

Briefly

Employer Newsletter

ND Teachers' Fund for Retirement
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New Member Reporting Requirements

A [Member Action form](#) must be completed when a participating employer hires a new teacher. The form is also required if you rehire a teacher after a break in employment with your school district of one year or more. This form provides TFFR with important information including the member's legal name, social security number, birth date, current mailing address, and beneficiary information. Designating a beneficiary allows the member to direct payment of survivor benefits in the event of the member's death. This form should also be used to notify TFFR when a teacher is taking or returning from a leave of absence

If we don't receive the Member Action form within thirty days from the date the member is first reported to TFFR, the employer may be assessed a \$250 penalty for late reporting.

Employing Retirees in Critical Shortage Areas

In addition to the "General Rule," retired teachers may also return to TFFR covered employment in an approved "Critical Shortage Area" (CSA) without losing

retirement benefits. If retired prior to January 1, 2001, no waiting period is required. However, if the TFFR retirement date is after January 1, 2001, a one year waiting period is required. Only non-contracted substitute teaching may be performed during the waiting period. The CSA exception must be requested each year by completing a [Retired Member Employment Notification form](#).

The critical shortage areas are determined each year by the Education Standards and Practices Board (ESPB). For the 2018-19 school year, ESPB has declared all teacher content areas as critical shortage except physical education. Administrator positions are not critical shortage areas for 2018-19.

Group Benefits Counseling Sites Scheduled

The 2018-19 Group Benefits Counseling sites have been scheduled. The location details can be found in our [Member Services Directory](#). There is a fillable [registration form](#) available on our website. Please help us inform your teachers about this valuable program by emailing the above links to your employees.

TFFR Employer Audit Information Corner

Sara Sauter
Supervisor of Audit Services

GASB 67 & 68 Census Data Audits

Each July TFFR's pension plan auditor, CliftonLarsonAllen (CLA), selects eleven participating employers to be included in the census data audit to comply with the Governmental Accounting Standards Board (GASB) 67 and 68 requirements. The selected participating employers will receive notification via email. Employers will be required to provide a master payroll file which includes information such as name, birth date, and gross wages for all employees. CLA auditors will review the information provided and select a sample of individuals for further investigation. CLA will request supporting documentation from the participating employer which may include I-9 forms, employee contracts, and human resource forms.

At the conclusion of the audit, TFFR will issue the *Schedule of Pension Amounts by Employer* and the *Schedule of Collective Pension Amounts* which are provided to assist employers and their auditors with GASB 68 compliance. For additional information reference the GASB website at www.gasb.org or the TFFR website at www.nd.gov/rio/TFFR.



GASB Statement 68 Update

The audited fiscal year [2017 GASB Statement 68 information](#) is available on our website. This information includes the Schedules of Employer Allocations and Pension Amounts by Employer, GASB 68 Disclosure Template, and Sample Journal Entries. Employers and auditors can use this information to complete your 2018 financials.

TFFR Forms

- Please submit a [Notification of School District Change form](#) if there are any changes in contact (i.e. superintendent/business manager) or demographic information.
- If you are employing a new teacher or have teachers with a change in their name or address, TFFR will need a new [Member Action form](#).
- If you have employed a TFFR retiree, please make sure to complete the [TFFR Retired Member Employment Notification form](#). This form must be completed each year a retiree is employed and submitted to TFFR no later than 30 days after employment begins.

These forms and others are also found on our [website](#).

Report Salary in Fiscal Year Earned

We often get asked why it is so important to report salary in the fiscal year earned, not when paid. TFFR pension benefits are calculated using a high five or high three average salary. If salary was reported when paid it would create salary inconsistencies and salary spiking which is not allowed. This type of salary reporting inconsistency has a direct impact on the amount of retirement benefits that would be paid to a retiree for life.

Teacher salaries reported in fiscal year earned		Teacher salaries reported in fiscal year paid	
FY15	\$54,000 (\$44,000 Base + \$10,000 Extra Duty)	FY15	\$54,000 (\$44,000 Base + \$10,000 Extra Duty)
FY16	\$56,000 (\$46,000 Base + \$10,000 Extra Duty)	FY16	\$56,000 (\$46,000 Base + \$10,000 Extra Duty)
FY17	\$58,000 (\$48,000 Base + \$10,000 Extra Duty)	FY17	\$48,000 (\$48,000 Base + \$0 Extra Duty)
FY18	\$60,000 (\$50,000 Base + \$10,000 Extra Duty)	FY18	\$70,000 (\$50,000 Base + \$20,000 Extra Duty)

High 3 used for pension calculation:
 $\$60,000 + \$58,000 + \$56,000 = \$174,000$

High 3 used for pension calculation:
 $\$70,000 + \$56,000 + \$54,000 = \$180,000^*$

*Higher final average salary will result in a higher monthly pension benefit for life.

We recognize how much easier TFFR reporting would be if salary was reported in the year paid, but we hope this example helps explain the reasoning behind the requirement to report salary in the fiscal school year earned.

