



Travis County Commissioners Court Agenda Request

Meeting Date: December 16, 2014

Prepared By/Phone Number: Patti Smith – 854-6638

Elected/Appointed Official/Dept. Head: Nicki Riley, County Auditor

Commissioners Court Sponsor: Judge Samuel T. Biscoe

AGENDA LANGUAGE: Consider and take appropriate action to grant an exception to Travis County's policy regarding the requirement of retirement contributions for temporary employees working more than six months, as it relates to visiting judges.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS: See attached memo.

STAFF RECOMMENDATIONS: We recommend granting an exception for visiting judges to Travis County's policy regarding required retirement contributions for temporary employees working more than six months.

ISSUES AND OPPORTUNITIES: N/A

FISCAL IMPACT AND SOURCE OF FUNDING: N/A

REQUIRED AUTHORIZATIONS:

Debbie Maynor, Director, Human Resources Management Department

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials should be submitted as a pdf to the County Judge's office, agenda@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.

TRAVIS COUNTY
AUDITOR'S OFFICE

NICKI RILEY, CPA
COUNTY AUDITOR



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DATE: December 16, 2014
TO: Commissioners Court
FROM: Nicki Riley, County Auditor
RE: Exception to Retirement Contribution for Visiting Judges

Effective January 1, 2015 all visiting judges ("judges") will no longer be paid as independent contractors but will be considered employees of Travis County. This classification change is due to the IRS's clarification of their regulations, which now classify visiting judges as employees.

As independent contractors, the judges receive payment for services with no deductions. This will change once they are classified as temporary employees. All employees must have payroll taxes withheld which include a deduction for Federal income tax, Social Security tax and Medicare tax.

Currently, Travis County policy requires any temporary employee scheduled to work longer than six months to contribute into the Texas County and District Retirement System (TCDRS). Most of the visiting judges will fall into this category of temporary employee and would therefore be required to make contributions.

Since most of these judges are retired, the required contributions could impact the retirement benefits they are currently receiving. Therefore, it would be in the best interest of the visiting judges to be granted an exception to the County practice of requiring retirement contributions for temporary employees working more than six months.

We have consulted with TCERS and they concur that the classification of visiting judges as temporary employees with no retirement contribution requirement does not go against the TCERS Act.