Benefit Replacement Pay (BRP)

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Prior to January 1, 1996, the State paid 5.8% of the social security tax on the first $16,500 of the State employee's earnings. This payment was treated as taxable income to the employee. The remaining FICA tax was paid by the employee.

I. The 74th Legislature passed Senate Bill 102, eliminating the provision for the State of Texas to pay the 5.8% portion of the FICA tax. The legislation provided that state employees on the payroll as of August 31, 1995, would continue to receive the state-paid FICA benefit on wages paid through December 31, 1995. Beginning with wages paid January 1, 1996, state-paid social security ceased and Benefit Replacement Pay was paid to eligible employees to offset the loss of state-paid social security. The Benefit Replacement Pay calculation is based on the employee's compensation as of October 31, 1995.

II. As of September 1, 1997, the Benefit Replacement Pay was added to the gross pay of eligible employees. It is no longer reported as a separate item.

III. An eligible employee who leaves State employment for 30 or more consecutive days after August 31, 2005, becomes ineligible to receive benefit replacement pay upon re-employment with the State.

IV. An eligible employee who retired from State employment on or after June 1, 2005, who receives an annuity from a public retirement system, is ineligible to receive benefit replacement pay upon re-employment with the State.

V. Employees on leave without pay due to military leave retain eligibility for BRP upon return to active employment.