



# Commonly Billed SCP Types

Service Credit Purchases

July 2025

# Today we will review the following:

Three most billed types of service credit purchases: withdrawn, military, and out-of-state

Eligibility requirements for purchasing service credit

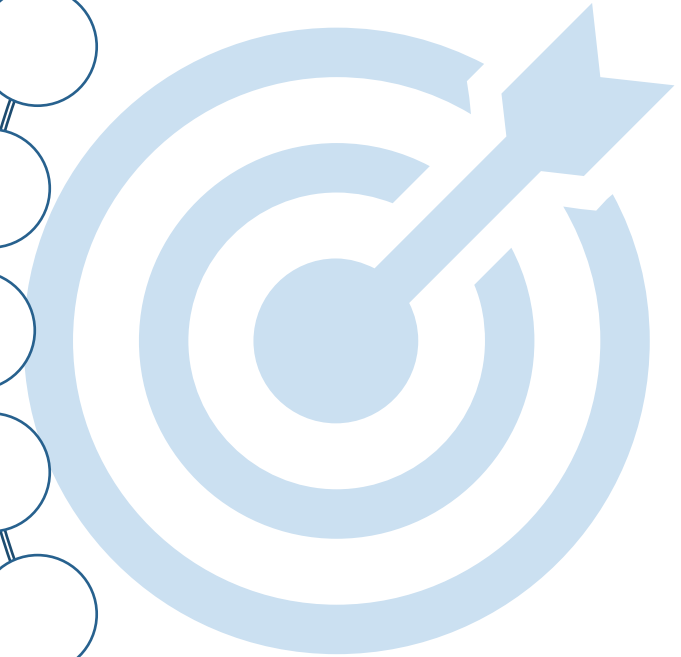
Minimum and maximum number of years that can be purchased

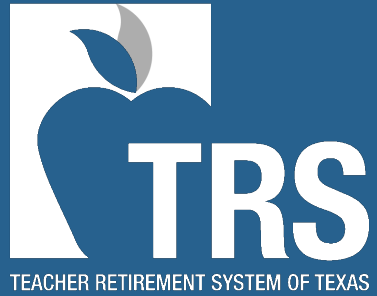
Cost calculation methods

Verification and paperwork processes

Methods of payment for service credit purchases

Overall process of service credit purchases





# Withdrawn





# Meet Marcus

Marcus was a TRS member with 7 years of service

- Left his job with a TRS-covered employer

Worked for a non-TRS-covered employer

- Refunded his 7 Years of TRS Service Credit

Started working for a TRS-Covered employer again

- Wants to purchase his withdrawn years



# Withdrawn SCP

Marcus



If a member has refunded their TRS account and returns to TRS-covered employment (or has an active account with a proportionate retirement system), then the member may buy back their withdrawn years.

## Prerequisites

Must be an active contributing member and have at least one deposit in TRS or is a PROP participant

## Min / Max Years

Must purchase ALL eligible years previously withdrawn

## Additional Notes

Years of service will be added when the withdrawn cost statement is paid in full



## Service Credit Purchase Cost

Marcus asks about the cost of purchasing his withdrawn service credit years.

# Withdrawn Cost Calculation

Marcus



Please note: Counselors should never calculate SCP costs for the member.

**Amount  
Withdrawn**

+

**8%  
Reinstatement  
Fee**

(compounded annually from  
the date of withdrawal to  
the date of purchase)

=

**Total Cost**

(+ 9% monthly installment  
administrative Fee if monthly  
installments elected)

# TRS220

Marcus



## Cost Statement for Withdrawn Service Credit

TRS220 (08-16)

1000 Red River Street  
Austin, TX 78701-2038  
(512) 542-6400 (800) 223-8778  
www.trs.texas.gov

Name \_\_\_\_\_ TRS Participant ID or Social Security Number \_\_\_\_\_

A	B	C	D	E
Date of Withdrawal	Years of Service Withdrawn	Amount Withdrawn	Reinstate Fee Factor*	Reinstatement Cost (Cx D)
Column Sums				

**Credit Effective: Upon payment in full**

Total Amount Withdrawn (Col. C) \_\_\_\_\_

Reinstate Fee (Col. E-C) (Not Refundable) \_\_\_\_\_

**TOTAL AMOUNT DUE \*\*** \_\_\_\_\_  
Date Printed \_\_\_\_\_

\* 8% Compounded Annually from Date of Withdrawal  
\*\* The cost of this bill will increase after August 31, 2018. If payment in full or the first monthly payment is not made by August 31, 2018, please contact TRS for recalculation.

SEE BACK FOR  
IMPORTANT  
INFORMATION

If paying by LUMP SUM, detach and return the Payment Coupon on this form with your remittance to TRS, PO Box 12038, Austin, TX 78711-2038.

If paying by MONTHLY PAYMENTS, complete and return only the "Agreement for Installment Purchase Service Credit" (TRS 538) to TRS, 1000 Red River Street, Austin, TX 78701-2038.

DETACH ALONG THIS LINE

DETACH ALONG THIS LINE

### PAYMENT COUPON

TRS Participant ID \_\_\_\_\_ Service \_\_\_\_\_ Name \_\_\_\_\_

Credit Type \_\_\_\_\_ Cost Statement Amount \_\_\_\_\_

Cost Statement Number \_\_\_\_\_ Amount Paid \_\_\_\_\_

Send coupon and check to:

**TRS**

PO Box 12038

AUSTIN, TEXAS 78711-2038

DO NOT WRITE BELOW THIS LINE

01000000403310105634947 6

No form is required

- TRS already has the member's prior TRS information

Submit a TIR to Processing

- Processing – Send Cost Statement

TRS220

- TRS sends cost statement



### To Keep the Cost:

Purchase by the deadline on the cost statement (Generally August 31st)

### Purchasing for Retirement Eligibility:

Purchase must be completed by the retirement date or by the last day of the month in which the retirement application is submitted, whichever is later

### Purchasing When Already Eligible to Retire:

Pay in full no later than:

2 calendar months after the retirement date, OR

2 calendar months after the last day of the month the retirement application is submitted

# Remember These Deadlines



A few weeks later

Marcus has received his cost statement and calls back to discuss payment methods.

# SCP Payment

Marcus



## Payment Method Options

Lump Sum

Monthly Installments

Rollover





## Installment Agreement

Marcus decides to  
do monthly  
installments and  
completes the  
TRS538.



# Installment Agreements

Marcus



60 months or # equal  
to months being  
purchased –  
whichever is LESS

Can apply a “down  
payment” via a partial  
lump sum

Must enter into  
installment  
agreement and begin  
payments by Aug 31

Members may make  
extra payments at any  
time to pay down  
sooner

If a payment is more  
than 60 days past due,  
TRS may terminate  
the agreement.

Agreement can be  
terminated by  
member.

Administrative Fee is  
non-refundable

# Installment Agreement

Marcus



## Not Tax-sheltered

- Subject to the IRS 415(c) limitations
- Exception: Withdrawn and USERRA

## Bank debits

- Occur on the 3rd banking day of each month
- Will post on the TRS ledger on the 1st working day of the month

## Coupon payments

- Due on the first of every month
- Must be mailed to the PO Box
- Not mailed directly to TRS

## Payroll Deductions

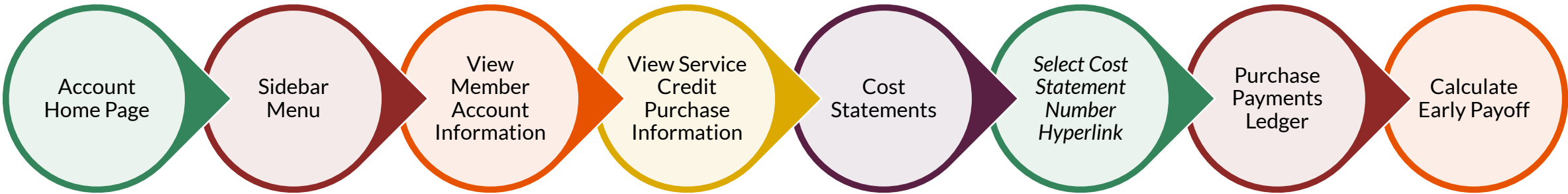
- Submitted along with monthly member contributions
- Not all REs will offer this as an option
- ERS and proportionate members are not eligible for payroll deduction.



A few weeks later

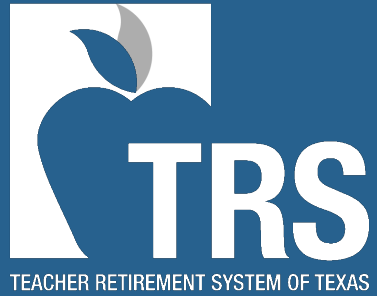
Marcus calls in to  
check on the status  
of his SCP

Service Credit Information								
Purchase Type	Period	School Year	Eligible Service	Creditable Year	Creditable Days	Non-Qualified	Paid in Full	Verified Date
<a href="#">Unreported</a>	1	2005-06	Yes	Yes	0			
		2006-07	Yes	Yes	0			
		2007-08	Yes	Yes	0			



# TRUST Walkthrough





# Military





# Meet Danielle

Danielle worked for a TRS-covered employer for 9 years and then began active duty with the US Army



She served 6 years before returning to TRS-covered employment



She wants to understand Military SCP and how the cost is calculated

# Military SCP

Danielle



TRS members who served as active members in a branch of the United States Armed Forces may purchase up to 5 years of military service credit to add to their TRS account.

## Prerequisites

Must have at least 5 years of TRS service credit

## Min / Max Years

May purchase up to 5 years of service credit for active duty (credit based on the 9/1-8/31 school year)

## Additional Notes

No concurrent cost statements

Inactive Service Periods are not eligible

Most recent year of military service is used to calculate cost

Credited on a yearly basis as enough principal is paid



# How is military SCP cost calculated?

*It depends:*



No TRS service prior to Military service

**OR**



Active TRS service Prior to Military service



# Military Cost Calculation

Danielle



## No Active TRS Service Prior to Military (Common)

An amount equivalent to one full year of deposits for member's **first creditable year** in TRS **after** military service

+

8% Reinstatement Fee  
(compounded annually from the date of first eligibility to the date the cost statement is issued)

=

**Total Cost**

+

9% Monthly Installment Administrative Fee  
(if monthly installments elected)

## Active TRS Service Prior to Military (Rare)

An amount equivalent to the member's **last full year** of TRS deposits **before** military service

+

8% Reinstatement Fee  
(compounded annually from the date of first eligibility to the date the cost statement is issued)

=

**Total Cost**

+

9% Monthly Installment Administrative Fee  
(if monthly installments elected)

## Payment Method Options

Lump Sum

Monthly  
Installments

Rollover

# DD214

Danielle



CAUTION: NOT TO BE USED FOR IDENTIFICATION PURPOSES

CERTIFICATE OF RELEASE OR DISCHARGE FROM ACTIVE DUTY  
This Report Contains Information Subject to the Privacy Act of 1974, As Amended

1. NAME (Last, First, Middle) 2. DEPARTMENT, COMPONENT AND BRANCH 3. SOCIAL SECURITY NUMBER

4a. GRADE, RATE OR RANK 4b. PAY GRADE 5. DATE OF BIRTH (YYYYMMDD) 6. RESERVE OBLIGATION TERMINATION DATE (YYYYMMDD) 20150529

7a. PLACE OF ENTRY INTO ACTIVE DUTY 7b. HOME OF RECORD AT TIME OF ENTRY (City and state, or complete address if known)

8a. LAST DUTY ASSIGNMENT AND MAJOR COMMAND 8b. STATION WHERE SEPARATED

9. COMMAND TO WHICH TRANSFERRED 10. SGLI COVERAGE

11. PRIMARY SPECIALTY (List number, title and years and months in specialty. List additional specialty numbers and titles involving periods of one or more years.) 12. RECORD OF SERVICE

13. DECORATIONS, MEDALS, BADGES, CITATIONS AND CAMPAIGN RIBBONS AWARDED OR AUTHORIZED (All periods of service) 14. MILITARY EDUCATION (Course title, number of weeks, and month and year completed)

15a. COMMISSIONED THROUGH SERVICE ACADEMY 15b. COMMISSIONED THROUGH ROTC SCHOLARSHIP (10 USC Sec. 2107b) 15c. ENLISTED UNDER LOAN REPAYMENT PROGRAM (10 USC Chap. 109) (If yes, years of commitment)

16. DAYS ACCRUED LEAVE PAID 17. MEMBER WAS PROVIDED COMPLETE DENTAL EXAMINATION AND ALL APPROPRIATE DENTAL SERVICES AND TREATMENT WITHIN 90 DAYS PRIOR TO SEPARATION

18. REMARKS

19a. MAILING ADDRESS AFTER SEPARATION (Include ZIP Code) 19b. NEAREST RELATIVE (Name and address - include ZIP Code)

20. MEMBER REQUESTS COPY 6 BE SENT TO (Specify state/locality) 20a. MEMBER REQUESTS COPY 3 BE SENT TO THE CENTRAL OFFICE OF THE DEPARTMENT OF VETERANS AFFAIRS (WASHINGTON, DC)

21a. MEMBER SIGNATURE 21b. DATE (YYYYMMDD) 22a. OFFICIAL AUTHORIZED TO SIGN (Typed name, grade, title, signature) 22b. DATE (YYYYMMDD)

DD FORM 214, AUG 2009 PREVIOUS EDITION IS OBSOLETE MEMBER-1

DD214

- Military Service Record

Verify Eligibility

- TRS determines if member is eligible

Cost Statement

- TRS sends cost statement



I'd like to purchase  
5 years of military  
SCP using a rollover.

TRS551 – Eligible Rollover or Direct  
Trustee-to-Trustee Transfer to  
Purchase TRS Service Credit

- ☐ Distribution plan name and type
- ☐ Amount being dispersed
- ☐ Entitlement to the funds
- ☐ Rollover or direct trustee to trustee transfer

# TRS551

Danielle



**Eligible Rollover or Direct Trustee-To-Trustee Transfer to Purchase TRS Service Credit**

1000 Red River Street  
Austin, TX 78701-2698  
(800) 223-8778  
www.trstexas.gov

THIS FORM MUST BE APPROVED BEFORE FUNDS ARE ACCEPTED AS AN ELIGIBLE TRANSACTION.

Name \_\_\_\_\_ TRS Participant ID or Social Security Number \_\_\_\_\_

INSTRUCTIONS: Look for this symbol ♦ to be sure you have filled out form, read all parts and Form TRS 611, Information on Rollover or available on TRS Web site.

**Part A: TRS member to complete this part.**  
I intend to roll over or transfer funds to TRS in payment of the following  
Maximum Amount TRS Accept as Rollover/Transfer \_\_\_\_\_  
Type of TRS Service Credit \_\_\_\_\_

TOTAL \_\_\_\_\_  
\* If you are paying by installments and plan to make your final payment amount as the amount changes daily.

I will roll over or transfer funds from ♦ \_\_\_\_\_ (Name of eligible rollover plan)

♦ I am entitled to the funds as (check one)  
☐ a participant or employee,  
☐ a surviving spouse of a participant or employee, or  
☐ a former spouse/spousal alternate payee under a Qualified Domestic Relations Order (QDRO)

By my signature below, I certify to the following:  
• I have read the TRS 611 and acknowledge that I am responsible for understanding that adverse tax or retirement consequences may occur if I keep the documentation required to establish the tax treatment I claim.  
• If I am making a rollover, it is an eligible rollover distribution from an eligible plan under federal tax law.  
• Any rollover or transfer of after-tax amounts must be through a direct rollover. I may not include amounts from a designated Roth account. I understand after-tax contributions and earnings.  
• The rollover or transfer funds are not from a series of periodic payments or life expectancies of myself and my beneficiaries, or over a period of more than 12 months.  
• The funds being rolled over or transferred are not required minimum distributions.  
Continued on Reverse Side

**Part B: Current plan administrator, IRA custodian, or financial institution holding your funds to complete this part.**  
As the plan administrator, IRA custodian, or financial institution holding an account for the person named above, I certify that the amount of ♦ \$ \_\_\_\_\_ is a rollover or transfer for this person from a: (check one) ♦  
☐ traditional IRA or individual retirement annuity (other than an endowment contract) under IRC §408(a) or §408(b) (including a SEP IRA, but NOT a Roth IRA, SIMPLE IRA, or Coverdell Education Savings Account (formerly called an education IRA))  
☐ 401(a) qualified plan (defined benefit, defined contribution (including employee stock option plan (ESOP), profit-sharing plan, and money purchase plan), 401(k) plan (but not a designated Roth account), or Keogh plan)  
☐ qualified 403(a) annuity plan  
☐ governmental 403(b) tax-sheltered annuity or account (but not a designated Roth account)  
☐ non-governmental 403(b) plan (e.g. hospital or other non-profit organization)  
☐ governmental 457(b) deferred compensation plan (but not a designated Roth account)  
\* Governmental 457(b) and governmental 403(b) plans include plans sponsored by employers such as school districts or municipal governments.  
\*\* If the funds are from a non-governmental 403(b) plan, I confirm that the funds were distributed as a rollover (i.e. there was a distributable event) \_\_\_\_ yes.  
• Any after-tax funds included in the direct rollover or trustee-to-trustee transfer must be identified below and will be applied separately as a non-tax sheltered amount.

♦ \$ \_\_\_\_\_ (After-Tax Amount, if Any)  
Signature of Authorized Representative \_\_\_\_\_ Title \_\_\_\_\_  
Printed Name \_\_\_\_\_ Date \_\_\_\_\_ Phone Number \_\_\_\_\_  
Name of Financial Institution, Bank, or Retirement Plan \_\_\_\_\_

Make check payable to Teacher Retirement System of Texas. Check and form may be sent separately, send both sides of the form. Include TRS member name and social security number on check. This form must be approved before TRS may accept the rollover or transfer as an eligible transaction. Mail check and form either to the member or to:  
Teacher Retirement System of Texas  
Attn: Cashier  
1000 Red River Street  
Austin, Texas 78701-2698

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## Part A

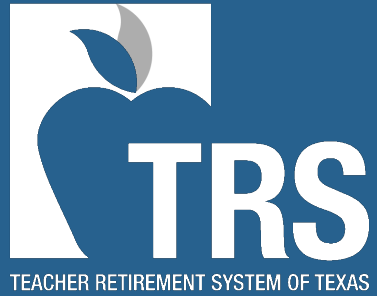
- Completed by the member
- Must indicate rollover amount
- Indicate rollover company name
- Confirm how they are entitled to the funds
- Must sign and date!

## Part B\*

- Completed by the financial institution
- Verifies the amount to be rolled over
- Confirms the plan type and if there is a distributable event [for non-governmental 403(b) trustee-to-trustee transfer]
- Must indicate any after-tax funds
- Must sign and date!

\*A determination letter is acceptable in lieu of Part B





# Out of State





# Meet Anna

Anna taught in a public school in South Carolina for 12 years



When she moved to Texas, she refunded her South Carolina account



Anna has been working in Texas for 8 years now and wants to buy her OOS service



# Out-of-State (OOS) SCP

Anna



Members who worked in public education in a state other than Texas may be eligible to buy their out of state years.

## Prerequisites

Must have at least five years of TRS service credit

At least one of the five years of TRS service must have been rendered after the OOS

## Min / Max Years

If not maintained: 15 years maximum

If maintained: 5 years maximum

Must be purchased “year for year” after the first 5 years

## Additional Notes

Concurrent Cost Statements

Credited on a yearly basis as enough principal is paid

Eligible and Ineligible Service



# How is OOS SCP calculated?

**SCP Cost**

APV

=

**Total Cost**

+

9% Monthly Installment  
Administrative Fee  
(if monthly installments elected)

## Payment Method Options

- Lump Sum
- Monthly Installments
- Rollover

- Preferred method to verify OOS service

Name		TRS Participant ID or Social Security Number	
------	--	----------------------------------------------	--

**Part A.** This portion of the form is to be completed by an authorized official in the business or personnel office of the institution in which the out-of-state service was rendered. Please return the completed form to the member for submission to TRS of Texas.

I HEREBY CERTIFY THAT:

1. According to the records in my office, the person named above was en-  
rolled for the period shown above.
2. This was a public educational institution maintained during the period  
by the United States for the children of United States citizens.  
This employment was for one-half or more of the standard work load a  
person of similar age and ability would be expected to perform.
3. Prior to 2011-12, this employment was for at least four and one-half mo-  
nests semester for more than four calendar months, or for at least 90 work-  
ing days for at least 90 working days per school year. Service rendered as a sub-  
stitute teacher was included for more than five days per week, beginning Sep-  
tember 1st of each year, and for more than five days per week, beginning Sep-  
tember 1st of each year or was for at least four and one-half months between September  
period must include four full calendar months in which the employee re-  
sided at least 8 days in each month and an additional five days of service render-  
ed in another calendar month during the same school year.
4. This employment was not conditioned upon the employee being an en-  
rolled student in the institution.

Signature and Title of Verifying Official	Email Address
-------------------------------------------	---------------

Name of School District, College, or University (PLEASE PRINT)

\*Please list each school year separately

[illegible]

Teacher Retirement System of Texas

1000 Red River Street  
Austin, TX 78701-2698  
(800) 223-8778  
[www.tn.texas.gov](http://www.tn.texas.gov)

**Part B.** This part is to be completed by the TRS member.

**IMPORTANT INFORMATION:** If you have at least five years of TRS membership service credit for actual service with a TRS-covered employer, you may purchase one year of eligible out-of-state service credit for each year of service credit with a TRS-covered employer, up to a maximum of 15 years as long as your eligible out-of-state service credit is not currently maintained in another public retirement system. Service credit is considered maintained in another public retirement system if you have contributions in the other public retirement system for the service credit you wish to purchase.

If you have this type of special service, a copy of the Teacher Service Record filed in the personnel office of the school district in which a member is employed may be used to verify public school service in other states. This service requires deposits and fees and must be purchased prior to the effective date of retirement. To obtain the appropriate official of your school district to submit a photocopy of each page of your Teacher Service Record listing your out-of-state service. The Teacher Service Record must reflect the number of days employed and the percentage of time worked during each school year verified and the signature of the original certifying school official. TRS will provide a cost statement upon receipt of proper verification.

If you do not have a Teacher Service Record, or your Teacher Service Record is unavailable, please have your former out-of-state employer(s) complete Part A of this form and return it to you for submission to TRS.

If your eligible out-of-state service is not currently maintained in another public retirement system, your purchase of out-of-state service credit is treated as qualified permissive service credit under federal tax law and you may purchase up to the maximum of 15 years of out-of-state service credit.

If your eligible out-of-state service is currently maintained in another public retirement system, your purchase of out-of-state service credit is treated as non-qualified permissive service credit under federal tax law. You are permitted to purchase up to a total of five years of non-qualified permissive service credit.

**INSTRUCTIONS:** You must complete the certification below by choosing only one of the options. It is important that your certification be accurate. If TRS determines that your certification was inaccurate, TRS may be required to deny you service credit and refund amounts you paid to TRS for the denied service credit. Your refund may be subject to federal income tax and an additional 10 percent early withdrawal penalty assessed by the Internal Revenue Service (IRS) may also be applicable.

**I HEREBY CERTIFY THAT:**

- ☐ None of the out-of-state service listed in Part A is currently maintained in another public retirement system.
- ☐ All of the out-of-state service listed in Part A is currently maintained in another public retirement system.
- ☐ For the out-of-state service listed in Part A, only the service credit relating to the following school years are currently maintained in another public retirement system (list each school year separately):

Signature \_\_\_\_\_ Date \_\_\_\_\_

Teacher Retirement System of Texas

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# TRS224

TSR

## Multiple Employers

- Teacher Service Record may be accepted

- Each employer completes a TRS224



**I'd like to purchase 8 years of OOS SCP with a lump sum payment.**

### Payment Coupon

- At the bottom of each cost statement

### Different Amount

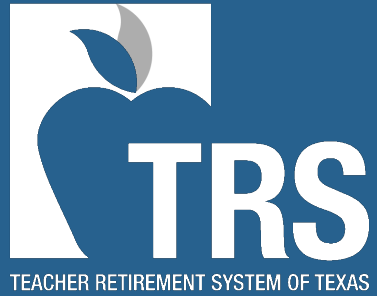
- Member may manually change the "amount to be paid"

### No Coupon

- Sending a payment without the coupon will delay posting the payment to the account

May be a personal check, money order, or cashier's check





# Summary





# Recap

Marcus



Withdrawn

Counselor explained eligibility, cost, and payment methods

Verified service, sent cost statement

Installment Agreement

Danielle



Military

Counselor explained purchase and verification paperwork sent

Service is verified

Cost Statement is sent to member

Rollover

Anna



Out-of-State

Counselor explained purchase and verification paperwork sent

Service is verified

Cost Statement is sent to member

Lump Sum



# Questions?