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EXECUTIVE SECRETARY

BRAD HENRY
GOVERNOR

STATE OF OKLAHOMA
OKLAHOMA TEACHERS RETIREMENT SYSTEM

April 8, 2010

Dear Superintendents and Payroll Officers:

On March 24, 2010 the Board of Trustees of the Teachers Retirement System set the **MATCHING CONTRIBUTION rate at 6.5% for FY11** that local employers must make for employees when salaries are paid by federal funds or externally sponsored agreements such as grants, contracts and cooperative agreements. The matching contribution is required by 70 O.S. § 17-108(B) and is based on the State's contribution for employees whose salaries are paid by state funds. This is a lower rate than FY10.

The 6.5% matching contribution is in addition to the local **EMPLOYER CONTRIBUTION, which remains at 9.5% on July 1, 2010** for the Common Ed., Career Tech, 2-year colleges and state agencies that have TRS clients. The **EMPLOYER CONTRIBUTION rate for 4-year colleges and universities remains at 8.55%**.

The Employee Contribution rate has not changed; it will again be 7% for FY11.

As you are completing the Form TRS80 verifying salary information for your employees who are retiring at the end of this fiscal year, keep in mind that contributions are not to be remitted on reimbursements for food, travel, housing or any other expense, nor are they remitted on any type of payment because of termination or retirement. This includes lump sum payments for unused personal, business, annual, vacation or sick leave, retirement bonuses or contract buy-outs. Please refer to Section 715:10-13-1 of the *Teachers Retirement System of Oklahoma Rules and Laws*.

Also, as we approach the end of the fiscal year and the start of a new one, make sure that you send in separate reports for FY10 and FY11; please do not combine contributions for both fiscal years on the same report. For example, if you have a July report for FY10, i.e. for your teachers, the Summary of Payroll Report Form TRS32 should have 2009-10 for the school year, July 31, 2010 for the pay period, and it will be report number "1." If you have another July report for your 12-month employees for FY11, the school year will be 2010-11, the pay period will again be July 31, 2010, and the report will be number "2." It doesn't matter when you process your payroll, you will enter the last day of the month for which the

payroll was intended on the form TRS32. Other than the summer months, which will overlap in this way, please try to have one report for every month, even if you have to do several payrolls. All reports will be number "1" for the month. If you do have to send more than one report, they will be numbered "2," "3," and so on. **Please do not put all your summer months on the same report, i.e. tripling or doubling the May or June reports, create a new form TRS32 and detail for each month.**

As stated in the memo for October 13,2009, it is mandatory for all school reporting entities to send their detail through our website, rather than sending a paper report or diskette/CD through the mail. Therefore, we ask you to contact us if you have not already taken the necessary steps to make this change. If you need access to be able to send your detail information over the web, please contact Audrey Cravens at 405.521.4728.

Please do not hesitate to contact any of us in the Client Records Division if you have any questions or concerns, or if you need help reconciling your reports or completing any of the forms. We can be reached toll free at 877.738.6365.

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