

EMPLOYER
NEWSLETTER

TFFR
Mission
Statement:

To administer a comprehensive retirement program that provides North Dakota public educators with a foundation for retirement security.



Briefly

JANUARY 2021

Salary Verification-Pending Retiree Form

To assist TFFR in the salary verification process prior to a teacher retiring, employers complete the [Salary Verification-Pending Retiree form](#). We would appreciate receiving this form by **February 15**, or as soon as possible after notification, for each person retiring. If you have the form completed earlier, please submit as you complete them. Do your best to estimate the salary to be earned in the remaining months. If you become aware of a large difference in the person's pay (\$1,000 or more) after submitting the form, simply send TFFR an e-mail with the amount and reason for the salary change.

Please include documentation for any extra salary over \$1,000.00 that has been added to the form under Additions/Reductions to Base Contract.

This form provides TFFR with salary detail for the current fiscal year and is used to estimate the teacher's final salary. Ninety percent of the salary estimate 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 retroactively, if needed.

Member Newsletters

The current editions of the [TFFR Newsletters](#) can be viewed on our website. Please take a few minutes to read these informative newsletters. The Report Card (active member newsletter) highlights include:

- How to Read Your Annual Benefit Statement
- TFFR Service and Covid-19
- TFFR Website Update

Employer Payments and Reports

TFFR Board policy requires employers to submit both payments and reports to RIO by the 15th day of the month following the end of the reporting period. RIO operations have previously allowed an automatic 10-day grace period without a waiver request. The widespread use of this 10-day grace period has had a negative impact on RIO agency fiscal operations.

Beginning July 1, 2021, RIO is discontinuing the automatic 10-day grace period, and requiring that all employer reports and payments be submitted by the 15th of the month. RIO is providing advance notice of this change during the 2020-2021 school year to allow employers the opportunity to prepare any needed adjustments to your processes to meet this deadline. Employers unable to meet this deadline in any given month may still request a waiver or extension to the deadline in writing in advance of the 15th to avoid a late penalty. The waiver is not automatic, so we strongly encourage you to reach out over the next few months with any questions or concerns on how to adjust your TFFR payment and reporting process.

In-Staff Subbing by Reemployed Retirees Policy Suspension

In an effort to alleviate the strain put on school districts to find substitute teachers during the COVID-19 pandemic, the TFFR board voted to temporarily suspend the in-staff subbing policy as it relates to retirees. Effective January 21, 2021 through June 30, 2021, retired members under contract can now perform in-staff subbing duties without having the hours count towards the annual hour limit. Also, the salary that they receive for in-staff subbing does not need to be reported to TFFR for the remainder of fiscal year 2020-21. Please note that non-contracted subbing hours and salary is not reportable to TFFR.

The TFFR Board will continue to review this policy and its impact on the TFFR plan, our membership, and our employers going forward.

IRS Compensation Limit

Annually, the IRS issues a compensation limit that impacts the salary that can be reported to TFFR for benefit calculation purposes. The 2021 compensation limit is \$290,000. If you have any TFFR employees that will be earning in excess of this amount, please contact Denise Weeks, TFFR Retirement Program Manager, to discuss how to handle salary reporting for these employees.

Tax Treatment of TFFR Contributions

Employers may report TFFR contributions on the W-2 form. TFFR is a 401(a) defined benefit plan and its contributions are mandatory, not elective. Under all models, the amount of TFFR contributions withheld or paid by the district is not required on the W-2 form. However, if the district wishes to place this information on the W-2, it belongs in Box 14.



GASB Statement 68 Update

The audited fiscal year 2020 GASB 68 information including the Employer Allocations and Pension Amounts by Employer Schedules, GASB 68 Disclosure Template, and Sample Journal Entries are now available on our website. Employers and auditors can use this information to complete your 2021 financials.

All of the GASB 68 information can be found on the [employer page](#) of our website.

Contract Payouts - Are They Reportable to TFFR?

We have received calls lately regarding teachers that leave a school district and are given a contract payout. Are these negotiated amounts reportable to TFFR?

Before any finalization of negotiations is complete, give us a call or send us the correspondence. If we are able to review the documentation before it is signed, we can then help you determine what should be reported to TFFR. Member accounts need to be closed out as soon as possible with last day worked and total hours. If you have a teacher that has resigned or left your district, please fill out the [Certification of Member Employment form](#).



Secure Link Available for Submitting TFFR Forms

If employers want to electronically submit Member Action or Retired Member Employment forms or other documents containing member personal information, we ask that you do so using our secure file transfer system. This method allows the documents to be submitted in a secure environment compared to faxing or directly emailing information to TFFR. To initiate the transfer, you simply need to email a TFFR staff member (see below) and ask them to email you the secure link. Then you can upload the document using the secure transfer link provided in the email. This link cannot be reused and you will need to contact TFFR each time you need to submit documents.

Member Action/Designation of Beneficiary Forms

Email Estelle: ekirchof@nd.gov

Employer Reports, etc.

Email Tami: tdvolkert@nd.gov

Retired Member Employment/Salary Verification - Pending Retiree Forms

Email Stephanie or Jayme based on alpha split by school name:

A - K Jayme: jheick@nd.gov

L - Z Stephanie: smstarr@nd.gov

What is Internal Audit's Role within TFFR?

Internal audit's role is to provide independent assurance that the organization's risk management, governance, and internal control processes operate effectively. Every year internal audit has an annual audit plan approved by the Audit Committee to perform audits and reviews of various risk areas to ensure proper internal control and risk management.

The following are typical audits or reviews completed for TFFR:

- Salary Reviews
- File Maintenance Audit
- Refund and Purchase Audit
- Cost Benefit Audit
- Benefit Payments Audit

Audits or special projects can be added throughout the year and the audit plan changes on an annual basis.

For all completed audit reports and further explanation of each audit please visit <https://www.rio.nd.gov/state-investment-board-sib/state-investment-board-audit-committee>

Retiree Reemployment Guidance

A common question asked by employers and reemployed retirees is how annual service hours should be calculated. At the close of each fiscal year, participating employers are required to report to TFFR the total number of hours a reemployed retiree was compensated for during the school year. One measure of reasonability used by TFFR to determine if a re-employed retiree may exceed the annual hour limits is to look at the contract/work agreement. If a contract shows 4/7 or less (teaching 4 periods or teaching 3 periods and 1 prep) that generally will create total service hours under 700 hours once professional development days are excluded.

Participating employers should establish procedures to monitor and calculate the correct number of compensated service hours. Employers must also be able to provide documentation in support of service hours reported to TFFR when requested to do so. Timecards or other tracking mechanisms can accomplish both of these goals.



Retirement Eligibility Report

Upon request, TFFR can provide school districts with a Retirement Eligibility Profile report. This report gives the district a 30-year projection regarding TFFR member retirement eligibility. The report also contains the names of individuals for workforce planning purposes. The personal information must be kept confidential. If you are interested in receiving a profile for your district, please contact our office. Due to timing issues with new members and retirees, the retirement profile is not available from July through October of each year.

2020 Annual Financial Report Available



For a complete review of the financial, investment, and actuarial conditions of the State Investment Board (SIB) and the Teachers' Fund for Retirement (TFFR), please view the Retirement and Investment Office (RIO) [2020 Comprehensive Annual Financial Report](#) (CAFR).



Employer Newsletter

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Toll-Free: 1.800.952.2970
Website: nd.gov/rio

TFFR Vision Statement:

To be a trusted leader in the administration of a financially sound retirement program for North Dakota educators by providing exceptional customer service, professional plan management, and organizational effectiveness by adhering to the principles of good governance, transparency, and accountability.