



FAQs about the expanded definition of substitute for TRS retirees

In the May [Update](#) newsletter, TRS announced an expansion of the definition of a substitute for TRS retirees. A substitute is defined for TRS purposes as a person who serves on a temporary basis in the place of a current employee. Effective Sept. 1, 2016, a TRS retiree may also serve in a vacant position for as many as 20 days and still be considered a substitute. A retiree may serve as a substitute in more than one vacant position in a school year provided the retiree serves no more than 20 days in each position. A retiree is not considered a substitute for TRS purposes while serving for any length of time in a position that was last held by that retiree. Below are a few questions we have received since the publication of this expanded definition of a substitute:

1. Has the definition of substitute changed for everyone?

No, the expanded definition **ONLY** applies to TRS retirees for employment after retirement purposes. For the purpose of determining eligibility for TRS membership or verifying service as a substitute so that the service can be purchased, a substitute is defined as someone who is working temporarily in the place of a current employee, i.e., the position cannot be vacant.

2. A person retired and has agreed to come back after the required one full, calendar-month-break in service and work as a substitute in his vacant position until a permanent replacement is found. Is that acceptable?

No, a retiree cannot come back and work as a substitute in the same position that was last held by that retiree.

3. Can a TRS retiree work in a vacant position for 20 days, substitute in another position held by a current employee for a day or two, and then come back and work as a substitute another 20 days in the first position that is still vacant?

No, once a TRS retiree has worked the maximum of 20 days in a vacant position as a substitute, the retiree cannot work as a substitute in that same vacant position again that school year. The limit resets at the start of Sept. 1 of each year. However, if the vacant position is subsequently filled by an employee and a substitute is later needed in that same school year for the new employee, a retiree may serve without limit as a substitute for the new employee because the position is no longer vacant.

4. Can a TRS retiree work 20 days as a substitute in one vacant position and then work another 20 days as a substitute in a different vacant position?

Yes, this is allowed. However, the retiree is not considered a substitute when working any amount of time in the position last held by that retiree.

5. If a retiree serves in a vacant position, can the 20-day limit cross calendar months?

Yes, the 20-day limit can cross calendar months. However, if the retiree works as a substitute more than 20 days in the same vacant position, the 21st day in that position must be reported as other work. If the retiree combines work in the vacant position that is past the 20th day and other substitute work in the

same calendar month, the retiree is limited to working no more than one half the working days in that calendar month. Again, the 20-day limit resets on Sept. 1 of each school year.

6. A service retiree has met the 12 full, consecutive-calendar-month-break in service and will work 21 days in a vacant position in addition to working as a substitute (taking the place of a current employee) in the same calendar month. Will this affect the retiree or the employer?

If a retiree works in the same vacant position for 21 days, the 21st day of work in that vacant position and any day worked in that position after the 21st day is not considered work as a substitute under the expanded substitute rule. The expanded rule limits the retiree to working no more than 20 days in each vacant position.

However, if the TRS retiree works in the vacant position for 21 days and in the same calendar month that the 21st day in that position is worked, the retiree also works as a substitute in a position held by a current employee, then the retiree has combined substitute and one-half time employment in the same calendar month. When a retiree combines substitute and other work in the same calendar month the retiree is limited to working no more than one half the number of workdays in that calendar month in order to remain under the one-half time exception to the forfeiture of annuities. If the retiree works more than one half the number of workdays in that calendar month when combining work as a substitute in a position held by a current employee and the 21st or later days of working in a vacant position, the work is considered full time and the employer is subject to the surcharges. The retiree in this example will not forfeit the annuity payment for the calendar month since the retiree has met the 12 full, consecutive-calendar-month-break in service required before working full time.

7. Can a TRS retiree still work an unlimited number of days as a substitute on a temporary basis in place of a current employee without loss of annuity and without incurring any surcharges?

Yes, as a service retiree, as long as the retiree serves on a temporary basis in place of a current employee, the retiree may work without any limit on the number of days (provided the retiree does not perform any other type of work for a TRS-covered employer). There is not a limit on the number of days for service retirees because the retiree is working in the place of a current employee. Disability retirees are limited to working no more than 90 days in a school year as a substitute in the place of a current employee.

8. Can a TRS retiree work an unlimited number of days as a substitute in a vacant position?

No, retirees are limited to working no more than 20 days in **each** vacant position. If the retiree works in a vacant position, as long as the retiree does not work more than 20 days in that vacant position, the employer may report the employment as substitute. Beginning on the 21st day of work in the same vacant position, the employment may not be reported as substitute. It must be reported:

- as one-half time if the retiree only works that month in the vacant position and limits the amount of time worked to no more than the equivalent of four hours for each workday in that calendar month;
- as combination if the retiree works in the vacant position and also works as a substitute in a position or positions currently held by another employee and the combined work does not exceed one half the workdays in that calendar month;
- as full time if the retiree works the entire month in the vacant position and the work exceeds the equivalent of four clock hours for each workday in that calendar month; or
- as full time if the retiree combines work beyond the 21st day in the vacant position and other substitute work in a position or positions currently held by another employee and the combined work exceeds one half of the workdays in that calendar month.

Please contact your TRS reporting coach if you have questions about how to report a retiree's employment. If a retiree has questions about the impact of the employment on his or her annuity payments or the impact of the employment on the required 12 full, consecutive-calendar-month-break in service please have the retiree contact TRS to speak to a benefit counselor.

TRS members with other statewide group health coverage

One of the new data elements included in the reporting formats for nonhigher education entities in the Reporting Entity (RE) Portal is a flag designating "Entitled to Group Benefit Coverage under ERS/UT/A&M." This new field is used to indicate whether the employee, who is now in a TRS-eligible position, is entitled to group insurance coverage from the Employees Retirement System of Texas (ERS), The University of Texas (UT), or Texas A&M (A&M).

TRS Rule 41.6 specifies that the requirement for public schools to contribute 0.55 percent of active member salaries toward the Retired School Employees Group Insurance Fund (known as TRS-Care) only applies to those contributing members who are not entitled to coverage under a plan provided under Chapter 1551 or Chapter 1601 of the Insurance Code. This also means the members who meet this qualification are not required to contribute 0.65 percent of their salary to TRS-Care.

Due to the delay in implementation of the new RE Portal and the need to continue using the TRAQS system to process monthly reports for the 2016-17 fiscal year, TRS needs the assistance of the reporting entities in identifying the TRS members to whom this exemption applies.

If your entity employs any TRS members who are entitled to group health benefit coverage from UT, A&M or ERS, please contact your reporting coach for additional instructions.

TRS to release financial awareness video series

This fall, TRS will be rolling out a series of financial awareness videos. In this series of short, animated, white-board videos, a cast of characters will guide members through three important concepts: what they have – a TRS defined benefit plan; what they need – to save more; and how to get it – by saving smart. An email from TRS will be sent later this week with information about the video series including posters that can be downloaded to promote the series.

2017 TRS Board election nomination forms now available online

Elections will be held in the spring of 2017 to fill two upcoming vacancies on the TRS Board of Trustees. Both positions will be for six-year terms beginning as early as Sept. 1, 2017.

One election will be held to field nominees eligible for appointment to fill the **retiree position** on the board. Nominating petitions must be signed by 250 TRS retirees. Active members are not eligible to sign retiree election nominating petition forms.

The other election will be held to field nominees eligible for appointment to fill a new **at-large position** on the board. A change to Texas law enacted in 2011 established the new at-large position to replace what had previously been the higher education position on the board. Now, TRS retirees as well as members who are currently employed by a higher education institution, public school district, charter school, or regional service center may run for nomination to fill this position on the board. Nominating petitions must be signed by 250 TRS retirees or members whose most recent credited service is or was performed for a higher education institution, public school district, charter school, or regional service center or a combination of retirees and eligible members.

A retiree may not run for nomination to both the retiree and at-large positions during this election period but may only declare for one or the other. A retiree, however, may sign election nominating petition forms for both the retiree and at-large positions.

When signing nominating petition forms, include your printed or typed name, the first five digits of your current residential zip code, and the last four digits of your social security number. All valid nominating petitions filed with TRS by Jan. 20, 2017, will be accepted.

To obtain a petition form, you may: print the petition form from the TRS website; write TRS at 1000 Red River, Austin, TX 78701-2698; call 800-223-8778, ext. 2702; or fax a request to 512-542-6585. Nominating instructions are included on the form.