



## Employer Advisory Group Meeting Agenda & Minutes

Date: 8/20/19  
Start Time: 10:00 a.m.  
End Time: 11:30 p.m.  
Location: E562

**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, Andrea Morales, Jessica Palvino, Barbie Pearson, Frances Torres, Katie Tucker, Sarah Valenti, Kevin Wakley~~  
~~Jackie Thomas (Amarillo ISD)~~ Nancy Wiggins (Maypearl ISD)  
~~Claudia Alba (Belton ISD)~~ ~~Bonnie Barnhill (Midland Academy Charter School)~~  
~~Theresa Zlotopolski (Clint ISD)~~ R. L. Richards (Muleshoe ISD)  
~~Jenny Hale (Comal ISD)~~ ~~Susie Lackorn, Jeffrey Coats, Ginger Gable~~ (North East ISD)  
~~Becky Davis (Conroe ISD)~~ ~~David Rastellini, Lori Ganci~~ (Northside ISD)  
~~Lori Johnson (Eanes ISD)~~ ~~Lana Walls (Ranger ISD)~~  
~~Dawn Cummings (ESC #3)~~ Tera Harris, Christine Porter (Springbranch ISD)  
~~Tammy Cunningham (ESC #8)~~ ~~Becky Bunte (TASBO)~~  
~~Emily Youngblood (Flour Bluff ISD)~~ Greta Graham (Uplift Education)  
~~Nicole Dean, Leesa Roberts~~ (Judson ISD)  
~~Mickey Smith (Malakoff ISD)~~  
~~Cathy Felts (Mason ISD)~~

**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.

### Please...

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



## AGENDA

- Introductions and roll call
- Reminders
  - *Please send any questions that you have for the FAQ page to [mark.chi@trs.texas.gov](mailto:mark.chi@trs.texas.gov), [jennifer.dujka@trs.texas.gov](mailto:jennifer.dujka@trs.texas.gov), or [REOutreach@trs.texas.gov](mailto:REOutreach@trs.texas.gov). We have received very few so far.*
  - *Fall training schedule is posted online and registration period is open. Training qualifies for TASBO Continuing Education credit. Sessions will be 4 hours each at all 20 service centers over the next few months.*
- Questions / topics from EAG members

*From Lori Johnson, Eanes ISD*

1. The system is still a bit "clunky". These have been issues since onset. Examples:
  - a. When you save the screen, the window still comes up that you haven't saved it yet.
  - b. The system doesn't stay where you are working. Once you clear an error, you have to scroll back down to find
  - c. If I am working on page 3 & I delete a record, it takes me back to page 1.  
*We're aware of these problems and they're on the list of future changes but other changes have taken higher priority. We understand the issues and they're on the list to be addressed at some point.*
2. The email asking why you deleted records seems redundant. There should be a note or comment field if you need to know why a record was deleted. This is an extra step for the coach & certainly for the reporting official.  
*Emails are sent as a result of the SAO audit when submitted results were compared to what was on record and missing records were discovered.*

*Having a field for comments sounds like it would be helpful. TRS asked for suggested places for the note or comment field? Lori suggested a window that appears after deleting a record. Jennifer said that that would address deletions that are done from the Edit screen, but what about when an entire file is deleted after it's uploaded? Would it help to receive an email to prompt you to document why the file was deleted. Lori thought it might.*

*Can you prevent sending an email if there are notes in the later file? TRS will research.*

Errors were lower than expected for my July 2019 reporting. I know this is a joint effort between the reporting official, the software companies AND TRS. Thank you for allowing us to have a voice. *TRS fully agrees that it's a joint effort.*

*From Lana Walls, Ranger ISD*

1. I would like some clarification on retirees needing to clock in/out if there is an electronic timekeeping system in use at a district.  
*For retirees, we need detail that includes the number of hours worked. It is required to report actual days and hours worked by all retirees each calendar month. We don't say how to capture the data; it just needs to be reported. If an electronic time system is used, that's*

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*good; if retirees fill out paper timesheets, that can work too. We just need actual days and hours worked.*

2. Can you talk about the "catch-up" pay if an 11 or 12 month employees salary changes after they have received their first paycheck?

*This was addressed in a memo under General Information that addresses retroactive increases (See: [https://www.trs.texas.gov/Pages/re\\_hb3\\_creditable\\_compensation.aspx](https://www.trs.texas.gov/Pages/re_hb3_creditable_compensation.aspx))*

*A retroactive increase is not TRS eligible; catch-up pay is not. Information was sent via email and it's also addressed on our website.*

*Lana asked if this was true if the board already approved the raise. If the raise is approved before they begin their contract, it's fine. The main thing is for the raise to be approved before the work begins.*

*From Becky Davis, Conroe ISD*

1. Does TRS anticipate providing districts with the ability to view service and new member information so that we can identify their status at the time of hire? This would allow us to set them up correctly and avoid TRS and FICA alternative deduction issues.

*Yes, to a point. Providing additional member information (not Service Credit information) is on the list of future enhancements that are on the table, but addressing errors that are noted are a higher priority.*

*Becky said that they've had a lot of employees who come to them on a part time basis while working at another district, but there was nothing to tell them that the employee was working elsewhere. It was a very cumbersome process to determine and go back and collect when necessary. Jennifer noted that concurrent employment always complicates the reporting. TRS is looking at ways to provide information about data received from another entity for employees who work at more than one RE.*

*Becky asked, if an employee is working in an eligible position at another RE and hasn't worked 90 days, do they have to take the TRS deduction? Jennifer said yes – the 90 days applies only to new members and is simply the period the contribution must be made by any RE who employs that person.*

*If the employee is eligible and then becomes ineligible, TRS deductions need to continue if the employee has earned a year of service credit for the current year.*

*If an employee is not a new member and they worked for another RE in an eligible position, and came to Conroe on a part time basis, do TRS deductions need to be taken? If the employee has worked in an eligible position for at least 90 days in a year, TRS deductions need to be taken for all future employment for the rest of that fiscal year*

*Bottom line – REs need to know if a new employee is working at another RE and also if they've earned a year of service credit in the current year.*

*Errors have been noted if ED40s aren't sent until employee receives their first paycheck – info*

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*will be sent to software providers to make sure they understand that ED40s should be sent close to when someone is hired and during the first month when the employee is working.*

*Claudia from Belton asked how long it takes TRS to change an active employee to a retiree? System is still showing them as active employees. Barbie said that their account will be closed out when the first payroll is run for that person. She suggested reaching out to the Coach in case the employee's account didn't close properly.*

*Tonya has an employee who retired and wants to come back to work. When can they do that? Answer: If they retired on May 31<sup>st</sup> and were terminated by June 15<sup>th</sup>, they need to be off for at least one full calendar month after retirement before returning to work. If employee wants to work full time, there are additional rules. Employee should be encouraged to contact TRS; it's important for retirees to have a good understanding of details related to working after retirement. Also, there are two Employment After Retirement videos available on the TRS website, as well as other videos that can be helpful.*

*She also has a couple of working retirees who haven't shown up yet and is wondering if it's because of a delayed ED90. Barbie said that TRS is looking into this now. If last check isn't received until August it will be at least September*

*Tonya also asked if ED25s are being used; Jennifer and Barbie said no – not at this time. Lori Ganci asked – if you have a retiree who hasn't processed through, she can't submit them on an ER report and can't put them on an RP report, should they go back and do prior year adjustments for those?*

*Answer: yes*

*Her substitute office is under the impression that a person who retires in June and gets paid through August has to take September off. The substitute doesn't have to take September unless their retirement date is 8/31. If someone comes back as a substitute and wants to come back fulltime, they need to understand that the 12 consecutive month break in service will start after the date when they last substituted.*

- *Barbie announced that as part of or after the annual statement process MyTRS will be updated with information as of August 31<sup>st</sup>. A date has not yet been confirmed, once a date is scheduled TRS will let you know.*
- *Defects fixed since the last EAG meeting (changes implemented since 7/21/19)*
  - *Validation 462 (ED40 not found for the reporting period for this position) was changed so it won't kick in June, July, or August*
  - *Validation 427 (Cannot report '0' compensation with Zero Days Reason Code) was changed so it won't click for non-eligible employees*
- *Next set of enhancements/fixes (tentative) (available on 8/26/19)*
  - *State contribution rate will be 7.5% (up from 6.8%) starting on Sept. 1st. Jennifer – do you want to add the different types of contributions that this impacts? You mentioned them but I didn't catch all of them, so didn't include any. This impacts New Member, Federal Fund/Private Grant, Statutory Minimum and the Pension Surcharge.*

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- *Penalty fee grace period will change from 2 months to 1 month for FY20 reports. This change doesn't impact penalty interest. There isn't a grace period for penalty interest; Texnet deposit must be paid by the due date.*
- *RE Ledger will be corrected so*
  - 1) *AI – TRS-ActiveCare Penalty Interest and CI – TRS-Care Penalty Interest will be added to RE ledger contribution type dropdown for querying, and*
  - 2) *search results are correct when searching for posted date range value*
- *RP validation 462 (ED40 not found for the reporting period for this position) will no longer kick on ER or ED record types. This will correct an issue that was introduced in the last maintenance cycle.*
- *Issues related to 4th level error on RP due to a retiree being reported will be corrected. These issues occurred if retiree was reported on an RP report rather than an ER report. RP records will now show an error when a retiree is reported after their final report month.*

- **RE Report Status**

<i>Report Month</i>	<i># Completed RP Reports</i>	<i>% Complete</i>	<i># Incomplete RP Reports</i>
<i>May</i>	<i>1,321</i>	<i>99.85%</i>	<i>2</i>
<i>June</i>	<i>1,266</i>	<i>95.69%</i>	<i>57</i>
<i>July</i>	<i>1,051</i>	<i>79.44%</i>	<i>272</i>

*For annual statements to be accurate, all FY18 and FY19 reports must be complete by Sept. 30<sup>th</sup> (3 weeks after the August report due date). If members question their statement and their employer didn't complete their reports, TRS will direct the member back to their employer.*

*EAG members expressed concern about the need to finish by Sept. 30<sup>th</sup>. Jennifer pointed out that the timeframe is actually longer now than when TRAQS was used.*

*Mark joined the meeting and said that the concern is understood and explained that statements have to be produced per statute. He encouraged REs to start as early as possible on trying to complete reports and said that the Coaches would be available to provide support.*

- **Additional Discussion**

- **Legislative changes that impact Reporting Entities and/or Software Providers**
  - *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*

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- 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.

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

- 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
- Summary of other legislative changes by RE type (videos that cover these are available on the TRS website):

### Independent School Districts:

- 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. Going forward, it will be referred to as "Public Education Employer Contribution" (EC). 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



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*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.)*

### *CHANGES TO 403(b) CERTIFICATION & REGISTRATION PROGRAM*

- *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.*

### **ACTIONS, DECISIONS, ISSUES from the Meeting**

Action, Decision, Issue	Description	Assignee	Targeted Completion Date