



EMPLOYER FACT SHEET SERIES

Contributions on Earnings for TPO Service

A teacher professional organization (TPO) is an organization of teaching professionals that qualifies as an employee organization, such as a union, defined in Section 4117.01, Revised Code. STRS Ohio members who are paid for service to TPOs **may** qualify to make contributions on part or all of their earnings for this service.

To qualify for contributions, compensation for TPO service must be part of the collective bargaining agreement between the employer and the TPO. The agreement must specify:

- Compensation will be paid for TPO service,
- The position or individual to be paid,
- The rate of pay for the service, and
- The time period for which service will be paid, such as per hour, day or week.

Employers are required to submit a copy of the collective bargaining agreement to STRS Ohio via email at report@strsoh.org for review and approval of contributions. Each time the agreement is renegotiated, the employer must send the updated copy to STRS Ohio.

Administrative Code Rule 3307-6-01 permits contributions for TPO service. STRS Ohio members must meet all of the following criteria to be eligible to complete contributions:

- Worked full time or part time for a TPO,
- Received compensation for service to a TPO, and
- Are not eligible for any other retirement benefits based on the money received for performing such service, except Social Security.

There are limits on contributions for TPO service. A member may contribute on earnings for teaching service and TPO service for a maximum combined total of 250 days of service calculated on the base contract’s daily rate of pay. Additionally, the member may contribute on service for other supplemental duties not related to a TPO (e.g., class advisor or coach).

The following examples will assist you in calculating the allowable contribution amount for a member with TPO service.

Example 1 — Member with a full-time teaching contract of 183 days and part-time service to a TPO

Base contract	\$40,000
TPO compensation	<u>+\$10,000</u>
Total earned	\$50,000
Daily rate of pay	$\$40,000 \div 183 \text{ contract days} = \218.58
Maximum allowable earnings	$\$218.58 \times 250 \text{ days} = \$54,645$

The member will be permitted to contribute on the entire \$50,000 earned since the maximum allowable earnings exceeds his total compensation.

Example 2 — Member with only full-time service to a TPO who is under a 183-day regular teaching contract

Base contract	\$51,175
TPO compensation earned	\$71,200
Daily rate of pay	$\$51,175 \div 183 \text{ contract days} = \279.64
Maximum allowable earnings	$\$279.64 \times 250 \text{ days} = \$69,910$

The member may earn the entire \$71,200, but can only contribute on a total of \$69,910. Any contributions in excess of \$69,910 will be returned to the employer.

Employers must include TPO contribution amounts in payroll reports and remit contributions on earnings for TPO service along with contributions on regular teaching earnings. TPO contributions should also be included in annual report figures and submission of a *TPO Contribution Certification* form is required at the same time as the annual report.

Frequently Asked Questions

I don't know if my district should be contributing for compensation paid to our union officers. Who should I contact?

Before contributions are remitted on earnings for TPO service, employers must submit a copy of the current collective bargaining agreement to STRS Ohio via email at report@strsoh.org for review and approval.

Can we contribute on TPO earnings if compensation for this service is not mentioned in our collective bargaining agreement?

No. If compensation for TPO service is not included in the agreement, contributions **cannot** be made on TPO earnings and no reporting is required.

Do we have to submit a *TPO Contribution Certification* form?

If contributions are remitted on TPO service, then a *TPO Contribution Certification* form is required. This form should be submitted to STRS Ohio at the same time as your annual report.

Our district's contributions exceeded the maximum allowable earnings for one of our union officers. I didn't notice until preparing my annual report. How do I correct this?

Since it is annual reporting season, simply complete the *TPO Contribution Certification* form and submit it to STRS Ohio. We will review it to verify that contributions have been received only on the allowable amount of earnings. Excess TPO contributions will be returned to the school district. If you notice the individual's contributions exceed the maximum allowable earlier in the fiscal year, please make the correction with your next payroll report and take a credit against your next payment.

How do I calculate maximum allowable earnings for an employee who is on a leave of absence to perform service for the TPO?

Members who are on a leave of absence to perform TPO services are limited to the greater of actual compensation earned up to the equivalent of 250 teaching days of pay or the amount they would have earned if they had not been on a leave.

For More Information

Log on to the employer website at www.strsoh.org/employer

Call the Employer Reporting Department toll-free at **888-535-4050** or send an email to report@strsoh.org