



Tax Treatment of TFFR Contributions

The following information, as noted on page 19 of the **TFFR Employer Guide**, is to serve as a reminder regarding accurate reporting of salary deferrals on the W-2 form.

TFFR is a 401(a) defined benefit plan and its contributions are mandatory, not elective. Under all models, the amount of TFFR contributions withheld or paid by the district is not required on the W-2 form. However, if the district wishes to place this information on the W-2, it belongs in Box 14.

School districts and participating employers are responsible for accurately preparing and reporting employee tax information.

2005 Annual Financial Report Available

The Retirement and Investment Office Comprehensive Annual Financial Report (CAFR) may be viewed from our website, www.nd.gov/rio, or a copy may be requested by contacting the administrative office. This report is a complete review of the financial, investment, and actuarial conditions of the State Investment Board and the Teachers' Fund for Retirement.

Report Card

Pension Software Goes Live

Actuarial Report Results

These topics and more can be found in the enclosed Report Card. Take a look!

\$ Bonuses \$

TFFR has recently received phone calls on whether bonuses are reportable salary to TFFR.

Bonuses that are service related (performance, retention, or experience) are reportable to TFFR. **However**, if the bonus is conditioned on a member's retirement or termination, the bonus is **not** reportable salary.

Also, a bonus given for recruitment, sign-on, or hiring is **not** reportable salary to TFFR.

If you have any questions on whether a bonus is reportable to TFFR give us a call at the administrative office.

Model Analysis

TFFR is available to answer questions concerning the methods an employer may use to pay member retirement contributions. We provide analysis on how changing models could impact the district and teachers. Since an employer payment plan must begin as of July 1 (retroactive to July 1 if negotiations are settled at a later date); it is important to receive and discuss this analysis in a timely fashion.

