



## ***Reporting Entity Portal set to be implemented in early October***

We are just weeks away from the October launch of TRS' new pension line of business project, which includes the Reporting Entity (RE) Portal for TRS reporting! This is a very busy and exciting time for us and we want to make sure all REs are fully informed of all changes that will be occurring.

In the coming weeks, TRS will be sending additional instructions that will cover tips for transitioning to the RE Portal including information on any remaining known defects that will not be resolved before the launch of the RE Portal and how to work around them, information on the data migrated from our current legacy system to the RE Portal and how that will impact reporting, and any other items that will be critical for REs to submit reports.

Please keep a close eye on your email inbox for these extremely important communications. If you have had trouble receiving emails from TRS in the past, you need to contact your IT Department/help desk to resolve any issues that are keeping TRS emails from being delivered to you. REs will have difficulty utilizing the RE Portal successfully if these communications are not received.

As with all major changes, we expect a few bumps in the road along the way but we will be working to resolve issues as soon as possible. We look forward to working with all RE personnel, as a team, to transition to this new, exciting chapter in TRS' future.

## ***Change in monthly report completing requirements***

Beginning with the September 2017 reports in the RE Portal, Regular Payroll (RP) and Employment after Retirement (ER) reports will reach "complete" status when the reports are error-free and the signatures have been received. This means the receipt of the TEXNET deposit, in an amount sufficient to cover the reported amounts due, is no longer required for a report to reach "complete" status.

This does not change the requirements to submit the TEXNET deposit for the RP report and all the corresponding contributions by the 6th of the month. It also does not change the requirement to submit the TEXNET deposit for the ER report and all corresponding contributions by the 10th of the month. Failure to remit the TEXNET deposit by the appropriate due date will result in the accrual of penalty interest for each day the deposit is submitted late.

## ***TEXNET submission changes***

When submitting your September TEXNET deposit, please use extreme caution as the names and order of the prompts has changed. In order to make TEXNET line up more closely with TRS contribution types, all member contribution prompts will start with "Member" and all reporting entity contribution prompts will start with "RE."

Additionally, the Comptroller of Public Accounts (CPA) office has extended the cut-off time for all other transactions from 6 p.m., Austin time, to 8 p.m., Austin time. Therefore, a deposit transmitted via TEXNET by 8 p.m. on the due date, is considered to be on time.

## ***Clarification on retirees substituting in a vacant position***

Effective Sept. 1, 2016, a TRS retiree may 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.

Additionally, a retiree who is hired as the employee to fill a vacant, newly created or unfilled position is not considered a substitute under this rule and cannot be reported as a substitute. For example, if an RE hires tutors on a seasonal basis to assist during testing, a TRS retiree who is hired directly into one of these tutoring positions is subject to Employment after Retirement limits and cannot be considered a substitute because he/she is being hired to assume the responsibilities of an open position and not to act as a substitute until a permanent employee can be hired.

Contrast the previous example with the example of a retiree substituting for an employee who is on medical leave and the employee of record determines he/she cannot return to work and terminates employment. The retiree substituting in that person's position can continue to substitute for up to an additional 20 days in that currently vacant position and be reported as a substitute.

## ***FAQs about the recent change for TRS retirees working in the first 12 months after retirement***

### **1. A retiree retired in January 2017 and is currently working. Do I have to report the retiree? If so, for how long?**

The retiree must be included on your monthly ER report for the first 12 consecutive calendar months after retirement if the retiree is providing services usually provided by an employee:

- a) working as an independent contractor;
- b) is waiving, deferring or foregoing compensation; or
- c) is working as a volunteer but is performing duties or providing services that the retiree provided immediately before retiring and has an agreement in place to provide those same services or duties after the 12 consecutive-calendar-month break.

The retiree must be included on your report through the 12<sup>th</sup> consecutive calendar month after retirement. For example, a retiree who retired effective Jan. 31, 2017, who is working under one of the categories defined above, must be reported through the January 2018 ER report. The 12 consecutive calendar months after retirement are February 2017 – January 2018.

### **2. When do we begin counting the 12 consecutive calendar months?**

The twelve-month period begins the month after the person's effective retirement date. For example, if a person retired effective May 31, 2017, the 12 month period begins with the calendar month of June. If a person retires effective Jan. 31, 2018, the 12 month period begins with the calendar month of February.

### **3. What happens after the first 12 consecutive calendar months after retirement?**

Once the first 12 consecutive calendar months after retirement has elapsed, if the retiree meets the legal definition of an independent contractor, the retiree is no longer required to be reported on the monthly ER report because the 12 previous months do not count toward the required 12 full, consecutive-calendar-month break in service before full-time employment.

If the retiree does not meet the legal definition of an independent contractor, or has been waiving, deferring or foregoing payment, or has been working as a volunteer performing duties or providing services the retiree provided immediately before retiring and has an agreement in place to provide those same services or duties after the 12 consecutive-month break, the retiree must continue to be included on the monthly ER report.

**4. Are surcharges due if the retiree works more than one-half time?**

Yes.

**5. If a retiree is not getting paid (waiving, deferring or foregoing payment), how do I report the retiree?**

The retiree will be reported with the actual number of days and hours they worked each calendar month. No compensation will be reported.

**6. Are surcharges due if the retiree who is waiving, deferring or foregoing payment works more than one-half time?**

If the retiree works more than one-half time in the calendar month and is enrolled in TRS-Care, the TRS-Care surcharge would be due. Since the pension surcharge is 14.5 percent of the amount paid to the retiree in the calendar month in which the retiree works more than one-half time, the pension surcharge is not due because the person is not receiving a payment.

**7. Do I have to report all volunteers on my monthly ER report?**

No. Only report those who are working as a volunteer, but performing duties or providing services that the retiree performed immediately before retiring and has an agreement to perform or provide those same services or duties after the 12 consecutive-calendar-month break in service.

**8. How do I report someone who is volunteering?**

The retiree will be reported with the actual number of days and hours he/she worked each calendar month. No compensation will be reported.

**9. Are surcharges due for a volunteer working more than one-half time?**

If the retiree works more than one-half time in the calendar month and is enrolled in TRS-Care, the TRS-Care surcharge would be due. Since the pension surcharge is 14.5 percent of the amount paid to the retiree in the calendar month in which the retiree works more than one-half time, the pension surcharge is not due because the person is not receiving a payment.

***A reminder to plan ahead***

Due to the implementation of Phase 1 of our new pension line of business, TRS members may experience a slight delay in the processing of certain requests, such as refunds, retirement estimates, direct deposit banking changes, and updates to member accounts. Our goal is to provide reliable service throughout the implementation process by making sure all requests that were received by Aug. 31, 2017 are processed before implementation of the new system. We will also process requests received Sept. 1 – 22 in a timely manner, but please note that these requests may not be processed until October. If a member's retirement date is on or before July 31, 2017, and we have everything needed to process the paperwork, our highest priority will be to ensure that the member receives his/her first annuity check on time.

A friendly reminder to our members: Planning ahead is the key to minimize delays in receiving the service you need. Please keep the following dates in mind:

**Friday evening, Sept. 22 – Sunday, Sept. 24, 2017**

*MyTRS* online account services will be closed.

**Sept. 25 – 28, 2017**

TRS will not be able to update member accounts, process refunds or create retirement estimates. Benefit counselors will be able to provide information over the phone and/or send forms to members.

**Thursday evening, Sept. 28 – Sunday, Oct. 1, 2017**

During this time frame, TRS online services will be closed. We will not have access to account information as we prepare to switch over to the new pension line of business system. Limited *MyTRS* online services will resume on Oct. 2.

**Oct. 1 – 31, 2017**

TRS employees will first process requests received during September, then process any requests received during October.

During the first weeks of October, counselors will be available to answer questions. Members can expect longer hold times during this period as counselors adjust to using the new system. If your employees have a *MyTRS* account, they may also send their questions through our [website](#). A counselor will send a secure response.

Despite our best efforts, members may experience processing delays with the following types of requests: retirement estimates, refunds, direct deposit banking changes, and address changes. Again, while our goal is for the implementation to be seamless to our members, it may take a little longer to serve them while we adjust to the new system.