



Montana Teachers' Retirement System
Policy 3-0210-001
Interest Rates

Section: Administrative

Implementer: TRS Board

Effective Date: October 3, 2025

Purpose:

The Teachers' Retirement System Board (the Board) establishes interest rates for the Teachers' Retirement System (TRS) defined benefit retirement system pursuant to this policy. It is intended that this policy comply with Mont. Code Ann. §§19-20-201 & 19-20-501.

In establishing policy pertaining to interest credited to member accounts, the Board takes notice of the following specific constitutional and statutory requirements:

1. Pursuant to Article VIII, Section 15, of the Constitution of Montana, the Board members administer the retirement system, including making actuarial determinations, as fiduciaries of system participants and their beneficiaries. Pursuant to §19-20-203, MCA, the Board is responsible to employ technical or administrative employees necessary for the transaction of the business of the retirement system, and to designate an actuary to assist the Board with the technical actuarial aspects of the operation of the retirement system.
2. Pursuant to Article VIII, Section 15, of the Constitution of Montana, the Teachers' Retirement System is required to be funded on an actuarially sound basis; assets of the retirement system may not be encumbered, diverted, reduced, or terminated and shall be held in trust to provide benefits to participants and their beneficiaries and to defray administrative expenses.
3. Pursuant to §19-20-501, MCA, the Board members are trustees of all money collected for the retirement system and shall provide for the financial administration of the money as required by the Montana Constitution and §19-20-501.
4. Pursuant to §§19-20-201(1)(i) & 501(2), MCA, the Board members shall annually establish the regular rate of interest credited to member accounts.

Definitions:

Policy:

A. Interest Credited to Member Accounts

1. The interest rate used to credit interest to member accounts for each fiscal year shall be the lesser of the average projected average of the Short-Term Investment Pool (STIP)

interest rate earned by the Montana Board of Investments as of March 31st of the preceding fiscal year or 2.0%.

2. Interest on a member's account is compounded annually and credited monthly.

Cross Reference:

The following laws, rules or policies may contain provisions that apply to this policy. The list should not be considered exhaustive – others may also apply.

Art. VIII, Section 13, Constitution of Montana
Art. VIII, Section 15, Constitution of Montana
§19-20-101(1), MCA
§19-20-201(1), MCA
§§19-20-401 through 19-20-404, MCA
§§19-20-408 through 19-20-411, MCA
§§19-20-416 through 19-20-417, MCA
§§19-20-426 through 19-20-427, MCA
§19-20-501(2), MCA
§19-20-1206, MCA

Signature:

By board action taken on (date) October 3, 2025, and by my signature below, the TRS board has authorized implementation of this original or modified policy. The effective date of this policy is:

X the date of board action set forth above
_____ (date) _____.

BY: Kari Elliott, Board Chair

/s/ Kari Elliott
Signature

TRS policies may be amended or revoked from time to time, effective from the date of board action or later date as specified in the policy. The official version of any TRS policy is the version currently posted on the [TRS Board Policies webpage](#) and deviation will be resolved in favor of the official version. Please review the material online prior to placing reliance on printed or archived versions.