



## ***TRS Board adopts changes to rules***

The TRS Board of Trustees adopted changes to several rules and added one new rule at its December 2016 meeting. The rule amendments and the new rule were published for public comment for 30 days in the *Texas Register* before the board considered their adoption. The changes regarded the application of the percentage limit on increases in compensation in the final school years prior to retirement; how the actuarial cost of unreported compensation is calculated; and how TRS will credit performance pay earned prior to the 2011-12 school year, but paid in the 2011-12 school year. The board also adopted a new rule in Chapter 29 that regards how service credit maintained in another retirement system participating in the Proportionate Retirement Program will be used in determining the early age reduction applied to a member's service retirement benefit.

The change to §25.24 of the TRS rules regards the crediting of performance pay and provides that performance pay earned prior to the 2011-12 school year but paid in the 2011-12 school year will be credited to the 2011-12 school year. The change to §25.31 regards the percentage limit on salary increases in the final years before retirement and provides that the base year used to determine the amount of the allowable increase from one year to the next must be a year in which the member received service credit. The changes to §25.303 regard how the actuarial cost to purchase unreported compensation credit is calculated and provides that TRS will use the member's age and years of service credit on Sept. 1 of the year the cost is established in calculating the cost of the compensation credit.

Finally, §29.83 is a new rule that regards the Proportionate Retirement Program. The Proportionate Retirement Program allows members who have maintained service credit in another retirement system in Texas that also participates in the program to combine the service credit in participating retirement systems to establish eligibility for service retirement benefits. However, the amount of the service retirement benefit is based solely on the service credit maintained in the system from which the member is retiring. The new rule provides that the combined service credit will also be used in determining the early age reduction applied to a member's TRS service retirement benefit.

The changes to existing rules and the new rule are favorable changes for our members and are currently available for review on the TRS website.

## ***TRS hosts 403(b) informal rulemaking conference; comment period still open***

Over the next few months, TRS will be reviewing the rules found in Chapter 53 of the Texas Administrative Code which deals with certification by companies offering qualified investment products (i.e. 403(b) products) through TRS-covered employers. TRS will review the chapter to update and improve the rules as needed. As part of the rules review, TRS held an informal conference on Dec. 12 to obtain the comments of interested persons about contemplated rulemaking. Notice of the informal conference was provided to reporting entities on Nov. 29. Pursuant to the informal conference [posting](#), in addition to comments made at the informal conference, written comments pertaining to the contemplated rulemaking may also be provided by mail to the Teacher Retirement System of Texas, Attn: 403(b) Program Administrator, 1000 Red River Street, Austin, Texas 78701. Electronic comments may be submitted to [403b@trs.texas.gov](mailto:403b@trs.texas.gov). The comment period closes Jan. 13, 2017.

**Reminder: Reporting Entity Portal certification deadline is Dec. 31**

Please ensure that your entity has completed all the steps necessary to complete the RE Portal certification process by Dec. 31. If you need assistance, please contact your reporting coach or email [reporting@trs.texas.gov](mailto:reporting@trs.texas.gov).

**Holiday closures**

TRS will be closed Friday, Dec. 23, Monday, Dec. 26, and Monday, Jan. 2.