



Montana Teachers' Retirement System FACT SHEET: Calculating and Reporting Extra Duty Service Credit

This Fact Sheet is intended to explain when and why a TRS employer must report service for extra duties to TRS.

- *Note:* This Fact Sheet does *not* apply to any member in a retired status with TRS. Retired members who return to TRS-reportable employment are subject to specific requirements and restrictions as outlined in a separate Fact Sheet, *Working After Retirement*.

What is extra duty service?

As defined in §19-20-101(14), MCA:

Extra Duty Service means:

- (a) service in an educational services capacity that is not compensated as part of the normally assigned duties and functions of a school district teacher, administrator, or other employee but is regularly assigned to one or more school district teachers, administrators, or other employees as part of the regular operation of the school district's curricular, cocurricular, or extracurricular programs; or
- (b) service *not* in an educational services capacity that is regularly assigned to a school district teacher, teacher's aide, paraprofessional, or administrator *for the purposes of student supervision* during school functions that are not part of the school district's regular curricular, cocurricular, or extracurricular programs.

Subsection (a) includes coaching, drivers' education, and other duties that are educational and instructional in nature. Subsection (b) describes duties that would not *on their own* be reportable to TRS because they are not educational/instructional in nature. Effective July 1, 2025, such duties must be reported when performed by existing TRS members as described. Examples include, but are not limited to, lunch duty, playground duty, crossing guard duty, study hall monitor, and concessions stand advisor/supervisor.

- The term "educational services capacity" also is defined in the above section of TRS law and is discussed in more detail in a separate TRS Fact Sheet, *Which Positions are Reportable to TRS?*

Reporting

How should extra duty service be reported for employees who are already TRS members?

Active TRS members who work **full time** cannot accrue additional service credit for extra duties, but their additional pay must be reported to TRS to ensure they receive earned compensation credit.

Active members who work **less than full time** must be granted creditable service and earned compensation credit for extra duty service. Importantly, this requirement applies even to individuals hired *only* for the purpose of providing extra duty service, such as coaching.

The general procedure is as follows:

- If an existing member of TRS is paid an **hourly rate** for extra duties, report the **actual hours worked** and the **actual amount paid**.
- If an existing member is paid a **stipend** or a single fee for extra duties, **report the stipend amount, then divide** by the hourly or daily rate of pay for the employee's regular duties to calculate service credit. Members who work less than full time are entitled to receive additional service credit for extra duties, up to the maximum 1.00 year of service per fiscal year.

Stipend amount ÷ hourly rate of pay = hours of service credit

OR

Stipend amount ÷ daily rate of pay = days of service credit*

**Days cannot be reported in the TRS Wage & Contribution System and may need to be converted to hours. See example below.*

- NOTE: Any questions about calculating and reporting extra duty service credit should be directed to the TRS Accounting department to minimize errors and ensure members are properly credited.

Should the employer report all hours for extra duty service in a single TRS report?

Generally, no. TRS employers are required to report service on a “when earned” basis (not a “when paid” basis), and service also is capped at 140 hours per month. The best practice is to convert stipends to the equivalent hours of service and report some hours in each of the months in which the work was actually performed. Reporting all hours in a single month could exceed the 140-hour cap, causing the member to be credited with too little service.

What if a school hires someone for extra duties who otherwise doesn't work for the district?

If the employee **is** already an active (or inactive) member of TRS, the employer must report all extra duty service from the first day or hour of employment, as described above.

If an individual hired for extra duty service is **not** already a member of TRS, the employer must determine if the extra duties will exceed the threshold for mandatory TRS participation, which is 30 days or 210 hours in a single fiscal year (July 1 through June 30). If the answer is yes, the employer must report **all** service to TRS.

Example. A school district hires a community member to work *only* as the head coach for both football and track for the upcoming school year. He will be paid two stipends (\$6,000 for football and \$4,800 for track).

(a) Calculate the **daily rate of pay** and **days of service credit**.

Because the coach is not otherwise employed by the district, use the contract rate for a full time, entry level teacher (\$38,000 in this example), then divide by 187 (*or, by the number of days constituting full-time employment in a district with an alternative school calendar*). Then, divide the stipend(s) by the daily rate to determine the number of days of service credit:

\$38,000 contract rate for entry-level teacher ÷ 187 days = **\$203.21 daily rate**

\$6,000 ÷ 203.21 daily rate = 29.53 days for football, and

\$4,800 ÷ 203.21 daily rate = 23.62 days for track

Total days = 53.15

- This employee's service will exceed the 30 day threshold for mandatory participation, so the employer must report all his extra duty service to TRS.

(b) Convert the **days** calculated in (a) to **hours**, using 7 hours per day as the multiplier:

29.53 days x 7 = **206.71 hours** (football)

23.62 days x 7 = **165.34 hours** (track)

(c) For reporting purposes, spread the stipends and the hours calculated in (b) across the actual months in which extra duties will occur. In this example, the coach's football stipend is earned in September, October, and November, while his track stipend is earned in March, April, and May:

\$6,000 stipend ÷ 3 = \$2,000.00 per month (Sept, Oct, Nov reports)

206.71 hours ÷ 3 = 68.90 hours per month

\$4,800 stipend ÷ 3 = \$1,600.00 per month (Mar, Apr, May reports)

165.34 hours ÷ 3 = 55.11 hours per month

- Remember: Do not report more than 140 hours in a single month, and do not report more hours in the fiscal year than the total hours calculated in (b).

Tip: TRS has created a calculator to assist with the above calculation. To obtain the Excel file, contact TRS Fiscal/Accounting Manager Nolan Brilz by phone (406-444-3679) or by email: NBrilz@mt.gov.

Can coaches choose not to participate in TRS?

There is a misconception that coaches and others who are not already TRS members can “opt in” or “opt out” of TRS. This is incorrect. Under TRS law, only substitute teachers and part-time teachers' aides or paraprofessionals who are not already members may *elect to defer (postpone)* TRS membership until they have worked 210 hours (30 days) or more in a single fiscal year. (Details are presented in a separate TRS Fact Sheet, *Substitute Teaching and Elective Membership Deferral*, available at trs.mt.gov.)

To determine whether coaches and other “stipend” workers must participate in TRS, the employer must calculate whether the stipend(s) will represent the equivalent of 210 hours or more of TRS-reportable service in a single fiscal year. If the amount is large enough to meet the threshold, participation is mandatory, and the employer must report **all** service for that employee. If the amount does not meet the threshold, the employee is **not** eligible for TRS membership, and the employer should **not** withhold contributions from their pay or include them in monthly TRS reports.

- *Note:* Employers *must not* use the TRS “Non-contributing sub or PT aide/para” work status to record hours and wages for these individuals.

If an employer fails to report extra duty service, how does TRS identify and correct the error?

These errors are typically discovered during TRS audits. To ensure an affected member receives all service and earned compensation credit to which they are entitled, TRS will set up a service purchase transaction to collect the necessary employer and employee contributions, with interest, for service not reported.

Responsibility for unpaid employer and employee contributions. For service on or after July 1, 2015, the employer must pay employer **and** employee contributions due, with interest. For service prior to that date, the employer is not required to pay the employee's share, although some employers choose to do so.

While the affected member is not obligated to pay employee contributions due for service that should have been reported by their employer, TRS will grant service credit only for periods for which all employer *and* employee contributions have been paid.

Questions?

If you have any questions about the content of this Fact Sheet, please contact us.

Montana Teachers' Retirement System ♦ 406-444-3134 ♦ 866-600-4045 ♦ trs.mt.gov

Please Note: This Fact Sheet is intended to provide a concise, easy-to-understand summary of TRS law and policy.