



# **TFFR**

# **Business Manager's**

# **Workshop**

**May 3, 2018**

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ND Teachers' Fund for Retirement (TFFR)  
ND Retirement & Investment Office (RIO)

# Disability Benefits

- Eligibility
  - 5 years of service credit
  - Employed by a TFFR Employer at time of disability
  - All sick leave must be used, paid out, or forfeited
  - Total disability – permanent or temporary
- Disability Formula
  - Final average salary x service x 2%

# Disability Benefit Examples

## Teacher A

Age: 30 years

Service: 8 years

Final Average Monthly Salary: \$3,000

$\$3,000 \times 8 \text{ years} \times 2\% = \$480/\text{month}$

Single Life Annuity Disability Benefit

## Teacher B

Age: 50 years

Service: 25 years

Final Average Monthly Salary: \$3,000

$\$3,000 \times 25 \text{ years} \times 2\% =$

$\$1,500/\text{month}$  Single Life Annuity

Disability Benefit



# **GASB 68 Disclosure**

## **Schedule of Employer Contributions**

### **ND Teachers' Fund for Retirement**

#### **Last 10 Fiscal Years**

After additional review of the data requirements for this table the information should no longer be taken from Exhibit E of TFFR GASB Report – employers should enter actual Employer Contribution information from the last completed fiscal year - insert 2018 column into existing table and update each year with actual amounts for 2014 – 2018. Your 2015 number will now be in 2014, 2016 in 2015, 2017 in 2016, and 2017 number can be found on page 4 of last year's disclosure notes as the employer contributions subsequent to the measurement date.

	<b>2018</b>	
<b>Statutorily required contribution</b>	\$X,XXX	Amount entered on page 4 of this document for the employer contributions subsequent to the measurement date
<b>Contributions in relation to the statutorily required contribution</b>	(\$X,XXX)	Same amount as above
<b>Contribution deficiency (excess)</b>	\$X.XXX	Should be zero
<b>Employer's covered-employee payroll</b>	\$X,XXX	Total Retirement Salary found on TFFR Employer Summary Report
<b>Contributions as a percentage of covered-employee payroll</b>	XX.XX%	Contributions divided by payroll

# Model Comparison

## Model 1

Contract TFFR Salary	\$22,662.89
<b><u>Retirement Salary</u></b>	<b><u>\$22,662.89</u></b>
Employer Contributions (Retirement salary of \$22,662.89 x 12.75%)	\$2,889.52
Tax-Deferred Member Contributions Withheld from Member's Pay (Retirement salary of \$22,662.89 x 11.75%)	\$2,662.89
Taxable Salary Reported for Federal and ND State Income Tax Purposes (Contract salary \$22,662.89 less \$2,662.89 Tax-Deferred Member Contributions)	\$20,000.00
Taxable Salary Reported to Social Security	\$22,662.89

## Model 2 (ALL)

Contract TFFR Salary	\$20,000.00
<b><u>Retirement Salary</u></b> (Contract salary of \$20,000/1.0 - .1175)	<b><u>\$22,662.89</u></b>
Employer Contributions (Retirement salary of \$22,662.89 x 12.75%)	\$2,889.52
Tax-Deferred Member Contributions Paid by the Employer (Retirement salary of \$22,662.89 x 11.75%)	\$2,662.89
Taxable Salary Reported for Federal and ND State Income Tax Purposes	\$20,000.00
Taxable Salary Reported to Social Security	\$20,000.00

**Model Change Effect on Individual Payroll  
Compares Model 2 @ 11.75% to Model 1**

Federal Tax	<b>Y</b>	[Enter Y if yes, N if no]		
State Tax	<b>Y</b>	[Enter Y if yes, N if no]		
Withholding Status	<b>M</b>	[S for single, M for married]		
# of exemptions	<b>0</b>			
	<b>Proposed</b>		<b>Current</b>	
	<b>Model 1</b>		<b>Model 2</b>	
	<b>With Salary Inc</b>		<b>11.75%</b>	
Yearly Contracted Salary	22,662.89		20,000.00	
TFFR Yearly Retirement Salary	22,662.89		22,662.89	Contract Salary / (1 minus % of pick-up amount)
Pay Periods	12		12	
Monthly Contract Salary	1,888.57		1,666.67	
TFFR Monthly Retirement Salary	1,888.57		1,888.57	
Member Contributions	221.91	Deducted from Pay (tax-deferred)	221.91	Paid by Employer (tax-deferred)
			-	Deducted from Pay (tax deferred)
Taxable Salary (Fed & State)	1,666.67		1,666.67	
Monthly Contract Salary	1,888.57		1,666.67	
Deductions:				
TFFR Contributions	221.91		0.00	
Federal Tax	99.97		99.97	
State Tax	19.61		19.61	
Social Security	117.09	6.2% X Monthly Contract Salary	103.33	
Medicare	27.38	1.45% X Monthly Contract Salary	24.17	
Net Salary	1,402.61		1,419.59	

# TFFR Retired Member Employment

- Critical Shortage Exception

The Education Standards and Practices Board (ESPB) declared all content areas, except physical education, as critical shortage teaching positions for the 2018-19 school year. ESPB declared no administrator areas as critical shortage.



# Emailing Documents to TFFR

- Email TFFR and Request Secure File Transfer Link
  - Paula – [pbrown@nd.gov](mailto:pbrown@nd.gov)
  - Denise – [dcweeks@nd.gov](mailto:dcweeks@nd.gov)
  - Estelle – [ekirchof@nd.gov](mailto:ekirchof@nd.gov)
  - Tami – [tdvolkert@nd.gov](mailto:tdvolkert@nd.gov)
  - Shelly – [sschumacher@nd.gov](mailto:sschumacher@nd.gov)

**Member Action Forms** – Email Estelle

**Retired Member Employment Notification Form** –

Alphabet Split by Employer Name: Email Denise A-L / Paula M-Z

**Salary Verification Pending Retiree Form**

**Resignation and Acceptance Documentation** –

Alphabet Split by Member Name: Email Denise A-L / Paula M-Z

# Report & Payment Due Date

- Report and payment due in the TFFR office by the 15<sup>th</sup>
- Late reporting results in penalty and interest
- ACH option to transfer payments to TFFR

# **Business Manager Training Workshops**

- 3-Hour training held at the TFFR office
- Small groups allow for individual attention
- Contact Tami



# Thanks Again!

Many thanks for your assistance in electronically distributing TFFR information to your employees. Your help in forwarding email links for our newsletters has reduced costs for the pension plan.

**Relax And Take it Easy!**

