

## STANDARD ADMINISTRATIVE PROCEDURE

### **31.02.08.M0.01            Teacher Retirement System of Texas**

*Approved August 13, 1996*

*Revised December 14, 2009*

*Revised October 24, 2013*

*Revised August 4, 2020*

*Next scheduled review: August 4, 2025*

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#### **Reason for SAP**

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This SAP provides the general participation structure, retirement eligibility requirements, and responsibilities in regard to the TRS.

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#### **Procedures and Responsibilities**

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### **1.        CONTRIBUTIONS**

- 1.1     Both the employee and Texas A&M 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.
  
- 1.2     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.
  - 1.2.1   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.

- 1.3 On August 31 each year, TRS credits each member's individual account with interest at a rate determined by TRS on the average annual balance in the employee's account for the preceding fiscal year.
- 1.4 To participate in TRS, the employee must be employed in a position qualifying for membership in the Teacher Retirement System of Texas (TRS) and not have vested in the Texas Optional Retirement Program (ORP) prior to participating in TRS.
- 1.5 TRS may audit the records of Texas A&M concerning the employment and compensation of personnel to determine the accuracy of contributions or credits.

## 2. TERMINATION OF MEMBERSHIP

- 2.1 Membership in the Teacher Retirement System of Texas (TRS) terminates upon withdrawal of member contribution or on the first September 1 that occurs after five non-participating years of not earning creditable service unless the member:
  - 2.1.1 has five or more creditable years of service, regardless of age, at the end of his/her last covered employment; or
  - 2.1.2 was eligible for disability retirement at the end of his/her last covered employment.

## 3. REFUND OF EMPLOYEE CONTRIBUTIONS

- 3.1 An employee requesting a refund and withdrawal of member contributions is entitled to a refund of all accumulated contributions in his/her individual account which includes the employee's deposits and the interest credited annually by TRS. The refund excludes the contributions made by Texas A&M University which will remain with TRS upon termination of TRS membership.
- 3.2 Withdrawal of contributions terminates membership in TRS and waives eligibility to all retirement benefits under TRS along with forfeiting any eligibility for benefits as a retiree of the Texas A&M University System.
- 3.3 A member must terminate all employment with a TRS covered employer before they are eligible to apply for a refund of member contributions. When a full-time employee drops to part-time employment, the member is not eligible for a refund. Members are encouraged to consult with TRS or Texas A&M Benefit Services prior to requesting a refund of the TRS contributions in order to understand the implications of making a refund request including an explanation of benefits to be forfeited.

## 4. RETIREMENT AGE

- 4.1 For information concerning TRS membership including service credit calculation and retirement eligibility criteria, refer to the Teacher Retirement System of Texas (TRS) handbook or contact Human Resources, Benefit Services at the number or email address noted below.

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**Related Statutes, Policies & Regulations**

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Policy 31.02, *Employee Insurance and Retirement Benefits*  
<http://policies.tamus.edu/31-02.pdf>

Regulation 31.02.08, *Retirement Programs*  
<http://policies.tamus.edu/31-02-08.pdf>

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**Contact Office**

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For more information on membership eligibility or clarification on this SAP, contact [Human Resources, Benefit Services](#) at (979) 862-1718, or by email at [benefits@tamu.edu](mailto:benefits@tamu.edu).

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