This bulletin contains reporting reminders for completing the Annual Report of Earnings.

**Filing Deadline**
The filing deadline for the 2018–19 Annual Report of Earnings is Thursday, August 15, 2019 at 11:59 p.m.

Service and creditable earnings information must be reported in accordance with the laws and rules applicable to TRS. An Annual Report failing to materially conform to the laws and rules applicable to 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 the 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 Reporting Reminders**

**Extra–duty Reporting**
- For full–time (F) and part–time contractual (P) members employed for a partial year, the amount of extra duties actually earned, not the contractual value of the extra duties, will be included in the annual salary rate.
  - See Annual Salary Rates on the next page for details on reporting annual salary rates.
  - Refer to example 1 in Chapter 5 of the Employer Guide.
- For full–time and part–time contractual members, extra duties related to teaching or the academic program, or involving the supervision of students are reportable as creditable earnings. Refer to examples 16 and 17 in Chapter 5 of the Employer Guide.
- For substitute (S) and part–time noncontractual (H) teachers only extra duties that require teacher licensure are reportable. Do not report extra duties that do not require teacher licensure. Refer to examples 14, 18 and 19 in Chapter 5 of the Employer Guide.

**Flexible Benefit Plan Reporting**
- The amount of any flexible benefit plan actually earned, not the contractual value of the flexible benefit plan, is reportable in the annual salary rate for teachers who work a partial year or have been docked. The reported amount should equal the actual amount received for those receiving the salary option or the equivalent of what would have been received as the salary option for those who receive insurance. Refer to examples 37 and 38 in Chapter 5 of the Employer Guide.
Summer School

- When a teacher only teaches summer school, report the employment type as part–time noncontractual (H) with annual salary rate equal to creditable earnings. Refer to example 35 in Chapter 5 of the Employer Guide.

- Wages for performing summer duties that require teacher licensure are reportable for all active TRS members. The additional summer days worked must be included in the number of days in the employment agreement and the number of days paid reported on the Annual Report. Refer to examples 31, 32 and 33 in Chapter 5 of the Employer Guide.

- Wages for summer extra duties that do not require teacher licensure are reportable for full–time and part–time contractual TRS members, provided the summer work is related to teaching or the academic program or involves supervision of students. No extra days should be added to the member’s days in the employment agreement or days paid for extra duties that do not require licensure. Extra duties that do not require licensure are not reportable for substitute or part–time noncontractual employees. Refer to examples 33 and 34 in Chapter 5 of the Employer Guide.

Accrual Reporting

Earnings must be reported to TRS on an accrual basis. Creditable earnings for services performed from July 1, 2018 through June 30, 2019 should be reported on the 2018–19 Annual Report. If a summer assignment begins in June and continues into July, the payment must be prorated between the two fiscal years. Earnings for the work done in June 2019 must be reported on the 2018–19 Annual Report, even if payment is not issued until July. Earnings for the work done in July 2019 must be reported on the 2019–20 Annual Report. Refer to examples 31, 53, 54, and 55 in Chapter 5 of the Employer Guide.

Annual Salary Rates

- 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. The annual salary rate should include the annual base salary, extra–duty earnings, the value of any reportable flexible benefit plan in which the member participates, and severance payments issued prior to or with the member’s last regular paycheck. If the employer paid any portion of the member’s 9.0 percent TRS contribution as a benefit, the board–paid TRS factor should also be included in the annual salary rate. Refer to examples 1 and 20 in Chapter 5 of the Employer Guide.

- For part–time contractual members, the annual salary rate should reflect what the member would earn for working his/her normal part–time schedule, with no docks, for the entire school term or length of the employment agreement, if longer. Do not report the full–time equivalent rate. The annual salary rate should include the annual part-time base salary, extra–duty earnings, the value of any reportable flexible benefit plan in which the member participates, and severance payments issued prior to or with the member’s last regular paycheck. If the employer paid any portion of the member’s 9.0 percent TRS contribution as a benefit, the board–paid TRS factor should also be included in the annual salary rate. Refer to examples 8 and 21 in Chapter 5 of the Employer Guide.

- For substitute and part–time noncontractual teachers, the annual salary rate is always reported the same as creditable earnings. Refer to examples 9, 10, 11, 12 and 15 in Chapter 5 of the Employer Guide.

Membership – Chapter 2 of the Employer Guide

TRS membership commences once two requirements are met. First, the individual must have a valid Illinois teaching license. A valid Illinois license is one that is registered. Second, the individual must be employed in a position requiring licensure under the School Code — a determination that is made by the Illinois State
Board of Education (ISBE) and not the individual employer or TRS. If the individual does not meet both of those requirements, he/she cannot be a member of TRS.

- Do not report any individuals who do not have a valid, registered Illinois teaching license.
- Do not report any individuals in positions that do not require teacher licensure.
- Working as a teacher’s aide (paraprofessional) does not require licensure and therefore earnings for these days are not reportable creditable earnings and the related days paid are not available for service credit. If a teacher works as both a teacher’s aide (paraprofessional) and in a licensed position, such as a substitute teacher, his/her earnings and days in the licensed position will be reportable to TRS. Refer to example 13 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.” If the individual is paid with federal grant money, the employer TRS contribution for federally-funded salary must also be remitted.
- Report employment type (E), extra duty, for individuals who are full-time or part-time contractual teachers at another TRS-covered employer who perform only extra duties not requiring licensure at your district. Refer to example 25 in Chapter 5 of the Employer Guide.

Days Paid
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 and report the actual number of calendar dates worked. For example, if a teacher is employed 50 percent time and works 3.5 hours every day for the full 180-day school term, report 180 days paid, not 90 full-time equivalent days. Refer to examples 7, 9, 10, and 12 in Chapter 5 of the Employer Guide.

Salary Limitations
- Two different groups of TRS members are subject to limitations on salary reportable as creditable earnings. Refer to Chapter 3 of the Employer Guide.
- For Tier I members who first established membership after June 30, 1996, the creditable earnings limit for the 2018–19 school year is $275,000. Persons who first established membership prior to July 1, 1996 are not affected by this limitation.
- For Tier II members, the creditable earnings limit for the 2018–19 school year is $114,951.83. Tier II members are those who first established membership with TRS or a reciprocal system on or after Jan. 1, 2011.

Salaries Paid From Federal Funds
An employer contribution is due on any portion of a member’s salary (including stipends and substitute pay) that is creditable earnings and paid from special trust or federal funds administered by the employer. Examples of programs paid from federal funds include, but are not limited to:

1. Title I (programs include Low Income and Migrant Education)
2. Title II (programs include Teacher Quality and Math and Science Initiative)
3. Title III (programs include Immigrant Education Program and LIPLEP)
4. Title IV (programs include 21st Century)
5. Title VI (programs include Rural Education Initiative)

7. Race to the Top
   - On the Annual Report, list the amount of earnings paid from federal funds, not the employer contribution amount due on salaries paid from federal funds.
   - If any portion of the member 9.0 percent retirement contributions are paid from the federal grant, include that amount on the Annual Report.
   - Ensure the amount reported is equal to the amount received from the federal grant. Often the amount received does not equal the amount budgeted or charged to the grant by the district.
   - Review all federal grants to ensure all salaries paid from the grant have been included on the Annual Report.
   - Refer to examples 50, 51 and 52 in Chapter 5 of the TRS Employer Guide.

Payment for Sick Leave Days
Lump–sum payments paid to a member in years prior to the member’s final year of employment are reportable in the school years paid. In a member’s final year of employment, the timing of the lump–sum payment determines the reportability of the payment. Lump sums paid or due and payable prior to or concurrent with receipt of the employee’s final paycheck for regular earnings or with the last day of employment are reportable to TRS as creditable earnings. Lump–sum payments paid after the employee’s final regular paycheck and after the last day of employment that are not due and payable at the time of the receipt of the last paycheck or on the last day of employment are not reportable to TRS.

When a teacher terminates employment, TRS requires the employer to report all unused, uncompensated sick leave days the member had available for use at termination. If a lump–sum payment for unused sick leave is reportable to TRS as creditable earnings, the days used in the payment calculation are considered compensated, and the compensated sick days are not reportable to TRS for service credit. However, if the lump–sum payment for unused sick leave days is not reportable to TRS as creditable earnings, the days used in the payment calculation are not considered to have been compensated at retirement, and the uncompensated sick leave days are reportable to TRS for service credit. Ultimately, either the days or the lump–sum payment is reportable to TRS but, never both and never neither.

Social Security Number
If incorrect Social Security numbers were reported on the prior year’s Annual Report, ensure those Social Security numbers have been corrected in the district’s payroll system.

Supplementary Report Errors
If an error was made on the Supplementary Report, 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.

Edit Process — Fatal and Non–fatal Edits
Edits invoked on each member can be viewed on the “Update Employee” screen. Fatal edits will be shown in red and non–fatal edits in black. A short description of the edit will be shown with the edit number. To see a detailed description of the edit code and instructions for addressing the edit, refer to the printed edit list or click on the at the end of the edit description.
Fatal edits
A fatal edit identifies incorrect or incomplete information and must be corrected before the Annual Report can be submitted to TRS.

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.

Another bulletin will be sent to assist you with completing the edit report.

Questions
For questions about completing the Annual Report or other related reports, email questions to employers@trsil.org or call the TRS Employer Services Department at 888–678–3675, option 1. TRS staff members are available to unlock accounts from 7:30 a.m. to 4:30 p.m. Monday through Friday.

For Leave of Absence Report questions, email MemberAccountsLOA@trsil.org or call the Member Accounts Department at 877–927–5877, ext. 2756.

If you submitted your Annual Report but locate an error, email any required corrections to employers@trsil.org.