



July 2016

Vol. 35 No. 6

update

TEACHER RETIREMENT SYSTEM OF TEXAS

TRS would appreciate help in sharing the following information with employees:

TRS has been receiving calls from our members asking if we contact individuals wishing to visit them at home to discuss TRS benefits. The answer is: NO! TRS staff members do not make visits to individual members' homes. If someone contacts you and asks to meet in your home, it is important to make sure that you know who that person is, because the person does NOT represent TRS. These individuals often use organization names or initials that sound very much like TRS; however, if you listen closely, you will realize the distinction.

If you belong to a professional association whose membership consists of TRS members or retirees, it is possible that the association may share its membership list externally, including to sales people. Do not confuse persons representing such organizations or offering financial products with TRS employees. TRS guards the confidential information of its members and retirees and does not release names, addresses or other information to professional associations or other external parties and TRS staff members do not make home visits.

Certain organizations have also sent postcards and email messages to members asking for personal information so they can prepare retirement estimates. These communications, again often sent by groups with names similar to TRS, promise information on taxes and TRS retirement benefits for those who respond. Please keep in mind that retirement estimates and information about member accounts, sent from TRS, will reflect the information maintained in TRS' records and is provided by TRS at no cost to you.

These types of solicitations are usually sent by private, for-profit groups wishing to sell you something. You should respond to these requests for home visits, postcards and messages only if you believe such information would be to your advantage and you do not mind receiving follow-up information. Before divulging personal information, you should consider how it may be used, including what assurances you have that your personal information will be confidentially maintained rather than shared or sold to other vendors.

TRS-Care and TRS-ActiveCare News: Single surcharge, new rates/benefits, open enrollment

New TRS-Care surcharge amount for retirees returning to work: When a retiree enrolled in TRS-Care returns to work for a TRS-covered employer, the retiree is allowed to keep his or her TRS-Care coverage. To alleviate the cost to the TRS-Care fund for coverage of the retiree and the retiree's enrolled dependents, a surcharge is collected on behalf of the TRS-Care fund when a retiree who retired after Sept. 1, 2005 works more than one-half time.

Annual enrollment for TRS-ActiveCare is underway: Annual enrollment began July 1 and ends Aug. 22. Existing plan participants will only need to take action if they want to change their coverage or if their district requires them to actively enroll.

2016-17 rates and benefits approved for TRS-ActiveCare: In June, the TRS Board of Trustees approved rates and benefits for the 2016-17 TRS-ActiveCare health plans. Please visit [the Aetna website](#) for more information.

At its February 2016 meeting, the TRS Board of Trustees adopted a single, uniformly-applied employer-health-benefit-surcharge amount that replaces the former surcharge amount based on the level of coverage and number of dependents for each affected retiree. The new uniform surcharge amount is \$535 per employed retiree who retired after Sept. 1, 2005 and who works more than one-half time in a calendar month. Beginning Sept. 1, 2016 this amount is to be paid to TRS for the benefit of TRS-Care each calendar month the retiree works more than one-half time.

Summer training for benefit administrators is complete: TRS and Aetna visited education service centers in all 20 regions of the state in June to provide benefit administrators with information about TRS-ActiveCare annual enrollment and health plan offerings. To learn about the resources covered at the training, contact Aetna's Benefit Administrators Advocate Team at 1-877-767-5254 or TRSBInquiries@aetna.com.

IRS Salary Limit Provision for the 2016-2017 School Year

Some highly paid members may have their annual creditable compensation limited in accordance with Section 401(a)(17) of the Internal Revenue Code. This limit affects individuals who joined TRS for the first time on or after Sept. 1, 1996. The annual limit is subject to indexing each plan year, based on federal regulations. Amounts excluded from creditable compensation under this law are not subject to member contributions and will not be used in calculating benefits.

Do not report an amount of salary in excess of the salary limit to TRS for those members who joined TRS on or after Sept. 1, 1996.

The limit is based on the TRS plan year of September through August and not the member's contract/work agreement year. Once the member's reported salary beginning with the September posting reaches the salary limit for that year, no further salary is to be reported until the following September which is the beginning of the next plan year. However, creditable days must continue to be reported for these employees after they have reached the salary limit.

For the 2016-17 school year (TRS plan year), the Section 401(a)(17) annual creditable compensation limit (for a person who first becomes a member of TRS after Aug. 31, 1996) is **\$265,000**.

Information on TRS 2015-16 school year-end and changes for 2016-17 school year

All TEXNET deposits and all TRAQS reports for August 2016 and any outstanding prior months' reports, including Employment of Retired Members reports, are due on Sept. 6. You will have until Sept. 14 to make any corrections needed to bring all reports to "Complete" status.

Important Dates for TRS Fiscal Year-End

TRS will close out the 2015-16 school year (Fiscal Year 2016) and go through year-end processing after close of business Sept. 16, 2016. If your TRAQS reports have not reached "Complete" status prior to TRS year-end processing, the members' Annual Statement of Account for your employees who are members of TRS will not reflect the correct annual salary for the 2015-16 school year.

Due to this TRS year-end processing, all monthly reports that are not "Complete" by Sept. 6, 2016 must reach "Complete" status by the close of business on Sept. 14 in order to have member contributions and compensation included in the Annual Statement of Account for the 2015-16 school year. Penalty interest will apply to any contributions submitted after Sept. 6, 2016. 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. 14, August deposits that were not submitted by Sept. 6 must be submitted through TEXNET no later than 6 p.m. CDT, Sept. 12.

Please be reminded that, although later dates are discussed above, standard reporting deadlines still apply: The reports and TEXNET deposit are due by Sept. 6, 2016 to avoid penalty interest. The other dates are included simply as a guide to the absolute cut-off 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 article.

Summary of key dates for the August 2016 TRAQS reports:

TEXNET deposit due date:	Tuesday, September 6, 2016
TRAQS report due date:	Tuesday, September 6, 2016
Additional (late) TEXNET deposit deadline:	Monday, September 12, 2016
Late TRAQS report completion deadline:	Wednesday, September 14, 2016

Other important information for the 2016-17 school year (FY2017)

Beginning Sept. 1, 2016, for compensation paid for work performed after Aug. 31, 2016 the member contribution rate will increase from 7.2 to 7.7 percent. This will impact the Regular Payroll report and the Pension Surcharge report. The state contribution rate will not change.