration is limited to the first 50 people who sign up.

TRAINING SESSIONS AT EDUCATION SERVICE CENTERS

TRS Benefit Reporting Consultants and Coaches will be traveling to select service centers in the winter and spring to hold additional training sessions for those who have been preparing TRS reports for more than two years, or those who cannot travel to Austin for the trainings listed in the section above. As we are not holding trainings at all 20 regional education service centers, we invite all REs to attend whichever location is most convenient for them.

We will hold training in the morning and offer one-hour, one-on-one sessions with a reporting coach in the afternoon. This will give attendees the opportunity to discuss reporting issues they are encountering at their individual RE. **Attendance at the morning training is a requirement in order to be able to register for a one-on-one session.**

We will offer two days of training and one-on-one sessions at each location. **Day one** of the trainings is for ISDs, charter schools and regional education service centers. **Day two** of the trainings is for higher education entities.

Schedule:		
Feb. 12–13	Region 8	Mt. Pleasant/Pittsburg
March 26–27	Region 20	San Antonio
March 26	Region 4	Houston (ISD, charter, ESC)
March 28	Lone Star College	Houston (Higher Ed)
April 9–10	Region 14	Abilene
April 16–17	Region 18	Midland
April 23–24	Region 12	Waco

Registration Details:

Registration for both trainings is available on the Reporting Entity Portal Training page on the TRS website. **Each individual who plans on attending a training session must register separately**, and registration is limited to the first 50 people who sign up.