



MEMORANDUM

DATE: May 28, 2019

TO: TTU Faculty and Staff

FROM: President Lawrence Schovanec
Provost Michael Galyean
CFO Noel Sloan

RE: FY 2020 Budget Merit Pool, Minimum Wage, and Retirement Contributions

Merit Pool

The President has approved a 2% merit pool for all centrally funded positions. Departments with non-centrally funded positions are permitted to award merits as their budgets allow. Merit allocations should be entered as part of the budget prep process to be effective September 1, 2019. Merit salary increases are intended to reward faculty and staff for their outstanding performance.

Minimum Wage

While Texas minimum wage is \$7.25 per hour, the President has approved an increase in the minimum wage to \$11.00 per hour for all full-time, benefits-eligible employees of Texas Tech University. This does not include part-time, interns, temporary workers, or event workers.

Retirement Contributions

Senate Bill 12 (SB12) passed the 86th Legislature and is pending the Governor’s signature. SB12 relates to contributions to the Teacher Retirement System of Texas (TRS) and makes the pension fund actuarially sound immediately. The current employer contribution rate is 6.80% and the employee contribution rate is 7.70%. These percentages will increase over the next several fiscal years, as shown below. Texas Tech University has chosen to implement the same increases for its employees who participate in the Optional Retirement Program (ORP).

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
FY 2020	7.50%	No Change
FY 2021	7.50%	No Change
FY 2022	7.75%	8.00%
FY 2023	8.00%	8.00%
FY 2024	8.25%	8.25%
FY 2025	8.25%	8.25%

Please know that all your efforts for Texas Tech University’s continued growth and success are greatly appreciated.