



the service was rendered, providing evidence of employment, and completing 10 years of service under TRS.

The required contribution for establishing the optional credit is equal to what the employer and employee contributions would have been for those years of private school service, calculated upon the member's first year of full time employment in TRS in the school year following the private school service. Additionally, the member must pay interest on the foregoing items at the actuarially assumed rate from the date of service to the date of payment.

SB 1646, as amended by HA 2, would re-open the window for applying for the aforementioned optional service. To apply for the optional service credit, the member must apply in writing on or before June 30, 2023.

*Exemption to the 6% End of Career Pay Increase Cap*

Under current law, if a teacher's salary for any school year used to determine final average salary for pension purposes exceeds the member's full-time salary with the same employer in the previous school year by more than 6%, then that school district shall be obligated to pay to TRS the present value of the portion of the salary increase that is in excess of 6%. This provision is commonly known as the "Final Average Salary Cap," or "FAS Cap." HA 2 to SB 1646 creates an exemption to this cap for summer school teaching that occurs on or after May 1, 2021 and before September 15, 2022. Hence, any salary increases above 6% used to calculate pensionable salaries that result from the aforementioned summer school teaching would not create a financial obligation for the pertinent school district.

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