

## UNIVERSITY RULE

### 31.02.08.M1 **Teacher Retirement System of Texas**

*Approved August 13, 1996*

*Next Scheduled Review: Currently Under Review*

*Supplements [System Policy 31.02](#) and [System Regulation 31.02.08](#)*

#### 1. BENEFITS

The Teacher Retirement System provides three basic benefits to employees participating in the program: survivor and death benefits, disability benefits, and retirement benefits. Detailed descriptions of these benefits, including payment options, are provided in brochures published by the Teacher Retirement System of Texas.

#### 2. CONTRIBUTIONS

2.1 Both the employee and the University (employer) contribute a percentage based on the employee's total compensation to the Teacher Retirement System (TRS). Percentages for both the employee and employer contributions are set and may be changed by the Texas Legislature. Employee contributions are automatically deducted on a tax-deferred basis and forwarded with the employer contribution to TRS.

2.2 Compensation is defined as salaries and wages earned by the participant during a school year including longevity pay, hazardous duty pay, and amounts not received pursuant to a salary reduction agreement for deferred compensation or tax deferred annuity contribution, or to finance benefit options under a cafeteria plan qualified under Section 125 of the Internal Revenue Code. Compensation does not include the value of perquisites or lump sum payments for accrued annual leave upon termination of employment.

2.2.1 The Teacher Retirement System Board of Trustees is empowered to exclude from compensation that part of salary and wages which can reasonably be presumed to have been derived from a conversion of payments otherwise not includable and to limit the amount of increases subject to credit and deposit during a member's final years of employment.

2.3 On August 31 each year, the Teacher Retirement System credits each member's individual account with interest at the rate of 5% on the average annual balance in the employee's account for the preceding fiscal year.

2.4 The Teacher Retirement System may audit the records of the University concerning the employment and compensation of personnel to determine the propriety of contributions or credits. These audits are to be conducted in the offices of the University during regular working hours by representatives of the Teacher Retirement System designated to conduct the examination.

#### 3. TERMINATION OF MEMBERSHIP

Membership in the Teacher Retirement System terminates because of absence from creditable service for six consecutive school years unless the member does not withdraw his/her account and:

- (1) has five or more creditable years of service, regardless of age, at the end of his/her last covered employment; or
- (2) was eligible for disability retirement at the end of his/her last covered employment.

#### 4. REFUND OF EMPLOYEE CONTRIBUTIONS

Whenever an employee ceases, except by death or retirement, to be employed in a position qualifying for membership in the Teacher Retirement System, he/she is entitled to a refund of all accumulated contributions in his/her individual account. This includes the employee's deposits and the interest credited annually by the Teacher Retirement System but excludes the contribution by the University. Withdrawal of contributions terminates membership in TRS and waives eligibility to all employee retirement benefits at age 55.

#### 5. RETIREMENT AGE

A member is eligible to receive full-formula benefits at:

- (1) age 65 with 5 or more years of creditable service; or,
- (2) age 60 with 20 or more years of creditable service; or,
- (3) age 50 with 30 or more years of creditable service.

A member may elect to receive an actuarially reduced annuity (early age retirement) at:

- (1) age 55 with 5 or more years of creditable service; or,
- (2) any age with 30 or more years of creditable service.

For information concerning membership eligibility following retirement, contact the Employee Benefits Section of the Human Resources Department.

OFFICE OF RESPONSIBILITY: [Human Resources Department](#)