

# Contributions



Pay period contributions  
Billed contributions  
Remittance procedures

**Teachers' Retirement System of the State of Illinois**



***Retirement Security for Illinois Educators***

# Pay Period Contributions

- Each time the employer issues paychecks to TRS members, the employer must remit the related TRS and THIS contributions.
- These contributions are mandated by state law, not optional.

Type of Contribution	Rate for 2017-18
Member TRS contribution	9.00%
Member THIS contribution	1.18%*
Employer TRS contribution	.58%
Additional employer TRS contribution on federally funded salary	10.10%*
Employer THIS contribution	.88%*

\* Indicates the rate typically changes annually



# Member TRS Contribution

- The member TRS contribution is used for:
  - retirement benefits,
  - survivor benefits, and
  - annual retirement annuity increases.
- It is a member obligation, but the employer may choose to pay it for the member as a benefit.
  - **If paid by the board, the appropriate factor must be used to calculate creditable earnings and contribution amounts.**
- Member TRS contribution must be tax-sheltered.



# Member THIS Fund Contribution

- Each member also pays a THIS Fund contribution.
- THIS stands for Teachers' Health Insurance Security fund.
- THIS contributions subsidize the cost of health insurance that retired teachers get through the TRIP Program.
- TRIP stands for Teachers' Retirement Insurance Program.
- In other words, THIS is the name of the trust fund that supports TRIP which is the name of the insurance program.





# Member THIS Fund Contribution (continued)

- Member THIS Fund contribution may be paid by the employer as a benefit.
  - If paid by the employer, the THIS Fund contributions are not reportable as creditable earnings.
- Must be tax-sheltered, regardless of whether paid by the member or the employer.
- THIS Fund contribution rate typically changes at the start of each school year.



# Control of THIS Fund Contributions

- THIS contributions are not assets of the Teachers' Retirement System.
- TRS is the collecting agent but does not retain or manage these contributions.
- Another state agency actually administers the THIS Fund and the TRIP Program.
- THIS contributions must always be separated from TRS contributions.



# Employer TRS Contribution

- In 1998, the Illinois legislature increased teachers' retirement benefits from a graduated formula to the current 2.2 formula.
- Current annual retirement benefit formula is:  
$$2.2\% \times \text{final average salary} \times \text{years of service credit}$$
- Employer TRS contribution was created to help pay for the increased retirement benefits.
- Employer contribution **MUST** be paid by the employer. Under no circumstances can the employer deduct it from the member's pay or pass the cost on to the member.



# Various Labels for Employer TRS Contribution

- The employer TRS contribution is called by a variety of names.
- In TRS correspondence, it is often labeled “Empl 2.2 MBI” which stands for “Employer 2.2 Member Benefit Increase.”
- Labels employers often use are “NEC” which stands for “New Employer Contribution,” and ETRS which is short for “Employer TRS.”
  - Your district might use a different label.





# Employer Contribution on Federal Funds

- An additional employer TRS contribution must be paid on any portion of the member's creditable earnings that is charged to a federal grant.
- Applies to sub pay and extra duty stipends as well as base salary.
- Federal funds that typically pay for salaries/stipends include:
  - Title I (programs include Low Income and Migrant Education)
  - Title II (programs include Teacher Quality and Math and Science Initiative)
  - Title III (programs include Immigrant Education Program and LIPLLED)
  - Title IV (programs include 21<sup>st</sup> Century)
  - I.D.E.A. flow-through grants for special education
- Employer contribution **MUST** be paid by the employer, not the member.
- Employer contribution for federal funds is in addition to all the other contributions, not in place of them.



# Employer THIS Contribution

- The employer also pays a THIS contribution on all creditable earnings.
- It **MUST** be paid by the employer, not the member.
- Chapter 4 in the TRS *Employer Guide* provides additional information about all of the member and employer contributions.



# Contribution Due Dates

- The Illinois Pension Code mandates the following contribution due dates:
  - For payrolls issued the 1<sup>st</sup> through the 15<sup>th</sup> of the month, TRS must receive the contributions by the 25<sup>th</sup> of the month.
  - For payrolls issued the 16<sup>th</sup> through the end of the month, TRS must receive the contributions by the 10<sup>th</sup> of the following month.
  - All contributions for the school year are due by July 10<sup>th</sup>.



# Problem with the July 10th Deadline

- All members' earnings must be reported to TRS on an accrual basis for each school year.
- The school year is July 1 through June 30.
- 9-month teachers earn their salaries beginning in August and ending in May/June, but their pay is spread out over 12-months.
- Paychecks 9-month teachers receive in July and August were actually earned in the prior school year.
- Contributions for 9-month teachers' July and August paychecks must be remitted to TRS by July 10.



# Methods Employers Use for July 10th Deadline

- Employers typically choose one of three ways to deal with the July 10<sup>th</sup> contribution deadline for 9-month teachers.
  1. Some districts deduct TRS and THIS contributions at an accelerated rate through May or June for 9-month teachers, then don't take any TRS or THIS deductions from summer paychecks.
  2. Some districts run all summer payrolls in June so all TRS and THIS contributions have been deducted by the end of June.
  3. Some districts manually calculate the remaining contributions due for teachers' July and August paychecks, remit the contributions to TRS prior to July 10, then recoup the member contributions as the summer paychecks are issued.



# Remittance Procedures

- To remit the regular pay period contributions, sign into the Employer Access Area of the TRS website. (See the Employer Access Area tutorial for more details.)
- Click on Online Payments.
- Enter your Username and Password.
- The following Payment Options will appear:
  - Member and Employer Contribution
  - Teachers' Health Insurance Contribution
  - TRS Remittance Payment
  - THIS Fund Remittance Payment

# Remitting Pay Period Contributions

Member and Employer Contribution  
Teachers' Health Insurance Contribution  
TRS Remittance Payment  
THIS Fund Remittance Payment

- Select the 1<sup>st</sup> option (Member and Employer Contribution) to remit regular pay period TRS contributions, then follow the prompts.
- Select the 2<sup>nd</sup> option (Teachers' Health Insurance Contribution) to remit regular pay period THIS contributions, then follow the prompts.



# Penalty Assessed for Late Remittances

- The remittance must be entered **no later than 3:30 PM at least one banking business day before the payment due date.**
- A penalty is assessed for late remittances.
- The minimum penalty amount is \$50.





# Billed Employer Costs

- The employer might owe additional contributions to TRS for a number of things.
- If any costs other than regular pay period contributions are owed, the amount due will be listed on the monthly bill.
- TRS sends an email notice to the employer around the 26<sup>th</sup> of each month.

# Accessing the Employer Bill

<b>Employer Access</b>	<b>Employer Access Area</b>	<a href="#">Sign Out</a>
Sign Out	<b>Employer Access &gt; Contact Information</b>	Employer Services: (888) 877-0890 <a href="mailto:employers@trs.illinois.gov">employers@trs.illinois.gov</a>
My Account	<b>016-0340 - Glenview CCSD 34</b>	
Contact Information	<b>Contact Information</b>	
<b>Employer Services</b>	<b>Phone Number</b>	
Employee Information	Work Phone: (888) 877-0890 Extension: 2415	
Employee Lookup	<a href="#">Update Phone Number</a>	
Reports	<b>Email Information</b>	
Accounting	Work Email Address: <a href="mailto:agreeen@trs.illinois.gov">agreeen@trs.illinois.gov</a>	
Accounts	<a href="#">Update Email Information</a>	
Billing		
Online Payments		
Reports		
Payroll Schedule		
Annual Report		
How To Use This System		
Import/Recover/Delete		
Employee List		
Add Employee		
Remittances		
Compliance Questionnaire		
Reports		
Submit to TRS		
Confirm Sum of Changes		
Claims		
How To Use This System		
Supp Rpts/Sick Leave Certs		
Revise Submitted Supp Rpts		
Revise Submitted SL Certs		
Reports		
Demographics		
<b>User Accounts</b>		
Add Profile		
Select User Profile		
Web Access Certification		

- Sign into the Employer Access Area on TRS's website.
- In the menu on the left side of the screen, click on Billing to view the bill.
- Or click on Reports to print the bill.

# Select Which Bill to View

## Billing

[Click here for help in processing an Employer Bill.](#)

Fiscal Year:

2016-17 ▼

Search

	Invoice Number	Bill Date
<a href="#">Details</a>	217192	12/25/2016
<a href="#">Details</a>	216202	11/25/2016
<a href="#">Details</a>	215211	10/25/2016
<a href="#">Details</a>	214220	09/25/2016
<a href="#">Details</a>	213227	08/25/2016
<a href="#">Details</a>	212234	07/25/2016
<a href="#">Details</a>	211241	06/25/2016

- Notice the invoice number is listed on this screen.
- From the list of monthly bills, click on [Details](#) for the month you want to view.

# Bill Sections

## TRS Bill Sections

	Bill Section Number / Name	Amount Billed
<a href="#">Details</a>	20 - Employer Retirement Costs	857.22
	30 - Penalties/Other	0.00
<a href="#">Details</a>	40 - Adjustments to Earnings	99.80
	50 - Report Difference Contributions	0.00



## THIS Fund Bill Sections

	Bill Section Number / Name	Amount Billed
	25 - Employer Pay Insurance - THIS Fund	0.00
<a href="#">Details</a>	45 - Adjustments to Earnings - THIS Fund	15.40
	55 - Report Difference Contributions - THIS Fund	0.00

- The first section of the bill lists Employer Retirement Costs.
- When a member retires, the employer could potentially incur two types of Employer Retirement Costs or a cost for any members' whose earnings were over the governor's statutory salary:
  1. excess salary increase cost, and/or
  2. excess sick leave cost.
- To see a breakdown of cost by individual members, click on [Details](#) .





# Excess Salary Increase Cost

- The employer is assessed an excess salary increase cost if the retiring member received more than a 6% increase in any of his/her final average salary years.
  - Tier 1 members: final average salary is calculated on the highest 4 consecutive salaries out of the last 10.
  - Tier 2 members: final average salary is calculated on the highest 8 consecutive salaries out of the last 10.
- Cost is based on year-over-year earnings paid by the same employer.
- Employer would not incur a cost because the retiring member had prior employment elsewhere or extra duty stipends from another district.



# Cost Notification Process

- If the employer gave more than a 6% increase to a retiring member and owes an excess salary increase cost, TRS will send a notification letter to the employer.
- Letter includes a page showing how cost was calculated.
- The cost will then appear on the next monthly bill.
- If you believe the cost was assessed in error, email the TRS Employer Services Department at [employers@trsil.org](mailto:employers@trsil.org).
- Chapter 8 in the TRS *Employer Guide* provides more information about excess salary increase costs.



# Excess Sick Leave Cost

- If the employer grants extra sick leave days over and above the teachers' normal annual allotment during a retiring member's final 4 years, and the granted days result in the member getting extra sick leave service credit at retirement, the employer will incur an excess sick leave cost.
- TRS sends a cost notification letter to employer showing how cost was calculated.
- The cost will then appear on the next monthly bill.
- If you believe the cost was assessed in error, email the TRS Employer Services Department at [employers@trsil.org](mailto:employers@trsil.org).
- Chapters 6 & 8 in the *Employer Guide* provide additional information about sick leave granting and the possible ramifications.





# Salary in Excess of the Governor's Salary

- Effective July 1, 2017 Public Act 100-0023 requires employers to pay a cost on any portion of a member's salary, determined on a full-time equivalent basis, that is greater than the governor's statutory salary.
- TRS sends a cost notification letter to the employer showing how it was calculated after the Annual Report has been audited.
- The cost will then appear on the next monthly bill.
- If you believe the cost was assessed in error, email the TRS Employer Services Department at [employers@trsil.org](mailto:employers@trsil.org).
- Chapter 8 in the TRS *Employer Guide* will provide more information about the cost for salaries in excess of the governor's statutory salary.



# Penalties

## TRS Bill Sections

	Bill Section Number / Name	Amount Billed
<a href="#">Details</a>	20 - Employer Retirement Costs	857.22
	30 - Penalties/Other	0.00
<a href="#">Details</a>	40 - Adjustments to Earnings	99.80
	50 - Report Difference Contributions	0.00

## THIS Fund Bill Sections

	Bill Section Number / Name	Amount Billed
	25 - Employer Pay Insurance - THIS Fund	0.00
<a href="#">Details</a>	45 - Adjustments to Earnings - THIS Fund	15.40
	55 - Report Difference Contributions - THIS Fund	0.00



- The next section of the bill shows any penalties due.
- Penalties may be assessed for:
  - late remittance of regular pay period contributions,
  - non-compliance with July 10 remittance deadline, and
  - late submission of the TRS Annual Report (after August 15).

# Adjustments to Earnings

## TRS Bill Sections

	Bill Section Number / Name	Amount Billed
<a href="#">Details</a>	20 - Employer Retirement Costs	857.22
	30 - Penalties/Other	0.00
<a href="#">Details</a>	40 - Adjustments to Earnings	99.80
	50 - Report Difference Contributions	0.00



## THIS Fund Bill Sections

	Bill Section Number / Name	Amount Billed
	25 - Employer Pay Insurance - THIS Fund	0.00
<a href="#">Details</a>	45 - Adjustments to Earnings - THIS Fund	15.40
	55 - Report Difference Contributions - THIS Fund	0.00



- If a prior year reporting error is discovered, it is corrected through the Adjustments to Earnings (ATE) process.
- If the correction increases member's creditable earnings, additional contributions will be owed.
- TRS contributions due for ATEs are listed in Section 40 of the bill.
- THIS contributions due for ATEs are listed in Section 45 of the bill.

# Report Difference Contributions

## TRS Bill Sections

	Bill Section Number / Name	Amount Billed
<a href="#">Details</a>	20 - Employer Retirement Costs	857.22
	30 - Penalties/Other	0.00
<a href="#">Details</a>	40 - Adjustments to Earnings	99.80
	50 - Report Difference Contributions	0.00

## THIS Fund Bill Sections

	Bill Section Number / Name	Amount Billed
	25 - Employer Pay Insurance - THIS Fund	0.00
<a href="#">Details</a>	45 - Adjustments to Earnings - THIS Fund	15.40
	55 - Report Difference Contributions - THIS Fund	0.00

- After TRS audits the Annual Report, pay period contribution accounts are balanced to the Annual Report.
- If the employer underpaid TRS or THIS contributions, the employer will be billed for the remaining contributions due.
- Shown in the Report Difference Contributions sections of the bill.



# Employer-paid TRIP Premiums

## TRS Bill Sections

	Bill Section Number / Name	Amount Billed
<a href="#">Details</a>	20 - Employer Retirement Costs	857.22
	30 - Penalties/Other	0.00
<a href="#">Details</a>	40 - Adjustments to Earnings	99.80
	50 - Report Difference Contributions	0.00

## THIS Fund Bill Sections

	Bill Section Number / Name	Amount Billed
	25 - Employer Pay Insurance - THIS Fund	0.00
<a href="#">Details</a>	45 - Adjustments to Earnings - THIS Fund	15.40
	55 - Report Difference Contributions - THIS Fund	0.00



- Some employers agree to pay their retired teachers' TRIP insurance premiums for them as a post-retirement benefit.
- These monthly premium costs are shown in the Employer Pay Insurance – THIS Fund section of the bill.



# Remitting Contributions for Billed Items

Member and Employer Contribution  
Teachers' Health Insurance Contribution  
TRS Remittance Payment  
THIS Fund Remittance Payment

- Sign into the Employer Access Area.
- Click on Online Payments.
- Enter Username and Password.
- Select the 3rd option (TRS Remittance Payment) to remit billed TRS costs, then follow the prompts.
- Select the 4th option (THIS Fund Remittance Payment) to remit billed THIS costs, then follow the prompts.