



Limits on transfers and refunds of TEXNET deposits

TRS will limit the transfers between contribution types (buckets) and will no longer refund overages (overpayments). This change is effective immediately in order to comply with IRS requirements for qualified pension plans. Employers should use bucket overages as credit against future contributions due for that bucket.

Therefore, **it is crucial that all Reporting Entities submit TEXNET deposits into the correct bucket.** TRS recommends that all reporting entities submit TEXNET deposits using the TEXNET website (<https://texnet.cpa.state.tx.us>) instead of submitting deposits by phone.

Transfers will NOT be allowed into or out of:

- Retirement Contribution - RP
- Insurance Contribution - IN
- SSBB Payroll Deduction - SP
- TRS-ActiveCare - AC

Transfers ARE allowed between these Pension buckets:

- Federal Fund Contribution - FG
- Statutory Minimum Contribution - SM
- Reporting Entity Payments for New Member - NM
- Reporting Entity Payment for Non-OASDI Member - NO
- Community/Junior College Contribution - CJ
- Reporting Entity Pension Surcharge for Retirees - PS
- Non-Education Contribution - NE
- Education/General-Local Funds - EG

Transfers ARE allowed between these Health Insurance buckets:

- Federal Insurance - FI
- Reporting Entity TRS-Care Contribution - RI
- Reporting Entity TRS-Care Surcharge for Retirees - CS

Transfers are NOT allowed between a Pension bucket and a Health Insurance bucket.

Fall regional workshops

This fall, TRS will conduct workshops at each Regional Education Service Center regarding changes to TRAQS reporting as a result of recent changes to the laws governing the TRS pension plan passed during the 84th Legislative Session or changes to the terms of the plan made by the TRS Board of Trustees. While all of these changes have been communicated through the TRS *Update* or TRS Communications emails to all reporting entities, we feel it is important to discuss each issue further and provide comprehensive training to all reporting personnel.

These workshops are designed for all reporting entity types: ISDs, charter schools, service centers, higher education-both university level and community/junior college level, etc. We encourage all reporting entity personnel who work with TRAQS to attend one of these workshops.

All attendees must register for their chosen workshop date and location. Visit the [TRS website](#) to access the schedule and choose the workshop for which you would like to register.

DO NOT CONTACT THE SERVICE CENTER FOR REGISTRATION. All registrations must be done through the TRS website.

Workshop locations and dates
All workshops are scheduled 9 a.m. – noon

Region	Address	Date
1	1900 West Schunior, Edinburg	9/24/2015
2	209 N. Water St., Corpus Christi	9/22/2015
3	1905 Leary Ln., Victoria	9/23/2015
4	7145 W. Tidwell, Houston	9/15/2015
5	350 Pine St. #500, Beaumont	9/17/2015
6	3332 Montgomery Rd., Huntsville	9/16/2015
7	1909 N. Longview St., Kilgore	9/30/2015
8	4845 US Hwy. 271 N., Pittsburg	9/29/2015
9	301 Loop 11, Wichita Falls	10/29/2015
10	400 E. Spring Valley Rd., Richardson	10/1/2015
11	1451 S. Cherry Ln., White Settlement	10/28/2015
12	2101 W. Loop 340, Waco	10/27/2015
13	5701 Springdale Rd, Austin	9/28/2015
14	1850 Hwy 351, Abilene	10/21/2015
15	612 S. Irene St., San Angelo	10/20/2015
16	5800 Bell St., Amarillo	10/15/2015
17	1111 W. Loop 289, Lubbock	10/22/2015
18	2811 LaForce Blvd., Midland	10/13/2015
19	6611 Boeing Dr., El Paso	10/14/2015
20	1314 Hines Ave., San Antonio	10/15/2015

One-time pay increases in lieu of increases in contract rates

TRS is receiving questions from covered employers regarding whether compensation should be reported and member contributions withheld for compensation paid in the form of a one-time pay increase. The payments appear to be approved by the local board of trustees and are intended to provide employees with a pay increase for the coming school year, but not intended to bind the employer to continue to pay the increase in years to come. Some districts are calling these one-time payment increases "stipends."

In order for the one-time pay increases to be TRS-eligible compensation, the pay must be for service rendered. The right to receive the pay increase must accrue proportionately as the employee renders service. For example, if in June 2015 the district's board of trustees approves a one-time payment in the amount of \$1,500 for all teachers and agrees to make the payment in June 2016, the right to receive the payment must accrue proportionately each month as the employee works so that an employee terminating employment in December will have accrued the right to receive approximately 84/187 of the \$1,500 payment (assuming the teacher began working on August 20, 2015 and terminated employment effective December 31, 2015). In this example, the proportionate share of the \$1,500 payment is creditable for TRS purposes.

However, if the district's board of trustees requires that in order to receive the one-time pay increase, an employee must be employed on the date the payment is made, the compensation does not accrue proportionately as service is rendered and is not creditable for TRS purposes. The payment in this example is more of a payment for the employee continuing employment with the employer rather than a payment for services rendered. Retention bonuses are expressly excluded from creditable compensation by Section 25.21(d)(5) of Title 34, Part 3, Texas Administrative Code.

If the one-time pay increase is intended to be a payment for performance or student achievement, the payment must qualify as performance pay as that term is defined by TRS or it must be a payment made under Subchapter O of Chapter 21 of the Texas Education Code, Educator Excellence Awards Program administered by the Commissioner of Education. Other one-time bonus payments are excluded as creditable compensation for TRS purposes by Section 25.21(d)(5) of Title 34, Part 3, Texas Administrative Code.

Employers considering one-time pay increases must approve the increase in advance of the school year and before employees eligible to receive the increase begin work. One-time pay increases approved after the employees have rendered the service required of them are not creditable for TRS purposes and should not be reported to TRS. Please contact your TRAQS coach if you have questions regarding one-time pay increases.

TRAQS – Tip of the Month

If you are an authorized TRAQS user, please make sure you have logged into your TRAQS account. If you have not logged in since January, please make sure you do so as soon as possible to keep your account current.