

# EMPLOYER BULLETIN

## ANNUAL REPORT REMINDERS

August 2016

### Annual Reporting System

Employers are required to file their 2015-16 Annual Report of Earnings via the web-based Annual Reporting System (ARS). For additional information on the ARS, please visit <http://trs.illinois.gov>, select “Employers” from the home page, then navigate down to “Annual Report” where the following menu items will be listed on the screen:

- instructions for filing the Annual Report of Earnings and related forms via the web-based ARS,
- ASCII fixed length format specifications,
- instructions for creating an Excel file for working in a table view format,
- a list of edit codes and the action required for each edit,
- tips and tricks for using the web-based ARS, and
- Chapter 5 of the *Employer Guide*.

### Filing Deadline

**The filing deadline for the 2015-16 Annual Report of Earnings is Monday, August 15, 2016 at 11:59 p.m.** Service and creditable earnings information must be reported in accordance with the 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 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.

### Edit Process — Fatal and Non-fatal Edits

The edit process gives the employer an opportunity to correct reporting errors or explain situations that TRS will be required to research. Each edit is assigned a number and is either fatal or non-fatal. Employers can print a list of all edit codes by clicking on “How To Use This System” on the left navigation bar, then selecting “TRS Edits.”

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

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. Review the reported information and make any necessary corrections. If a nonfatal edit appears and the reported information is correct, **an explanation for the edit must be entered. Edit explanations are required before the Annual Report may be submitted to TRS.**

Employers should not modify the member data solely because a non-fatal edit has invoked. Modifications to the member data should be made only if the original information is incorrect or not in accordance with reporting guidelines.

## Reporting Reminders

The reminders listed below address common situations that employers often have difficulty reporting correctly. 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*.
- **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 (36.06 percent for the 2015-16 school year) must also be remitted. 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 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. Please refer to Chapter 5 of the *Employer Guide*.
- **Two different groups of TRS members are subject to limitations on salary creditable toward retirement benefits.** 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 2015-16 school year is \$265,000. 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 2015-16 school year is \$111,571.63. Tier II members are those who first established membership with TRS or a reciprocal system after December 31, 2010.
- **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 listed on the Annual Report.
- **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 the academic program or involves supervision of students.** No extra days should be added to the member’s contract days or days paid for noncertified extra duties. Extra duties that do not require licensure are not reportable for substitute or hourly noncontractual employees.
- **Earnings must be reported to TRS on an accrual basis.** Creditable earnings for services performed from July 1, 2015 through June 30, 2016 should be reported on the 2015-16 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 2016 must be reported on the 2015-16 Annual Report, even if payment isn’t issued until July. Earnings for the work done in July 2016 must be reported on the 2016-17 Annual Report.
- **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 Repts” 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 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, annual stipends for contractual extra duties, the earnings for incidental extra duties, 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 9.4 percent TRS contribution as a benefit, the board-paid TRS factor should also be included in the rate.
  - **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, annual stipends for contractual extra duties, the earnings for incidental extra duties, 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 9.4 percent TRS contribution as a benefit, the board-paid TRS factor should also be included in the 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 contribution amount due on salary paid from special trusts or federal funds.** List the creditable earnings amount paid from a special trust or federal fund. For example, if a member's total creditable earnings amount was \$48,000, of which \$500 was paid from a Title II grant, then \$48,000 would be listed in the creditable earnings field and \$500 would be listed in the federal funds field. Refer to Chapter 5 of the *Employer Guide*.
- **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 Chapter 3 and Chapter 5 of the *Employer Guide*.
- **If incorrect Social Security numbers were reported on the prior year's Annual Report, please ensure those Social Security numbers have been corrected in the district's payroll system.**
- **If payment for unused sick leave is issued to a member after the last regular paycheck and after the last day of work, the payment is not reportable as creditable earnings.** Therefore, all unused, uncompensated sick leave days on the 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 late payment penalties. Enter "2016" as the fiscal year for which contributions are being remitted and "60" for the pay period.

### Update Employer Contact Information

To ensure your district receives all communications from TRS, please keep your contact information up to date.

- **Accounting, Reporting, and Other contacts:** Please notify TRS any time there are changes to a contact name, email address, phone number, or district mailing address. Call TRS Employer Services at (888) 877-0890 or email the updated information to [employers@trs.illinois.gov](mailto:employers@trs.illinois.gov).



- **Annual Report contact:** During the submit process, the employer is asked to enter the appropriate contact information for the person who will address any questions TRS has regarding the employer’s Annual Report.
- **Employer Access accounts:** The security administrator for your district should keep user information updated. The menu items under “User Accounts” allow the security administrator to add and delete users, update phone numbers and email addresses, and update access rights.

## Contact Us

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If you have questions regarding the Annual Report of Earnings, please call our Employer Services Department at (888) 877-0890, option 1 or send an email to [employers@trs.illinois.gov](mailto:employers@trs.illinois.gov). TRS staff members are available to unlock web access accounts from 7:30 a.m. to 4:30 p.m. Monday through Friday.



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