TRS issues audit reports of reporting entities

TRS issued and reported the results of four reporting entity audits to the TRS Audit Committee of the Board of Trustees on June 12, 2015. The audits were designed to assess the completeness and accuracy of reports submitted to TRS and to educate reporting officials and staff on reporting requirements. Reports tested included the following:

- Regular Payroll Report
- New Member Report
- Federal Funds/Private Grant Report
- Federal Fund TRS-Care Report
- Statutory Minimum Report
- Non-OASDI (Old Age, Survivor, and Disability Insurance) Report
- Pension Surcharge for Reported Retirees Report
- TRS-Care Surcharge for Reported Retirees Report
- Employment After Retirement (EAR) Area 1 and 2 Reports

The testing population for each reporting entity included:

- Sampling 30 members that were reported to TRS on the October 2014 Regular Payroll Report
- Sampling five contract workers to determine if services were eligible for TRS membership
- Sampling five employees not reported to TRS to determine if TRS eligible
- All retirees performing services during the test month to determine if surcharges were owed and paid

Results disclosed numerous errors that included under- and over-payments of contributions and surcharges. Most errors related to the following reports:

- Statutory Minimum – Incorrectly excluding members and using incorrect State Minimum Salary Schedule
- Non-OASDI – Incorrectly excluding members and incorrect calculations
- EAR – Incorrectly excluding retirees from reports and lack of time-keeping documentation

Audit results can be viewed in the June 2015 Audit Committee book:
http://www.trs.state.tx.us/about/archive_board_books/board_meeting_audit_committee_jun2015.pdf

New state minimum salary schedule

The Texas Education Agency (TEA) released a new state minimum salary schedule in early June for the 2015-2016 fiscal year. Per TEA, the new salary schedule goes into effect Sept. 1 or when the employee begins their contract for the new school year, whichever the district chooses.

This new salary schedule will affect the Statutory Minimum report calculations for those reporting entities who are subject to submitting the Statutory Minimum report. The Statutory Minimum Report PowerPoint in the TRAQS Payroll Reporting Manual has been updated and the new version is available on the TRS website.

Frequently asked questions about TEAM and the new reporting system

Why are you replacing TRAQS?

To ensure TRS is able to continue to provide the best possible customer service to our members, TRS is implementing a new Pension Administration Line of Business (LOB) system that includes a new and improved Web interface for employee data and payroll reporting. The new Reporting Entity Portal will replace the current TRS Reporting and Query System (TRAQS).

In the new reporting system, Reporting Entities (REs) will be able to correct errors online for all reports. There will also be multiple options for submitting reports. REs will not only be able to upload a file, comparable to how it is done today, but also be able to enter individual records online. After at least one successful reporting period on the new system, REs may also use a "copy forward" option to copy the prior months report, edit the data as needed, and submit it for the current reporting period.

Why do you need information about non-members?

The most significant change to reported information will be that REs will be required to report all employee payroll information to TRS, including employee information for those who do not meet TRS membership eligibility criteria.

Collecting "full payroll" information will minimize a RE's need to adjust multiple months of reporting for an individual because membership eligibility errors will be caught in a more timely manner. Reporting an employee incorrectly (either as a member when the person does not meet membership eligibility or not reporting someone who does meet the requirements) will be less likely since these errors will be caught much earlier than they are now.

In addition, information for non-members is needed to properly capture census information as required by the new GASB 67 and 68 reporting and allocation guidelines.

Do we have to report all employees, or can we file for an exemption that eliminates the need to report non-members?

All REs are required to report all employees. No exemptions will be granted.

Will there be a transition phase where some REs start submitting reports in the new format before others?

No. When the new Reporting Entity Portal goes live, all reports need to be in the new format.

Is the TEXNET process going to change?

No. You'll continue to submit as you do today.

TRAQS allowed for multiple Position and Contract records per employee. Is this true for the Reporting Entity Portal?

Yes. Multiple Position and Contract (ED40) records may be submitted per employee.

Is TRS Position Code 07 (Food Service Worker) only available in the new Reporting Entity Portal, or is it also available for TRAQS reporting?

It will only be available in the Reporting Entity Portal.

It appears that the payroll amount will need to be reported by position rather than as a total per person like in TRAQS. Is that true?

Yes, compensation needs to be reported by position in the Reporting Entity Portal. Multiple RP20 records per employee will need to be submitted if the employee performs multiple jobs. If multiple jobs fall within the same position code, then only one record may be submitted per position code.

These and other *Frequently Asked Questions* may be found on the TEAM Program Communications Page on the TRS website. If you have a question about TEAM or the new reporting system, please email reoutreach@trs.texas.gov.

Information on TRS 2015 year-end and changes for FY 2016

All TEXNET deposits and all TRAQS reports are due on Sept. 6. You will have until Sept. 9 to make any corrections needed to bring all reports to "Complete" status.

Important Dates for TRS Fiscal Year-End

TRS will close out fiscal year 2015 and go through year-end processing after close of business Friday, Sept. 11, 2015. If your TRAQS reports have not reached "Complete" status prior to TRS year-end processing, your members' Annual Statement of Account will not reflect the correct annual salary for the 2014-15 school year.

Because Sept. 6 falls on a Sunday, all TEXNET deposits and TRS reports are due by 6 p.m. CDT on Friday, Sept. 4.

Due to this TRS year-end processing, all monthly reports that are not "Complete" by the standard due date must reach "Complete" status by the close of business on Wednesday, Sept. 9. A status of "Incomplete" is acceptable for the Member Data Report only if no further records need to be corrected and resubmitted.

Therefore, in order for all reports to be "Complete" by the year-end deadline of Sept. 9, August deposits that were not submitted by the standard due date of Sept. 4 must be submitted through TEXNET no later than 6 p.m. CDT, Tuesday, Sept. 8 (penalty interest will apply if the deposit is sent in at this time as it will be past due.)

Please be reminded that, although later dates are discussed above, standard reporting deadlines still apply. The reports and TEXNET deposit are due by Sept. 4, 2015 to avoid penalty interest. The other dates are included simply as a guide to the absolute cutoff dates to be in compliance with TRS year-end processing deadlines.

We are no longer requesting the early submission of August Member Contributions. Please submit all TEXNET deposits/contributions based on the dates discussed in this memo.

Summary of key dates for the August 2015 TRAQS reports:

TEXNET deposit due date:	Friday, Sept. 4, 2015
TRAQS report due date:	Friday, Sept. 4, 2015
Additional (late) TEXNET deposit deadline:	Tuesday, Sept. 8, 2015
Late TRAQS report completion deadline:	Wednesday, Sept. 9, 2015

Other Important Information for FY 2016:

Beginning Sept. 1, 2015, the member contribution rate will increase from 6.7 to 7.2 percent. This will impact the Regular Payroll Report and the Pension Surcharge Report. The state contribution rate will not change.

TRAQS – Tip of the Month

In the months of June, July and August you may notice a warning message on your regular payroll report indicating that a contract certification has not been found for the fiscal year 2015 and that a MD40 record is needed. There are many employees whose contract and position records ended in May, and they are receiving their accruals through the summer months. If TRS does not have a current MD40 on file when the payroll report is sent, this warning message will be seen. The warning message will not stop the payroll report from completing, and a new MD40 is not needed in this case.