

UNDERSTANDING YOUR TFFR BENEFIT



Teachers from overseas

NORTH
Dakota
Be Legendary.

Teachers' Fund For Retirement
RETIREMENT & INVESTMENT

WHAT IS TFFR?

- The Teachers' Fund for Retirement (TFFR) is a defined benefit plan for North Dakota public school educators.
- Lifetime monthly benefit based on a formula, **not** your account value.
- The TFFR Board of Trustees has statutory responsibility and the North Dakota's Retirement and Investment Office administers the program.



HOW IS TFFR FUNDED?

TFFR is funded on an actuarial reserve basis meaning money is invested to provide future retirement benefits while the members are working.

Benefit funding comes from three sources:

- Member contributions
- Employer contributions
- Investment income



Member
contributions –
11.75% of salary

Employer
contributions –
12.75% of salary



Investment
earnings

WHO IS COVERED?

Individual Membership

- Mandatory participation is required when licensed by ESPB and under contract with a TFFR-covered employer

Membership Tiers

- Tier 1 Grandfathered
- Tier 1 Non-grandfathered
- Tier 2

Exemption

- 20-year military retiree



RETIREMENT OPTIONS

- Refund of Account Value
- Single Life Annuity
- 100% Joint & Survivor or 50% Joint & Survivor
- 10-Year Certain & Life or 20-Year Certain & Life
- Partial Lump Sum



WHAT IS SALARY?

Salary:

- Administration
- Teaching
- Supervisory
- Extracurricular duties during the school year
- Salary reduction or deferral amounts under 26

USC 125:

- 132(f) – certain fringe benefits
- 403(b) – tax-advantaged retirement plans
- 457 – retirement savings plan



ACCOUNT VALUE

What does it include?

- Employee contributions, 11.75% of salary
- Interest earned, 6% guaranteed

Why does it matter?

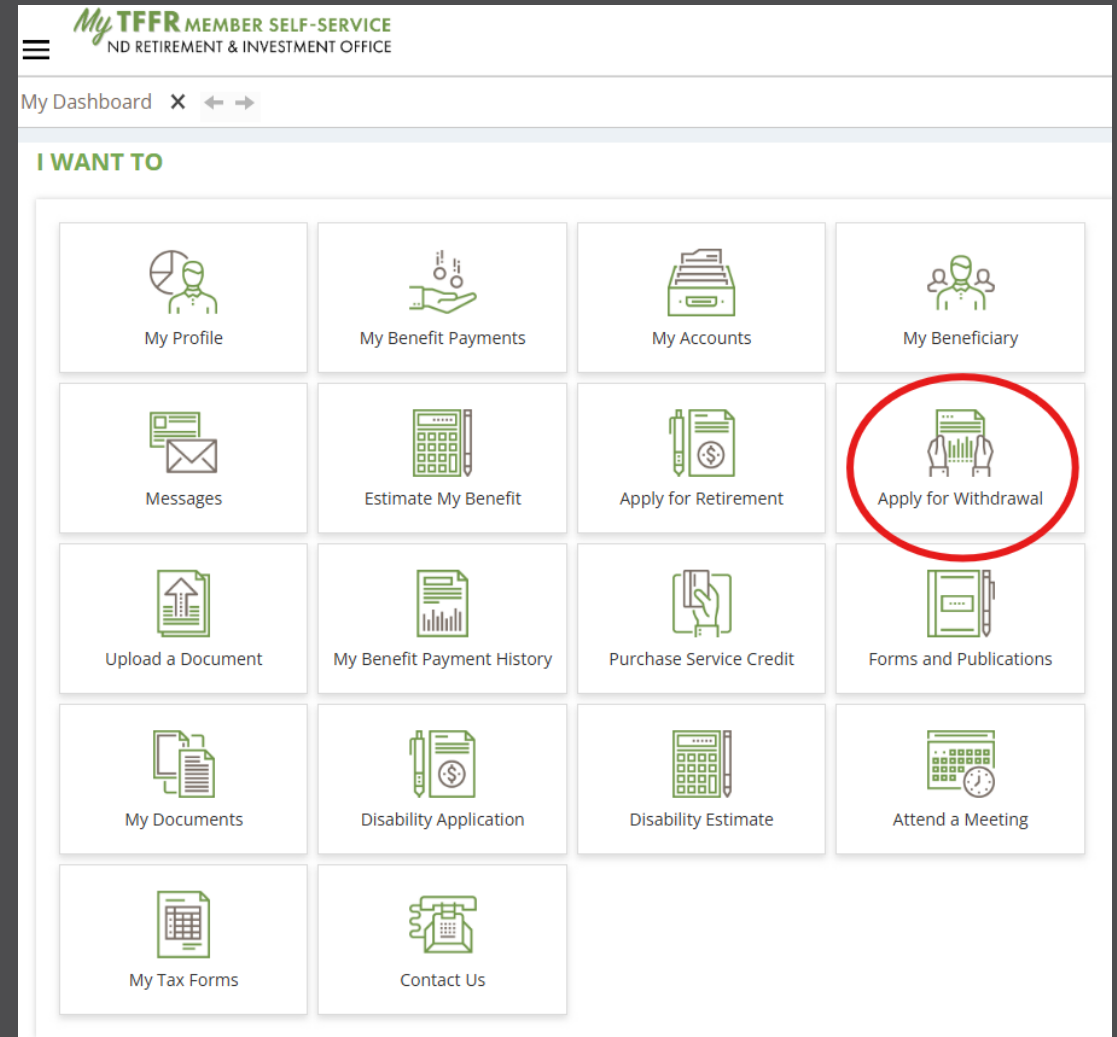
- If you leave employment – rollover or refund
- If you pass away – beneficiaries may receive



WITHDRAWAL OF ACCOUNT (REFUND)

A member who leaves TFFR-covered employment may receive a refund (aka lump-sum distribution) of their account value.

- Cash refund – 20% or more federal taxes withheld
- Rollover to eligible retirement plan



REFUND WAITING PERIOD

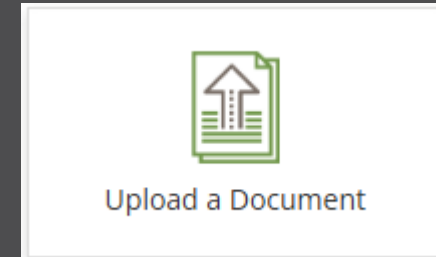
There is a 120-day statutory waiting period from the last month of TFFR employment before a refund will be issued.

The statutory period may be waived if the member provides **all** the following waiver documentation.

- Written proof of resignation or non-renewal.
- Written proof of employer's acceptance of the resignation.
- A TFFR certification of employment form completed by the employer.
- Written proof that the member has either accepted non-covered employment or has permanently moved out-of-state. Alternately, a statement from a medical provider attesting to non-employment during the upcoming school year for medical reasons.

REFUND DOCUMENTS

Prior to applying for a refund, the waiver documentation can be uploaded to your TFFR account using the "Upload a Document" tile on your *MyTFFR* Dashboard.



When uploading the documents, select the "Withdrawal Application Documents" Process. Note: *MyTFFR* will only accept PDF, JPEG, JPG, TIF, TIFF or PNG files.

Upload Document

* Process :

Withdrawal Application Documents

▼

* Document Type :

▼

* Upload File :

Choose Document

Clear

(Only the .pdf, .jpeg, .jpg, .tif, .tiff, .png file formats are allowed to upload)

Maximum file size allowed for upload is 10 MB.

To Submit a File:

1. Select **Process** from the dropdown list.
2. Select **Document Type** from the dropdown list.
3. Use the **Choose Document** button to select your document.
4. Click the **Upload** button.
5. Wait for the confirmation.

WHAT IS SERVICE CREDIT?

TFFR Membership

- 700 compensated hours = 1 year of Service Credit
- If less than 700 hours, granted in proportion (e.g., $650/700 = .929$ hours)

Purchased

- Must be active, licensed and under contact
- Cost determined by an actuarial equivalent calculation
- Can be purchased in lump-sum or installment
- TFFR may accept a retirement account rollover

Dual Membership

- Included for vesting and eligibility

BENEFIT FORMULA

$$\begin{array}{ccccccc} \text{Monthly} & & & & & & \text{Single} \\ \text{FAS*} & \times & \text{Service} & \times & 2.0\% & = & \text{Life} \\ & & \text{Credit} & & & & \text{Annuity} \end{array}$$

*Tier 1 Members Final Average Salary (FAS) is 3 high fiscal year salaries ÷ 36

*Tier 2 Members Final Average Salary (FAS) is 5 high fiscal year salaries ÷ 60

DISABILITY BENEFIT



Eligibility

- 5 years of service credit
- Active member when disability occurs
- Application within 36 months of employment
- Unable to perform the duties of a teacher
- Certified eligible by TFFR Board of Trustees
- Must be total, can be temporary

Disability Formula

- $\text{FAS} \times \text{Service Credit} \times 2.0\% = \text{Disability Single Life Annuity}$
- No age reduction
- Beneficiary options are available

WHO CAN BE BENEFICIARIES?

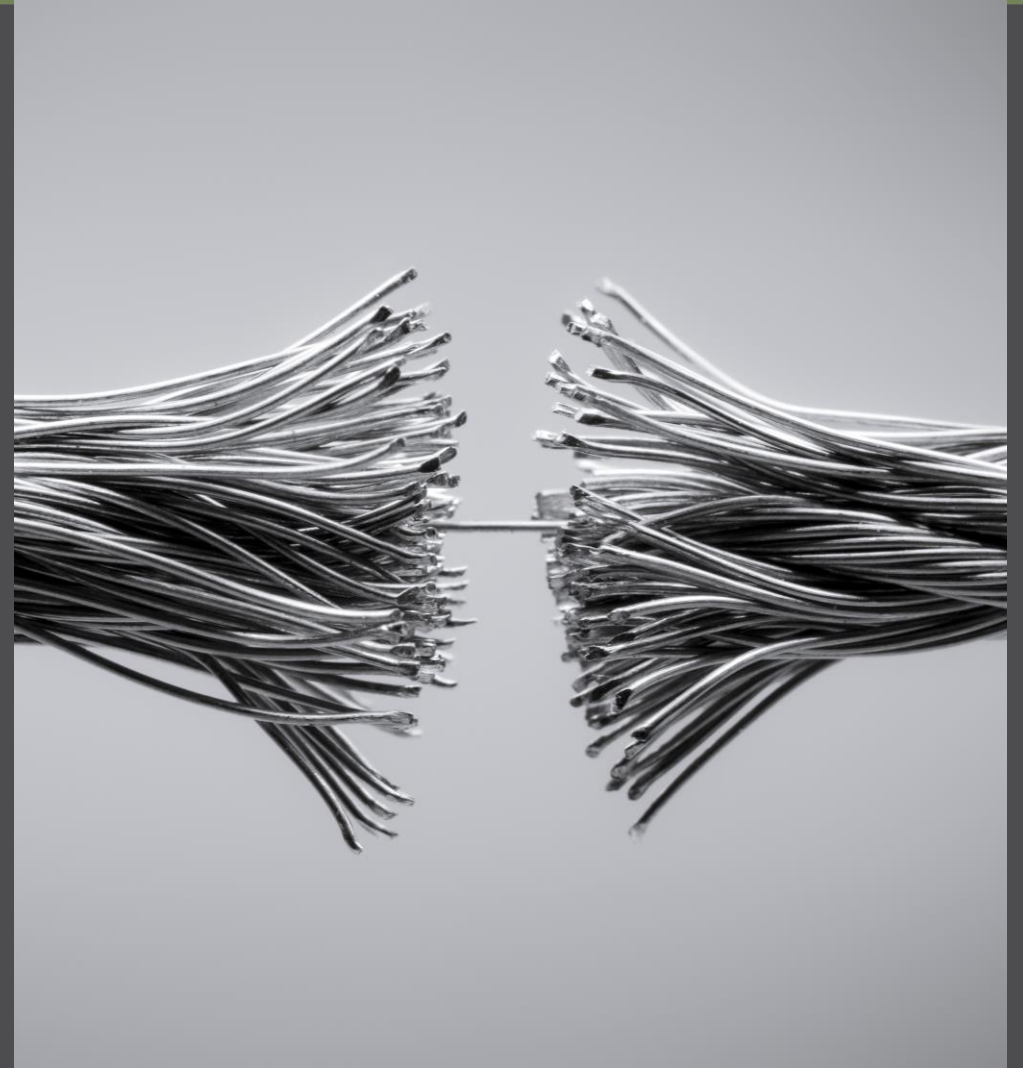
You may name the following:

- Spouse as only primary beneficiary, unless consent is provided.
- If not married or, if you have written spousal consent, any person, organization, church, charity or estate.
- If you name more than one beneficiary, they are not eligible for a lifetime monthly annuity.
- Contingent beneficiaries are **not** required.

TFFR BENEFIT AND DIVORCE

TFFR benefit are generally considered to be a **marital asset** subject to valuation and division in a divorce.

Division requires a Qualified Domestic Relations Order (QDRO) approved by the TFFR Board **before** being signed by the judge.



SURVIVOR BENEFITS

Death prior to retirement

- Nonvested member
 - Refund of account value
- Vested member
 - Refund of account value
 - If only one beneficiary designated, monthly benefit for life



CONTACT US

North Dakota Retirement and Investment Office

- Phone: 701-328-9885 or 800-952-2970
- Email: rio@nd.gov
 - Important: Do not send personal or confidential information, such as your Social Security number or date of birth, by email.
- Website: www.rio.nd.gov
 - To send a secure message, log in to [MyTFFR Member Self-Service](#) and use the “Contact Us” tile on your Dashboard.

Business hours are Mon-Fri, 8:00 a.m.-5:00 p.m.

Office hours are Mon-Thu, 8:00 a.m.-5:00 p.m.; Fri 8:00 a.m.- 12:00 p.m.

To ensure availability, contact RIO for an appointment.

TOOLS & RESOURCES

- TFFR Member webpage
 - Member Handbook
 - Frequently Asked Questions
 - Presentations
 - Newsletters (under Publications)
- MyTFFR Member Self-Service
 - Update your contact information
 - Designate account beneficiaries
 - Purchase service credit
 - Estimate your retirement benefit
 - Apply for retirement
 - Apply for a withdrawal of account (refund)



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