Introduction to Employer Reporting (Video Script)

[phone rings]

(woman) Teachers Retirement, this is Connie.

(Cathy Wurzer) Accurately reporting member data to TRA can be very complicated. That's why TRA wants you to know that staff are always available to guide you through the employer reporting process.

Hello, on behalf of the Minnesota Teachers Retirement Association, I'm Cathy Wurzer. During this presentation, I'll provide a brief overview of the TRA employer reporting process. First, let's begin with an explanation of who is eligible to become a TRA member. TRA is a public retirement system that provides retirement, disability, and survivorship benefits to teachers and administrators employed with public independent school districts, charter schools, and certain state agencies. Faculty of Minnesota State Colleges and Universities have the option of choosing TRA coverage.

(female teacher) Now, this is what you're going to be looking for.

(Cathy Wurzer) Employers are required to report member-specific data to TRA for employees who meet the definition of "teacher," as outlined in Minnesota Statutes 354.05. Pay period reporting provides TRA with accurate member Information so various types of benefit estimates, as well as refund estimates can be provided to our members.

Now, let's discuss the two types of data that are reported to TRA -- demographic and payroll. Demographic data consists of member-specific information such as name, address, date of birth, Social Security number, gender, employment status, and contractual service days. Prior to the first payroll of each fiscal year, employers are required to submit a demographic record to TRA for all teachers under contract for the current fiscal year. A fiscal year is defined as July 1 through June 30th. Demographic files generally contain multiple records. Each record contains information relevant to a specific teacher. During the year, a new demographic record should be submitted to TRA if any of the required demographic data changes or if a new employee is hired. Some of the most common reasons for submitting a new demographic record include changing the status code and/or service credit when a member goes on a leave of absence, terminates service, or enters the Part-Time Teacher Program. When a member becomes an

annuitant, you will also need to submit a demographic record and change the exempt status code, indicating that contributions will no longer be taken from the member's salary.

Now let's review payroll reporting data. Payroll data contains member-specific information for a set payroll period and includes salary, employee and employer contributions, service, pay period begin and end dates, and payment type. For teachers who do not have a contract, such as a substitute teacher, service should be reported on the payroll record each time salary is paid to that teacher. Reporting service for substitute teaching is different than reporting service for teachers who have a contract. Contract service is reported on the demographic record at the beginning of the fiscal year, and should not be included with the payroll data. When reporting salary for a teacher, you will be asked to assign a payment type. Although there are seven payment types, the most common ones are regular teaching activity, extracurricular work, and substitute teaching. It's important to understand that not all salary is considered TRA-eligible. For example, severance pay, lump sum vacation payoffs, payments made in lieu of benefits, workers' compensation payments are not considered eligible salary and should not be reported to TRA. As a result, employee contributions and employer deductions should not be withheld from the salary associated with these types of payments.

Before you submit data to TRA, you will need to decide how you will gather the required information. Some employers choose to handle all reporting duties themselves while others work with an independent vendor to manage these tasks.

Whether you choose to do your own payroll reporting or contract with a software vendor, you and the vendor are required to adhere to reporting standards established by Minnesota Statute when submitting payroll data to TRA. The TRA Payroll Reporting Certification Program was developed to ensure that these reporting standards are met. It's very important that you or your software vendor contact TRA early in the development stages to ensure that the final reporting product will adhere to all TRA requirements. Submitting the required data to TRA in a timely manner is an important element of these reporting standards. Payroll data and payment of member contributions and employer deductions are due to TRA within 14 calendar days of each payroll pay date. A $5.00 penalty per day will be assessed for payroll reported after the 14 calendar day deadline. Payments made after the 14 calendar day deadline are subject to an eight and one-half

percent penalty on the remittance amount. Both demographic data and payroll data should be submitted electronically to TRA, unless you have received approval to use an alternate reporting method. Be assured that the TRA Web site uses the latest security technology to protect sensitive member and employer information. You may submit contribution and invoice payments to TRA by check or electronic fund transfer. Taking advantage of the electronic fund transfer payment option should help eliminate any late payment charges.

The information I have provided is just a brief overview of the employer reporting process. A detailed explanation is available in the TRA Employer Guide, also known as the e.g. The e.g. can be viewed and printed by going to the Employer Section of the TRA Web site. Besides submitting demographic and payroll data to TRA and making EFT payments, the TRA Web site offers additional tools for use by your organization. A few of the services available to you include submitting a leave of absence form, checking on the status of files you have submitted to TRA, and reviewing payroll and demographic record errors so corrections can be made. TRA understands that keeping up-to-date with reporting requirements and legislative changes can be difficult. That's why they publish the "Update" quarterly newsletter specifically for employers. An archive of previous issues can be found under the Employer Section of the TRA web site.

You may also wish to consider attending a group or individual training session provided by TRA, the Department of Education, or your software provider. These workshops are designed to help you understand the intricacies of the employer reporting process. For answers to your employer reporting questions, you can always contact your TRA payroll processor or auditor for additional information.

Thank you for joining me for this employer reporting presentation.