

Briefly

Employer Newsletter

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Retiree Re-Employment Provisions

At this time of year, we frequently receive questions from employers and prospective retirees wondering if a retiree is allowed to return to TFFR-covered employment after retirement. Here's what you **both** need to know.

Once an employee makes the decision to retire and notifies the school district of his/her resignation and pending retirement, all employment ties with the school district must be severed. **Under both federal and state law, a teacher must terminate employment in order to be eligible to receive retirement benefits. Therefore, at the time of retirement, there can be no written pre-existing agreement indicating that the retiree will be re-employed after retirement.**

After the employee retires, a 30-day waiting period is required before the retiree can return to TFFR-covered employment. The employer and the retiree can then enter into a written agreement for the retiree to return to work. **The employer and the retiree must notify TFFR by completing a "TFFR Retired Member Employment Notification" form. This form, along with a copy of the retiree's contract or employment agreement, must be submitted to TFFR each year the retiree is employed. Failure to do so could result in the retiree losing retirement benefits.**

Once the above conditions are met, under the General Rule, a retiree may return to teaching for a maximum number of hours and continue to receive a monthly retirement benefit.

Employer and employee retirement contributions are not paid so long as the retiree does not exceed the maximum annual hour limit. The maximum annual hour limit is based on length of contract duties as follows:

9 month contract =	700 hours
10 month contract =	800 hours
11 month contract =	900 hours
12 month contract =	1000 hours

Substitute teaching, extracurricular duties, and continuing professional development do not apply to the annual hour limit. Extracurricular duties include those outlined in the extracurricular schedule of an employer's master agreement, unless the duties were part of the retiree's regular job and base salary prior to retirement.

Retirees can also return to teach under other exceptions including critical shortage area, and benefit suspension and recalculation. Special provisions apply in these situations.

Retiree re-employment is being closely monitored. Please be sure you know the rules before you hire a retiree.

Spring Workshops



The Spring Business Manager Workshops are just around the corner, and TFFR will be participating as usual. If there are any specific topics you would like us to address, please give Curt a call. We look forward to seeing you there.

Model Analysis

Tis' the season for teacher/school district negotiations. If the subject of changing the manner in which TFFR retirement contributions are paid comes up, please contact TFFR. Our staff can answer many of your questions and provide you with an analysis showing how changing employer payment plan models impacts both the school district and the teachers. If you would like information, please contact Curt at the administrative office.

Bus Driving Pay



There seems to be some confusion about whether bus driving pay is considered reportable TFFR salary. To clarify, state law specifically excludes bus driving pay from being reportable TFFR salary.

Consequently, in the future, do not differentiate between bus driving for regular bus routes, school activities, or by coaches. Please do not report any bus driving pay to TFFR.

Dual Membership

Dual membership provides portability to members with service in TFFR, Public Employees Retirement System (PERS), and /or the Highway Patrolmen's Retirement System (HPRS). For vesting and retirement eligibility, the years of service in these systems will be added together, with service not to exceed one year of credit in any fiscal year.

Example:

A teacher age 58 with 25 years of TFFR service credit and 2 years of PERS service credit is eligible to retire under the Rule of 85. (Age 58 + total service credit of 27 (25 + 2) = 85.)

Employees working in multiple jobs in a school district that requires participation in TFFR and PERS should be reported to both systems based on the applicable job duties.

Examples:

Teacher A

Full-time teacher's aide Sept - May: **Report to PERS**
Also teaches summer school: **Report to TFFR**

Teacher B

Part-time teacher's aide Sept - May **and** meets PERS minimum: **Report to PERS**
Also teaches one class Sept - May: **Report to TFFR**

If you have questions about dual member reporting requirements, contact Curt at the administrative office.



Pension Software Project Update

A couple of years ago, TFFR began studying various pension software solutions to replace or upgrade the existing mainframe computer system used to administer the TFFR pension plan. Our goal was to update outdated technology, improve service to members, increase data reliability, provide tools to increase staff productivity, and enhance system integration capabilities.

TFFR selected a pension product from CPAS Systems which offers a very user-friendly, flexible, robust pension administration system capable of handling complex calculations and plan design features.

Implementation of the new CPAS pension software is approximately 70% complete. We will be conducting user acceptance testing this spring, with plans to go live this summer. We anticipate that the new system should have minimal impact on employer reporting activities.

Challenging work on this important project lies ahead, but we are excited about the reliability, efficiency, and improvements the new software will bring to TFFR members, employers, and staff.

Fiscal Year-End Reminders

- To close a member record, TFFR requires compensated hours (not to exceed 700) and last date worked. This information should be reported the same month you report the final salaries earned (May or June). The due date for final payment of contributions (fiscal year ending June 30, 2005) is July 15, 2005. If you need to make a change to salary, compensated hours, or last date worked, please notify us in writing with an explanation of the necessary corrections.
- Salary needs to be reported when **earned** and not when paid. Salary earned for some summer programs (including drivers' education) could be reported in two fiscal years, depending upon when the salaries are earned.
- Payments for unused vacation and/or sick leave are not subject to retirement contributions and should not be reported to TFFR.