

BRIEFLY

TFFR News Briefs for Employers from the ND Retirement and Investment Office
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Pension Software Project

Due to increasing costs involved in operating the outdated mainframe computer system we use to administer the pension program, TFFR has been working with MSI Consultants to study replacement or upgrade options. Three phases of the project have been completed.

Phase 1 - A feasibility study considered TFFR's business and technical environment, and evaluated replacement or upgrade options. Results of the study showed that significant benefit could be derived by replacing the current mainframe pension management system with commercial pension software. This would improve service to TFFR members and employers, increase the reliability of data, provide tools for improving staff productivity, and enhance system integration capabilities.

Phase 2 - A vendor comparison review of four qualified vendor software solutions allowed TFFR to evaluate vendor software capabilities, understand vendor architecture and technical requirements, and evaluate software upgrade, modification and maintenance requirements.

Phase 3 - Requests for Proposal (RFP) were developed and distributed to several vendors. The RFP responses are being evaluated by TFFR this fall.

The 2003 Legislature approved the agency's operating budget that includes replacing TFFR's current pension admin-

istration system. We hope to begin transition to a new solution in the spring of 2004. At this time, the replacement options we are considering should have minimal impact on employer reporting.

Welcome Back Curt!

Many of us have been affected by military reservists being called to active duty. We want to share the good news that Curtis Richter, TFFR Retirement Accountant, is scheduled to return in January 2004. We will continue to share information with you as we receive it, so you can join us in welcoming him back. We are certainly looking forward to his return!



NDSBA Convention



Please stop by the TFFR booth at the NDSBA Convention in Bismarck on Friday, October 31, 2003. We look forward to seeing you there!

Employer Guide



In September, all employers were mailed an updated "Employer Guide." Please discard the old version and use the new one as a reference tool. The guide is also located on our website.



Employing TFFR Retirees

If you have employed a TFFR retiree for 2003-04, please make sure to complete the "TFFR Retired Member Employment Notification" form. This form must be completed each year a retiree is employed. Several of you are still using an old version of this form. Please discard any old forms and begin using the May 2003 version. If you need additional forms, please contact our office or print the form from our website.

TFFR Retirement Projections

It seems that our lives just keep getting busier and busier. TFFR recognizes that employers, especially business managers, face new challenges every year. If you think you have lost several teachers to retirement over the years; consider this:

In the past ten years (1994-2003), about 2,600 TFFR members retired. Based on our projections, the number of TFFR members retiring in the next decade will exceed 4,000 assuming 40 percent* of those eligible each year retire.

| Current Membership | | # to Retire* | Avg/Year |
|-----------------------------|--------------|--------------|------------|
| Teachers & Special Teachers | 8,976 | 3,584 | 358 |
| Superintendents | 131 | 93 | 9 |
| Other Administrators | 613 | 350 | 35 |
| Total Active Members | 9,720 | 4,027 | 403 |

Employer Service Purchase

Employers may purchase service credit on behalf of TFFR members under certain conditions. These conditions are outlined on the back of the enclosed "Employer Service Purchase" form. Any employer interested in developing a program and purchasing service credit on behalf of a member should contact the Administrative

Office for a cost statement. The completed "Employer Service Purchase" form must accompany the purchase payment to TFFR.

Late and Incomplete Reporting

TFFR has noticed an increase in late and incomplete monthly reports. When reports are late or do not contain all of the necessary data, the information cannot be posted in a timely or accurate manner. This not only affects your school and your employees, but also all other reporting entities, since monthly reconciling cannot be completed until **all** entities have been reported.

Our policies and timelines regarding employer reporting are in place to make sure the member data supplied by employers is accurate and timely. This data is used to determine a member's eligibility and benefit payment amount. If a member retires or withdraws from the fund and the employer report is late or inaccurate, a member can be over or under paid.

TFFR payments and reports must be postmarked no later than the 15th day of each month following the month in which the members' salaries are paid. If the 15th falls on a weekend or holiday, the payment and report are due on the next business day. The North Dakota Century Code states that employers who fail to file required TFFR reports and payments may be subject to a civil penalty of \$250 and interest. In addition, any money (foundation payments) from the Department of Public Instruction may be withheld until reports and payments are made.

We all know that doing things correctly the first time saves time in the long run. Most

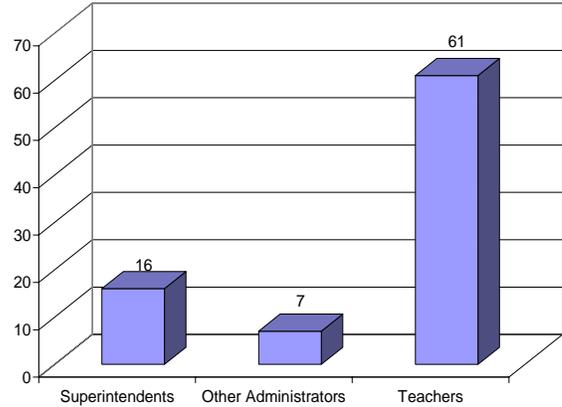
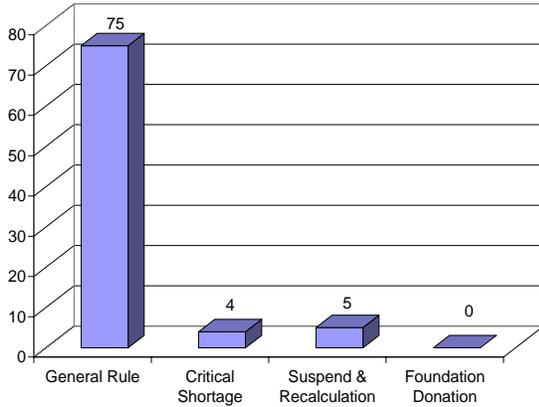


employer reporting problems can be avoided by simply reviewing information for accuracy **before** it is sent to TFFR and sending payments and complete reports on time.

2002-2003 TFFR Retiree Return to Teach Statistics

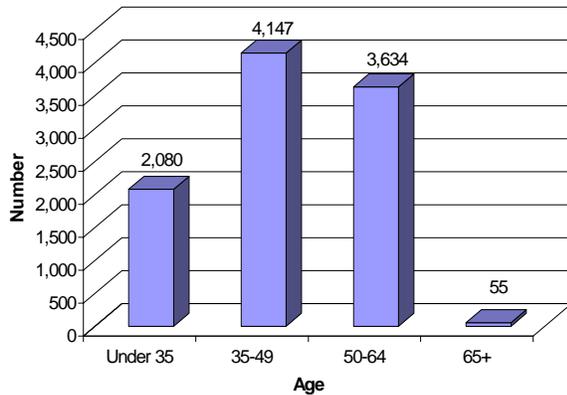
Total Retirees 84

Average Age 61



DID YOU KNOW?

Active Membership by Age



- TFFR's active membership is made up of 2,812 males and 7,104 females.
- Total salaries reported to TFFR in 2002-03 totaled almost \$368 million.
- Average salary for an active TFFR member is \$37,105.
- Average service credit for an active TFFR member is 14.6 years.
- Average age of an active TFFR member is 44.8 years.

Have a wonderful fall