

## **GASB STATEMENT 68 UPDATE**

TFFR's external auditor has completed the census data audits of 17 school districts. Thanks to all of you that assisted in this effort. Overall, the outcome of these audits found no material findings. The audited fiscal year 2014 [Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer](#) are now available on our website. Employers and auditors can use these schedules to complete your 2015 financials.

GASB Statement 68 information will also be presented during the Business Manager Workshops in May.

## **TFFR LEGISLATION**

The 2015 Legislative session has ended. The TFFR Board submitted one bill for consideration which was approved. [HB 1064](#) updated language to maintain compliance with federal Internal Revenue Code tax law changes related to qualified governmental pension plans.

**NO CHANGE TO TFFR CONTRIBUTION RATES**  
**No legislative changes were made to TFFR contribution rates or benefits. The TFFR contribution rates for 2015-16 will remain at 11.75% Employee and 12.75% Employer.**

## **BUSINESS MANAGER WORKSHOPS**

The ND Teachers Fund for Retirement (TFFR) will once again be a presenter at the following regional Business Manager Workshops. We will be discussing the upcoming GASB financial reporting changes, TFFR reporting requirements, and other important information.

- Mandan - May 5, 2015
- Minot - May 6, 2015
- Grand Forks - May 7, 2015
- Valley City - May 8, 2015

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 2015 compensation limit is \$265,000. 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.

## **REPORT CARD NEWSLETTER**

The [February 2015 Report Card](#) newsletter can be viewed on the TFFR website. The newsletter highlights include:

- TFFR Annual Valuation Results
- New TFFR Board Member Appointed

## EMPLOYER COMPLIANCE AUDITS

Most TFFR employers have been through a compliance audit conducted by the TFFR internal audit staff. Every effort is made to conduct these valuable audits in a time efficient manner. In an effort to improve efficiency, future TFFR employer compliance audit notifications will be done electronically instead of by mail. We hope this method will also save time for the employer. Any comments you have on the new process will be appreciated. Thanks again for your efforts to make sure the pension data submitted to TFFR is accurate. We could not do it without you!

## FISCAL YEAR-END REMINDERS CHECKLIST

- ✓ **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 -- report actual compensated 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** -- 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** -- not when paid. Report June work on the June report and July work on the July report.
- ✓ Payments for unused vacation and/or sick leave should **not** be reported to TFFR.

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

## JUNE-JULY REPORTING OF HOURLY WAGES

The following is a common error we see when a TFFR member works in June at an hourly wage.

- In July, an employee submits a salary request (time sheet) for hourly work done in June. These wages are paid in July and get reported on the July TFFR report in error.

**Salary must be reported in the fiscal year earned, not when paid.** Also, if you report salary earned in June on your July report in error and the contribution rates increased in July, you will have overpaid contributions.

If the salary was reported in the wrong year, please let us know. We will move the salary back to the correct fiscal year and issue you a refund if contributions were overpaid.

If you recognize that the pay belongs in a prior year, before adding it to your regular July payroll, please contact TFFR to discuss the best way to report the pay correctly.

If you have any questions, please contact the TFFR office.



ENJOY!

## 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.*

**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, 2014*  
*Hours: 80 Amount: \$3,587*  
*July Pay Date: July 30, 2014*  
*Hours: 40 Amount: \$1,793*

## E-MAIL ADDRESSES

We have learned that the *sendit.nodak.edu* e-mail extension used by many TFFR employers is being replaced. To allow TFFR to reach you by email with important TFFR information, please provide the new Administrator and Business Manager e-mail addresses to [Darlene](#) at the administrative office. Her email address is [daroppel@nd.gov](mailto:daroppel@nd.gov).

## TFFR PRE-RETIREMENT SEMINARS

TFFR's 2015 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, health insurance, and adjusting to retirement.

**Grand Forks July 22, 2015**  
**Bismarck July 23, 2015**

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.

## EXTRA-CURRICULAR PAY

During a recent review we discovered that a school district did not report a teacher that only did an extra-curricular duty, such as coaching. If a licensed teacher has a written agreement to do an extra-curricular duty, it is reportable to TFFR. TFFR does not have any minimum salary or hourly requirements.