

# Briefly

## Employer Newsletter

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### Report Card Highlights

Enclosed is the recent issue of the Report Card newsletter. Please pay special attention to the following articles:

- HB 1022: Increases employer retirement contributions from 8.25% to 8.75% effective **July 1, 2010**.
- HB 1360: Clarifies TFFR participation for Regional Education Associations (REAs).
- Benefits Counseling Outreach Programs – Schedule of dates and locations for 2009-10.

### Late Reporting Penalty Information

The monthly report and payment of member and employer contributions must be mailed to TFFR by the 15<sup>th</sup> day of the month following the month in which the members' salaries are earned. If the 15<sup>th</sup> of the month falls on a weekend or holiday, the report and payment are due on the next business day.

State law requires TFFR to take action if an employer fails to remit the monthly report and payment by the due date. Employers that fail to remit the monthly report and/or payment by the due date will be assessed a penalty of \$250. In addition, interest of one percent per month for each month the report or payment is late will be charged on the amount due. A written request from the superintendent for a waiver of the \$250 penalty may be approved under limited circumstances, but the interest must be paid. TFFR may also notify the Department of Public Instruction to withhold state foundation payments until all TFFR reports, payments, penalties, and interest are paid.



### Employing Retirees in Critical Shortage Areas

In addition to the "General Rule," retired teachers may also return to TFFR covered employment in an approved

Critical Shortage Area (CSA) and exceed the annual hour limit without losing retirement benefits. If retired on or before January 1, 2001, no waiting period is required. However, if the retirement date is after January 1, 2001, a one year waiting period is required. Only non-contracted substitute teaching may be performed during the waiting period.

The critical shortage areas are determined each year by the Education Standards and Practices Board (ESPB). For the 2009-2010 school year, all subject areas are deemed critical except elementary education and physical education. A critical shortage area exception may also be requested based on geographical area.

### Pension Note Requirements (GASB #25)

TFFR receives numerous requests at the end of each fiscal year from various accounting firms requiring the dollar amount of contributions reported and paid by a given school district. The requested information is located on the final fiscal year-end employer summary report provided to school districts each August. On the final page of the summary report (employer totals section), the dollar amount of the contributions reported and paid is documented.

Since this documentation is provided to the school district on a fiscal year basis, the requests will be referred to the individual school district(s).

Enclosed are your final 2008-09 Employer Summary Report and a copy of the GASB #25 Disclosure Statement. Please review the report for accuracy.

### Internet Reporting

Current Internet reporters have been notified that TFFR Employer Online is available to upload monthly reports. If you have received your TFFR Employer Account ID and initial password and have not done so, please remit your next monthly report using TFFR Employer Online Services.

In the coming months, TFFR will be sending letters to all employers on the waiting list. The letter will contain your TFFR Employer Account ID and initial password so you can also enjoy the features of TFFR Employer Online. Thank you for your patience.

## Reminders

- Please submit a Notification of School District Change form if there are any changes in contact (i.e. superintendent, business manager) or demographic information.
- If you are employing a new teacher or have teachers with a change in name or address, TFFR will need a new Member Action form.
- If you have employed a TFFR retiree, please make sure to complete the TFFR Retired Member Employment Notification form. This form must be completed each year a retiree is employed and sent to TFFR no later than 30 days after employment begins.
- For updated forms, please visit our website at <http://www.nd.gov/rio> or contact our office. Please discard outdated forms.

## Teaching License Requirements

The following Q & A's will attempt to clarify the impact on TFFR eligibility if a teacher or re-employed retiree loses or forfeits their teaching license.

**Q. If a non-retired teacher or administrator is employed by a participating TFFR employer (including Regional Education Associations) in a position that does not require a teaching license and the teacher or administrator loses or forfeits their teaching license, should the employee still be reported to TFFR?**

A. No. For purposes of TFFR participation, state law (NDCC 15-39.1-04(11)) defines a teacher as an individual who is licensed by ESPB and contractually employed in teaching, supervisory, administrative, or extra-curricular services by a TFFR participating employer. Therefore, if a teacher or administrator loses or forfeits their teaching license, the employee is not eligible to participate in TFFR as an active, contributing member.

**Q. If a retired teacher or administrator is employed by a participating TFFR employer (including Regional Education Associations) in a position that does not require a teaching license**

**and the retired teacher or administrator loses or forfeits their teaching license, is the retiree still subject to TFFR retiree return to work limitations?**

A. In most cases, yes. State law (NDCC 15-39.1-19.1) allows retirees who are receiving TFFR retirement benefits to return to covered employment under certain limitations. If the retiree exceeds the limitations, TFFR must discontinue payment of retirement benefits. The reporting requirement of being licensed by ESPB and contractually employed that applies to active members does not apply to re-employed retired members. A retiree must "return to covered employment." To determine if a retired teacher or administrator has "returned to covered employment," TFFR considers the following:

1) Is the retiree employed by a participating TFFR employer? Participating TFFR employers include school districts, state institutions, multidistrict special education units, area career and technology centers, regional education associations, and other employers defined in state law.

2) Is the retiree performing teaching, supervisory, administrative, or extra-curricular duties? It does not matter if the retiree has a written agreement or if the position requires a teaching license. TFFR may need to review the job description and other employment information to assist in determining the type of position it is. In most cases, the TFFR retiree is employed in teaching, supervisory, administrative, or extra-curricular duties and is subject to TFFR retiree return to work limitations. However, if a TFFR retiree is employed as a bus driver, cook, or maintenance worker, for example, the retiree is not subject to TFFR retiree return to work limitations.

If the answer to both questions is "yes," the retiree has returned to covered employment, and is therefore subject to TFFR retiree return to work limitations.

