

Tax Treatment of TFFR Contributions

The following information serves as a reminder for 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.



Report Card

Enclosed is a summary of legislative proposals and the recent issue of the TFFR "Report Card" member newsletter. A few highlights include:

- Proposed TFFR Legislation
- 2006 Actuarial Report Results
- TFFR Board Updates Goals

Please pay particular attention to proposed TFFR legislation. If approved, SB 2046 will impact your school district. The bill increases employer retirement contributions, requires employer contributions on re-employed retirees, and creates a new tier of reduced member benefits for TFFR members employed on or after July 1, 2007.

Rio Website

A visit to www.nd.gov/rio will provide you easy access to information about our agency, the TFFR Board, investments, employer and member information, plan benefits, publications, forms, legislation, and a lot more.

Details of legislative proposals affecting TFFR are available under the Legislation link. You can also track the bill status as it moves through the session.

Employer Services

2006 Annual Financial Report Available

In an effort to provide services to help you make informed decisions, TFFR representatives are available to answer questions concerning the methods an employer may use to pay member retirement contributions. We can provide examples of how changing models could impact your 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 the examples in a timely fashion.

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 condition of the State Investment Board and the Teachers' Fund for Retirement.

Retirement Eligibility Profiles are also available. This report gives the employer a detailed 30-year projection regarding TFFR member retirement eligibility. This report has proven very helpful for employer workforce planning purposes.

If your school district is consolidating or closing, please notify us in writing. The "Teachers in Transition" outreach program is designed to provide TFFR information and options to teachers that will no longer be actively employed with a TFFR employer. If you would like to offer this program in your school, please give us a call.



MODEL USAGE

Sample illustrations of each model can be found in the TFFR Employer Guide beginning on page 14.

