

Retiree Re-employment Changes Being Studied



TFFR recently submitted a study bill to the Legislative Council EBPC for consideration in the 2005 legislative session. The bill contains changes to retiree re-employment provisions.

Under current law, after a 30-day waiting period, a retiree may return to TFFR covered employment for a maximum number of hours and continue to receive a monthly retirement benefit. The maximum annual hour limit is based on length of contract duties.

- 9 month contract = 700 hours
10 month contract = 800 hours
11 month contract = 900 hours
12 month contract = 1000 hours
- Substitute teaching, extracurricular duties, and continuing professional development do not apply to the annual hour limit.

Proposed legislation would require employer and employee contributions on all salary received by the retiree under all re-employment situations (exception: substitute teaching). Employers would follow the same employer payment plan model for retired members as they follow for active members. The retiree would not earn additional service credit, member contributions would not be refunded, and the retirement benefit would not be

adjusted (unless the retirement benefit is suspended and re-retirement occurs). However, the retiree could continue receiving their monthly TFFR retirement benefit and could also receive salary from the school district without forfeiting the retirement benefit.

Proposed legislation would also remove the June 30, 2005, sunset provision and make permanent the option for retirees to return to TFFR covered employment full time in critical shortage areas and continue receiving retirement benefits. A one-year waiting period is required if the member retired after January 1, 2001. Employer and employee contributions would also be required on all salary received by the retiree.

Timely Submission of Retiree Re-Employment Forms

A TFFR Retired Member Employment Notification Form must be completed each year a participating employer hires a retired TFFR member. It is the employer's responsibility to return the completed form to



TFFR within thirty days of hiring the retiree.

NDCC 15-39.1-23 states that employers are subject to a penalty of \$250 plus interest for failure to file required reports/forms or payments with TFFR. In addition, foundation payments can also be withheld until the TFFR requirements are met.

Monitoring retiree re-employment is the responsibility of both the employer and TFFR. Let's work together to ensure that retiree re-employment is handled properly.

Bus Driving Pay

Due to recent questions, a clarification seems appropriate regarding when or if bus driving is reportable to TFFR. State statute specifically excludes bus driving pay from reportable TFFR salary. Therefore, bus driving (route or activity) is not reportable to TFFR - this includes coaches driving bus. If you have any questions, please call Curt or Durene at the administrative office.



Fiscal Year-End Reminders

To close a member's account, TFFR requires compensated hours, not to exceed 700 hours, and last date worked. Report this information the same month you report the final salaries earned. The due date for the final payment of contributions is July 15, 2004.

Report salary in the fiscal year **earned**, not when paid. Salary earned for some summer programs could be reported in two fiscal years.

If you do not have contributions to report for a particular month, it is still necessary to submit written notification to TFFR documenting you will not be reporting anything for the month.

If your school district is consolidating with another district, going to a non-operating status, or closing, please notify TFFR, in writing, as soon as possible.

Member Action Forms, Notice of Termination forms, and TFFR Retired Member Employment Notification forms are located on our website.

Retirement Options for Reservists

If you have not already done so, please complete a Member Action Form to notify TFFR that you have an employee on military leave. When the employee returns from leave, complete another Member Action Form.



Once we are notified that a member has returned to TFFR covered employment, we will determine if the member is eligible to purchase military service credit under the Uniformed Services Employment and Re-employment Rights Act (USERRA). The cost to purchase will be calculated and a request for payment will be sent to the employer.

The table below details who would be responsible for payment if a member elects to purchase lost service credit and/or salary under USERRA.

Model 1 or No Model	Member pays employee contribution (7.75% of lost salary) Employer pays employer contribution (7.75% of lost salary)
Model 2 All	Member pays 0 Employer pays employer & employee contribution (15.5% of lost retirement salary)
Model 2 Partial or Model 3	Member & employer each pay their part of the employee contribution (total 7.75% of lost retirement salary) Employer pays employer contribution (7.75% of lost retirement salary)

Have a great summer!

