

# EMPLOYER BULLETIN

## Instructions for Filing the Annual Report of Earnings and Related Reports

June 2014

### Introduction

This bulletin will assist employers with completing the Annual Report of Earnings and other related reports.

### Annual Reporting System

Employers are required to file their 2013-14 Annual Report of Earnings via the Web-based Annual Reporting System (ARS). For additional information on the Web-based ARS, please refer to the following links:

- the [ASCII fixed-length format specifications](#);
- [Chapter 5 in the Employer Guide](#);
- [tips and tricks](#) for using the Web-based ARS;
- a list of [edit codes](#) and the action required for each edit; and
- instructions for [creating an Excel file](#) of the Annual Report for table view updates.

Employers may access the Web-based ARS from the TRS website (<http://trs.illinois.gov>) by hovering over “Employers,” then selecting “Employer Login.”

### Filing deadline

**August 15** is the filing deadline for the Annual Report of Earnings. The Annual Report should report service credit and creditable earnings in accordance with applicable laws and rules. An Annual Report failing to materially conform to the applicable laws and rules of TRS will not be deemed received until it is properly corrected and resubmitted to TRS. **A \$250-per-day, late-filing penalty will be assessed for each day past the deadline that this report is not on file with TRS.** If an employer is assessed a late filing penalty, the penalty will be reflected in the penalties section of the Employer Bill.

### Annual Report

After signing in to the secure Employer Access area, employers can navigate by using menu items located on the left side of the screen.

Employers should import or recover employee data into the Web ARS by clicking on “Import/Recover/Delete” in the left navigation area.

Importing employee records is a time-saving process that allows employers to gather payroll information from an employer’s payroll system in a fixed-length ASCII format and then import the data into the ARS. Modifications to the imported data are generally necessary to properly report Annual Report data in accordance with TRS guidelines.



If the recover option is used, the process will recover from the TRS database all employees with service information from the prior year. This will take into account any employees added or deleted during the prior year through the adjustments to earnings or Annual Report processes.

After importing or recovering, the employee data may be modified via the member's "Update Employee" screen. To locate this screen, click the "Update" link from the "Employee List" menu under the "Annual Report" section of the secure Employer Access Area online.

Some employers may want to work in a table view format to enter Annual Report information or to modify imported data. Working in a table view format may save time if many teachers need to be entered or there are a large number of modifications required to imported data. TRS has developed a method for the data to be entered or modified in a table view format in an Excel spreadsheet, and then imported into the ARS. If you prefer to use the table view format, please go to <http://trs.illinois.gov/employers/ARS/Tableviewupdates.pdf> for detailed instructions.

Additional information regarding the Web-based ARS and completing the Annual Report may be found in [Chapter 5 of the Employer Guide](#).

## Terminated Sick Leave Report

The Terminated Sick Leave Report lists all members who terminated employment during the 2013-14 school year. Sick leave information is entered via the member's "Update Employee" screen. To locate this screen, click the "Update" link from the "Employee List" menu under the "Annual Report" section of the secure Employer Access area online. The sick leave information provided allows TRS to record unused, uncompensated sick days from former employers throughout a member's career. **Do not include any member whose sick leave days were reported on a Supplementary Report.**

When completing this report, please note:

- The beginning employment date is the first date that the member began working for the district. If the exact day of the month is unknown, indicate the first day of the month. However, if the exact date is known, it should be specified.
- The ending employment date is the final day a member worked for the district.
- If the district has employed a member more than once and sick leave days earned from the previous employment were reinstated to the member, please contact TRS to ensure that the previously reported sick leave days are corrected to zero. If the district employed a member more than once and sick leave days earned from the previous employment period were not reinstated to the member, only report the most recent employment period and the sick leave days associated with that employment period on the report.
- Report only unused, uncompensated sick leave days that a member had available on the date he/she terminated district employment.

Sometimes districts have members who have been involuntarily laid off due to a reduction in force (RIF) and as of the August 15 Annual Report deadline, employers do not know who will be rehired. Please complete the form based upon current information when filing the Annual Report, then if anyone is rehired after the Annual Report has been submitted, send TRS a revised Terminated Sick Leave Report.

If a member resigns after the Annual Report has been submitted to TRS or a terminated member was omitted from the Terminated Sick Leave Report, please send TRS a revised Terminated Sick Leave Report.



For additional information on reporting sick leave days, please refer to [Chapter 5](#) and [Chapter 6](#) of the *Employer Guide*.

## Leave of Absence Report

A Leave of Absence Report is generated for each member who was on an **unpaid** leave of absence during any portion of the 2013-14 school year. Leave information is entered via the member's "Update Employee" screen. To locate this screen, select the "Update" link from the "Employee List" menu located under the "Annual Report" section of the secure Employer Access area online. Include those on leaves under the Family Medical Leave Act (FMLA) of 1993, reductions in force (RIF), or any other type of unpaid leave. Only include members who were paid for less than 170 days. **Only report the time period for which members were unpaid.**

The member may be able to purchase TRS service credit for the period of the unpaid leave of absence. Providing this information allows TRS to notify the member of his or her right to claim the service credit. While additional information may be needed, TRS is able to begin processing the optional service claim. Leave of absence information reduces inquiries in future years when the member realizes the potential for claiming the unpaid leave of absence for optional service credit. Without this information, inquiries often are made several years after the leave occurred, resulting in a request for information from employers that sometimes is decades after the leave.

## Sabbatical Leave Report

A Sabbatical Leave Report is generated for each member who was granted a paid sabbatical leave of absence in accordance with the School Code (105 ILCS 5/24-6.1) for any portion of the 2013-14 school year. To enter sabbatical leave information, select the "Update" link from the "Employee List" menu located under the "Annual Report" section of the secure Employer Access area online. This section does not apply to leaves of absence granted for other reasons.

Please refer to [Chapter 6 of the Employer Guide](#) or the School Code for more information about sabbatical leaves.

## Reporting reminders

Reporting reminders follow. Refer to the [Employer Guide](#) for more reporting requirements and examples.

- **For substitute (S) and part-time noncontractual (H) employment types**, report only extra duties that require teacher licensure. Do **not** report extra duties that do **not** require teacher licensure. Refer to Chapter 3 of the [Employer Guide](#).
- **Tutoring does not require teacher licensure.** If an individual is only tutoring he/she should not be reported on the Annual Report. If a full or part-time contractual teacher is tutoring, the tutoring earnings are reportable as an extra duty. If a substitute or part-time noncontractual teacher is tutoring, the tutoring is not reportable. Refer to Chapters 2 and 3 of the [Employer Guide](#).
- **Teacher's aides/paraprofessionals are not reportable to TRS.** Refer to Chapter 3 of the [Employer Guide](#). When a teacher's aide is reassigned to substitute teach, the full earnings for that time period are reportable as creditable earnings. For example: a teacher's aide earns \$10 per hour and a substitute teacher earns \$13 per hour. For one hour of substitute teaching, a teacher's aide is paid an additional \$3. The total received for substitute teaching of \$13 should be reported on the Annual Report. In addition, please refer to Example 13 on page 15 in [Chapter 5 of the Employer Guide](#).
- **An individual who independently contracts with an employer to provide services for which teacher licensure is required qualifies as a TRS member even if the individual is paid through accounts payable.** Contributions on earnings are required even if the contract characterizes the individual as an "independent contractor." Refer to Chapter 2 of the [Employer Guide](#).



- **Report each day that a member is paid Monday through Friday, regardless of the length of the day.** Do **not** convert partial days to full-day equivalents. For part-time contractual teachers, count the actual days worked. Do not report full-time equivalent days. If a part-time contractual teacher performs work that requires teacher licensure on a day he/she is not normally scheduled to work, report that as a day paid. Please refer to [Chapter 5 of the Employer Guide](#).
- **Due to qualified plan salary limitations, TRS must enforce limitations of salary creditable toward a retirement benefit.** The salary limit applies only to Tier I members first establishing membership after June 30, 1996, and is set at \$255,000 for the 2013-14 school year. Persons who first established membership prior to July 1, 1996, are not affected by the limitation. Refer to Chapter 3 of the [Employer Guide](#).
- **Tier II earnings and contribution limitations are applicable to members establishing membership with TRS or a reciprocal system after December 31, 2010.** The limitation will change each year. The earnings limitation for the 2013-14 school year is \$110,631.26.
- **Wages for performing summer duties that require teacher licensure are reportable for all active TRS members.** Like the regular school term, TRS guidelines for reporting summer extra duty wages that do not require teacher licensure vary depending upon the member's employment type. Earnings must be reported to TRS on an accrual basis. Accrual reporting requires earnings to be reported in the period in which services are performed, which may not coincide with the period in which the earnings are paid. Creditable earnings for services performed from July 1 through June 30 should be reported on each year's Annual Report of Earnings. When a summer assignment begins in June and continues into July, the related earnings must be reported in the fiscal year in which the service was performed, regardless of when payment was actually issued to the teacher. If the summer duties require teacher licensure, the number of days in the employment agreement and the number of days paid must include the additional days worked. Refer to Chapter 3 of the [Employer Guide](#).
- **If an error was made on the Supplementary Report**, please submit a corrected Supplementary Report online. Sign into the Employer Access area of the TRS website, then select the "Revise Submitted Supp Reprts" menu item on the left navigation bar. Enter the corrections along with the reason for the corrections and submit the corrected Supplementary Report to TRS.
- **Annual salary rate:**
  - For full-time contractual members, the annual salary rate should reflect what would have been earned if the member worked his/her normal schedule, with no docks, for the entire school term or length of the employment agreement, if longer. Include in the salary rate the annual contract rate, the value of any reportable flexible benefit plan in which the member participates, earnings for reportable extra duties and severance payments.
  - For part-time contractual members, the annual salary rate must be representative of the part-time schedule. The annual salary rate should reflect what would have been earned if the member worked his/her normal schedule, with no docks, for the entire school term or length of the employment agreement, if longer. Include in the salary rate the annual contract rate, the value of any reportable flexible benefit plan in which the member participates, earnings for reportable extra duties and severance payments. Do not report the full-time equivalent rate.
  - For substitute and non-contractual hourly teachers, the annual salary rate is always the same as earnings.
  - Refer to [Chapter 5 of the Employer Guide](#).
- **In the Annual Report field "Sum of Creditable Earnings Paid from Special Trust or Federal Funds,"** do not list the employer contributions due on salaries paid from special trusts or federal funds. List only creditable earnings paid from a special trust or federal fund. Refer to [Chapter 5 of the Employer Guide](#).
- **Report as employment type E, extra-duty**, individuals who are full-time or part-time contractual employees of another TRS-covered employer who perform only extra duties not requiring teacher licensure at your district. Refer to Chapter 3 and [Chapter 5](#) of the [Employer Guide](#).



- **If TRS has notified an employer of incorrect Social Security numbers** during the review of the prior year's report, please ensure those Social Security numbers have been corrected in the district's payroll system.
- **Payment to a member for sick leave days after the last regular paycheck** and the last day of work is not reportable as creditable earnings. Therefore, all unused, uncompensated sick leave days on a member's record at termination are reportable. Refer to [Chapter 6 of the Employer Guide](#).
- **If additional contributions are due** after completing the Annual Report Remittances Report, remit the required contributions using the electronic funds transfer (EFT) program. Remit any amounts due by **August 15** to avoid the potential for late payment penalties. When remitting TRS and THIS Fund member and employer retirement contributions, enter "2014" as the fiscal year for which contributions are being remitted and "60" for the pay period.

## Late-payment penalty

**July 10, 2014**, is the last day to deposit all required contributions for the 2013-14 fiscal year. Delinquent payments are subject to a late-payment penalty. The penalty assessed is the greater of

- an amount representing the interest that TRS could have earned if contributions had been received by the due date or
- \$50.

Please refer to Chapter 4 of the [Employer Guide](#) for more information. TRS will notify employers of any penalty due.

## MIBD form

Ensure that a Member Information and Beneficiary Designation form (MIBD) has been filed with TRS for every new member listed on the Annual Report and for every new member hired for the 2014-15 school term who has not previously participated in the retirement system. Once membership has been established with TRS, the MIBD form is only necessary for beneficiary designation changes.

## Annual Report info. and notes

Keep the Annual Report information and notes readily available until the middle of November. After TRS receives the Annual Report, an extensive review process takes place. TRS Employer Services Department auditors review all of the Annual Reports and complete the review process by the middle of November. Based upon telephone calls or correspondence with districts corrections to reported days paid, annual salary rates, creditable earnings, or federally-funded salaries may be necessary.

After all required corrections are processed, employers will be notified via email when the report is complete and the Summary of Changes Report is available to view. Employers are annually required to confirm that they have reviewed the Summary of Changes Report. To confirm, select "Confirm Sum of Changes" on the left navigation bar. Select the checkbox on the Confirm Summary of Changes screen; then click, "Save."

## Address Request Report

Employers may receive a Member Address Request Report after TRS has received and entered the Annual Report into the database. Members who do not have an address on file with TRS or have an invalid address will be shown on the report. Please verify the Social Security numbers are correct and then provide the addresses for the members. Also add the name, address, and Social Security number of any new members who have been hired for the 2014-15 school year on this report. Please return the report to the TRS Springfield office.



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## Report Difference Process

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Once a review of the Annual Report of Earnings is complete and all necessary corrections are processed, TRS will calculate the amount of TRS and THIS Fund contributions due based upon the earnings reported.

TRS will transfer any overpayment of TRS contributions to underpayments of TRS contributions.

TRS acts as a service agent for the Illinois Department of Central Management Services for the collection of THIS Fund contributions. As a result, TRS cannot process any transfers between the TRS contributions and the THIS Fund contributions.

If after any transfers of contributions an overpayment greater than \$50 exists, TRS will voucher the overpayment to the district.

If any amounts greater than \$50 are due, TRS will notify the employer on the Report Difference Contributions section of the monthly Employer Bill. For more information regarding the billing process please refer to Chapter 4 of the TRS *Employer Guide*.

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## 2014-15 Days Worked Report

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Accuracy in reporting the number of days is critical because this number is used to determine the amount of TRS service credit each member receives for the school year.

Service credit is granted for each day or partial day worked, Monday through Friday, during the school year in a position requiring teacher licensure.

Many school districts have developed their own system to record and accumulate the number of days the member was paid for during the school year. School districts who do not have an automated days tracking system in place may find the **2014-15 Days Worked Report** useful for recording the date of each different day worked throughout the 2014-15 year for part-time contractual, part-time noncontractual (hourly), or substitute teachers.

The form can be downloaded from the TRS website at <http://trs.illinois.gov/employers/forms/DaysWorked15.pdf>.

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## Questions

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For questions about completing the Leave of Absence Report, please email [MemberAccountsLOA@trs.illinois.gov](mailto:MemberAccountsLOA@trs.illinois.gov) or call the Member Accounts Department at (800) 877-7896, ext. 2756.

For questions about completing the Annual Report or other related reports, please email questions to [employers@trs.illinois.gov](mailto:employers@trs.illinois.gov) or call the TRS Employer Services Department at (888) 877-0890, option 1.

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## Distribution

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Please forward a copy of this bulletin to the

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