



Recently Adopted TRS Rules

Senate Bill 1663; TRS Rule 25.28

Late fees for reports – TRS is authorized to charge a late fee, not to exceed \$1,000 per business day, for each business day that a required employer report is late. There is a cap of \$25,000 per report month on the late fees for each report.

Beginning with the January 2018 report month, penalty fees will be assessed for each business day the report is not at “Complete” status after the report due date. The penalty fee is in addition to any penalty interest assessed for TEXNET deposits submitted after the due date. The penalty fee is based on the number of TRS-eligible members reported on the May report for the previous school year.

Number of Employees	First Business Day Past Due	Each Subsequent Business Day
1-99	\$ 100	\$ 10
100-499	\$ 250	\$ 25
500-1000	\$ 500	\$ 50
1001 and above	\$1000	\$100

SB 1954; TRS Rule 25.173

Correction methods for errors in electing and reporting participation in the Optional Retirement Program (ORP)

Late notice of election period – An individual who is eligible to elect ORP but is not notified of the opportunity on the first day of eligibility may make the election under the following circumstances: If the individual is notified after the first day after becoming eligible but before the 91st day after becoming eligible, he or she must elect to participate in ORP before the later of the 91st day after becoming eligible or the 31st day after being notified of eligibility. If the individual is notified on or after the 91st day after becoming eligible but before the 151st day after becoming eligible, he or she must elect to participate in ORP before the later of the 151st day after becoming eligible or the 31st day after being notified of eligibility. If the individual is not notified of the opportunity to elect before the 151st day of becoming eligible, he or she may not elect to participate in ORP and must remain a TRS participant.

Mistaken report to TRS of person who previously elected ORP – This bill established a method to correct errors made by employers in reporting members to TRS who had previously elected ORP and participated for at least one year but had no intervening employment with a public school employer. The bill requires the individual to be restored to ORP and directs TRS, upon receiving a certification from the employer(s) who erroneously reported the individual to TRS, to make a direct trustee-to-trustee transfer of certain member contributions plus

a four percent assumed rate of return to the individual's ORP account. It also provides a process for employers to receive a credit for employer contributions made in lieu of state contributions to TRS with respect to the individual's compensation that the employer reported to TRS, and it authorizes the state comptroller to transfer to the employer for deposit in the individual's ORP account the amount of state contributions that should have been made to the individual's ORP account during the period the individual was reported to TRS plus a four percent assumed rate of return. The bill also provides a process for the employer to make applicable employer contributions to the individual's ORP account plus an assumed rate of return determined by the employer in accordance with applicable Internal Revenue Code correction requirements. The bill authorizes TRS to return contributions in excess of the amount that should have been contributed to the individual's ORP account directly to the individual without earnings, as well as any amounts paid to purchase service credit while the individual was not eligible to participate in TRS.