

## TEACHER RETIREMENT SYSTEM of TEXAS

## UPDATE

**REMINDER: PENALTY FEE GRACE PERIOD DISCONTINUATION**

As a reminder, it is anticipated that the current one-month penalty fee grace period will conclude with FY2023 reports. This means the August 2023 Regular Payroll (RP) and Employment After Retirement (ER) reports will be the final report months to fall under the grace period. Reporting Employers (REs) will have until Oct. 6 and Oct. 10 to complete each respective report in order to avoid penalty fees for late TRS reporting.

TRS acknowledges the many challenges employers are up against when it comes to completing monthly reports by the due dates. We recognize that staffing shortages and gathering the required data can make it difficult to complete the TRS reports by the due date each month. In addition, we acknowledge there have been processing delays and login issues with the RE Portal close to the due date. We will continue to monitor all these factors for the remainder of the year and take them into account when making the determination whether to discontinue the penalty fee grace period.

If the grace period ends with the 2023 fiscal year, beginning with the September 2023 RP and ER reports, reports will need to reach completion by the TEXNET and report due dates set in statute. Example: For the September 2023 report period, employers must bring their RP and ER reports to completion by Oct. 6 and Oct. 10 respectively, to avoid penalty fees for late TRS reporting.

Beginning with the 2018-19 fiscal year, we instituted a two-month grace period for FY2019 reports. Beginning with the September 2019 reporting period, that grace period to bring reports to complete status (without penalty fees being assessed) was reduced to one month. Several factors led to the decision to implement a grace period – primarily, defects in the RE portal that prevented employers from completing reports in a timely manner and RE coach staffing levels preventing same-day responses to employers. The grace period gave REs extra time to bring the reports to complete before penalty fees were assessed.

In subsequent years, TRS resolved many system-related defects. TRS also implemented a hiring plan to bring RE Coach staffing levels to a point where TRS feels confident that employers will receive a same-day response by the start of the 2024 fiscal year.

TRS recommends REs create an action plan now to begin working toward completing reports as close to the TEXNET and report due dates as possible. This may involve reviewing and updating your REs current report processes.

Our top suggestion is to begin working on ED reports earlier in the month and throughout the month. Ideally, by the time your RE is ready to upload the monthly payroll report, much of the ED work will have already been completed on the front end.

Below is a table of the due dates and respective grace period deadlines for FY2023:

Report Month	Regular Payroll Report and TEXNET Due Date	Regular Payroll Report Grace Period Deadline	Employment After Retirement Report and TEXNET Due Date	Employment After Retirement Report Grace Period Deadline
August 2022	Sept. 6, 2022	Oct. 6, 2022	Sept. 6, 2022	Oct. 10, 2022
September 2022	Oct. 6, 2022	Nov. 4, 2022	Oct. 10, 2022	Nov. 10, 2022
October 2022	Nov. 4, 2022	Dec. 6, 2022	Nov. 10, 2022	Dec. 9, 2022
November 2022	Dec. 6, 2022	Jan. 6, 2023	Dec. 9, 2022	Jan. 10, 2023
December 2022	Jan. 6, 2023	Feb. 6, 2023	Jan. 10, 2023	Feb. 10, 2023
January 2023	Feb. 6, 2023	March 6, 2023	Feb. 10, 2023	March 10, 2023
February 2023	March 6, 2023	April 6, 2023	March 10, 2023	April 10, 2023
March 2023	April 6, 2023	May 5, 2023	April 10, 2023	May 10, 2023
April 2023	May 5, 2023	June 6, 2023	May 10, 2023	June 9, 2023
May 2023	June 6, 2023	July 6, 2023	June 9, 2023	July 10, 2023
June 2023	July 6, 2023	Aug. 4, 2023	July 10, 2023	Aug. 10, 2023
July 2023	Aug. 4, 2023	Sept. 6, 2023	Aug. 10, 2023	Sept. 6, 2023
August 2023	Sept. 6, 2023	Oct. 6, 2023	Sept. 6, 2023	Oct. 10, 2023

*continued on page 2 >*

*continued from page 1*

## REMITTING CONTRIBUTIONS TO TRS

All employer and member contributions must be remitted to TRS via the Comptroller's TEXNET system. TRS *cannot* accept employer contributions via check or wire transfer from REs. The TEXNET [Instructions](#) (file opens as pdf) provided by the Comptroller's office help guide REs through using the payment system. The [TEXNET Training](#) on the TRS website provides more details regarding the names of the contributions on the Comptroller and TRS systems, as well as the due dates for remitting the payment. Please use extreme caution when remitting the payment to ensure the contributions are submitted on the correct line.

All TEXNET payments must be remitted by the due date to avoid penalty interest. A payment submitted on the due date before the cutoff time is considered on time if the settlement date on the payment is not changed.

*Employer and Member Contributions Include:*

- Member Contributions
- Member Insurance Contribution
- Service Credit Purchase – payroll deductions
- Reporting Entity TRS-Care
- Federal Fund/Private Grant
- Federal Grant TRS-Care
- Statutory Minimum
- Reporting Entity Payment for New Members
- Reporting Entity Pension Surcharge for Reported Retirees
- Reporting Entity TRS-Care Surcharge for Reported Retirees
- Public Education Employer Contribution
- Community/Junior College
- Non-Educational/General-Funds
- Educational/General-Local Funds

*Exception:*

Proportionality funds due to TRS on the APS 011 from Higher Education REs must be remitted through the USAS system. Any proportionality funds remitted through the TEXNET system will not allocate correctly.

## MyTRS UPDATES TO SHARE

### Beneficiary Designations

Active TRS members can now update their beneficiary designations using *MyTRS*. Once logged in, a member will see a menu option to *Update Beneficiary*. This functionality allows members to add and remove beneficiaries at any time. At the end of the process, the member will e-sign their designation. *MyTRS* will immediately be updated with the new submitted designation.

*MyTRS* will display the beneficiary for active member death benefits and retiree death benefits under the following circumstances:

- A member enters a new designation in *MyTRS*, or
- A member submits a paper beneficiary designation form to TRS, and the form has been processed.

Note that designations submitted to TRS before January 2018 may not be displayed in *MyTRS*. This does not mean that the member does not have a beneficiary designation; it just means that we are unable to display it in *MyTRS*. The designation form is available in the member's file and is accessible by TRS staff.

If a member logs in to *MyTRS* and does not see their designation displayed on the account homepage, they can quickly submit a new designation using the *Update Beneficiary* feature. The new designation will display immediately once the form has been e-signed.

### Refund Status Tracker

*MyTRS* was recently updated to include a refund status tracker. The tracker becomes available once an online refund application is submitted through *MyTRS* or once a paper refund application has been received and entered by TRS. The tracker will display the various stages of the refund process and is tailored to each member's refund. The tracker will show when the refund was issued.

For members looking at taking a refund, we encourage them to use the *MyTRS* refund process. It is designed to ensure that the application is completed without missing data. In addition, some refunds can be auto processed which can decrease the overall processing timeline.

*continued from page 2*

## 99% OF EMPLOYERS IN TRS-ACTIVECARE REMAINED IN THE PLAN

After another year of being able to choose a health care plan outside of TRS-ActiveCare, 99% of employers who participate stayed in the program.

This means TRS-ActiveCare remains unmatched in size and stability in the market. According to a recent study by the consulting firm Milliman, TRS health plans:

- Cost 18% less than similar plans offered by non-participating districts
- Have lower total costs in almost every region
- Have lower total costs even without federal funding

For more insights from the study, visit [TRS-ActiveCare Takes on the Market](#).

### Employers Participating in TRS-ActiveCare

If TRS-ActiveCare is your district's plan of choice, please [take 3-5 minutes to fill out this survey](#) about how you'd like to engage with us over the coming year. TRS also has a team of District Ambassadors (DAs) who offer critical strategic guidance and partner with leadership of participating districts. Learn more here: <https://www.bcbstx.com/trsactivecareba/da>.

### Employers Who Do Not Participate in TRS-ActiveCare

If you're interested in joining one of the most competitive health plans in the market, visit our [How to Join TRS-ActiveCare](#) webpage.

If you're interested in hearing more about TRS-ActiveCare, discover who the [DA is in your Education Service Center](#) region and reach out to them.

## TRS-ACTIVECARE ENROLLMENT FOR TRS-CARE RETIREES RETURNING TO WORK

Retirees currently enrolled in TRS-Care who are returning to work may have questions about the health care benefits offered by your district. The information below is intended to help them understand their options. Those options vary depending on whether the employee is age 65 or over or is eligible for Medicare for other reasons.

### Return to Work Retirees Under 65 Years Old

If a retiree is enrolled in TRS-Care Standard and returns to work for at least 10 hours per week, they're eligible to enroll in TRS-ActiveCare. However, they are not required to do so. The employee has these options and needs to be made aware of all of them.

Their options are:

- Make no changes – keep the TRS-Care Standard plan and decline TRS-ActiveCare
- Drop TRS-Care Standard and enroll in TRS-ActiveCare\*
- Keep the TRS-Care Standard plan and enroll in TRS-ActiveCare (the retiree will have dual enrollment, which is defined below)

Keep in mind, if they choose the last option (dual enrollment), they'll pay a premium for:

- TRS-ActiveCare through the employer, **and**
- TRS-Care Standard, to TRS

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### **TRS-ACTIVECARE ENROLLMENT FOR TRS-CARE RETIREES RETURNING TO WORK** *continued from page 3*

#### **Return to Work Retirees Aged 65 and Older**

If a retiree is enrolled in TRS-Care Medicare and returns to work for at least 10 hours per week, they're eligible to enroll in TRS-ActiveCare. However, they are not required to do so. The employee has these options and needs to be made aware of all of them.

Their options are:

- Make no changes – keep TRS-Care Medicare Advantage and decline TRS-ActiveCare
- Drop TRS-Care Medicare Advantage and enroll in TRS-ActiveCare\*
- Keep the TRS-Care Medicare Advantage and enroll in TRS-ActiveCare (the retiree will have dual enrollment in this scenario)

Keep in mind, if they choose the last option (dual enrollment), they'll pay a premium for:

- TRS-ActiveCare through the employer,
- Medicare Part B to the Social Security Administration (*TRS recommends the retiree contact Medicare to inform of their return-to-work status*), **and**
- TRS-Care Medicare Advantage, to TRS

#### **What is Dual Enrollment?**

Dual enrollment is when a person is eligible for two different health insurance plans and chooses to enroll in both plans at the same time. When a person is enrolled in more than one health plan, the employer-sponsored plan is always the primary plan and will pay first.

So, if an employee at a school district elects to enroll in the plan offered by the district and remains enrolled in a TRS-Care plan (TRS-Care Standard or TRS-Care Medicare), the **employer-sponsored is primary and the TRS-Care plan** will be the secondary plan.

*\*At the time the return-to-work employee leaves employment with the district, they will be eligible to reenroll in TRS-Care because this loss of coverage is a Special Enrollment Event (SEE). TRS must receive the application within 31 days of leaving employment.*