

## TEACHER RETIREMENT SYSTEM of TEXAS

## UPDATE

## EVALUATIONS: TRS ELIGIBILITY AND EMPLOYMENT CONTRACTS

The most common errors on the TRS Regular Payroll (RP) report are related to verifying TRS eligibility for employees. Errors may occur depending on the number of hours an employee works and the number of hours reported to TRS.

All employees must first be evaluated for eligibility at the time they are hired. However, there may be other occasions throughout their employment in which membership needs to be reevaluated. Here are some tips for evaluating employment contracts and determining TRS eligibility:

- If an **employee makes a change to their employment status**, they should be reevaluated to determine if their TRS eligibility has changed.  
*Example: An employee was hired to work as a bus driver for 10 hours per week from Sept. 1, 2022 – May 31, 2023. In November, the employee takes on another half-time maintenance position that is also 10 hours per week from Nov. 1, 2022 – May 31, 2023. Since the combined hours with both positions is 20 hours or more, the employee would need to be changed to 'eligible' for both positions beginning Nov. 1, 2022.*
- **Employees not eligible for TRS** who work more than one-half time should be reevaluated if their increased workload is expected to continue.  
*Example: An employee with a full-time equivalent (FTE) of 30 hours was originally hired to work 12 hours per week. Due to staffing shortages, the employee is now asked to work 15 hours per week. On your November report, you receive an error that you need to verify if the employee should be eligible. At this point, we recommend evaluating if the increased workload is expected to continue. If so, the employee may need to be changed to 'eligible' if the employee does not have an end date to their increased workload.*
- **TRS-eligible employees** who work less than one-half time hours should be reevaluated if their decreased workload is going to continue or if they will return to half-time hours.  
*Example: An employee with an FTE of 40 hours was originally hired to work 24 hours per week. Due to a decreased workload, the employee is only working 15 hours per week. On your November report, you receive an error that you need to verify if the employee should be eligible. At this point, we recommend evaluating if the decreased workload is expected to continue. If so, they may need to be changed to 'ineligible' if the employee does not have an end date to their decreased workload and they have not earned a year of service.*
- **Temporary employees** whose employment will be extended to 4 ½ months or longer should be reevaluated.  
*Example: A temporary employee was originally hired to work from Oct. 15, 2022 – Dec. 31, 2022, which was less than the 4 ½ months to be considered TRS-eligible. On Dec. 1, the employee was offered to continue working through May 31, 2023, and accepts the position. At this point, the employee would no longer be considered temporary, and they will need to be reevaluated for TRS eligibility as of Dec. 1, 2022. If the employee is working half time or more of the FTE, then an ED45 will need to be submitted to end the temporary position as of Nov. 30, 2022. The TRS-eligible position will need to be added as of Dec. 1, 2022.*
- **Substitutes (non-TRS retirees)** who begin working in a vacant position should be reevaluated.  
*Example: A non-TRS retiree substitute has been working in a non-vacant position for an employee who was out on leave. As of Oct. 1, 2022, the employee of record decides that they will not be returning and terminates their employment. At this point, the substitute is no longer filling in for a non-vacant position and needs to be reevaluated for eligibility. If they continue working in the same position and will be working more than half time for more than 4 ½ months, then they will need to be changed to 'eligible' as of Oct. 1, 2022.*

If you are not sure if an employee should be reported as TRS-eligible, please reach out to your TRS Coach for assistance. We ask that you provide as much information as possible so that we can help make the decision on eligibility.

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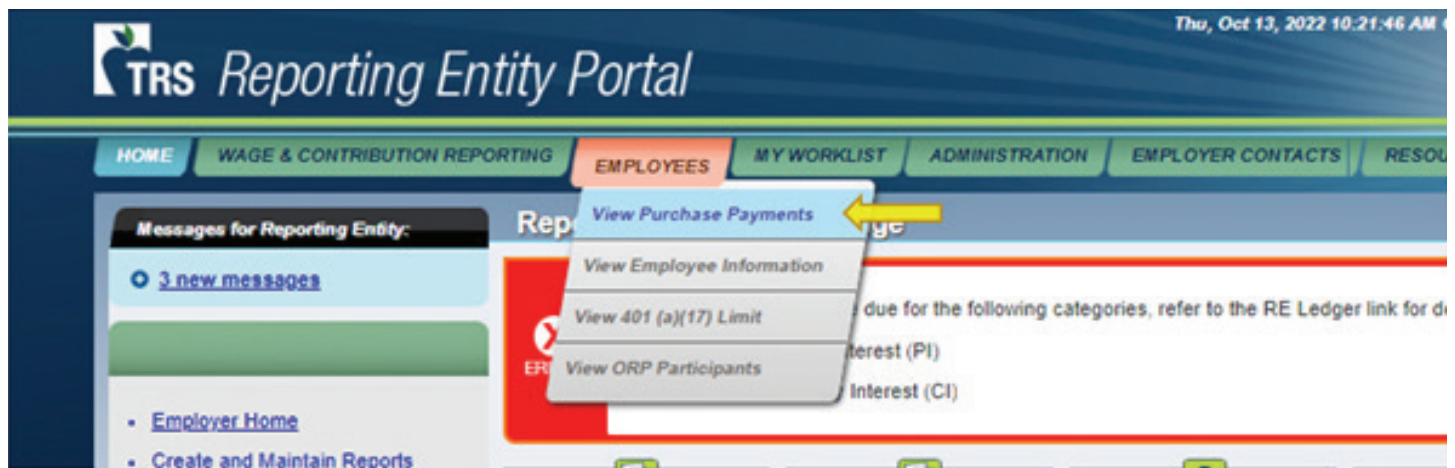
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## SERVICE CREDIT PURCHASE PAYMENT DEDUCTION

Eligible TRS members may [purchase service credit](#) as provided by law. TRS offers several methods for completing the purchase. One of these methods is an installment payment via payroll deduction. However, not all REs choose to offer this method.

If a TRS member chooses to purchase TRS service credit on an installment basis via payroll deduction, TRS notifies the RE by email to inform the employer of the agreement but allows the RE to advise TRS if they do not provide payroll deduction for purchase of service credit. Employers who do allow the service credit purchase deduction should anticipate receiving a copy of the agreement letter from the employee. If not received within a timely manner, TRS recommends the RE contact the employee for a copy.

Service credit purchase information is located within the RE Portal. You can find it in the View Purchase Payments section under the Employees tab. While this information is available in the RE Portal, the employer's policy dictates if the RE requires a copy of the TRS installment agreement from the employee before beginning the payroll deduction.



An RE can view participants with current purchase payments with the RE. Future agreements are visible as well. The details of the payment plan can be viewed if the participant has chosen payroll deduction as the payment method.

View Purchase Payments								
First Previous <b>1</b> Next Last					Results Per Page 30			
SSN or TRS- Assigned Temp ID	Last Name	First Name	Middle Name	Suffix	First Payment Report Month	Final Payment Report Month	Last Payment Reported Month	Scheduled Monthly Payment
				NONE	08/2022	08/2024	08/2022	\$327.97
				NONE	07/2022	07/2024	08/2022	\$2265.80
				NONE	06/2022	01/2026	08/2022	\$709.18
				NONE	05/2022	05/2023	08/2022	\$2671.57
				NONE	10/2022	10/2025		\$323.89
First Previous <b>1</b> Next Last					Listing 1 - 5 of 5 items.			

All service credit purchase deductions collected will be included with the monthly TEXNET payment under **Member Service Credit Purchase Payroll Deduction Amount**. When reconciling monthly reports, compare information to the RE Ledger account, code SP, for Member Service Credit Purchase Payroll Deduction.

If you have any questions or report errors related to this deduction, please reach out to your RE Coach for guidance.

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## EDUCATION SERVICE CENTER (ESC) REGIONAL RATING POLICY

For the purposes of regional rating, TRS-ActiveCare groups employers using ESC region. This grouping was first established for the 2023 plan year beginning Sept. 1, 2022. The following outlines the intent of TRS-ActiveCare regarding this assignment for subsequent years:

### 1. For Employers Participating in TRS-ActiveCare as of Sept. 1, 2022:

The employer's rating region assignment will not change in subsequent years regardless of whether the employer chooses to change ESCs. The assignment for the purposes of regional rating will remain consistent with the employer's ESC as of Oct. 4, 2021.\* This assignment can be [found here](#).

### 2. For New Employers Entering TRS-ActiveCare After Sept. 1, 2022:

The employer's rating region will be assigned based on geographic ESC assignment. Please note, this assignment is based on the employer's county and may be different from the ESC where the employer receives other services. This assignment is available in the District Directory on the [TEA website](#).

### 3. For Employers that Exited TRS-ActiveCare After Sept. 1, 2022 and are reentering:

The employer's rating region will be assigned based on geographic ESC assignment. Please note, this assignment is based on employer county and may be different from the ESC where the employer receives other services. This assignment is available in the District Directory on the [TEA website](#).

*\*Skidmore Tynan ISD showed as Region 2 on the TEA website but moved to Region 3 prior to Oct. 4, 2021. They were rated in Region 2.*

## CHANGES TO CLAIMS DATA AVAILABLE FOR TRS-ACTIVECARE

Employers who participate in TRS-ActiveCare can request their claims data twice per state fiscal year (Sept. 1 – Aug. 31). This is provided at no cost to the employer.

There are two options for your data request:

- 1) Summary Health Information
- 2) De-Identified Data

Visit our [How to Get Claims Data For Your District webpage](#) to learn more about each.

### Changes to Summary Health Information

Summary Health Information provides 36 months of medical, pharmacy and enrollment data. It includes high-cost claimant information, which are employees with \$50,000+ in claims.

*Changes since 2021:* We received feedback that many districts want expanded data to review before making a decision. In response, TRS added new fields. These include:

- The name and script count of the top 100 most expensive drugs to the plan for each district. This includes whether the drug is considered specialty, brand or generic.
- The plan paid amount by month for medical spending by major category of spending (inpatient, outpatient, professional, other).
- The top 10 facilities based on plan paid. This includes the top 10 for inpatient, outpatient, physician, and other categories for a total of 40 providers.

This includes the plan year to date, and then the most complete plan year. See the [self-funding guide](#) to understand how these employees may be excluded from coverage after the first claims year.

To receive this data, employers must:

1. Complete the Protected Health Information certification for this data.
2. Log in to the RE Portal and download the claims data request form.
3. Complete the *Plan Sponsor Certification and Summary Health Information Request Form*.
4. Submit the form to the contact identified on the form.
5. Execute an agreement with the TRS-designated entity to receive the data. See instructions on the forms in RE Portal for requesting a copy of this agreement.

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## VITAL NEWS AT YOUR FINGERTIPS – *TRS NEWS* IS GOING DIGITAL!

We have some exciting news to share and appreciate you also sharing it with your employees: The *TRS News* newsletter for members and retirees is going digital in 2023!

We look forward to sharing the many new features that will be available with the digital publication:

- **With the click of a button, your news will be delivered straight to your email inbox – available at your fingertips quicker than ever before.**
- **You can take your news anywhere! Use mobile-friendly reading on electronic devices of any size.**
- **You will be able to directly engage and explore interactive features while reading your news.**
- **You will be able to easily adjust text size and format to meet your needs.**
- **You can instantly download a pdf copy of your newsletter for reading or printing.**

Beginning in spring 2023, members and retirees will receive an email with a link to their newsletter once it's published online. For this reason, **we highly encourage all members and retirees to use [MyTRS](#) to provide/verify their email address on file.**

For complete details, please visit the [TRS News webpage](#) on the TRS website. We look forward to making this transition together and sharing our first digital issue in the new year.

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## TRS RECEIVES TRIPLE CROWN AWARD FOR FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) has named TRS a 2020 Triple Crown Winner. This award recognizes governments who have received all three of the association's following awards for a fiscal year:

- Certificate of Achievement for Excellence in Financial Reporting
- Popular Annual Financial Reporting Award
- Distinguished Budget Presentation Award

This is a significant achievement for TRS. The agency was one of just 317 entities that earned the 2020 Triple Crown designation. To qualify, a government entity must meet the high standards of each award program, communicating their financial stories in a transparent manner and meeting applicable standards.

Find TRS financial reports including *Annual Comprehensive Financial Reports*, *Popular Annual Financial Reports*, and *Operating Budget Reports*, on the [TRS Publications webpage](#).

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## NOMINATION PROCESS UNDERWAY IN 2023 TRS TRUSTEES ELECTION

The nominations process is underway for the Retiree and At-Large Board of Trustees positions in the 2023 TRS Board Election. Know someone who'd make a great trustee? Maybe it's you!

An eligible member for the **At-Large position** is a retiree who is receiving benefits from the system, a higher education employee, or a current employee of a public school district, charter school, or regional education service center. An eligible member for the **Retiree position** is a former member who is retired and currently receiving benefits.

Active members are eligible to nominate candidates for the At-Large position. Retired members are eligible to nominate candidates for the At-Large and Retiree positions. Retirees may only run for either the At-Large or Retiree Position, but not both positions for this election.

TRS is offering two ways in which a nominee may collect the required 250 signatures of eligible members for nomination:

- A nominee may collect the 250 signatures electronically by declaring their interest to be a nominee to the [Secretary to the Board of Trustees](#). Once the member's eligibility is validated, the member's name will be posted on the [nomination site](#) where the nominee may direct eligible members to sign the nominee's electronic petition. For an electronic petition, the nominee does not need to submit anything further to TRS, but must have 250 eligible member signatures by **Jan. 25, 2023**, to be considered a candidate.
- Nominees may also collect 250 signatures of eligible members with paper petitions, which are also due at TRS no later than **Jan. 25, 2023**. A member may download the [Retiree Petition \(pdf\)](#) or [At-Large Petition \(pdf\)](#). If a member does not have access to a printer, the member may contact the [Secretary to the Board of Trustees](#) to have a petition mailed to them.

Voting in the election will take place between March and May of 2023. Both terms begin as early as Sept. 1, 2023, and end Aug. 31, 2029.

The TRS Board is the trustee of all plan assets and is responsible for the general administration, operation of TRS and the investment of its funds. The board is also authorized by law to adopt rules for the administration of TRS and the transaction of the business of the board.

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## WATCH & LEARN: TRS MEMBER EDUCATION VIDEO SERIES

Learn all about your TRS pension benefits by watching our [Member Education Videos](#)! Help us spread the word about the series by downloading a [poster](#) from our website and displaying it at your school.