

TFFR Funding Challenge & Proposed 2011 Legislation

To address declining TFFR funding levels, the TFFR Board, with input from member and employer interest groups, has developed legislative proposals to improve TFFR's funded status. The proposals have been submitted to the interim Legislative Employee Benefits Programs Committee for study. Please review the following enclosures and visit our website for additional legislative information.

- May 2010 Special Edition Newsletter
- Summary of 2011 Legislative Proposals

The impact the legislative proposals will have on employers will be reviewed in detail at the upcoming May 2010 Business Manager Workshops. If you have any questions, please contact the administrative office.

Employer Contribution Rate Increasing July 1, 2010

Employer contribution rates are increasing from 8.25% to 8.75% effective July 1, 2010. This increase in employer contributions applies to the retirement salary earned by all active members and re-employed retirees.

Member contributions remain at 7.75%. The employer contribution increase will not impact employer payment models and the factors used to calculate retirement salary under Models 2 and 3.

Fiscal Year-End Reminders

- 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.
- 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.)
- Payments for unused vacation and/or sick leave should not be reported to TFFR.
- An *Employer Payment Plan* form must be filed if an employer is changing models. The new model must be implemented at the beginning of a 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.

Salary Verification-Pending Retiree Form

To assist TFFR in the salary verification process prior to a teacher retiring, we have created a new form – Salary Verification-Pending Retiree. We would like employers to complete and submit this form by March 1 for each person retiring. The form can be found on our website or the teacher may give you the form to complete. This form provides

TFFR with salary detail for the current fiscal year and is used to estimate the teacher's final salary. This estimated salary is used to calculate the initial retirement benefit. Once the employer has reported all salary for the retiree, the retirement benefit is recalculated and corrected, if needed.



SALARY VERIFICATION – PENDING RETIREE (126)
 NORTH DAKOTA RETIREMENT AND INVESTMENT OFFICE
 TEACHERS' FUND FOR RETIREMENT DIVISION
 SFN 59158 (3/10)

Member: Take this form to your employer's business manager or payroll office for completion. Discuss with them any anticipated leave without pay and/or any extra duties that may affect your current salary.

Business Manager: Please complete this form for a TFFR member who is retiring. List base contract salary and detail any salary additions or reductions by month. Include any salary to be earned or lost in the appropriate month. Additional pay must be documented. Please include copies of all pay documentation (contracts, board minutes authorizing payment, etc.) and any other documentation that will assist TFFR in verifying the member's current salary. Report eligible TFFR salary only.

Member Name	Person ID (Office Use)	Fiscal Year
Annual Base Contract Salary	Number of Payments	
Estimated Last Day Worked	Estimated Number of Compensated Hours	

Month	Base Contract	Additions/Reductions to Base Contract	Total Eligible TFFR Salary
Example	\$3,000	\$1,000 BB Coaching; \$500 Curriculum Writing; -\$230.50 Leave Without Pay	\$4,269.50
July			
August			
September			
October			
November			
December			
January			
February			
March			
April			
May			
June			
Total Estimated Eligible TFFR Salary for Fiscal Year			\$

Name of Employer	Employer Number	Employer Model
Signature of Business Manager	Date	Telephone Number

Return to: ND Retirement and Investment Office
 PO Box 7100, Bismarck ND 58507-7100
 Telephone: 701-328-9885 Toll Free: 1-800-952-2970
 Fax: 701-328-9897 Website: www.nd.gov/rio

To date you have done a terrific job completing this form. Thank you. A few things to remember when completing the form next year:

- List base contract salary and detail any salary additions or reductions by month
- Include any salary to be earned or lost in the appropriate month
- Additional pay must be documented - include pay documentation authorizing the payment
- Report eligible TFFR salary only

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.

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.

TFFR Pre-Retirement Seminars

TFFR's 2010 statewide pre-retirement seminars have been scheduled and every teacher is invited to register. The full day pre-retirement planning seminar covers TFFR benefits, financial planning, estate planning, Social Security benefits, PERS health insurance, and adjusting to retirement.

The seminars will be held in Minot on July 1, 2010, and in Fargo on July 14, 2010. 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.

