

TOP ARTICLES: Retroactive Pay Increases • Substitute Employment: Definition And Reporting Requirements • AI: Two Sides Of A Shiny, New Coin

## Legend

Articles are marked by topic!

Find icons as they relate to:



Reporting and Training for REs



Health Benefits



Information Security



General Communications



## Upcoming TRS Trainings



### Fall 2024 Virtual Sessions

TRS is offering the following virtual training sessions. Each attendee must register individually on the [RE Portal Virtual Training](#) page to receive the session link and materials. All training sessions are scheduled to start on CST.

|         |   |                 |
|---------|---|-----------------|
| Oct. 15 | TRS Reporting Requirements                      | 10 - 11:30 a.m. |
| Oct. 17 | Verify Membership Eligibility                   | 10 - 11:30 a.m. |
| Oct. 22 | Substitute Employment                           | 10 - 11:30 a.m. |
| Oct. 24 | Creditable Compensation                         | 10 - 11:30 a.m. |
| Oct. 29 | Employer Contributions - Non-Higher Ed          | 10 - 11:30 a.m. |
| Oct. 31 | Statutory Minimum Contributions                 | 10 - 11:30 a.m. |
| Nov. 12 | Employer Contributions - Higher Ed              | 10 - 11:30 a.m. |
| Nov. 14 | Employment After Retirement - Higher Ed         | 10 - 11:30 a.m. |
| Nov. 19 | Employment After Retirement - Non-Higher Ed     | 10 - 11:30 a.m. |
| Nov. 21 | RE Certifications                               | 10 - 11:30 a.m. |
| Dec. 11 | RE Ledger Training                              | 10 - 11:30 a.m. |
| Dec. 12 | Reconciling RE Ledger - Penalty Interest & Fees | 10 - 11:30 a.m. |
| Dec. 17 | Retirement Certifications                       | 10 - 11:00 a.m. |



Reporting Employers (RE) must submit an ED40 to report each employee's contract or work agreement upon hire, addition of new position or beginning of a new school year. This record includes important details about the employee's work agreement with the RE, such as the "Non-Standard Work Week." This field indicates if an employee is regularly scheduled to work less than five days per week. For example, an employee scheduled to work 10 hours per day, four days per week has a Non-Standard Work Week. Another example is an adjunct professor who is TRS membership-eligible, but classes meet only twice per week.

Employee positions regularly scheduled to work less than five days a week should be reported with the Non-Standard Work Week flag as "Yes" on the ED40 record. This includes school districts that have switched to a four-day school week. Like other information reported to TRS, the flag should be based on the employee's regular schedule for the position and may exclude temporary changes or fluctuations. Accurate reporting of the Non-Standard Work Week flag ensures TRS membership-eligible employees regularly working less than five days a week earn a year of service in accordance with standards for service credit set out in the *TRS Laws and Rules*. This information is detailed in the [TRS Benefits Handbook](#).

## Examples of how to appropriately report the Non-Standard Work Week flag

### **District on a five-day work week, employee scheduled less than five days a week:**

- For employees scheduled to work *less than five days* per week, report the Non-Standard work week flag as "Yes."
- For employees scheduled to work five or more days per week, report the Non-Standard work week flag as "No."

### **Entire District (all employees) moved to a four-day work week:**

- If an entire district moved to a four-day work week schedule, **all** employees should be reported with Non-Standard Work Week flag as "Yes."
- If an RE has posted any contracts with this flag as "No," please submit an ED45 to update the Non-Standard Work Week flag from "No" to "Yes."

### **Certain positions within the district moved to a four-day work week:**

- Only employees whose position is regularly scheduled to work a four-day work week should have the Non-Standard Work Week flag as "Yes."
- If the employee is scheduled to work five or more days per week, the Non-Standard Work Week flag should be "No."

### **REs with an Alternating Schedule:**

- Some districts are electing to alternate between four-day and five-day work weeks throughout the school year.
- Please contact your RE coach to discuss the schedule and receive further guidance on the Non-Standard Work Week flag.

### **Temporary schedule change to four-day work week:**

Example: RE administrative staff that work four days per week in summer.

- Since this a temporary change and not a permanent work agreement change, the non-standard work week flag should remain "No."
- If the work agreement changes to a four-day work week permanently, the flag should be updated to "Yes."

## Annual Recertification for RE Portal Contacts



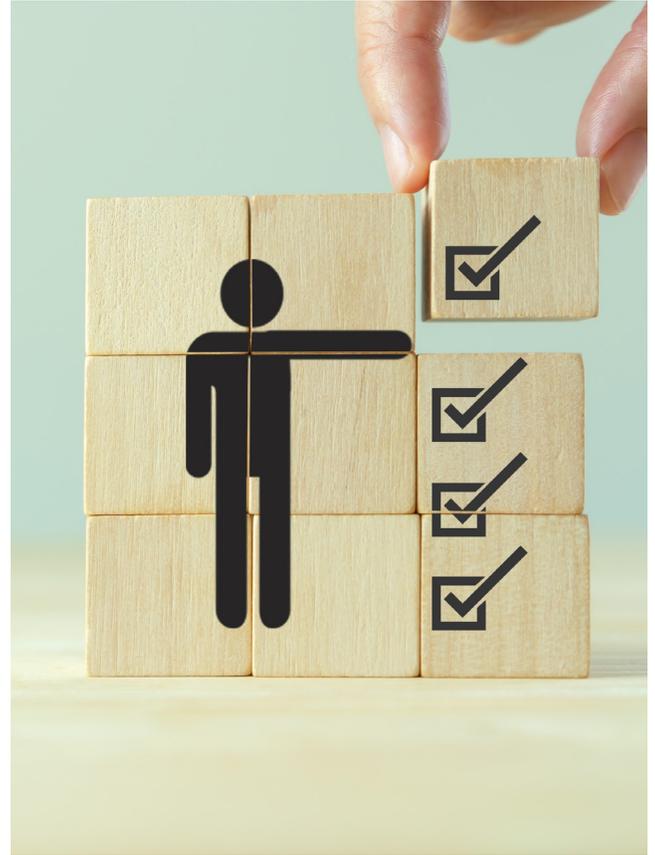
Each year, TRS requires RE Portal users to review, acknowledge and agree to the terms necessary to maintain access in the RE Portal. This process is known as the Annual Recertification Agreement.

The certification should be available within 30 days of the Certification End Date when you log in. As the Certification End Date approaches, TRS will also send out an automated email reminder at least seven calendar days before the Certification End Date if you have not recertified.

- If you are a contact for multiple Reporting Employers REs, each contact profile must be certified annually. The associated RE number will be in the subject and body of the automated email.

Failure to recertify before the Certification End Date will result in your account being frozen. To unfreeze your account, please email [reporting@trs.texas.gov](mailto:reporting@trs.texas.gov) with your four-digit RE Number in the subject line.

Once your account is unfrozen, you will need to complete the Annual Recertification Agreement before proceeding to the RE summary page. You may also be required to acknowledge any pending Web Messages.



## Retroactive Pay Increases



Article III, Section 53 of the Texas Constitution prohibits the grant of “extra compensation, fee or allowance to a public officer, agent, servant, or contractor, after service has been rendered, or a contract has been entered into, or performed in whole or in part.” Therefore, retroactive pay increases after work has commenced are excluded as creditable compensation for TRS purposes, as they are not paid under a valid contract.

TRS often encounters this when an RE’s board approves raises after the school year has started. Any pay granted for past months must be reported as ‘Total Gross Compensation’ and not as ‘TRS-Eligible Compensation.’ However, pay increases from the approval date forward is considered creditable compensation.





TRS understands that REs may use the title of “substitute” for individuals that do not meet the TRS definition. However, please keep in mind that when reporting substitute employment to TRS, the position must meet the following definition.

*Substitute* - a person who serves on a temporary basis in the place of a current employee and is paid at the daily rate of pay set by the employer.

*For TRS Retirees only:* Limited to working 20 days in a vacancy granted that the vacancy cannot be created by the retiree’s own retirement and the retiree cannot be hired to fill the position.

Any other employment that does not meet this definition cannot be reported as substitute employment type. Below are examples of different employments that are common examples of employment meeting the definition of substitute and some that are misreported as substitute employment.

## Substitute Employment

- Math teacher out for maternity leave and is expected to return. Substitute employee fills in and is paid substitute rate of pay.
- Food service worker calls out sick. Substitute employee fills in for the day and is paid substitute rate of pay.

## Non-Substitute Employment

- Employee of record was on maternity leave and decides to terminate employment. TRS membership eligibility must be reviewed as of the termination date or the previous employee of record. If a retiree substitute is filling in for the position, they are limited to working in the position for 20 days. As of the 21st day, they would no longer be considered a substitute.
- Employee is hired as an aide on the campus and is used as needed in different roles but positions are vacant (no employees of record).



### Active Employees:

- Active (non-retired) employees must be evaluated for TRS eligibility in any position that does not meet the definition of substitute. If the position is vacant with no employee of record, then it does not meet the definition, and the employee cannot be reported as a substitute. Remember, a vacant position does not automatically make a person eligible. The position they are working in must also meet TRS-Membership [Eligibility Requirements](#) before contributions should be collected. If position is eligible, contributions must be collected from the beginning of the fiscal year (RULE 25.41).

### TRS Retirees:

- TRS retirees working in a position that does not meet the definition of substitute must be reported as one-half time or less, combined or full-time employment based on their work performed during that calendar month. Please keep in mind, if a retiree works as a substitute in a vacant position within the 20-day exception window, and the 21st day falls in the middle of a month, then that month is considered “Combination” employment. A retiree can work as a substitute and as a one-half time or less employee in the same month without surcharges if the total time does not exceed 11 days. Any part of a day worked, including paid time off, counts as a full day. More information about exceeding the [EAR limits](#) can be found on the TRS website.

- If you have questions or would like assistance in determining whether an employee can be reported as a substitute, please reach out to your TRS coach.



The View Employee Information screens help REs determine if someone is concurrently employed AND if the concurrent employment is TRS-eligible. Note that the accuracy of this information depends on the data submitted by all REs at the time of access. REs are encouraged to discuss the information with the employee.

There are two pieces of information that must be considered when evaluating TRS membership eligibility for concurrent employment:

## 1 Is the employee working in a TRS membership-eligible position at your RE?

If so, please report them as TRS eligible.



## 2 Did the employee establish TRS membership eligibility at another RE?

a. REs can use the View Employee Information screen to assist in confirming concurrent eligibility.

b. If the employee is in a **TRS-Eligible Position and Concurrent Employment** is marked as YES on View Employee Information, discuss with the employee. Concurrent employment 'Yes' alone does not indicate that an employee is eligible.

c. Once confirmed, report as TRS-eligible.

### Concurrent and Eligible Example:

Employee currently works for two REs. They work in a TRS membership-eligible position for Employer A from May 25, 2023 through Aug. 31, 2023. On Aug. 24, 2023, Employer B does a search in the View Employee Information screen and receives the following information (screenshot):

**In a TRS Eligible Position:** "Yes" or "No". Indicates that the employee has a TRS eligible position active in the TRS database on the "as of date". This could be for any TRS covered employer and may indicate concurrent eligible employment. Work with your employee to determine if they have employment with any other TRS covered employers.

| Employee Information   |            |  |                         |
|--|------------|--|-------------------------|
| The information provided is based on the most recent data available, but may be affected by outstanding data. This data is subject to audit, adjustments and correction. |            |  |                         |
| As Of Date   | 08/24/2023 | New Member Contributions Due                         | Yes                     |
| SSN or TRS-Assigned Temp ID  |            | New Member Days completed as of 1st of Current Month | 68                      |
| First Name   |            | In a TRS Eligible Position                           | Yes                     |
| Middle Name  |            | TRS Eligible Date Range                              | 05/25/2023 - 08/31/2023 |
| Last Name  |            | Subject to Salary Cap                                | Yes                     |
| Suffix   |            | Concurrent Employment                                | Yes                     |
| TRS Member   | Yes        |  |                         |

**TRS Eligible Date Range:** the date range of the eligible TRS position(s) posted for the current fiscal year.

**Concurrent Employment:** "Yes" or "No". Does not indicate eligibility. Indicates that the individual is currently being reported by more than one RE.

- In a TRS-Eligible Position: 'Yes' because there is a TRS-eligible contract on file for the employee for the current fiscal year.
- TRS-Eligible Date Range: May 25, 2023 through Aug. 31, 2023 which is the earliest contract start date and the latest contract end date of the TRS-eligible contract for all REs that reported the member.
- Concurrent Employment: 'Yes' since the employee is being reported to TRS by more than one employer as of the date searched.



continued from page 5

## Concurrent Employment With No Eligible Contract Example:

Employee is currently working for two employers and both employers have reported an ED40 with TRS membership flag of No. When an RE searches for the employee on View Employee Information, they would receive the following results (screenshot):

TRS Eligible Date Range: No Information shown since there was no eligible contract for this employee for the 2023-2024 fiscal year

TRS Eligible Flag shows NO

Concurrent Employment Flag: Shows as YES

| Employee Information   |              |
|--|--------------|
| The information provided is based on the most recent data available, but may be affected by outstanding data. This data is subject to audit, adjustments and correction. |              |
| As Of Date   | 08/06/2024   |
| SSN or TRS-Assigned Temp ID  | [REDACTED]   |
| First Name   | [REDACTED]   |
| Middle Name  | [REDACTED]   |
| Last Name  | [REDACTED]   |
| Suffix   | NONE         |
| TRS Member   | Yes          |
| New Member Contributions Due   | No           |
| New Member Days completed as of 1st of Current Month   | Over 90 days |
| In a TRS Eligible Position   | No           |
| TRS Eligible Date Range  |              |
| Subject to Salary Cap  | Yes          |
| Concurrent Employment  | Yes          |

View ED Contract Info View RP Payroll Info

- In TRS-eligible Position: No since the employee is not being reported in a TRS-eligible position by any RE.
- TRS-Eligible Date Range: Blank because there is no ED40 being reported for this employee with the TRS-eligible flag of Yes within the current fiscal year.
- Concurrent Employment: Yes, since the employee is being reported to TRS by more than one RE as of the date searched.



As always, if you have questions or if the employee indicates that they are concurrently employed in an eligible position, please contact your RE Coach for assistance.

# Payouts Of Non-Creditable Compensation



As a reminder for reporting creditable compensation, the following types of pay should be excluded and only included in “Total Gross Compensation” on the RP20 records. If a TRS membership eligible employee receives a payout of only ineligible compensation after the date entered on the ED90 for Final Report Month for TRS Contributions, then do not report that payout of ineligible compensation.

## PAYOUTS OF ACCRUED LEAVE:

Vacation, Sick Leave and Compensatory leave.

### Example

A teacher has terminated all employment as of May 31, 2024 but had 10 days of accrued leave that needed to be paid to the employee. The employee will be issued their final teacher salary payment in August 2024 of \$4000 and will also receive the payout of accrued leave of \$2000.



On the RP20, the final monthly salary needs to be reported in the “Eligible TRS Gross Compensation” field.

|                                 |         |
|---------------------------------|---------|
| Eligible TRS Gross Compensation | 4000.00 |
| Performance Pay Gross           |         |
| Total Gross Compensation        | 6000.00 |

The payout of leave would only be included in the “Total Gross Compensation” field.

## PAYMENTS FOR ACCRUED COMPENSATORY TIME FOR OVERTIME WORKED

Compensatory leave (or time) is time-off granted in lieu of overtime wages under the Fair Labor Standards Act (FLSA). When leave is granted in lieu of wages at the time, it is considered leave. If unused compensatory leave is later “cashed out,” the payment is NOT creditable compensation. Compensatory time converted to a monetary payment is never TRS-eligible compensation.

### Example

A support staff worker has 40 hours of compensatory time that they have accumulated for working overtime throughout the year. They did not take this as leave so are being paid out at the end of the year. The employee terminated all employment as of Aug. 31, 2024 and received their final eligible pay in August 2024. The payout of comp time is being issued in September 2024.

The final salary issued in August needs to be reported but the additional payout in September would not need to be reported to TRS. Make sure the ED90 has the correct month for the final report month.

|  |                     |
|--|---------------------|
| Termination Date                         | 8/31/2024           |
| Termination Reason Code                  | End of Employment ▾ |
| Final Report Month for TRS Contributions | 8/2024              |

For a full list of compensation not eligible for TRS, please see the [Creditable Compensation](#) page on the TRS website.

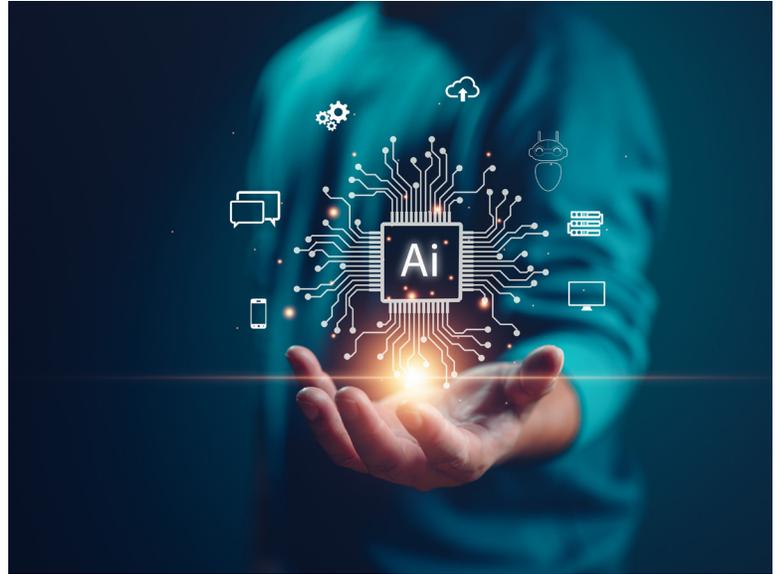


Artificial Intelligence (AI) is a powerful tool that can help us work more efficiently, but we're not the only ones using it. Cybercriminals have noticed its potential too, and they're using it to level up their phishing attacks.

While not all phishing attacks contain spelling or grammar issues, when they are present these mistakes have historically made many phishing attempts easy to spot. Often this happens because of a language barrier; the cybercriminal on the other end isn't a native speaker of the target's language.

With AI, this language barrier is broken down.

Cybercriminals can now target anyone, anywhere, in any language without immediately giving themselves away. This not only means that phishing emails are becoming more convincing, but also more numerous. AI makes it almost effortless for a cybercriminal to target exponentially more people than before, in different languages all over the world.



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Here's the good news: the skills needed to stay safe in this new world of AI phishing are the same as they were before. No matter how real an email may seem, question what it's asking you to do. Was the included attachment unnecessary, or is it perhaps a strange file type? Will the link you've been asked to click take you to a website you know and trust? Why has the sender requested your personal information over email?

If you're even slightly unsure, verify the sender and their request. Just be sure to do so using a trusted form of contact; don't reply straight to the potentially dangerous email or trust that the phone number included is legitimate. Find an official website using a search engine and verify the request through another form of communication.

## TRS is Looking For You: Early Career Feature Subject For Video



*Please share with your employees!* TRS is interested in featuring members early in their careers for a video series spotlighting how you can connect with your retirement system to maximize your benefits. As part of the video series, TRS will connect you with a TRS Benefits Counselor to receive an overview on helpful resources and information you can use to better understand your future retirement benefits.

We look forward to sharing this video as a helpful resource for other members --- just like you --- who are wondering how they can connect with their retirement system at this point in their careers. There's no better time to start planning than today.

Please share the word and share your interest by emailing [communications@trs.texas.gov](mailto:communications@trs.texas.gov). We look forward to hearing from you!



## RE Training:

### Introduction to the RE Portal



Many people find that a video explanation is the best way to learn! Take advantage of more than a dozen informative videos in the [TRS Video Library](#) to understand TRS processes and reports for reporting employers.

## Now Accepting Nomination Forms for 2025 TRS Board of Trustees Election



TRS is now accepting nominations for eligible members to qualify as candidates for the election of the Public School District Employee position on the TRS Board of Trustees. To qualify, 250 signatures from eligible members must be collected and turned in by the deadline, Jan. 27, 2025.

Nominate yourself or someone you think would be a great fit representing you in this position which will be for a six-year term beginning no earlier than Sept. 1, 2025 and ending Aug. 31, 2031, [here](#).



## Follow TRS on Social Media



Click [Here](#) to Rate This Issue of the *Update*

## Navigating Life Events With Ease



Career changes often necessitate updates to your account information and other essential actions. That's why the [TRS Life Event Resource Kit/Employer Toolkit](#) is so important – it's a comprehensive guide to help guide members during life and career transitions.

TRS members will find the “[Ready to Retire](#)” section of our Career Events Resource Toolkit holds valuable answers to common questions like:

- How much will my annuity be?
- How can I learn more about my benefits and ask questions?
- Will I receive social security?
- I'm thinking about retiring, what should I do first?

Explore the [Life Event Resource Kit](#) today! Whether starting a new job, transitioning, or planning for retirement, these events have a significant impact. We're here to help you make the most of your benefits – in all ways possible – with each step forward.

## Member Education Videos



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.

