



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Three most billed types of service credit purchases: withdrawn, military, and out-of-state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

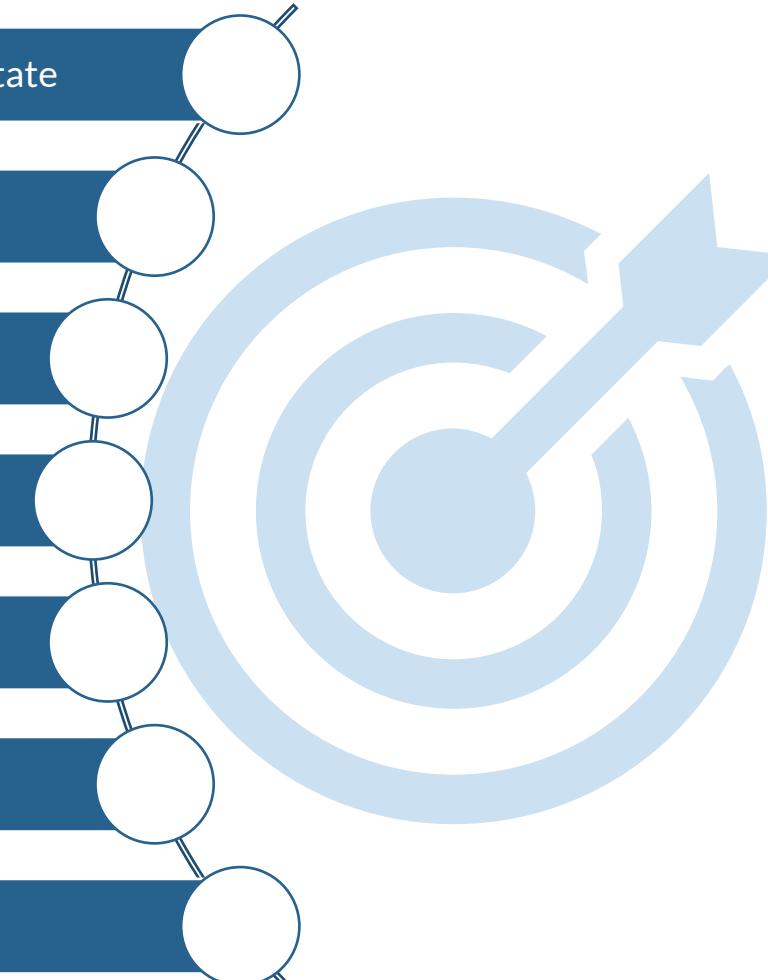
Minimum and maximum number of years that can be purchased

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Withdrawn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- Wants to purchase his withdrawn years

Withdrawn SCP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employment (or has an active account with a proportionate retirement system), then the member may buy back their withdrawn years.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Must purchase ALL eligible years previously withdrawn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Years of service will be added when the withdrawn cost statement is paid in full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Marcus asks about the cost of purchasing his withdrawn service credit years.

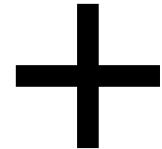
Withdrawn Cost Calculation

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Withdrawn**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)

Marcus



TRS220

Cost Statement for Withdrawn Service Credit



1000 Red River Street
Austin, TX 78701-2698
(512) 542-6400 (800) 223-8778
www.tra.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Date of Withdrawal	Years of Service Withdrawn	Amount Withdrawn	Reinstate Fee Factor*	Reinstatement Cost (CxD)
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 of
Service Credit" (TRS 538) to TRS,
1000 Red River Street, Austin, TX
78701-2698.

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

DETACH ALONG THIS LINE

01000000403310105834947 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

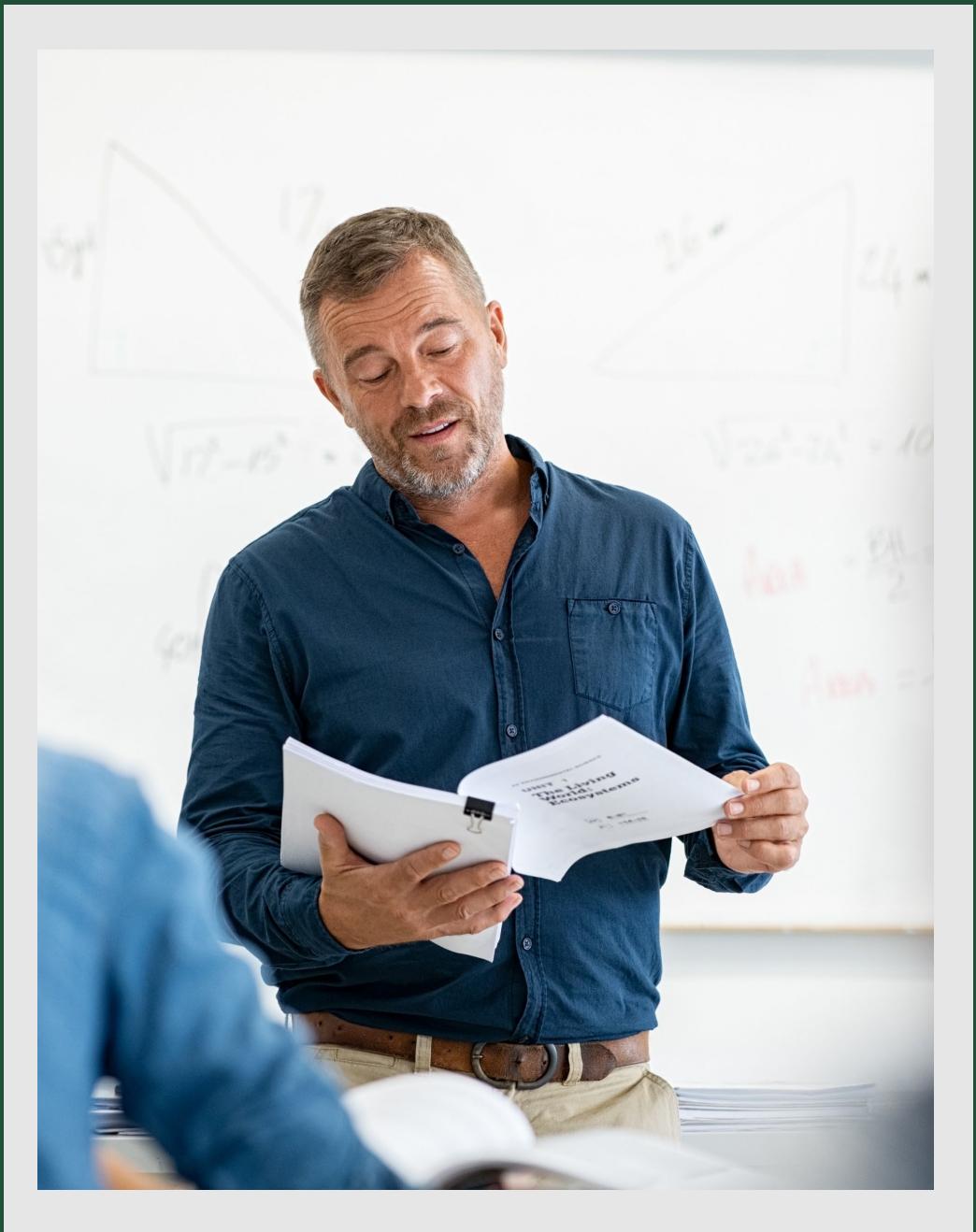
Purchasing When Already Eligible to Retire:

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.



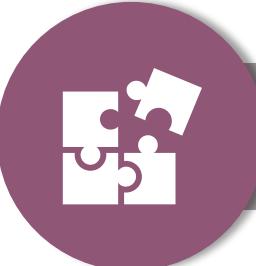
Payment Method Options

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

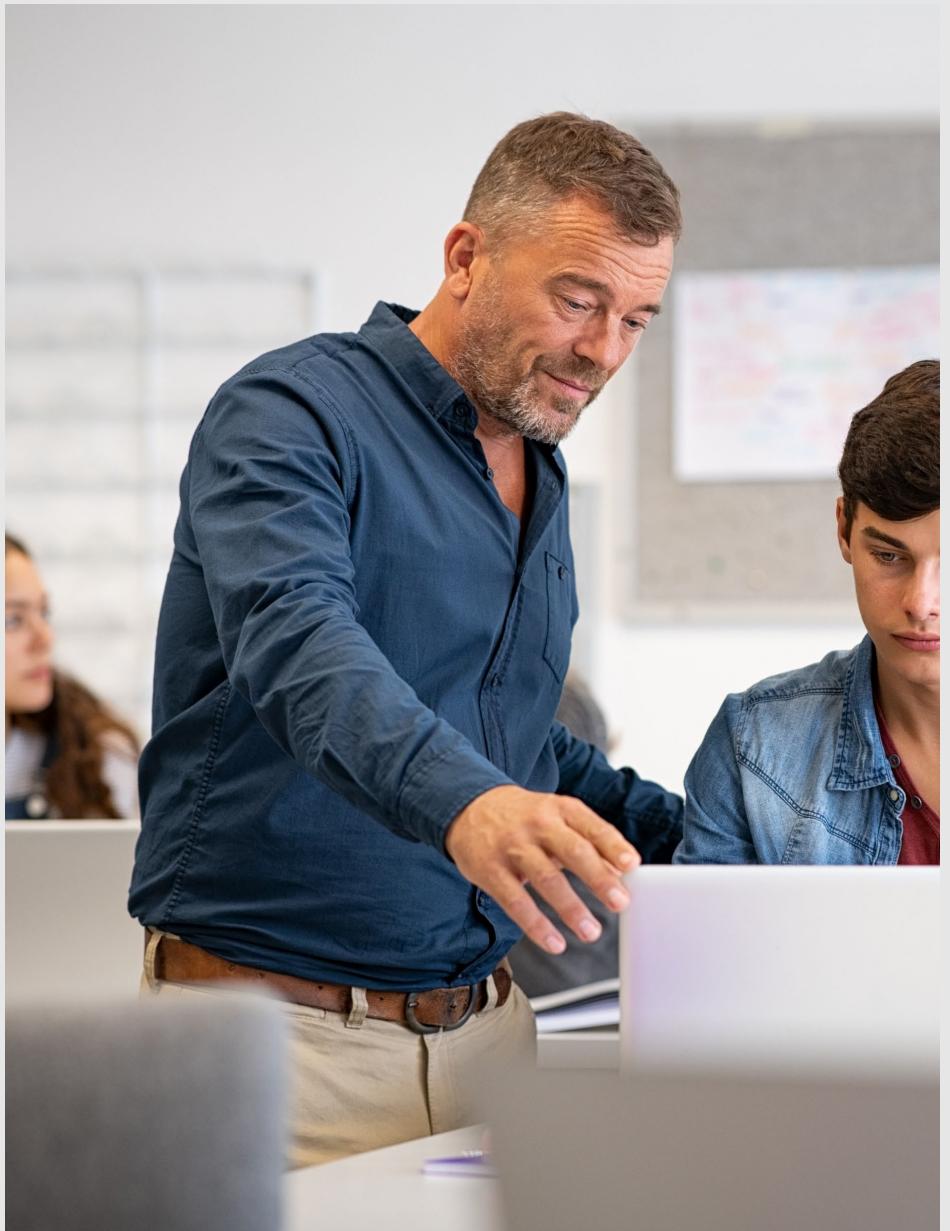
- Occur on the 3rd banking day of each month
- Will post on the TRS ledger on the 1st working day of the month

Coupon payments

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

Payroll Deductions

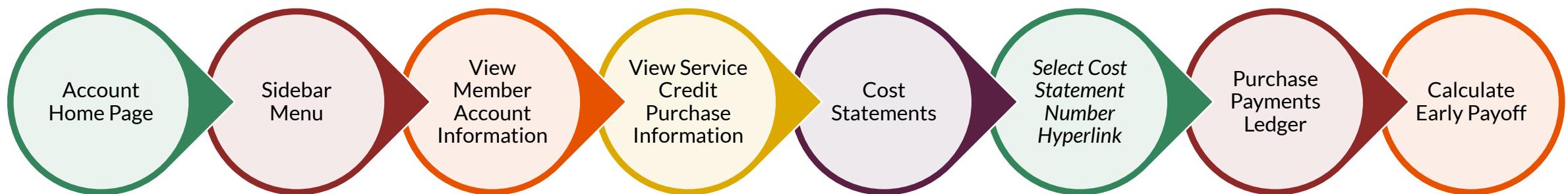
- Submitted along with monthly member contributions
- Not all REs will offer this as an option
- ERS and proportionate members are not eligible for payroll deduction.



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
Unreported	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



Danielle

DD214

CAUTION: NOT TO BE USED FOR IDENTIFICATION PURPOSES			ANY ALTERATIONS IN SHADED AREAS RENDER FORM VOID		
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			
AIR FORCE-REGAF					
4a. GRADE, RATE OR RANK	b. PAY GRADE	5. DATE OF BIRTH (YYYYMMDD)	6. RESERVE OBLIGATION TERMINATION DATE (YYYYMMDD)		
CAPT	O3	19700101	20150529		
7a. PLACE OF ENTRY INTO ACTIVE DUTY	b. HOME OF RECORD AT TIME OF ENTRY (City and state, or complete address if known)				
COLORADO SPRINGS CO					
8a. LAST DUTY ASSIGNMENT AND MAJOR COMMAND	b. STATION WHERE SEPARATED				
OL PZA AF LIFE CYCLE MGT CE (MTC)	JBSA RANDOLPH AFB TX				
9. COMMAND TO WHICH TRANSFERRED	10. SGLI COVERAGE		NONE		
USAFR	AMOUNT: \$400,000				
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.)					
64P3, CONTRACTING, 5 YEARS AND 4 MONTHS					
12. RECORD OF SERVICE	YEAR(S)	MONTH(S)	DAY(S)		
a. DATE ENTERED AD THIS PERIOD	2007	MAY	30		
b. SEPARATION DATE THIS PERIOD	2012	OCT	26		
c. NET ACTIVE SERVICE THIS PERIOD	05	04	27		
d. TOTAL PRIOR ACTIVE SERVICE	00	00	00		
e. TOTAL PRIOR INACTIVE SERVICE	03	11	04		
f. FOREIGN SERVICE	00	06	19		
g. SEA SERVICE	00	00	00		
h. INITIAL ENTRY TRAINING	2007	MAY	30		
i. EFFECTIVE DATE OF PAY GRADE	2011	MAY	30		
13. DECORATIONS, MEDALS, BADGES, CITATIONS AND CAMPAIGN RIBBONS AWARDED OR AUTHORIZED (All periods of service)					
Defense Meritorious Service Medal, Air Force Commendation Medal with 1 oak leaf cluster, Air Force Achievement Medal with 1 oak leaf cluster, Joint Meritorious Unit Award, AF Outstanding Unit Award, AF Organizational Excellence Award with 1 oak leaf cluster, National Defense Service Medal, Afghanistan Campaign Medal//SEE REMARKS//					
14. MILITARY EDUCATION (Course title, number of weeks, and month and year completed)					
PDE - SQUADRON OFFICER SCHOOL (SOS), MAY 2012; (JHE) SHAPING SMART BUSINESS ARRANGEMENTS, JUL 2011; (J01) FUNDAMENTALS OF SYSTEMS PLANNING RD&E, JUN 2011, (3NH) COMBAT AIRMAN SKILLS TRAINING, MAY 2011; (JHS) COST ANALYSIS AND NEGOTIATION TECHNIQUES, MAR 2010; (JHR) LEGAL CONSIDERATIONS IN CONTRACTING, AUG 2009; //SEE REMARKS//					
15a. COMMISSIONED THROUGH SERVICE ACADEMY	YES		NO		
b. COMMISSIONED THROUGH ROTC SCHOLARSHIP (10 USC Sec. 2107a)	YES		NO		
c. ENLISTED UNDER LOAN REPAYMENT PROGRAM (10 USC Chap. 109) (If yes, years of commitment: _____)	YES		NO		
16. DAYS ACCRUED LEAVE PAID 0	17. MEMBER WAS PROVIDED COMPLETE DENTAL EXAMINATION AND ALL APPROPRIATE DENTAL SERVICES AND TREATMENT WITHIN 90 DAYS PRIOR TO SEPARATION		YES		NO
X					
18. REMARKS					
ITEM 13: Global War on Terrorist Service Medal, Air Force Expeditionary Service Ribbon with Gold Border, AF Longevity Service with 1 oak leaf cluster, AF Training Ribbon, NATO Medal (Wear first NATO medal awarded.) ITEM 14: (055) INTERMEDIATE SYSTEMS ACQUISITION, JUL 2009; (JHP) BUSINESS DECISIONS FOR CONTRACTING, JUN 2009; (948) FUNDAMENTALS OF SYSTEMS ACQUISITION MGMT, JAN 2009; (07G) THE SMALL BUSINESS PROGRAM - WEB, AUG 2008; BDE-AIR AND SPACE BASIC COURSE (ASBC), DEC 2007; (CWI) SIMPLIFIED ACQUISITION PROCEDURES (SAP), OCT 2007; (B01) MISSION SUPPORT PLANNING, OCT 2007; (GYO) MISSION FOCUSED CONTRACTING, SEP 2007; (JHN) MISSION FOCUSED CONTRACTING COURSE, SEP 2007; (OLC) MISSION READY CONTRACTING OFFICER COURSE, SEP 2007. Member has completed first full term of service. Attended //See Continuation Page//					
The information contained herein is subject to computer matching within the Department of Defense or with any other affected Federal or non-Federal agency for verification purposes and to determine eligibility for, and/or continued compliance with, the requirements of a Federal benefit program.					
19a. MAILING ADDRESS AFTER SEPARATION (Include ZIP Code)		b. NEAREST RELATIVE (Name and address - include ZIP Code)			
20. MEMBER REQUESTS COPY 6 BE SENT TO (Specify state/locality) MA		OFFICE OF VETERANS AFFAIRS	X	YES	NO
a. MEMBER REQUESTS COPY 3 BE SENT TO THE CENTRAL OFFICE OF THE DEPARTMENT OF VETERANS AFFAIRS (WASHINGTON, DC)			YES	X	NO
21a. MEMBER SIGNATURE		b. DATE (YYYYMMDD)	22a. OFFICIAL AUTHORIZED TO SIGN (Typed name, grade, title, signature)		
MEMBER NOT AVAILABLE TO SIGN		N/A	b. DATE (YYYYMMDD)		
			20121026		
			2:58:26.000PM CAC Serial Number: 18173E IssuerCN: DOD CA-26		

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

Danielle



TRS551

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.trs.texas.gov

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

TRSS551 (09-16)

INSTRUCTIONS: Look for this symbol ♦ to be sure you have filled out all parts and Form TRS 611, *Information on Rollover or Transfer*, 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/Trans

Type of TRS Service Credit

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: Customer Service
1000 Red River Street
Austin, Texas 78701-2698

Teacher Retirement System of Texas

Page 2 of 2

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

TRS224



Anna

TRS224

- Preferred method to verify OOS service

TSR

- Teacher Service Record may be accepted

Multiple Employers

- 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

A grayscale photograph of the Austin, Texas skyline. In the foreground, the JW Marriott and Hyatt Place hotels are visible. The JW Marriott has a distinctive curved glass facade, and the Hyatt Place is a more rectangular building. Behind them, a variety of other skyscrapers of different heights and architectural styles are scattered across the horizon. The sky is overcast and grey.

Questions?