

New Business Manager Workshop

March 8, 2022

WHAT IS TFFR?

- TFFR is a defined benefit pension plan designed to provide retirement, disability, and death benefits for ND public school educators.

ND TFFR Fast Facts

FY End 6/30/2021

The ND Teachers' Fund for Retirement plan (ND TFFR) provides ND educators with a financial foundation for the future that includes a secure and stable retirement. This is possible due to TFFR's plan design, professional plan management, strong investment performance, and outstanding customer service.



MEMBERS

11,627 ACTIVE MEMBERS
9,262 RETIRED MEMBERS
210 EMPLOYERS

Member Stats	Actives	Retirees
Avg. Annual Salary/Benefit	\$64,455	\$26,064
Avg. Service Credit	11.4 yrs	27.2 yrs
Avg. Current Age	41.4 yrs	72.8 yrs

MEMBER/EMPLOYER SATISFACTION: 3.9 (4.0 Scale)

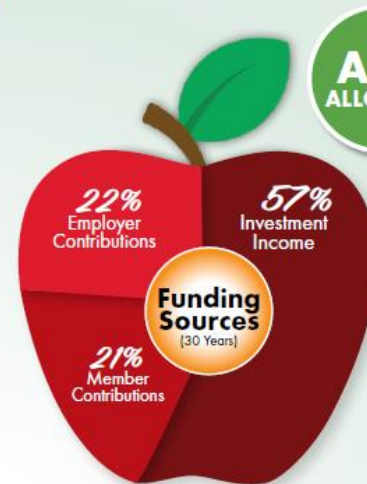
84%

of benefits
are paid
to ND
residents.

\$235 million

was distributed to
retirees in FY 2021.

Net Asset Value of TFFR **\$3.28** billion



ASSET ALLOCATION



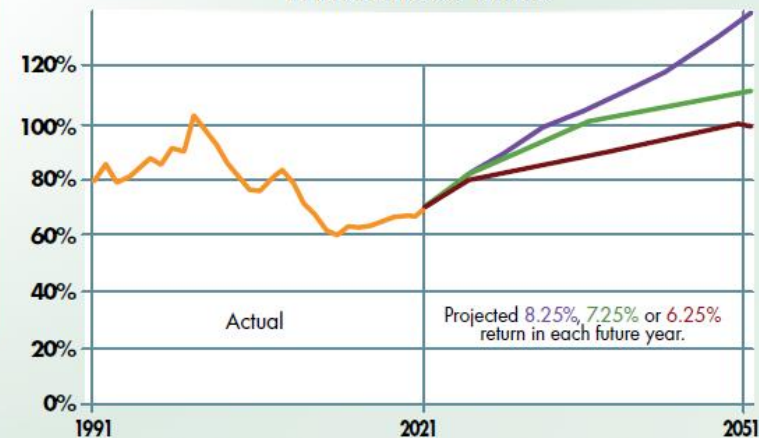
Investment Returns

(net of fees)

1 year 26.54%
 5 year 11.22%
 30 year 8.10%

69% of BENEFITS are PREFUNDED

TFFR Funded Ratio



TFFR's long-term funding outlook is positive, and benefits are secure for past, present, and future ND educators.

ND TFFR PLAN SUMMARY

Tier 1 is a member who had service credit in the TFFR plan prior to 7/1/08.

- Tier 1 Grandfathered member was less than 10 years away from retirement eligibility as of 6/30/13. Grandfathered member was vested, and either age 55 or had a combined total of service credit and age equal to or greater than 65 on 6/30/13.
- Tier 1 Non-Grandfathered member was more than 10 years away from retirement eligibility as of 6/30/13. Non-grandfathered member was less than age 55 and had a combined total of service credit and age which was less than 65 on 6/30/13.

Tier 2 is a member who began participation in the TFFR plan on 7/1/08 or after.

* Contribution rates are in effect until TFFR reaches 100% funded level, then rates reduce to 7.75% each.

	Tier 1 Grandfathered Member	Tier 1 Non- Grandfathered Member	Tier 2 Member
Employee Contribution Rates (active and re-employed retirees)			
7/1/10 - 6/30/12	7.75%	7.75%	7.75%
7/1/12 - 6/30/14	9.75%	9.75%	9.75%
*7/1/14 ongoing	11.75%	11.75%	11.75%
Employer Contribution Rates			
7/1/10 - 6/30/12	8.75%	8.75%	8.75%
7/1/12 - 6/30/14	10.75%	10.75%	10.75%
*7/1/14 ongoing	12.75%	12.75%	12.75%
Vesting Period	3 yrs	3 yrs	5 yrs
Unreduced Retirement Eligibility			
Minimum Age	No	60	60
AND Rule	Rule 85	Rule 90	Rule 90
OR Normal Retirement Age	65	65	65
Reduced Retirement Eligibility			
Minimum Age	55	55	55
Reduction Factor	6%	8%	8%
Retirement Formula Multiplier	2%	2%	2%
X Final Average Salary	3 yr FAS	3 yr FAS	5 yr FAS
X Service Credit	Total years	Total years	Total years
Disability Retirement	Yes	Yes	Yes
Retirement Formula Multiplier (2%) X Final Average Salary (FAS) X Total Service Credit			
Death/Survivor Benefits	Yes	Yes	Yes
Refund of account value or Life Annuity to survivor based on member's vesting status.			

BUSINESS MANAGER RESPONSIBILITIES

Identify Employees Eligible for TFFR

- Licensed by ESPB
- Under Contract or Written Agreement

Report Eligible Salary

- Earnings for Performance of Duties
- Do Not Report Ineligible Salary

Collect & Pay Contributions

- Member (Active & Retired) – 11.75%
- Employer – 12.75%

TFFR WEBSITE

Home | Retirement Investment C x +

https://www.rio.nd.gov


North Dakota nd.gov Official Portal for North Dakota State Government

NORTH Dakota Retirement and Investment Be Legendary.™


Enter Keywords


Home About TFFR Members TFFR Employers TFFR Login Investments Contact


RIO has Moved! Our New location is within the Workforce Safety & Insurance Building at 1600 East Century Avenue, Suite 3. Our mailing address will remain unchanged at PO Box 7100. We look forward to sharing our new space with you!



Welcome to the North Dakota Retirement and Investment Office (RIO). RIO administers two state programs - the Teachers' Fund for Retirement (TFFR) program and the State Investment Board (SIB) program. Use this website for information about these two important programs. See below for agency news and events.

 **TFFR MEMBERS**

 **TFFR EMPLOYERS**

 **TFFR LOGIN**

TERMS & DEFINITIONS

- Bonus
- Contract
- Employee Contributions
- Employer Contributions
- Dual Member
- Last Day Worked & Total Hours
- In-Staff Substitute Teacher
- Salary
- Briefly Employer Newsletter

- Advisor/Director/Monitor/Supervisor
- Coach/Assistant Coach
- Curriculum development/writing
- Driver's education
- Dual credit classes
- In-service/workshops/professional development
- In-staff subbing
- Paid leave
- Summer school/summer programs
- **Refer to page 9 in the TFFR Employer Guide for a complete list**

REPORTABLE SALARY

NON-REPORTABLE SALARY

- Amounts received in lieu of previously employer-provided benefits or payments
- Bonuses
- Bus driving
- Early retirement incentive pay or severance pay
- Fringe benefits (insurance programs, allowances, meals, lodging)
- Insurance programs
- Janitorial pay
- Referee pay/Ticket taking
- Teacher's Aid pay

EMPLOYER PAYMENT PLAN

MODEL 1

Employer Remittance of All the Member Contributions as Salary Reduction

Contract/Additional TFFR Salary Earned by the Member	\$20, 000.00
Retirement Salary	\$20,000.00
Tax-Deferred Member Contributions Withheld from Member's Pay and Remitted by the Employer as Salary Reduction	\$2,350.00 (Retirement Salary of \$20,000 X 11.75%)
Employer Contributions	\$2,550.00 (Retirement Salary of \$20,000 X 12.75%)

MODEL 2

Employer Payment of All the Member Contributions as Salary Supplement

Contract/Additional TFFR Salary Earned by the Member	\$20, 000.00
Retirement Salary	\$22,662.89 ($\$20,000 / .8825$)
Tax-Deferred Member Contributions Paid by the Employer as a Salary Supplement	\$2,662.89 (Retirement Salary X 11.75%)
Employer Contributions	\$2,889.52 (Retirement Salary X 12.75%)

MODEL 2 (PARTIAL)

Employer Payment of a Percentage of the Member Contributions as Salary Supplement

Contract/Additional TFFR Salary Earned by the Member	\$20,000.00
Retirement Salary	\$21,680.22 ($\$20,000 / .9225^*$)
Tax-Deferred Member Contributions Paid by the Employer as a Salary Supplement	\$1,680.22 (Retirement Salary of \$21,680.22 X 7.75%)
Tax-Deferred Member Contributions Withheld from Member's Pay and Remitted by the Employer as Salary Reduction	\$867.21 (Retirement Salary of \$21,680.22 X 4%)
Employer Contributions	\$2,764.23 (Retirement Salary of \$21,680.22 X 12.75%)

***Employer agrees to pay member contributions of 7.75%**

MODEL 4 (STATE AGENCIES & INSTITUTIONS)

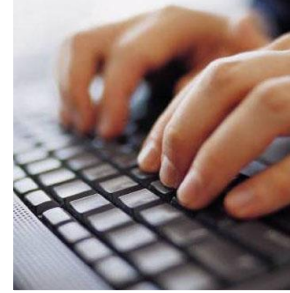
The State agrees to pay 4% of the member contribution as a salary supplement; remaining 7.75% of the member contribution is deducted as a salary reduction.

Contract/Additional TFFR Salary Earned by the Member	\$20, 000.00
Retirement Salary	\$20,000.00
Tax-Deferred Member Contributions Paid by the Employer as a Salary Supplement	\$800.00 (Retirement Salary of \$20,000 X 4%)
Tax-Deferred Member Contributions Withheld from Member's Pay and Remitted by the Employer as Salary Reduction	\$1,550.00 (Retirement Salary of \$20,000 x 7.75%)
Employer Contributions	\$2,550.00 (Retirement Salary X 12.75%)

EMPLOYER REPORTING

MONTHLY REPORTING

- All participating TFFR Employers are required by law to make monthly payments and submit monthly reports
- Payment of member and employer contributions are due by the 15th of the month
- The employer is responsible for ensuring the information in the report is correct
- ACH payments



Online
Reporting

Manual
Reporting



ACH Payment

PENALTY FOR LATE PAYMENT/REPORT

- TFFR is required by law to take action if an employer is late with reports, forms, or payments
- Penalty is \$250 and interest of 1% per month on the amount due

ADJUSTMENTS TO REPORTED SALARY

- Contact TFFR in writing
- TFFR will bill/refund employer
- Pay special attention at year end for salary reported in the wrong fiscal year



YEAR END REPORTING



Final report
for June due
no later than
July 15th



Report salary
when Earned
and not when
paid



Do NOT
report unused
vacation
and/or sick
leave



All member
records must
be closed with
compensated
hours & last
date worked

EMPLOYER SUMMARY REPORT

- TFFR sends an Employer Summary Report in August
- Lists all reported members and total fiscal year information for the prior fiscal year ended June 30
- Contact TFFR if you find any discrepancies

Please Review the Following to Verify Accuracy:

- Contract/Additional TFFR Salary
- Retirement Salary
- Taxed Member Contributions
- Tax-Deferred Member Contributions
- Employer Contributions
- Last Date Worked
- Total Hours

FORMS

- Employer Demographics and Payment Plan Model
- Member Action Form
- Designation of Beneficiary
- Salary Verification – Pending Retiree

EMPLOYING A RETIRED TEACHER

EMPLOYING A RETIRED TEACHER

- Retired teachers may return to TFFR covered employment with limitations
 - 9 Month (or less) Contract – 700 hour maximum
 - 10 Month Contract – 800 hour maximum
 - 11 Month Contract – 900 hour maximum
 - 12 Month Contract – 1,000 hour maximum
- BOTH the Retiree and Employer must notify TFFR by completing a [TFFR Retired Member Employment Notification](#) form within 30 days of employment
- Also submit a copy of the retiree's contract or employment agreement

EMPLOYING A RETIRED TEACHER

- Employer and Member Contributions must be paid on all salary paid to the retiree
- Reportable salary includes regular teacher pay, extra-curricular, in-staff subbing, and professional development
- Reportable Salary NOT subject to hourly limitations
 - Extra Curricular
 - Professional Development
- Failure to notify TFFR or pay correct contributions will result in a \$250 penalty and loss of one month of retirement benefits for the member
- **We strongly encourage the TFFR member to contact our office prior to reemployment**

RETIREE EMPLOYMENT OPTIONS

General Rule –
Annual Hour
Limit

Exception A –
Critical Shortage
Area

Exception B –
Benefit
Suspension &
Recalculation

	Retiree Return to Work Limitation	Waiting Period Required (Break in Service)	TFFR Benefit Continued	TFFR Employee & Employer Contributions Paid	TFFR Benefit Amount Recalculated
General Rule	Annual hour limit	30 days from TFFR retirement date	Yes	Yes	No
Exception A	Critical shortage areas determined by ESPB	One Year – if your retirement date is after 1/1/2001	Yes	Yes	No
	Over annual hour limit	None – if your retirement is on or before 1/1/2001			
Exception B	30 days from TFFR retirement date	Unlimited	No	Yes	Yes Recalculation based on the number of additional years of service

Any
Questions