

NEW TFFR BOARD POLICY – INELIGIBLE SALARY

Effective July 1, 2016 additional payments made by a Teachers' Fund for Retirement (TFFR) participating employer to a licensed TFFR member for equipment maintenance and repair, jobsite prep and finish work, and similar types of non-teaching duties are not eligible salary for TFFR purposes *if* the duties are not included on the member's regular teaching contract(s).

UPDATED MEMBER ACTION FORM

The [TFFR Member Action form](#) has been updated. Please discard any old versions of this form and use the new version dated 4-2016.

The updated version includes the following member affirmation:

I have a current ND teaching license and a contract or other written agreement with the employer above. Yes or No

Prior to submitting completed Member Action Forms to TFFR, please take a moment to check the teacher's response to this question. If they answered "No" then one of two things needs to happen – 1) You confirm that they do not have a ND teaching license and/or a written agreement and they should not be reported or 2) You confirm they do have a ND teaching license and a written agreement and the response on the form needs to be changed to "Yes."

GASB STATEMENT 68 UPDATE

The audited fiscal year 2015 Schedules of Employer Allocations and Pension Amounts by Employer, GASB 68 Disclosure Template, and Sample Journal Entries are now available on our [website](#). Employers and auditors can use this information to complete 2016 financial statements.

[GASB Statement 68 information](#) will also be presented during the Business Manager Workshop in May.

EMPLOYER CONTRIBUTION RATES FOR 2016-2017

The contribution rates will remain the same for the upcoming school year 2016-2017.

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|-----------------------|--------|
| Member Contribution | 11.75% |
| Employer Contribution | 12.75% |

BUSINESS MANAGER WORKSHOP

TFFR will be a presenter at the statewide Business Manager Workshop being held in Mandan on May 5, 2016. We will be discussing the Year 2 GASB financial reporting information, TFFR reporting requirements, and other important information.

**WE LOOK FORWARD TO SEEING
YOU THERE!**

FISCAL YEAR-END 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** 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.
- ✓ Payments for unused vacation and/or sick leave should **not** be reported.
- ✓ If you do not have contributions to report for a month, please return your paper report with a zero amount or email TFFR.

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 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 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.

TFFR RETIREMENT EDUCATION WORKSHOPS

The 2016 statewide Retirement Education Workshops have been scheduled. All teachers are invited to register for this full day workshop that covers TFFR benefits, financial planning, estate planning, Social Security benefits, health insurance, and adjusting to retirement.

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|------------|----------------------|
| Minot | July 13, 2016 |
| West Fargo | July 14, 2016 (full) |

Your help in marketing these workshops is always appreciated. To register for the Minot workshop, TFFR members should call our office at 800.952.2970 or 701.328.9886.

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 2016 compensation limit is \$265,000. If you have any TFFR employees that will be earning in excess of this amount, please contact Shelly Schumacher, Retirement Program Manager, to discuss how to handle salary reporting for these employees.

EXTRA-CURRICULAR PAY

During a recent review we discovered that a school district did not report an individual who only worked an extra-curricular duty. If a licensed teacher has a written agreement for an extra-curricular duty, it is reportable to TFFR. There is not a minimum salary or hourly requirement.

VESTED INTEREST NEWSLETTER

Please take a few minutes to read the March 2016 edition of [Your Vested Interest](#).



TFFR Employer Audit Information Corner

Terra Miller Bowley
Supervisor of Audit Services

Summer Salary Reporting

Spring has officially arrived! Soon April showers will bring May flowers and thoughts will turn to the lazy days of summer. Many employers will offer summer school and other summer programs during June and July. Two of the most common reporting errors discovered during TFFR Compliance Audits are related to summer salary.

TFFR strongly encourages employers to issue written agreements to all individuals involved in summer school or other summer programs. A written agreement ensures that participation in summer school and other summer programs is properly documented for all parties involved including the individual, the employer, and TFFR. If written agreements are not issued to individuals employed in another district or to individuals without a continuing contract with the employer, any summer salary and service hours earned cannot be reported to TFFR.

Summer salary is reportable in the fiscal year in which the salary is **earned** regardless of when the salary is paid. Summer salary earned from June 1 to June 30 must be reported to TFFR in June. Summer salary earned from July 1 to July 31 must be reported to TFFR in the next fiscal year on the July report. The same would be true for service hours.

When in doubt reference the [TFFR Employer Guide](#) or call the TFFR administrative offices at 800.952.2970.