

EMPLOYER BULLETIN

COMPLETING THE ANNUAL REPORT EDIT REPORT

July 2017

The Annual Report edit process gives the employer an opportunity to correct reporting errors or explain situations that TRS will be required to research.

Fatal edits

A fatal edit identifies incorrect or incomplete information and must be corrected before the Annual Report can be submitted to TRS.

An example of a fatal edit with incorrect information is Edit 4215 – “Creditable earnings are greater than annual salary rate.” Annual salary rate cannot be less than creditable earnings. Either annual salary rate or creditable earnings must be corrected. For additional information on reporting annual salary rates refer to “Annual Report Information – Annual salary rate” in Chapter 5 of the *Employer Guide*.

An example of a fatal edit with incomplete information is Edit 5203 – “Total number of days paid is required to be a whole number. If employment type is extra duty, enter zero.” For employment types full-time (F), part-time contractual (P), part-time noncontractual (H) and substitute (S), enter the total number of days (Monday through Friday) the teacher performed licensed work. Ensure partial days are not converted to whole day equivalents. For employment type extra duty (E), enter zero. For additional information on days paid refer to “Annual Report Information – Days paid” in Chapter 5 of the *Employer Guide*.

Non-fatal edits

A non-fatal edit does not necessarily mean that the information entered is incorrect. Many edits are reasonableness checks, prompting TRS to verify the member’s data. If you receive a non-fatal edit, you should review the reported information. **If the member has been correctly reported, an explanation for the edit must be entered.** A detailed note in the edit explanation box may prevent a future inquiry from TRS. Employers should not modify member data solely because an edit exists. Modifications should be made only if the original information is incorrect and not in accordance with reporting guidelines.

Following are several examples of members with edits.

Edit 4288 — “The daily rate (computed by dividing the annual salary rate by the contract days) multiplied by the days paid is not within \$1,000.00 of creditable earnings for a full-time member.”

Review the reported information and correct if in error. This edit often occurs when rate and earnings are correct, but the calculation appears incorrect because the member received extra duty or lump-sum payments. If the annual salary rate and creditable earnings are both correct, provide a detailed breakdown of the reported annual salary rate and creditable earnings.

The following edit explanations **do not** provide enough details to complete the Annual Report. TRS will be required to contact the employer for additional information.

“The teacher was docked.”

“On leave of absence for part of the year.”

“Earned extra duties.”

Example 1: Teacher 1 rate and earnings have been reported correctly

Annual Report of Earnings:

Name	Employment Type	Contract Days	Days Paid	Annual Salary Rate	Creditable Earnings	Member TRS Contributions	Federal Funds
Teacher 1	F	180	15	\$51,300.00	\$5,327.78	\$479.50	

Include the following detailed explanation on the edit report:

Base	\$50,000.00 ÷ 180 x 14.5 days paid =	\$4,027.78
Internal sub	300.00	300.00
Committee work	500.00	500.00
Coach	+ 500.00	+ 500.00
Total	<u>\$51,300.00</u>	<u>\$5,327.78</u>

Example 2: Teacher 2 rate and earnings have been reported incorrectly

In the second example, the information reported is incorrect and after the correction is made, the edit is no longer invoked.

Annual Report of Earnings:

Name	Employment Type	Contract Days	Days Paid	Annual Salary Rate	Creditable Earnings	Member TRS Contributions	Federal Funds
Teacher 2	F	180	100	\$50,000.00	\$28,877.78	\$2,599.00	

In researching this member, the district discovered the annual salary rate had been reported incorrectly. This member earned \$1,100 for timesheet extra duties such as chaperoning, internal substitution, and curriculum work that was not included in the annual salary rate.

Base	\$50,000.00 ÷ 180 x 100 days paid =	\$27,777.78
Internal sub, chaperone, curriculum	+ 1,100.00	+ 1,100.00
Total	<u>\$51,100.00</u>	<u>\$28,877.78</u>

When the annual salary rate was corrected to \$51,100.00, Edit 4288 is no longer invoked on this member.

The following edits invoke when the Annual Report does not match information provided on a Supplementary Report.

Edit 4225 — “Annual salary rate on the Annual Report is not within \$0.99 of the annual salary rate reported on the Supplementary Report.”

Edit 4226 — “Creditable earnings on the Annual Report are not within \$0.99 of the creditable earnings reported on the Supplementary Report.”

Review the reported information. If the Annual Report amount is correct, submit a corrected Supplementary Report. If the Supplementary Report amount is accurate, correct the Annual Report.

For members who returned to teaching after receiving a refund or temporary disability benefit, please note the member's return date and if the Supplementary Report is correct through the last day paid prior to the refund or disability.

In addition, if the member earned extra duties after returning, note the duties performed along with a breakdown of the duties earned.

On the Supplementary Report, Teacher 3 was reported with total annual salary rate and creditable earnings of \$75,000.00.

Example 3: Teacher 3 rate and earnings were reported incorrectly on the Supplementary Report

Annual Report of Earnings:

Name	Employment Type	Contract Days	Days Paid	Annual Salary Rate	Creditable Earnings	Member TRS Contributions	Federal Funds
Teacher 3	F	180	180	\$76,200.00	\$76,200.00	\$6,858.00	

In researching this member, the district discovered that there was \$1,200 of extra duty earned during the year for club sponsorships, internal substitution and hallway and bus supervision. The district submitted a revised Supplementary Report. See Revisions on page 44 in Chapter 5 of the *Employer Guide*.

The edit will continue to invoke until TRS has reviewed the revised Supplementary Report. Include the following explanation on the edit report:

"The Annual Report is correct. A revised Supplementary Report has been submitted to correct the Supplementary Report to include extra duties earned during the year."

Teacher 4 was on temporary disability during the year. Edit 4225, 4226 and 4223 invoked.

4223 — "Total number of days paid on the Annual Report is not equal to the total number of days paid reported on the Supplementary Report.

On the Supplementary Report she was reported as follows:

Earnings Information for 2016-17 School Year			
Date of last payment for regular earnings: _____			
Number of days in employment agreement:		180	
Total number of days paid:		44	
DO NOT convert partial days into full day equivalents. Count every paid day, Monday through Friday.			
2016-17 School Year	Annual Salary Rate	Creditable Earnings	Member TRS Contributions
Base	\$52,000.00	\$12,711.11	(9.0%)
Flexible Benefit Plan			
Extra-duty (coaching, driver's education, cheerleading sponsor, etc.)	\$250.00	\$250.00	
Severance / Lump-sum ** (bonus, sick leave, retirement incentive, etc.)			
Totals:	\$52,250.00	\$12,961.11	
**Date of Severance / Lump-sum Payment: _____			
(If paid out over several periods, enter last date paid.)			
This member has NOT chosen Early Retirement Option.			

Example 4: Teacher 4 returned to teaching after temporary disability

Annual Report of Earnings:

Name	Employment Type	Contract Days	Days Paid	Annual Salary Rate	Creditable Earnings	Member TRS Contributions	Federal Funds
Teacher 4	F	180	100	\$52,350.00	\$29,238.89	\$2,631.50	

In researching this member, the district discovered that she had returned to teaching and earned additional extra duties after her return. The Supplementary Report is correct as of the date she went on disability. Do not correct the Supplementary Report.

The following edit explanations **do not** provide enough detail for TRS to complete processing the Annual Report. We will be required to contact you for additional information.

"Teacher 4 was on a leave of absence for disability."

"Annual Report is correct."

"Teacher 4 returned to teaching."

Add the following explanation:

"The Supplementary Report is correct. Teacher 4 returned to teaching on March 16, 2017. She earned \$100 of extra duties for attending a curriculum writing workshop after her return."

Edit 4242 — "The member was full-time at the same district in the prior year and is reported as full-time this year with a 15 percent or more rate increase from the prior year. Additionally, the current days in the employment agreement are within 10 days of the prior year employment agreement." Review the reported information for the current year and the prior year to determine if the member has been reported correctly. If the member was reported correctly, document the reason for the increase.

Example 5: Teacher 5 rate and earnings reported correctly for both current and prior years

2015–16 Annual Report of Earnings:

Name	Employment Type	Contract Days	Days Paid	Annual Salary Rate	Creditable Earnings	Member TRS Contributions	Federal Funds
Teacher 5	F	180	180	\$25,600.00	\$25,600.00	\$2,304.00	

2016–17 Annual Report of Earnings:

Name	Employment Type	Contract Days	Days Paid	Annual Salary Rate	Creditable Earnings	Member TRS Contributions	Federal Funds
Teacher 5	F	180	180	\$40,800.00	\$40,800.00	\$3,672.00	

In researching this member, the district discovered that she had been reported correctly in both years but had a change in schedule between the two years.

The following edit explanations **do not** provide enough detail for TRS to complete processing the Annual Report. We will be required to contact you for additional information.

"Reported correctly."

"Worked all year."

Add the following explanation:

"Teacher 5 worked as a half-time teacher in 2015–16. She worked 4 hours per day, Monday through Friday. In 2016–17, she worked an 80-percent schedule, Monday through Friday."

Example 6: Teacher 6 rate and earnings reported incorrectly in the prior year

2015–16 Annual Report of Earnings:

Name	Employment Type	Contract Days	Days Paid	Annual Salary Rate	Creditable Earnings	Member TRS Contributions	Federal Funds
Teacher 6	F	180	180	\$24,000.00	\$24,000.00	\$2,160.00	

2016–17 Annual Report of Earnings:

Name	Employment Type	Contract Days	Days Paid	Annual Salary Rate	Creditable Earnings	Member TRS Contributions	Federal Funds
Teacher 6	F	180	180	\$40,800.00	\$40,800.00	\$3,672.00	

The district should email the Employer Services Department at employers@trsill.org to request an Employer's Report of Adjustments to Earnings (ATE) form to correct the prior year reporting errors. Include the member's name, last 4 digits of the Social Security number, the days paid, the corrected days paid, annual salary, creditable earnings and amount of salary paid from federal funds. TRS will complete the ATE form to correct 2015–16 reporting error.

The district sent the following email to TRS:

"Teacher 6 was reported incorrectly during the 2015–16 school year. She was reported with 180 days paid. She did not work the full year. Her days paid and annual salary rate need to be corrected. She worked 120 days. Her annual salary rate was \$36,000.00. She did not have any extra duties. None of her earnings were paid from federal funds."

Add the following explanation:

"Teacher 6 was reported incorrectly during the 2015–16 school year. An email has been sent to the Employer Services department for a correction to the 2015–16 school year."

Edit 5197 — "Annual salary rate exceeds creditable earnings by more than \$0.99 for an employment type of part-time contractual." Verify the employment type, annual salary rate and creditable earnings are reported correctly. Do not report the full-time (100%) equivalent salary rate for part-time contractual members. Instead, annual salary rate should reflect what the member would earn in the part-time position for the entire school term. If an employment type of part-time contractual is correct and the member taught the entire year with no days docked, annual salary rate should be corrected to equal creditable earnings.

Example 7: Teacher 7 Part-time contractual (P) teacher for whole year with no docks

Annual Report of Earnings:

Name	Employment Type	Contract Days	Days Paid	Annual Salary Rate	Creditable Earnings	Member TRS Contributions	Federal Funds
Teacher 7	P	180	110	\$54,000.00	\$32,400.00	\$2,916.00	

In researching this member, the district discovered that she worked three days per week the full school term with no days docked. The district made the following correction and the edit no longer invoked.

Annual Report of Earnings:

Name	Employment Type	Contract Days	Days Paid	Annual Salary Rate	Creditable Earnings	Member TRS Contributions	Federal Funds
Teacher 7	P	180	110	\$32,400.00	\$32,400.00	\$2,916.00	

In the following example, the teacher was docked and the district needs to add an edit explanation.

Example 8: Teacher 8 Part-time contractual (P) teacher with docks

Annual Report of Earnings:

Name	Employment Type	Contract Days	Days Paid	Annual Salary Rate	Creditable Earnings	Member TRS Contributions	Federal Funds
Teacher 8	P	180	140	\$33,920.00	\$32,103.78	\$2,889.34	

The following edit explanations do not provide enough detail for TRS to complete processing the Annual Report. We will be required to contact you for additional information.

"Teacher 8 was docked."

"Teacher 8 is an 80 percent teacher."

"Teacher 8 ran out of sick leave days."

Add the following explanation:

"Teacher 8 works four days per week and she was docked eight days. He also earned \$320 dollars for internal substitution. His rate was calculated as follows: $\$33,600 + 320 = \$33,920.00$. His earnings were calculated as follows: $\$33,600.00 \div 148 = 227.03 \times 140 = 31,783.78 + 320 = \$32,103.78$.

Questions

For questions about completing the Annual Report, email questions to employers@trsill.org or call the TRS Employer Services Department at 888-678-3675, option 1.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

(888) 678-3675

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