

EMPLOYER BULLETIN

Employer Guide Revisions

November 2013

Included with this bulletin is a hyperlink to the 2014 *Employer Guide*. To reference the most current version of the *Employer Guide*, please delete your browser history, refresh your browser, then click the following link to the 2014 *Employer Guide*: <http://trs.illinois.gov/employers/guide/guide.pdf>

The online guide is fully searchable using key words. Answers can be found online quickly.

The *Employer Guide* may be printed and inserted into your *Employer Guide* binder. Please recycle your previous printed copy to avoid referring to outdated information.

Major Changes

Contribution Rate Changes

See Chapter 4 of the *Employer Guide*.

Effective July 1, 2013 the following rate changes took effect:

- Employer TRS contributions on salaries paid from federal funds increased from 28.05 percent to 35.41 percent.
- Member THIS Fund contributions increased from 0.92 percent to 0.97 percent.
- Employer THIS Fund contributions increased from 0.69 percent to 0.72 percent.

TRS Membership

See Chapter 2 of the *Employer Guide*.

- Starting on July 1, 2013, the Illinois State Board of Education replaced teaching certificates with licenses. The switch from certificates to licenses does not impact TRS membership requirements. Teachers who are certified under the provision of the Illinois School Code, employed in Illinois public common schools that are located outside the city of Chicago, and employed in positions requiring certification by the Illinois State Board of Education, are members of TRS. A teacher shall be deemed to be certified if he or she is required to be licensed by the Illinois State Board of Education.
- Technology specialist was added to the list of positions covered by TRS.
- Speech language pathologist, unless contracted under 5/14 – 6.04 of the School Code, was added to the list of positions covered by TRS.

Contribution Withholding

See Chapter 2 of the *Employer Guide*.

A withholding grid has been added listing various extra duties and teacher positions performed by active and retired teachers. The grid indicates whether TRS or Social Security and/or Medicare should be withheld. Please use this information for general guidance and contact the Social Security Administration with specific questions.



Creditable Earnings

See Chapter 3 of the *Employer Guide*.

- Added gift cards given in lieu of payments that qualify as salary to the list of creditable compensation.
- Band assistant was added to the list of extra duties not requiring certification but related to the academic program and/or requiring the supervision of students.
- Teaching after school under the 21st Century Grant has been added to the list of extra duties not requiring certification but related to academic program and/or requiring the supervision of students.

ERO

See Chapter 11 of the *Employer Guide*.

- Public Act 98-0042 extended ERO through June 30, 2016. Under the extension of the ERO program, the member and employer contributions increased. For employers, the new ERO contribution is 29.3 percent of the member's salary for every year the member is under age 60. For members, the new ERO contribution is 14.4 percent of salary for every year the member is under age 60 or for every year the member's creditable service is less than 35 years, whichever is less.
- Employers are no longer required to permit at least 10 percent of ERO eligible employees to exercise ERO. Approval for a member to retire under ERO is granted based on eligibility criteria adopted by the employer and the union representing a majority of the members in the district.
- For members electing to retire under ERO, employers will be required to certify their approval or denial of the members' retirement under ERO on the members' retirement application.
- If a member has more than one employer during his/her final year, all employers must approve the member's use of ERO and certify his/her eligibility for the program. If all final-year employers do not approve and certify the member's eligibility for ERO, then the member cannot retire under ERO.

Other Changes

- Qualified plan salary limitations were updated. The limit for Tier I members who first established TRS membership after June 30, 1996 increases to \$255,000.00 for 2013-14 (Chapter 3).
- Tier II salary limitations were updated. The Tier II salary limitations are applicable to members who first contributed to TRS or a reciprocal system after December 31, 2010. The Tier II limit increased to \$110,631.26 for 2013-14 (Chapter 3).
- Members may no longer apply for Illinois private school service as optional service (Chapter 7).
- The return to work in a subject shortage area program expired June 30, 2013 (Chapter 10).
- Examples and forms were updated (Chapters 3, 4, 5, 6, 7, 8, 10 and 11).

Important Notes

Sick Leave Reporting

See Chapter 6 of the *Employer Guide* for more information.

A TRS member may receive a maximum of two years of service credit for sick leave days that are unused, uncompensated and available for use. Sick leave days are considered compensated if they are used in the calculation of a payment that qualifies as TRS creditable earnings. If no payment is issued, or if the payment related to unused sick leave days does not qualify as creditable earnings under the lump sum rules, then the days are considered uncompensated. Compensated days must be excluded from the number of sick days reported to TRS for service credit. Uncompensated days must be included in the number reported to TRS for service credit. These guidelines apply to all available sick leave days, even if the member has accumulated more than 340 days.



Corrections to the Terminated Sick Leave Report

See Chapter 6 of the *Employer Guide*.

Employers annually certify the number of unused, uncompensated sick leave days for members who terminated employment during the past school year on the Annual Report Terminated Sick Leave Report.

If a member was omitted from the report, please make a copy of the Annual Report Terminated Sick Leave Report, add the member to the report and fax or email the report to TRS. If a member terminated employment, but was later rehired and previously reported sick leave days were reinstated to the member, the previously reported sick leave days are **not** reportable until the member terminates employment again. Please submit a corrected Annual Report Terminated Sick Leave Report to reduce the member's reported sick leave days to zero.

Corrected reports may be faxed to (217) 753-0969 or emailed to employers@trs.illinois.gov.

Membership

See Chapter 2 of the *Employer Guide*.

During the past year TRS has processed corrections to report individuals previously excluded from TRS by their employers because they were considered to be independent contractors. An individual who contracts with an employer to provide services for which teacher certification is required qualifies as a TRS member. Contributions on earnings are required even if the contract characterizes the individual as an "independent contractor." Paying an individual who qualifies as a TRS member through accounts payable rather than through payroll does not exempt that individual from TRS contributions.

Any individual claiming to be an independent contractor exempt from TRS membership or the post-retirement employment limitations governing annuitants must file federal Form SS-8, Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding, with the Internal Revenue Service seeking confirmation of independent contractor status. A federal Form SS-8 independent contractor determination must be filed with TRS before an individual can be considered exempt from TRS membership or the post-retirement employment limitations.

Questions

If you have any questions about the updated *Employer Guide*, please contact the Employer Services Department by phone at (888) 877-0890 or by email at employers@trs.illinois.gov.

Distributions

Please forward a copy of this bulletin to the:

- district superintendent,
- payroll department, and
- human resources department.