

TFFR CONTRIBUTION RATES

The Employer and Employee Contribution Rates will not be increasing for fiscal year 2013-14.

If you are negotiating a two year contract, please remember the rates will increase for 2014-15.

	<u>Current</u>	<u>Effective 7/1/2014</u>
Employee	9.75%	11.75%
Employer	10.75%	12.75%

Thanks to everybody for all your dedication and hard work as we worked through the rate increase last July! The first couple of months were definitely a learning period, but overall it went very smoothly. The next change in July 2014 should be a breeze!! ☺

2013 APPROVED LEGISLATION AFFECTING TFFR

SB 2061 - TFFR Administrative Changes (Sponsor: TFFR Board)

- Updates definitions, incorporates federal law changes to comply with federal statutes, and adds a savings clause.

HB 1230 – Expiration of the Increase in TFFR Contribution Rates

- Maintains the TFFR member and employer contribution rates approved by the 2011 Legislature until the Fund reaches 100% funded ratio (was 90%)

at which time contribution rates would be reduced to 7.75% each for member and employer.

Additional legislative information can be obtained from the TFFR website at www.nd.gov/rio or ND Legislative Council website www.legis.nd.gov.

BUSINESS MANAGER WORKSHOPS

The ND Teachers Fund for Retirement will once again be a presenter at the regional Business Manager Workshops. We will be discussing such items as legislative changes impacting TFFR, TFFR reporting issues, and other important information. The cities and dates are:

Grand Forks – May 6, 2013
Valley City - May 7, 2013
Mandan - May 8, 2013
Minot - May 9, 2013

We look forward to seeing and visiting with you!

IRS COMPENSATION LIMIT

Annually, the IRS issues a compensation limit that impacts the salary that can be reported to TFFR for benefit calculation purposes. The 2013 compensation limit is \$255,000. If you have any TFFR employees that will be earning in excess of this amount, please contact Shelly Schumacher, TFFR Retirement Program Manager, to discuss how to handle salary reporting for these employees.



- ✓ An [Employer Payment Plan form](#) must be filed if an employer is changing models. The new model must be implemented at the beginning of the fiscal year (July 1) and must cover all TFFR members. Administrators cannot be covered under a different model. The form should be sent no later than August 15.

- ✓ If you do not have contributions to report for a month, written notification to TFFR is required.

FISCAL YEAR-END REMINDERS

- ✓ **All member records including re-employed retirees must be closed with compensated hours and last date worked.** Compensated hours should be capped at 700 hours for active members. However, do not cap the hours reported for re-employed retirees and report actual compensated hours even if it exceeds 700 hours. (For re-employed retirees, include in-staff subbing hours and exclude extra-curricular and professional development hours.)
- ✓ Salary needs to be reported when **earned** and not when paid. Members contracted over 9 months, but paid over 10, 11, or 12 months, must be expensed out on the June report which is due July 15.
- ✓ Salary for summer programs must also be reported when **earned** and not when paid. Report June work on the June report and July work on the July report. Please see the “Summer Programs” article for additional information.
- ✓ Payments for unused vacation and/or sick leave should not be reported to TFFR.

TFFR PRE-RETIREMENT SEMINARS

TFFR’s 2013 statewide pre-retirement seminars have been scheduled. All teachers are invited to register for this full day pre-retirement planning seminar that covers TFFR benefits, financial planning, estate planning, Social Security benefits, PERS health insurance, and adjusting to retirement.

Grand Forks	July 10, 2013 (full)
Bismarck	July 17, 2013

Your help in marketing these seminars is always appreciated. To register, teachers should call the TFFR office at 1-800-952-2970 or 328-9886.

REPORT CARD HIGHLIGHTS

The January 2013 [Report Card Newsletter](#) was recently published and can be viewed on the TFFR website. Please take a few minutes to review the summary of results from TFFR’s last actuarial valuation.

SUMMER PROGRAMS

Summer programs, such as summer school and driver's education, are generally reportable to TFFR because the teachers are under contract with the school district. To ensure proper documentation, school districts should issue written agreements for summer programs. In some cases, the district may not issue summer school contracts to any of its summer school teachers, but hires all their summer school teachers from within the district. If so, the summer school teaching is reportable to TFFR because the teachers are already contracted with the district. However, if the district does not issue summer school contracts and hires a summer school teacher from outside the district, the non-contracted teachers from outside the district are not reportable to TFFR.

As noted in the Fiscal Year End Reminders, summer programs are reportable in the fiscal year in which the pay is earned. Salary earned for most summer programs (including driver's education) will be reported in two fiscal years.

Example: A licensed teacher is contracted to teach a summer program from June 1 through July 15 (20 days in June and 10 days in July). The employer needs to report the salary and hours earned from June 1 to June 30 on the June report (due July 15) and the salary and hours earned from July 1 to July 15 on the July report (due August 15) regardless of when the salaries were paid.

Many employers continue to report summer pay incorrectly. Some employers have found it helpful to set up summer program pay to match the TFFR reporting requirement. This is an example of the text one employer added to the bottom of their summer contracts:

Job Code: Summer/Elem/120 hours

June Pay Date:	June 30, 2013	Hours: 80	Amount: \$3,587
July Pay Date:	July 30, 2013	Hours: 40	Amount: \$1,793

**Summer IS coming!**

ENJOY!