



Employer Advisory Group Meeting Agenda & Minutes

Date: 07/13/2021
Start Time: 10:30 AM
End Time: 12:00 PM
Location: Microsoft Teams

Type of meeting: Periodic
Meeting called by: Erica Villarreal
Minutes by: Erica Villarreal
Invitees: Barbie Pearson, Frances Torres, Melody Austin, Katie Tucker, Molly Grosskopf, Carol Casey, Ashley Conrad, Chris Cutler, Nicholas Gonzalez, Andrea Morales, Sarah Valenti, Meera Krishnan, Kevin Wakley, Caitlin Kennedy, Caterina Saucedo, Nathan Farmer

EAG Members and designated participants:

Kathy Rice (MWSU)	Andrew Carpenter (UTMB)
Miguel Castellanos (UT TMC)	Ashley Penny (UNT System)
Betty Sue Williams (UTH TMC)	Betty Butler (DCCCD)
Christine Okanla (ACC)	Diana Salami (Tx State)
Karen McDade (TAMU)	Christian Heiner (TX State)
Kimberly S. Ray (UTMB)	Chris Boydston (UNT)
Annel V. Perez Zuniga (South Texas College)	Neil Wise UT System
Beck Davis (Conroe ISD)	Cathy Felts (Mason ISD)
Claudia Alba (PFISD)	Emily Youngblood (Flourbluff ISD)
Jackie Thomas (Amarillo ISD)	Jeffrey Coats (North East ISD)
Lana Walls (Ranger ISD)	Lori Ganci (Northside ISD)
Lori Johnson (Eanes ISD)	Mickey Smith (Malakoff ISD)
Nancy Wiggins (Maypearl ISD)	Nicole Dean (Judson ISD)
RL Richards (Muleshoe ISD)	Tera Harris (Spring Branch ISD)
Theresa Zlotopolski (Clint ISD)	Tonya Davis (Round Rock ISD)

Other Attendees:

Microsoft Teams: 737-220-2496

Conference ID: 939915283#

Purpose of Meeting: Respond to questions, address concerns, and share information with members of the EAG. Members of this group represent REs from all over the State and all types of entities. They serve as the collective "voice" of all REs.

Expected Outcome: Questions and concerns expressed by members of the EAG will be addressed. EAG members are expected to share information with other entities in their region and bring questions and concerns from those entities to this group.



Please...

- ✓ Mute your speaker to avoid sharing background noise
- ✓ Do not put this call on hold

AGENDA

• Questions / topics from EAG members

• Kathy Rice @ MSU:

- When a TexNet payment is submitted with a settlement date when does it get applied at TRS, on the settlement date?
 - *The next business day after the settlement date*
- When will TRS fix Employment after Retirement CSV file to reflect the TRS CARE amount instead of X's, the pension surcharge is on the file? This is something needed by agencies for reconciliation purposes.
 - *The TRS Care surcharge is blocked out due to HIPAA privacy concerns. However, the totals of all TRS Care surcharges are still available on the TOTALS page.*
 - *If you need to add TRS Care surcharges on the RE Portal, please be sure that you enter the surcharges in your system as well. This will ensure that your system matches TRS.*

• Lori Ganci, Northside ISD

- Regarding the due dates for report completion beginning in September, we have a concern about the time it can sometimes take to have overrides processed. The process seems to have changed slightly, as first our coach reviews our requests and then another review is done. Recently we have had situations when we think we have provided all needed information to our coach, however a day or two later, we are asked for further explanation. Has this been considered going forward with the new due dates?
 - *TRS is committed to responding to our employers within our service delivery guidelines. Currently our response time is 2 business days which includes reviewing and submitting override requests but there are occasional exceptions. When an override request is received from an RE, the coach reviews all the information and then submits the documentation to our consultants for review. Sometimes the consultant requests additional information which requires your coach to follow up with you. This process is to ensure that we meet standards put in place by TRS and State Auditors. In the July 2021 Update Newsletter that will be published soon, we outline all our response times so REs can plan and prepare to meet the due dates. In addition, we are in the process of expanding our staff to improve response time even further. As it stands right now, 68% of employers complete their reports by the due date.*
 - *Comment from Becky Conroe ISD- This is a concern for us too. We cannot start our reports until month end, therefore only have 1 day to get our data together since the deadline is the 3rd of the month.*
 - *Katie reminded the group that there is currently a one month grace period and there will still be a 14 day grace period in FY*

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2022. Also reminded the group that the due dates are set by the legislature.

Regarding submission of RP records when an employee did not work or get paid, can you clarify what reason code to use? Specifically, can you discuss reason codes C and L with details and examples?

- Zero Day Reason Code- should only be used for a report period in which the employee did not work or use paid leave.
- A = Accrued Pay/Not Terminated – Employee received pay but did not work (example: 9 month employee paid over 12 months)
- C = Employee on less than 12 month pay schedule/Not Terminated (Employee did not perform any work or receive any pay, not on leave, not terminated. Employee's regular schedule is less than 12 month)
- F = Final Pay/Terminated (Final pay for an employee – did not work any days/hours in the final report month)
- L = Leave Without Pay (Employee is out on unpaid leave and is not terminated) (Employee is scheduled to work but is out on unpaid leave, example: FMLA)
- Lastly, do we have to submit an RP record for substitutes who don't work and don't get paid in a given month? What about tutors? Do all employees, regardless of TRS eligibility need an RP20 for every month?
 - If an employee has a contract covering the month in question, then the system expects an RP record for every month in the contract. For example, if you have a contract for a tutor that is from 08/15 – 05/25, then the system is going to expect an RP 20 to be reported every month. If this person goes out on unpaid FMLA on February 15th and stays out until May 15th , if you pay 1 month in arrears their RP records may look as follows:
 - February RP 20 – Days/hours worked Feb 1 – Feb 14, all pay received in February
 - March RP 20 – No days, No hours – zero day reason code L-Leave without pay + Any accrued compensation PAID during March
 - April RP 20 – No days, no hours – zero day reason code L-Leave without pay + NO PAY during APRIL
 - May RP 20 – Days/hours worked May 16 – May 30 – No pay received (since paid in arrears, will not get paid until June)
 - REs may elect to report substitutes on a month to month basis since they do not have a regular work agreement. The ED 40 and RP 20 records must align with when the employee is working and receiving compensation.
- Defects fixed recently
 - Outstanding interest and fees banner
 - Banner was displaying the incorrect interest and fee balances. The balances did not match the penalty interest amounts posted to the RE ledger. The amounts on the organization home page now match the RE ledger.

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- **View Employee Information Screen**
 - *Some Employers were unable to see their employee's FY 21 transactions under the VEI Screen, this has been resolved as well as, reporting adjustments not showing correctly.*
- **Report Totals Screen**
 - *In isolated cases, ledger balances listed in the Totals Screen within the RE reports, did not match the ledger balances posted in the RE ledger. The totals screen will now match the ledger detail totals in these instances.*
- **Information from TRS**
 - **Legislative Changes**
 - *During the 87th regular legislative session, the Texas Legislature enacted four bills that will impact TRS reporting and will likely require software providers to update programming for their customers.*
 - *SB 202*
 - *Under SB 202, effective September 1, 2021, employers cannot directly or indirectly pass the cost of the employer surcharges on to the retiree through payroll deduction, by imposition of a fee, or by any other means designed to recover the cost.*
 - *HB 1585*
 - *HB 1585 was effective in May 2021 and does not impact RE reporting requirements. This change allows service retirees who retired on or before January 1, 2021 to work an unlimited amount of time for a TRS-covered employer without forfeiting an annuity payment,*
 - *REs will still owe surcharges to TRS each month on all retirees who retired after Sept. 1, 2005 and worked more than one-half time employment.*
 - *SB 288*
 - *SB 288 allows a service retiree to work in Texas public education and not be subject to EAR limits and surcharges if employed in a position*

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performing duties related to the mitigation of student learning loss attributable to the coronavirus disease (COVID-19) pandemic.

- *The SB 288 exception does not apply to disability retirees.*
- *This exception is not applicable to Institutions of Higher Education.*
- *The position must meet the following requirements:*
 - *It is in addition to the normal staffing level at the RE*
 - *It is funded **wholly** by one of the following federal acts:*
 - *Coronavirus Aid, Relief, and Economic Security (CARES) Act (15 U.S.C. Section 9001 et seq.),*
 - *Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (Div. M, Pub. L. No. 116-260), or*
 - *American Rescue Plan Act of 2021 (Pub. L. No. 117-2);*
 - and*
 - *It ends on or before December 31, 2024.*
- *Surge Personnel Exception position information must be reported on a separate ER 20 record. Additional specifications about the new reporting requirements will follow.*

- **SB 1356**

- *The Tutor Exception in SB 1356 allows a retiree to work for an RE in a tutoring position that meets the requirements of Section 33.913 of the Education Code. If this tutoring through a non-profit organization is the retiree's only employment for the calendar month, they are not subject to forfeiture of their monthly annuity if they work more than one-half time.*
- *REs will still owe surcharges to TRS each month on all retirees who retired after Sept. 1, 2005 and worked more than one-half time employment, unless all of the retiree's employment under the tutor exception also qualifies as substitute service. If the retiree combines Tutor Exception employment with any other non-Tutor exception employment in the same calendar month, surcharges may be due.*
- *Tutor Exception position information must be reported on a separate ER 20 record. Additional specifications about the new reporting requirements will follow.*

- **New Certifications**

- **Salary**

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- Surge Personnel
- Tutor
- **TRS Year End**
 - *All August reports and TEXNET deposits are due by 8 p.m. CST on Friday, Sept. 3, 2021. This applies to both the Regular Payroll (RP) report as well as the Employment after Retirement (ER) report.*
 - *All reports for the 2020-2021 must be in a complete status no later than 5:00 PM Wednesday, September 15, 2021.*
 - *Failure to bring your RP report to "Complete" status by the deadline will result in incorrect annual statements for your employees.*
- **Penalty Fee Grace Period**
 - *Effective with the September 2021 report period, the grace period will be reduced from one month to 14 calendar days*
 - *This means that for fiscal year 2021-22 and beyond, monthly Regular Payroll (RP) and Employment After Retirement (ER) reports that are not at a complete status by the end of business on the 14th calendar day from the report's due date will incur penalty fees.*
 - *As a reminder, the grace period did not change the due date for reports and TEXNET deposits; instead, it gave REs extra time to complete the reports before penalty fees were assessed.*
 - *TRS will not extend the grace period beginning with FY 2023, so effective with the September 2022 reports, all reports must be completed by the report due date.*
- **Contribution Rate Increases**
 - *In 2019 during the 86th Texas Legislative session, the legislature passed SB 12 – the TRS Pension Reform bill. It provided for gradual contribution increases from the state, public education employers and active employees. As a result of this legislation, the following rates will change beginning Sept. 1, 2021:*
 - *Member Contribution from 7.7% to 8.0%*
 - *State Contribution from 7.5% to 7.75%*
 - *Public Education Employer from 1.6% to 1.7%*
 - *Pension Surcharge from 15.2% to 15.75%*

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- *Please keep in mind the new rates will apply to all TRS-eligible compensation paid on or after Sept. 1, 2021, and the rate increase will affect your Regular Payroll (RP) and Employment After Retirement (ER) reports.*

- **Annual Contribution Collections**

- *TRS is beginning the annual contribution review and collection for Fiscal Year 2021. The collection process will involve multiple reminders to REs with outstanding balances through the end of the fiscal year.*
- *Please make sure to login to the RE Portal and review all of your fund type accounts on the RE Ledger, including Penalty Interest (PI), TRS Care Penalty Interest (CI) and Penalty Fee (PF).*
- *If you do not have any outstanding (negative) contribution balances, no action is required at this time. Please continue to review your RE ledger balances after each report completes to ensure no negative balances are created.*
- *If you have negative balances, please be sure to remit the TEXNET deposit or complete allowable transfers as soon as possible but no later than Friday, July 23, 2021. If the balance outstanding is due to a reporting correction needed, the adjustments must be completed by this date as well.*
- *Failure to resolve the balances by the deadline will result in additional collection efforts. The Head of Institution for any RE with negative balances after the completion of their August reports (due September 3, 2021) will receive a demand letter.*

- **Upcoming TRS Trainings**

- *List of trainings can be found at www.trs.texas.gov/reportingemployers/REPortalTraining*
- *HR Training for Higher Ed*
 - *Tuesday, July 27, 2021 9:00am - 12:00pm*
- *RE Ledger Training*
 - *Thursday, July 29, 2021 1:30pm - 3:30pm*
- *HR Training for Non Higher Ed*
 - *Tuesday, Aug. 10, 2021 9:00am - 12:00pm*
- *Legislative Changes*
 - *Email sent 7/6/21*

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Training will be held mid-August. Registration information will be sent this week.

- *Fall Trainings will be posted soon on the RE Employers webpage.*
- All trainings are still planned to be virtual
- **Scheduled fixes**
 - **Legislative Changes**
 - *The next series of maintenance cycles will focus on updating the TRS system to align with legislation enacted during the 87th regular legislative changes.*

- RE Report Status

Report Month	# Completed RP Reports	% Complete	# Incomplete RP Reports
May 2021	1,337	99.78%	3
June 2021	1,068	79.70%	272

- Additional Discussion
- Becky asked: When you say “type”, what do you mean by that?
 - We will be adding new employment types for the ER report - One for surge personnel and three for Tutor.
- Follow up to Lori’s questions earlier regarding the L and C code- noticed right now the majority of override are error are 415 and 636; all related to leave. The employee is receiving compensation and no days. The other one is a new hire situation- hired at end of May, did not receive a check in June and we received the same error codes on our July 1 report Can we work on resolving those error codes?
 - Katies asked what zero-day reason code are you using?
 - Lori- will email Katie examples to help resolve.
- Tonya from Round Rock- had a discussion with TASBO and they are concerned about Retiree surcharges. TRS says 9/1; a lot of districts start their calendar in July. We pass the surcharge at that time. The law says the school year starts on September 1. Can we clarify this since this could impact our district budget?
 - Katie Tucker will contact and confirm with TRS Legal and Compliance Division.
 - TRS defines school year as 9/1-8/31. We will respond with answer.
- Meeting ended at 11:43am