



Employer Advisory Group Meeting Agenda & Minutes

Date: 6/25/19
Start Time: 9:30 a.m.
End Time: 11:30 p.m.
Location: E442

Type of meeting: Periodic
Meeting called by: Sue Richards (Provaliant)
Minutes by: Sue Richards
Invitees: Melody Austin, Carol Casey, Mark Chi, Ashley Conrad, Chris Cutler, Jennifer Dujka, Nicholas Gonzalez, Art Mata, Jessica Palvino, Barbie Pearson, Michael Ressel, Frances Torres, Katie Tucker, Sarah Valenti, Kevin Wakley
Karen McDade (A&M)
~~Jackie Thomas~~ (Amarillo, ISD)
Christine Okanla (ACC)
Claudia Alba (Belton ISD)
Theresa Zlotopolski (Clint ISD)
Jenny Hale (Comal ISD)
~~Rebecca Davis~~ (Conroe ISD)
Betty Butler (Dallas County Comm College)
Lori Johnson (Eanes ISD)
Dawn Cummings (ESC 3)
Tammy Cunningham (ESC 8)
~~Emily Youngblood~~ (Flour Bluff ISD)
Jesse Cortinas, Theresa Harris (Judson ISD)
Mickey Smith (Malakoff ISD)
Cathy Felts (Mason ISD)
~~Nancy Wiggins~~ (Maypearl ISD)
~~Bonnie Barnhill~~ (Midland Academy Charter)
Kathy Rice (Midwestern State University)
~~RL Richards~~ (Muleshoe ISD)
~~David Rastellini~~, Lori Ganci (Northside ISD)
~~Susie Lackorn~~ (North East ISD)
~~Lana Walls~~ (Ranger ISD)
~~Tonya Davis~~ (Round Rock ISD)
Karina Garza (South Texas College)
~~Tora Harris, Christine Porter~~ (Spring Branch ISD)
~~Becky Bunte~~ (TASBO)
~~Diana Salami~~ (Texas State)
~~Aaron LeMay~~, Mary Davis (Univ of No Texas)
~~Greta Graham~~ (Uplift Education)
Pamela McDonald, ~~Jeannie Farahnak~~ (UT Austin)
~~Kim Ray~~, Tiffani Stanley (UTMB)
Bete Su Williams (UT Health Science Center at Houston)

Conference Bridge: 877-746-4263

Participant Code: 2219128

Host Code: 2265442

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.

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TRS Enterprise Application Modernization



Please...

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

AGENDA

- Introductions and roll call
- Input needed from EAG members
 - 1) Questions for the FAQ page were requested from all EAG members.
- Legislative changes that impact Reporting Entities and/or Software Providers
 - 1) *In July, the Board is likely to adopt the new actuarial factor used for benefit calculations; option factors are in member's favor; service credit purchase factors will result in higher cost to members; Effective with retirements starting Sept 2019; No action needed – just FYI*
 - 2) *The recently completed 2019 Texas Legislative Session passed two bills that will impact TRS reporting and will likely require software providers to update programming for their customers. Changes apply to all Reporting Entity (RE) types.*
 - a) *Effective 9/1/2019, the state contribution rate increases from 6.8% to 7.5%. This new rate will apply to all TRS eligible compensation paid on or after 9/1/19*
 - b) *Over the next five fiscal years, the State Contribution rate, Member Contribution rate, and Non-OASDI rate will increase per the chart below, based on when the compensation is paid to the employee, regardless of when it is earned.*

<i>For Pay Received on or after:</i>	<i>State Contribution Rate</i>	<i>Public Education Employer (Non-OASDI) Contribution Rate</i>	<i>Member Contribution Rate</i>
<i>9/1/2019</i>	<i>7.5%</i>	<i>1.5%</i>	<i>7.7%</i>
<i>9/1/2020</i>	<i>7.5%</i>	<i>1.6%</i>	<i>7.7%</i>
<i>9/1/2021</i>	<i>7.75%</i>	<i>1.7%</i>	<i>8.0%</i>
<i>9/1/2022</i>	<i>8.0%</i>	<i>1.8%</i>	<i>8.0%</i>
<i>9/1/2023</i>	<i>8.25%</i>	<i>1.9%</i>	<i>8.25%</i>
<i>9/1/2024</i>	<i>8.25%</i>	<i>2.0%</i>	<i>8.25%</i>

- c) *TRS Care Surcharge will not be changing; however Pension Surcharge will increase due to the change in the state contribution rate. Details will be communicated closer to the end of the fiscal year.*
 - d) *Changes are related to Senate Bill 12*
- 3) *Summary of other legislative changes by RE type:*
- Independent School Districts:*
- *Changes to Non-OASDI:*

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- *Effective 9/1/2019, all REs who pay Social Security on their TRS eligible employees will also be required to pay 1.5% of all TRS eligible compensation to TRS. (This is currently known as the RE Payment for Non-OASDI Members. REs who paid Social Security on TRS eligible employees were previously exempt from this contribution.)*
 - *ISDs will pay the 1.5% on eligible salary up to the state minimum if the position is subject to Statutory Minimum*
 - *ISDs will pay 1.5% on all eligible salary if the position is not subject to Statutory Minimum*
 - *This only applies to non-Higher Ed institutions*
 - *Question: Will the term "non-OASDI" still be used?*
Answer: TRS has reached out to the Comptroller to see if that can be changed on the Texnet page.
- *Changes to Statutory Minimum:*
 - *Effective 9/1/2019, ISDs who are subject to paying the state contribution on salary paid above the state minimum will no longer use a Cost of Education Index (CEI) multiplier to calculate an Adjusted State Minimum salary. The state contribution will be due on all eligible compensation paid above the state minimum salary schedule as set by the Texas Education Agency. Related to HB 3. TRS is in the process of updating and adding additional detail to the tables provided by TRS and will make those available soon.*

Charter Schools:

- *Changes to Non-OASDI:*
 - *Effective 9/1/2019, all REs who pay Social Security on their TRS eligible employees will also be required to pay 1.5% of all TRS eligible compensation to TRS. (This is currently known as the RE Payment for Non-OASDI Members. (REs) who paid Social Security on TRS eligible employees were previously exempt from this contribution.)*
- *Changes to Statutory Minimum*
 - *Effective 9/1/2019, all open enrollment charter schools are subject to paying the state contribution on TRS eligible compensation that would be above the state minimum salary schedule for that employee if the employee worked for a school district subject to the minimum salary schedule. Related to HB 3.*
 - *Charter schools will pay 1.5% on all eligible salary, regardless of whether the position would be subject to Statutory Minimum*
 - *The state contribution will be due on all eligible compensation paid above the state minimum salary schedule as set by the Texas Education Agency.*

Education Service Centers:

- *Changes to Non-OASDI*
 - *Effective 9/1/2019, all REs who pay Social Security on their TRS eligible employees will also be required to pay 1.5% of all TRS eligible compensation to TRS. (This is currently known as the RE Payment for Non-OASDI Members. (REs) who paid Social Security on TRS eligible employees were previously exempt from this contribution.)*

Higher Education:

- *No changes other than the state and member contribution rate increase on the effective dates listed in the chart above.*



CHANGES TO 403(b) CERTIFICATION & REGISTRATION PROGRAM

4) *As a result of HB 2820, effective Sept. 1, 2019, TRS will no longer certify 403(b) companies nor will TRS maintain a list of registered 403(b) investment products. Products will continue to be regulated by the Texas Department of Insurance and the Texas State Securities Board. The bill maintains some requirements for school districts and charter schools regarding 403(b) investment products.*

- *Jesse asked for confirmation on the timing of when CEI goes away.*

Answer: As of September 1, 2019

- *Jesse asked for confirmation of when the new state minimum salary goes into effect.*

Answer: Barbie said that TEA has a web video series to explain HB 3 and HB 30. Perhaps the information can be found there or on their website. It could be assumed that the new state minimum salary schedule becomes effective at the start of the new contract but TRS doesn't administer and can't provide a definitive answer.

- Defects fixed since the last EAG meeting

- ✓ *Rules related to overlapping positions were made more accurate so errors will be shown at correct times. For example, if an employee becomes ineligible, REs will be notified as soon as they try to report that employee as eligible. Scenario: RE #1 is reporting an employee as eligible and RE #2 is reporting the employee in a temporary position. The employee should be reported by both REs as eligible. If employee stops working in eligible position, temporary position is no longer eligible. Until now, REs were able to report the employee as eligible and weren't notified that eligibility status changed.*
- ✓ *Changes were made to penalty interest calculation; For employer contributions ONLY the Penalty Interest for adjustments will now be calculated based on the report month that the correction record is on. For regular reports TRS will use the due date of that report and for adjustment reports TRS will use the later of the report due date for that report month or one day after the report is complete. Penalty Interest on member contributions will remain the same. This was mentioned in the last edition of the Update newsletter and communicated in a web message to all REs.*
- ✓ *Corrected two EAR validations so they recognize concurrent employment*
- ✓ *Processing improvements to prevent batch failure (e.g., process validation batches)*
- ✓ *Corrected two validations which should help resolve ED90 issues*
- ✓ *New validation to prevent changing TRS eligible from No to Yes when transactions exist.*
- ✓ *Error related to refund certification (now looking at Final Report Month)*
- ✓ *Workarounds*
 - a. *Error 792 – If there is an ER20 and ER25/27 on the same report, the system will produce an error stating "this record will cause an overlap in contract/position due to another ED40/45 already submitted on the same report." Current workaround is to remove the ER25/27 and place it on a separate ER adjustment report. Post the ER20 first and then the adjustment records will follow. This error can not be overwritten*
 - b. *Surcharge Errors – If a retiree is only substituting for multiple employers, TRS has seen some cases where the system is requiring surcharges incorrectly. If you know that the retiree is only substituting for multiple employers, please verify with the coach. These errors may need to be overridden.*

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- c. *Error 612 –ER27 is submitted to delete previously posted ER records. However when ER20/25 are submitted, error 612 is produced, stating, “a position record already exists for this retiree. A retiree can only have one ER record per report period.” If the position does not exist, please contact the coach so action can be taken by TRS.*
 - d. *Error 343 – When reporting a TRS retiree on the RP report, error 343 was not triggered as expected, “The EIN reported is for a TRS retiree. Delete this record from the RP report and include on the ER report.” This is generating a 4th level issue (RP record for retiree is stuck at valid). Delete from RP record and add to ER.*
- *Lori asked if a memo field can be added where the reason for deleting a record can be explained. If so, the Coach wouldn’t have to ask for that information. As it is now, the RE may need to go back and research because it’s been a while since the deletion was actually done. Mark will make a note and an enhancement will be considered.*
- **Next set of enhancements/fixes – available on July 22, 2019**
 - *Issues related to maintaining semester dates are being corrected.*
 - *Error and Wrning Screen will now include all report level errors/warnings, as well as the report level errors/warnings*
 - *Validation is being correctedto prevent submission of an ED45 with contract dates that cover more than 12 months*
 - *New Member validation was corrected so an error will no longer appear if ED40 hasn’t been submitted for a new employee*
 - *ER validation related to concurrent employment was corrected*
 - *Updates were made to system rules that are in place regarding multiple contracts that have the same position code in the same month*
 - *If an ED90 is submitted Final Report MonthZeroes padded with zeroes, the zeroes appear if the record is displayed on screen. This is being corrected so the field will be blank.*
 - *A validation was corrected to prevent an error that was simply due to a participant having multiple accounts.*
 - *A couple of ORP validations were changed to warnings; will eliminate the need for some overrides.*
 - *Validation was corrected so it will function properly in situations where more than one partial refund was made*
 - *EAR Concurrent employment will only consider current postings in a report period; Now it’s considering open positions which resulted in false errors due to overlapping positions.*
- **RE Report Status**

<i>Report Month</i>	<i># Completed RP Reports</i>	<i>% Complete</i>	<i># Incomplete RP Reports</i>
<i>March</i>	<i>1,321</i>	<i>99.92%</i>	<i>1</i>
<i>April</i>	<i>1,282</i>	<i>96.90%</i>	<i>41</i>
<i>May</i>	<i>1,167</i>	<i>88.21%</i>	<i>156</i>

- **Additional Discussion**
 - *Question: Jesse asked if the two month grace period when reports can be completed; is that going to be extended into next year?*

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Answer: Mark said that starting with September 2019 reports, the grace period will be one month.

- *Question: Lori asked about the ER report and whether there's anything in the works to allow more than one report per month. If an ER adjustment record is submitted by itself on the normal month's ER report and the ER report completes, the system will not allow an upload for another ER report of the same month. In this case, an ER adjustment report will need to be submitted with ER25 and/or ER27 records.*

Answer: In situations like that, the adjustments should be included with the normal ER20 record on the same regular report. Mark said that he'd be happy to walk the entity through the process.

- *Question: Kathy from MSU had a similar problem with her RP and RP adjustments. She completed May and needed to adjust one of those records. She did a manual adjustment in June and had to select June as the month. Because of that, she wasn't able to submit a regular payroll report for June. She had to enter manual adjustment records instead. What should she have done?*

Answer: Mark said that it isn't possible to select a completed month when an adjustment report needs to be submitted for one of those month. The month being adjusted needs to be indicated within each record and the month when the adjustment is made really doesn't matter. The system will assume the month to be the first month after the last month that was completed.

Kathy said that she now submits her current month's regular payroll but doesn't complete it until after she finishes with adjustments need to be submitted. Mark would like to sit with Kathy and walk through it step by step to confirm whether a defect exists. He'll contact Kathy after this meeting.

Tiffani from UTMB said that she's having to submit a lot of adjustments and hasn't had any issues.

- *June and July Update newsletters will both contain information about legislative changes.*

ACTIONS, DECISIONS, ISSUES from the Meeting

Action, Decision, Issue	Description	Assignee	Targeted Completion Date
<i>ACTION</i>	<i>Contact Kathy regarding her problems submitting the RP report after submitting adjustments in the month associated with the RP report</i> <i>Status: Mark contacted Kathy and walked her through the process. Action item closed. Process will be considered for a future article in the Update.</i>	<i>Mark</i>	<i>7/8/19</i>