



**THE ATTORNEY GENERAL
OF TEXAS**

AUSTIN 11, TEXAS

**WILL WILSON
ATTORNEY GENERAL**

November 24, 1959

Honorable Frank M. Jackson
Executive Secretary
Teacher Retirement System of Texas
Austin, Texas

Opinion No. WW-740

Re: Questions as to amounts of the salaries paid to employees subject to the Teacher Retirement Law, which must be withheld and paid monthly to the Retirement System.

Dear Mr. Jackson:

Your recent request for an opinion states that the Board of Trustees of the Teacher Retirement System has ruled that the full six per cent (6%) of the salaries paid to employees subject to the Teacher Retirement Law must be withheld and submitted monthly to the Retirement System until the employee has received a salary of \$8,400, of which the aggregate sum of \$504 has been withheld and submitted to the Retirement System. You ask if this procedure by the Board is in accordance with the Teacher Retirement Act.

Subsection 1 (b) of Section 10 of Article 2922-1, Vernon's Texas Civil Statutes, provides as follows:

"Each employer on each of its payrolls shall cause to be deducted from the salary of each member, five per cent (5%) of his earnable compensation for each payroll period prior to September 1, 1957, and six per cent (6%) of his earnable compensation for each payroll period thereafter; provided that the sum of the deductions made during any one year shall not exceed five per cent (5%) of the member's annual compensation, or One Hundred Eighty Dollars (\$180.00), whichever is the lesser, for any year ending on or before August 31, 1957, nor more than six per cent (6%) of his annual compensation, or Five Hundred Four

Dollars (\$504.00), whichever is the lesser, for any year ending after September 1, 1957. In determining the amount earnable by a member within a payroll period, the State Board of Trustees may consider the rate of annual compensation payable to such member on the first day of the payroll period as continuing throughout such period, and it may omit deduction from compensation for any period less than a full payroll period if the person was not a member on the first day of such period, and to facilitate the making of deductions, it may modify the deduction required of any member by such an amount as shall not exceed one-tenth (1/10) of such one per centum (1%) of the annual compensation upon the basis of which such deduction is to be made."

Subsections 1(a) and (b) of Section 11, provide as follows:

"1. The collection of members' contributions shall be as follows:

"(a) Each employer shall cause to be deducted on each and every pay roll of a member for each and every pay roll period subsequent to the date of establishment of the Retirement System the contributions payable by such member, as provided in this Act. Each employer shall certify to the treasurer of said employer on each and every pay roll a statement as vouchers for the amount so deducted.

"(b) The treasurer or proper disbursing officer of each employer on authority from the employer shall make deductions from salaries of members as provided in this Act, and shall transmit monthly, or at such time as the State Board of Trustees shall designate, a certified copy of the pay roll, and the amount specified to be deducted shall be paid to the Executive Secretary of the State Board of Trustees; and after making a record of all receipts, the said Board shall pay them to the Treasurer of the State of Texas, and by him be credited to Teacher Savings Fund, and such funds shall be deemed as appropriated for use according to the provisions of this Act. . . ."

The above quoted provisions of the Teacher Retirement Act clearly provide that on and after September 1, 1957, that there shall cause to be deducted from the salary of each member six per cent (6%) of his earnable compensation for each payroll period; provided, however, that the sum of the deductions made during any one year shall not exceed six per cent (6%) of the member's annual compensation or \$504.00, whichever is the lesser, for any year ending after September 1, 1957. Accordingly, members whose annual compensations exceed \$8,400.00 should have deducted from their pay a full six per cent (6%) of his earnable compensation for each payroll period until the sum of such deductions for any one year shall equal \$504.00, after which the deductions for such year shall cease.

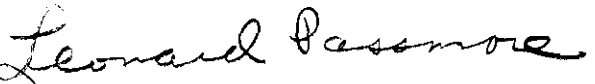
You are therefore advised that it is our opinion that the Board of Trustees of the Teacher Retirement System has correctly construed and applied the law in this respect.

SUMMARY

The full six per cent (6%) of the salaries for each payroll period paid to employees subject to the Teacher Retirement Act, should be withheld and remitted to the Teacher Retirement System; provided, however, that the sum of deductions for any year ending after September 1, 1957, shall not exceed six per cent (6%) of the member's annual compensation or \$504.00, whichever is the lesser.

Yours very truly,

WILL WILSON
Attorney General of Texas

By 
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LP:me:zt
APPROVED:
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