

Employer Overview

Welcome to Payroll Submissions



TRA

TEACHERS
RETIREMENT
ASSOCIATION



In this presentation, we will cover:

- ✓ **TRA Contribution Rates**
- ✓ **Payroll Reporting**
- ✓ **Payroll Corrections**
- ✓ **Eligibility**
- ✓ **Payment Types**
- ✓ **Year-End Reports**
- ✓ **TRA Reporting Corrections**
- ✓ **Late Fees**
- ✓ **Legislative Updates**
- ✓ **Employer Communications**

TRA by the Numbers



- Approximately **86,000** active members
- Approximately **70,000** retirees, survivors, beneficiaries, and disabilitants who are receiving a monthly benefit
- Funded ratio was **79.9%** as of July 1, 2024



Teachers Retirement Association

Mission Statement

TRA provides retirement, disability and survivor benefits to Minnesota's public educators assisting them in achieving future income security. TRA strives to provide benefits that attract and retain competent teachers who serve communities throughout the state, building a stronger education system. TRA is committed to safeguarding the financial integrity of the fund and takes pride in providing exceptional, innovative services.

Payroll Contributions



TRA Contribution Rates		
Effective Dates	Employee Contribution Rate	Employer Contribution Rate
7/1/2023 through 6/30/2025	7.75%	8.75%
7/1/2025 and after	8.00%	9.50%

- When an employer contribution rate changes for a fiscal year, the new contribution rate is effective for the entire salary paid for each employer unit with the first payroll cycle reported.
- Any payment dates July 1 and later need to reflect the new contribution rate.

Payroll Reporting



- There are two ways to submit your payroll file:
 1. **Payroll file** using your payroll reporting software
 2. **Manual submission** that is ideal for new charter schools that have fewer than 25 TRA-eligible employees
- You must provide demographic records for new employees before submitting payroll.
- Accurate demographic information is crucial for accurate TRA records.

Payroll Reporting



- User must have a **Username** and **Password**
- Go to **Payroll Submission** on the myTRA Employer Portal
 - Select Browse, then upload file
- Payroll will be split into a demographic file and a payroll file



Search Criteria

File Id:

Submission Date: -

Status:

Search

Reset

New

Payroll Reporting – Pay Period Dates



- The payment date must reflect the date that the salary was paid.
- For purposes of service credit, the payroll report must accurately reflect the pay period begin and end dates.

FY	Payment Date	PP Begin Date	PP End Date
2025	12/15/2024	12/1/2024	12/15/2024

Payroll Reporting – Contract Payoffs



- Dates of contract should be entered for contract payoffs paid in FY 2024
- Contribution rates would be according to FY 2025

Examples:

FY	Payment Date	PP Begin Date	PP End Date
2025	7/15/2025	9/1/2024	5/30/2025

or

FY	Payment Date	PP Begin Date	PP End Date
2025	7/15/2025	1/4/2025	6/6/2025

or

FY	Payment Date	PP Begin Date	PP End Date
2025	7/15/2024	10/1/2024	6/10/2025

Payroll Corrections – Missed Contributions



Example: Hired a teacher who told you they were retired, but they **are not** retired from TRA.

Originally reported record:

FY	Payment Date	PP Begin Date	PP End Date	Salary	TRA EE	TRA ER
2025	12/15/2024	12/1/2024	12/15/2024	\$1500	\$0.00	\$0.00

Issue: School reported the teacher’s earnings, but did not report employee and employer contributions.

Earning After Retirement: Limit is **\$46,000** per fiscal year

2024 legislation suspended the earnings limitation for Pre-K–12 staff for an additional three years: FY 2025, 2026, and 2027.

Correction to Report Contributions



How do I fix the missed contribution reporting?

- Submit two payroll records for the employee the next pay period:
 1. First record reports the employee's new earnings
 2. Second record reports the adjustment for the missed contributions from the previous check

Correction submitted with next payroll:

FY	Payment Date	PP Begin Date	PP End Date	Salary	TRA EE	TRA ER
2025	12/31/2024	12/16/2024	12/31/2024	\$1500	\$116.25	\$131.25
2025	12/31/2024	12/1/2024	12/15/2024	\$0	\$116.25	\$131.25

Reported Contributions In Error



Example: Hired a teacher and they forgot to tell you they are retired from TRA.

Incorrect Record and Adjustment:

FY	Payment Date	PP Begin Date	PP End Date	Salary	TRA EE	TRA ER
2025	12/31/2024	12/1/2024	12/15/2024	-\$500	-\$38.75	-\$43.75

**This adjustment is incorrect because it zeroes out the salary and contributions.

Reported Contributions In Error



- Submit two payroll records for the employee the next pay period:
 1. First record reports the employee's new earnings – with no EE or ER
 2. Second record is the adjustment to reverse the EE and ER from the last check

Correction submitted with next payroll:

FY	Payment Date	PP Begin Date	PP End Date	Salary	TRA EE	TRA ER
2025	12/31/2024	12/1/2023	12/15/2024	\$0	-\$38.75	-\$43.75

**This adjustment is correct because it only reverses the contributions while still reporting salary for the TRA earnings limitation.



- **TRA-eligible teaching service** is defined by Minnesota Statutes, section 354.05, subdivision 2, in part, as:

service as a teacher, supervisor, principal, superintendent, librarian, nurse, counselor, social worker, therapist, or psychologist in a public or charter school of the state (excludes ISD 625 – St. Paul Public Schools)

- TRA eligibility is based on the role or position of the employee
- Please check with your auditor contact at TRA if you have any questions.

Who is Not Eligible



- Staff who are operational such as business (e.g. finance, human resources), custodial, and full-time and part-time food service staff
- Employees who are under the supervision of a teacher, such as a paraprofessional
- Student teacher interns
- Substitute teachers contracted through third-party providers, such as Teachers On Call or any other staffing agency
- Seasonal activities only employees (coaches, event workers, officials, and chaperones)

TRA Payment Types



TRA Values		Reported Values
Transaction Type:	Pay Record ▾	01
Payment Type:	01 : Regular Activit ▾*	01
Internal Payment	▾	na
Type:		

- **01: Regular Activity** – Used for the regular contract salary of the employee for the teacher’s regular assignment
- **02: Extracurricular** – Used for coaching/activities and other related non-teaching assignments. Community Education Instruction should continue to be reported as 02: Extracurricular.
 - For members who are also teaching, this is considered eligible under the 50% rule.
 - For administrators, substitute and extracurricular pay is generally not eligible as services in addition to the normal work year contract and performed on an extended duty/non-duty day.

TRA Payment Types



TRA Values		Reported Values
Transaction Type:	Pay Record ▼	01
Payment Type:	03 : Substitute ▼*	03
Internal Payment	▼	na
Type:		

- **03: Substitute Salary** – Used for substitutes who are employed by the district and for teaching-related assignments such as classroom prep time, department chair position, and stipend for school board chair position, Adult Basic Education and Drivers Education Instruction. For teachers, this pay is TRA-eligible and using pay code 03 will prevent it from being flagged in our annual eligibility review.
- **09: Q-Comp/Performance pay** – Used for Q-comp payments, performance bonuses, and retention bonuses for teachers.
- If you are not sure about payment type, call or message us through My Messages (select General Employer Questions from the drop down).

Ineligible Salary



- **Do not report** the following salary to TRA:
 - Lump-sum payouts of vacation and sick time
 - Severance payments
 - Workers' compensation payments
 - Disability payments
 - Employer-paid fringe benefits used by an employee
 - Example:** cell phone reimbursement
 - Hiring Bonus



Ineligible Salary for Administrators



- Ineligible salary for administrators includes:

“payments to school principals and all other administrators for services that are in addition to the normal work year contract if these additional services are performed on an extended duty day, Saturday, Sunday, holiday, annual leave day, sick leave duty, or any other nonduty day”

Minnesota Statutes, section 354.05, subdivision 35, paragraph (b)

- Coaching/activities pay is ineligible for administrators
- Cash in lieu of fringe benefits is ineligible for administrators
 - Administrators may receive this salary, but it should not be reported to TRA, even if the duties are listed in their contract.
 - If you are not sure of salary eligibility, call or message us through My Messages (select General Employer Questions from the drop down).

Employees with Multiple Roles



- **Concurrent 50% Rule:** Employees in both a TRA and PERA role throughout the entire fiscal year when 50% or more of their total salary is TRA-related:
 - Report all salary to TRA.
- **Transitional break:** When an employee resigns from a PERA-related job and accepts a TRA-related job:
 - Start reporting to TRA as of the role change date, and vice versa.
 - **Examples:**
 - Dan starts out working in the classroom under the supervision of a teacher. Then Dan accepts a long-term substitute teacher position at the end of the school year.
PERA → TRA
 - Erin was hired to teach some business courses and a position opens up in Accounts Payable in the Business Department. She applies and is hired into the new role.
TRA → PERA

Employees with Multiple Roles - *continued*



More Examples:

- **Paraprofessional** who also substitute teaches → Report all salary to TRA.
- Report as follows:
 - **Paraprofessional work** – 02: Extracurricular
 - **Substitute teaching work** – 03: Substitute
- **PERA** employee accepts Long-Term Sub (LTS) role → Update the employee to TRA for the LTS role.
 - One LTS role in the fall → Treat this like change in service. Report to TRA during the LTS role, switch back to PERA when they return to the paraprofessional position.
 - Several LTS roles during the year → Report to TRA for the entire fiscal year.

Annual Base Salary – Contract



Outstanding Tasks	
Status	
Ready	Enter Annual Base Salary

- Annual Base Salary (ABS) is used to calculate members' service credit.
- If your district has a contract, it needs to be submitted every year.

Collective Bargaining Agreement/Master Agreement
Are your teachers covered under a collective bargaining agreement/master agreement? <input type="radio"/> Yes <input type="radio"/> No *

- You will receive workflow that says “Enter Annual Base Salary.”
- Upload the following three pages:
 1. Cover page that shows the terms of the contract
 - **Example:** July 1, 2024 through June 30, 2025
 2. Salary schedule for 2024-2025 and/or 2023-2025
 3. Signature page where all parties signed the agreement. It must be signed and dated.

Annual Base Salary – No Contract



- **For schools without a contract** – TRA needs a letter on official school letterhead indicating the lowest salary that would have been offered for a newly hired, entry level, full-time teacher during the previous fiscal year.
- It must be signed by a director or human resources representative stating that the salary amount is accurate.



Year-End Reports



- **Over/short:** An invoice or refund will be processed.
- **Eligibility form (5630)**

Eligibility - Individuals listed may not be eligible for coverage with TRA, since 100 % of reported salary are extracurricular pay. Verify the reported extracurricular salary for each individual and report corrections to the amount in the space provided.

Name	TRA No	Reported Extracurricular Salary	Corrected Extracurricular Salary	You are required to complete this column. Description of Extracurricular Salary

- **Example:** \$1,500 salary for seasonal coaching.
 - **Sports/Activities Sharing Agreements:** Please note schools that you have a sharing agreement with on the 5630.
 - When a sharing agreement is in place, a member's coaching at a sharing school is eligible if they teach at the other school.
 - TRA may request a copy of the sharing agreement.

TRA Reporting Corrections



TRA auditors may contact you regarding:

- **Shortage:** TRA will bill the school for any underreported contributions associated with the member's eligible earnings.
- **Refund:** Refund the member and school for overreported contributions. (Example: wrong contribution rates being used or reported earnings that are deemed ineligible.)
- **Transfer of Service:** If TRA learns that a member was reported to the wrong pension fund (e.g. reported to PERA but was in a TRA-eligible role),
 - School updates reporting going forward to the appropriate pension fund.
 - TRA determines if the erroneously reported service may be eligible for transfer.
 - Refund/shortage will generate if needed as a result of the service transfer (TRA contribution rates are higher than PERA rates).

Credits and Invoices – EFT Payment Screen



When TRA posts a refund or shortage to a member's account, the school may see an invoice (shortage) or credit (refund) on the EFT Remittance Payment Screen.

Unremitted Payrolls					
Include in EFT	Payroll Identifier	Salary	Pay Date	Amount Due	
No records...					
Reset Grid					

Outstanding Invoices					
Include in EFT	Invoice Type	Member Name	Due Date	Amount Due	
<input type="checkbox"/>	Payroll Shortage - Employer	[REDACTED]	3/31/2020	\$ 830.86	
<input type="checkbox"/>	Delinquency - Payroll Submission		8/29/2020	\$ 30.00	
Reset Grid					

Outstanding Credits					
Include in EFT	Return Payment	Credit Type	Member Name	Remittance Date	Credit Amount
<input type="checkbox"/>	OR <input type="checkbox"/>	Ineligible Salary - Non Licensed Position	[REDACTED]		\$ 114.80
<input type="checkbox"/>	<input type="checkbox"/>	Post Retirement/Invalid Earnings	[REDACTED]		\$ 10.16
<input type="checkbox"/>	<input type="checkbox"/>	Post Retirement/Invalid Earnings	[REDACTED]		\$ 118.64

Late Fees



- Payroll must be reported and remittance payments made within 14 calendar days of the payment date (check date).
 - **Late Payroll Submission** – Billed at \$5/day
 - **Late Employer Remittance** – Late fee is calculated based on an interest formula.
 - If there are any EFT payment issues with TRA/US Bank then the school will not be billed
- Late fees will also generate for other missed reporting deadlines including:
 - Annual Base Salary (due by June 30th)
 - Part-Time Teacher Program Application (initial application due by October 1st)
- If a school fails to pay an invoice, TRA may send a collection letter to the Minnesota Department of Education.

Union Leaves



- Leave begin date should be first day of the current fiscal year.
- Leave should be reported the first day that the employee goes to work with the labor organization.
- The member has 90 days from commencing employment with the labor organization to elect to contribute to TRA based on that employment.

Leave Period

For a Union Leave of Absence, the application must be submitted by fiscal year (i.e. July 1 - June 30):

For example:

If the leave of absence is granted for the time period of March 21, 2018 through November 21, 2018, then a leave of absence application must be submitted for each fiscal year of the time period as follows:

- Application for fiscal year 2018 with a Leave Begin Date = 03/21/2018 and Leave End Date = 06/30/2018
- Application for fiscal year 2019 with a Leave Begin Date = 07/01/2018 and Leave End Date = 11/21/2018

Enter the following leave dates:

Leave Granted Date: ⓘ	<input type="text"/>		*
Leave Begin Date: ⓘ	<input type="text"/>		*
Leave End Date: ⓘ	<input type="text"/>		*

Legislative Updates



- Effective July 1, 2024, the normal retirement age for **active and eligible deferred** Tier II members was reduced from 66 to 65.
- This law change will not apply retroactively to benefits started before July 1, 2024.

TRA Contribution Rates		
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7/1/2023 through 6/30/2025	7.75%	8.75%
7/1/2025 and after	8.00%	9.50%

Legislative Updates



- The 2024 Omnibus Pension Bill extended the earnings limitation suspension for three additional years.
- This means that retirees who return to work in TRA-covered Pre-K-12 positions in fiscal years 2025, 2026, and 2027 will not be subject to an earnings limitation and subsequent retiree benefit withholding in calendar years 2026, 2027, and 2028.



Please Note:

The temporary suspension of the earnings limitation does not apply to retirees returning to Minnesota State positions. Both the \$62,000 earnings limitation for members approved for the Annuitant Employment Program and the general \$46,000 earnings limitation, whichever is applicable, will continue to be enforced for retirees returning to Minnesota State positions.

TRA's Employer Communication



- To sign in to **TRA's Employer Portal**:
 1. Go to **minnesotatra.org**
 2. Locate “Employers” in the website menu and click on “myTRA Employer Sign In”
 3. Enter a Username and Password and click the “SIGN IN” button.
- Within the myTRA Employer Portal individuals receive reminders and alerts.
- TRA also sends messages via email with reminders and newsletters.



My Messages in TRA Employer Portal:

This secure messaging tool is used to communicate about payroll and demographic data.

TRA's Employer Communication



To send a message, select “**New**” and select a **Reason** from the drop down:

- **General Employer Questions:**

- Payroll issues
- EFT payments
- Eligibility
- Transfers
- Workflow issues
- Part-time and sabbatical leaves

- **Leave of Absence Team:**

- All other leave questions

- **Employer Payroll Audit:**

- TRA's internal audit department is performing an audit on your school



Employers also
may contact
TRA by phone:
800.657.3853

TRA's Public Website



- See the Employers section of our website, minnesotatra.org/employers, for the latest publications, updates, and information.

A screenshot of the TRA website. The top left features the TRA logo (Teachers Retirement Association) with a blue leaf icon. To the right are links for 'Contact Us', 'myTRA ACCOUNT SIGN IN', and a search icon. A navigation bar contains 'Members', 'Retirees', and 'Employers', with 'Employers' circled in red. Below this is a secondary navigation bar with 'News', 'Financial', 'Board of Trustees', and 'Video'. A large banner image shows a person's hands with glasses, overlaid with the text '2025 Retirement Work' and 'Attend a webinar to learn about applying for'. At the bottom are three buttons: 'New Members', 'During your Career', and 'Nearing Ret'. A 'Chat' button is in the bottom right corner.