

Info Mixer: The Good, The Bad, & The Ugly

Teachers' Fund for Retirement

January 18, 2024

10:00 a.m., CT

TFFR STAFF



Chad Roberts
Deputy Executive
Director/Chief
Retirement Officer



Denise Weeks
Retirement Program
Manager



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Compliance
Specialist



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Communication &
Outreach Director

A rectangular piece of white, slightly textured paper is centered on a dark, almost black background. The paper has irregular, torn edges, particularly at the top and bottom. The word "Salary" is printed in a bold, black, sans-serif font in the center of the paper. The entire scene is framed by a solid green border.

Salary

WHO AND WHAT TO REPORT

Identify Employees Eligible for TFFR

- Licensed by ESPB
<https://www.nd.gov/espb/>
- Under Contract or Written Agreement

Report Eligible Salary

- Earnings for:
- Teacher
 - Administrator
 - Supervisor
 - Extra-curricular Duties

Collect & Pay Contributions

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

EXAMPLES OF OTHER REPORTABLE SALARY

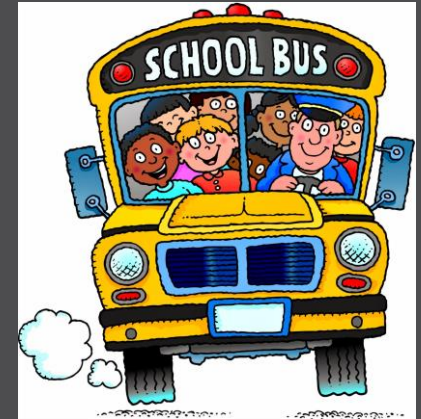
- Advisor/Director/Monitor/Supervisor
- Coach/Assistant Coach
- Curriculum development/writing
- Driver's education
- Dual credit classes
- In-service/workshops/professional development
- In-staff subbing
- Paid leave
- Summer school/summer programs

See the Eligible Retirement Salary (Reportable) list in the TFFR Employer Guide.



EXAMPLES OF NON-REPORTABLE SALARY

- Amounts received in lieu of previously employer provided benefits or payments
- Bonuses: retention or signing
- Bus driving
- Early retirement incentive or severance pay
- Fringe benefits: allowances, meals or lodging
- Insurance programs
- Janitorial pay
- Referee pay or ticket taking
- Teacher's aid pay
- Unused sick, personal, and/or vacation leave



See the Ineligible Retirement Salary (Non-Reportable) list in the TFFR Employer Guide.

VISA (J-1 and HB-1) EMPLOYEES

- Non-immigrant visa issued by the United States
- All applicants must meet eligibility criteria and English language requirements
- Must be sponsored either by a university, private sector, or government program
- Social Security Numbers – how to report, **improper use is fraud**



**Employer
Payment
Plan**

TAXATION OF EMPLOYEE CONTRIBUTIONS

TFFR employee contributions (11.75%) are tax-deferred under Section 414 (h)(2) of the Internal Revenue Code (IRC). Payment of employee contributions may be made by two ways:

1. Salary Reduction; or
2. Salary Supplement

Model Options

- Model 1 Salary reduction
- Model 2 Partial Salary reduction and salary supplement (employee pick-up)
- Model 2 Full Salary supplement
- Model 4 State agencies – special provisions apply

MODEL 1

Employer Remittance of All the Member Contributions as Salary Reduction

Contract salary	\$60,000.00
Retirement salary	\$60,000.00
Employee contributions withheld from paycheck	\$ 7,050.00 (Retirement Salary of \$60,000 x 11.75%)



MODEL 2 – FULL (ALL)

Employer Payment of All the Member Contributions as Salary Supplement

Contract salary	\$60,000.00
Retirement salary	\$67,988.67 (contract salary/.8825 (1.0 – .1175))
Employer pick-up paid as a supplement	\$ 7,988.67 (retirement salary of \$67,988.67 x 11.75%)
Employee contributions withheld from paycheck	\$ 0.00 (retirement salary of \$67,988.67 x 0%)



MODEL 2 – PARTIAL

Employer Payment of a Percentage of the Member Contributions as Salary Supplement; the Remaining Member Contributions Deducted as a Salary Reduction

Contract salary	\$60,000.00
Retirement salary	\$65,040.65 (contract salary / .9225 (1.0 – .0775))
Employer pick-up paid as a supplement	\$ 5,040.65 (retirement salary of \$65,040.65 x 7.75%)
Employee contributions withheld from paycheck	\$ 2,601.63 (retirement salary of \$65,040.65 x 4%)

*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 salary	\$60,000.00
Retirement salary	\$60,000.00
Employer pick-up paid as a supplement	\$ 2,400.00 (retirement salary of \$60,000.00 x 4.0%)
Employee contributions withheld from paycheck	\$ 4,650.00 (retirement salary of \$60,000 x 7.75%)





**Required
Retirement
Forms**

SALARY VERIFICATION

- Estimated last day worked is after all employment
- Do the best you can to estimate what salary is left to report
- Use the middle section for additional salary
- Send documentation on any extra salary over \$1,000
- Make sure to complete the employer payment plan model section
- Sign the form
- Call if you have any questions on how to complete this form
- Send to TFFR as soon as possible

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 John Doe		Person ID (For office use only)	Fiscal Year 07-01- 22 through 06-30- 23
Annual Base Contract Salary \$80,000.00		Number of Payments 24	
Estimated Last Day Worked 06/02/2023		Estimated Number of Compensated Hours 700	
Month	Base Contract	Additions/Reductions to Base Contract (Do not list ineligible TFFR pay—Ex: unused leave, bus driving, etc.)	Total Eligible Contract Salary (Do not include TFFR pickup)
Example	\$3,000	\$1,000 BB Coaching; \$500 Curriculum Writing; -\$230.50 Leave W/out Pay	\$4,269.50
July			
August			
September	\$6,666.66	\$2,000.00 FB Coaching	\$8,666.66
October	\$6,666.66	\$2,000.00 FB Coaching	\$8,666.66
November	\$6,666.66	\$2,000.00 FB Coaching	\$8,666.66
December	\$6,666.66	\$125.00 In-staff subbing	\$6,791.66
January	\$6,666.66	\$62.50 In-staff subbing	\$6,729.16
February	\$6,666.66		\$6,666.66
March	\$6,666.66	-\$500.00 Leave without pay	\$6,166.66
April	\$6,666.66		\$6,666.66
May	\$6,666.66		\$6,666.66
June	\$20,000.06		\$20,000.06
Total Estimated Eligible Contract Salary for Fiscal Year			\$85,687.50

Name of Employer Best Public School	Employer Number (5-digit) 99-999
Employer Payment Plan Model <input type="checkbox"/> Model 0 <input type="checkbox"/> Model 1 <input checked="" type="checkbox"/> Model 2 Partial 9.75 % of Employee Pickup <input type="checkbox"/> Model 2 Full <input type="checkbox"/> Model 4	
Signature of Business Manager <i>Business Manager</i>	Date 01/30/2023
Telephone Number 701-123-4567	

RETURN TO:

ND Retirement and Investment Office
PO Box 7100
Bismarck ND 58507-7100

Telephone: 701-328-9885
Toll free: 800-952-2970
Fax: 701-328-9897
Email: rio@nd.gov

EMPLOYER NOTIFICATION

Due within 30 days of TFFR-covered employment *



* Failure to do so could result in a \$250 penalty for the employer and loss of one month of retiree's TFFR benefit

General Information: State statutes (NDCC §15-39.1-19.1) allow a retired TFFR member to return to TFFR covered employment under certain employment limitations. This form, along with a copy of the retiree's contract or employment agreement, must be submitted to the Retirement and Investment Office (RIO) within 30 days of the retiree's return to TFFR covered employment each year the retiree is employed.

SECTION 1 - COMPLETED BY RETIREE

Name of Retiree (First, Middle, Last)	Person ID	Telephone Number	Retirement Date
Employer	Position\Subject	Post Retirement – first day of work	Post Retirement – last day of work
Number of Compensated Hours (Exclude Extra Curricular)	Salary (Include Extra Curricular)	Were you employed during the previous fiscal year? <input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, Employer: Position:

Select one Return to Work option below for July 1 - June 30 fiscal year. See reverse for more details.

- General Rule - Annual Hour Limit**
9-month contract = 700 hours
10-month contract = 800 hours
11-month contract = 900 hours
12-month contract = 1,000 hours
- Exception A – Critical Shortage Area (CSA)**
Approved CSA Yes No Subject Area Geographic

ESPB Signature	Date
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- Exception B – Benefit Suspension and Recalculation**

Approximate date annual hour limit is reached (first year only)

I certify that I have reviewed the retiree return to work options on the reverse of this form and understand the employment limitations and the payment of employee contribution requirements. The above information is a complete and accurate description of my employment arrangement. I will notify TFFR of any change in the employment relationship.

Signature of Retiree		Date 9/19/2023
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SECTION 2 - COMPLETED BY EMPLOYER

Employer Name	Employer Number	Telephone Number	Written Employment Agreement or Contract <input type="checkbox"/> Yes, please attach. <input type="checkbox"/> No
Business Manager Name	Superintendent Name		

I certify that I have reviewed the retiree return to work options on the reverse of this form and understand the employer reporting requirements including payment of employee and employer contributions on all retirement salary paid to a retiree based on our employer payment model. The above information is a complete and accurate description of the employment arrangement with the retired TFFR member. I will notify TFFR of any change in the employment arrangement.

Signature of Employer		Date 9/19/2023
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RETURN TO:

ND Retirement and Investment Office
PO Box 7100
Bismarck ND 58507-7100

Telephone: 701-328-9885
Toll free: 800-952-2970
Fax: 701-328-9897
Email: rio@nd.gov

RIO Use Only

Letter Sent
Benefits Continue <input type="checkbox"/> Y <input type="checkbox"/> N
Benefits Suspended
Form Filed Within 30 Days <input type="checkbox"/> Y <input type="checkbox"/> N

Any
Questions



**PAS Project
Update**



**Outreach
Reminders**

RETIREMENT AND INVESTMENT OFFICE

Contact Us

- Phone: 701-328-9885 or 800-952-2970
- Fax: 701-328-9897
- Email: rio@nd.gov
- Website: www.rio.nd.gov

Employer reporting, employing retirees, GASB 68 info, FAQs:

<https://www.rio.nd.gov/teachers-fund-retirement-employers>

Newsletters, actuarial reports, and financial reports:

<https://www.rio.nd.gov/newsletters-reports>

NORTH
Dakota
Be Legendary.

| Retirement & Investment