



## Montana Teachers' Retirement System



### ACTIVE MEMBERS

Benefit information and account access



### BENEFIT RECIPIENTS

Handbook, forms and account access



### EMPLOYERS

Account access for insurance, wages and contributions



Welcome to the new TRS website

Key Information



# TRS: Key Information

Montana Teachers' Retirement System



# Agenda

---

- ▶ Overview
  - ▶ TRS Employers
  - ▶ TRS Members
- ▶ Termination of Employment
- ▶ Prearranged Agreements
- ▶ Break in Service
- ▶ Working Retirees
- ▶ Contribution Rates





# Overview

TRS  
TRS Employers  
TRS Members



# Teachers' Retirement System

---

- ▶ Established by Montana Legislature in 1937.
- ▶ 18,200+ members
- ▶ 13,800+ benefit recipients
- ▶ \$3.1 billion in assets managed by Board of Investments
  
- ▶ Defined benefit pension plan (*i.e. 401a*)
  - ▶ Not a defined contribution (*e.g. 401k*)
  
- ▶ TRS Staff
  - ▶ Contact Information on TRS website
  - ▶ [www.trs.mt.gov](http://www.trs.mt.gov)



# TRS Employers

---

- ▶ State of Montana
- ▶ Public School Districts
- ▶ Office of Public Instruction
- ▶ Board of Public Education
- ▶ Education Cooperatives
- ▶ Montana School for the Deaf and Blind
- ▶ Youth Correctional Facilities
- ▶ Montana University System
- ▶ Community Colleges
- ▶ Any other agency, political subdivision, or instrumentality of the state



# TRS Members: Reportable Positions

---

- ▶ Coach
- ▶ Dean of Students
- ▶ Guidance Counselor
- ▶ Librarian
- ▶ Paraprofessional
- ▶ PE Instructor
- ▶ Principal
- ▶ School Nurse
- ▶ School Psychologist
- ▶ Speech Therapist
- ▶ Substitute Teacher
- ▶ Study Hall Monitor
- ▶ Superintendent
- ▶ Teacher
- ▶ Teacher's Aide
- ▶ Determined by duties, not by title
  - ▶ Contact TRS if you have any questions



# Excluded from TRS membership

---

- ▶ Bus driver
- ▶ Cafeteria staff
- ▶ Custodial staff
- ▶ Hall monitors
- ▶ Non-instructional information technology staff
- ▶ Playground aide
- ▶ School Clerks
- ▶ Ticket takers
  
- ▶ Contact TRS if you have any questions



# Independent Contractors

---

- ▶ If an individual is an independent contractor and they are not a TRS retiree, then they should not be enrolled as a TRS member and should not be reported to TRS.
  
- ▶ If an individual is an independent contractor and they are a TRS retiree, then employers must
  - ▶ report the individual to TRS as a working retiree and
  - ▶ Remit employer contributions for that individual



# Paraprofessionals

---

- ▶ Membership in TRS is determined by job duties and functions, not by job title.
- ▶ If someone is performing the duties and functions of a paraprofessional – i.e. are employed in an instructional or educational services capacity – they must participate in TRS – and not in PERS.
- ▶ Please review TRS Employer Memo of January 15, 2014 on the TRS website for more information on reporting paraprofessionals.



# Termination of Employment Prearranged Agreements



# Termination of Employment

---

- ▶ In order to be considered retired, a member must
  - ▶ Terminate all employment in *all* positions reportable to TRS
    - ▶ This includes working as a volunteer, independent contractor, or employee of a third party
  - ▶ Complete the Certification of Termination of Employment for Member and Employer (*Form 144*).
  - ▶ Receive their first benefit payment via electronic deposit or deposit/cash their first benefit check
- ▶ A member is *not* retired if they do not complete all retirement steps.



# Prearranged Agreements

---

- ▶ Special situation:
  - ▶ If a member is not yet 60 years old
  - ▶ *and* they have a pre-arranged agreement with their employer – whether verbal or written – to return to work for their employer after retiring,
  - ▶ they have *not terminated* employment and cannot be considered to be retired and they cannot receive retirement benefits.



## 150 Calendar Day Break in Service

# 150 Calendar Day Break in Service

---



- ▶ Once a member has fulfilled their requirements to retire, they may consider returning to work in a position reportable to TRS.
- ▶ ALL retired TRS members must wait 150 calendar days before they can return to work as a working TRS retiree.
- ▶ The 150 days begins on the first day following the last date of termination which is certified by the Employer and the Member when completing TRS Form 144.

# 150 Calendar Day Break in Service

---



- ▶ The break in service requirement applies to
  - ▶ All work and service provided in a position that would be reportable to TRS if the individual was an active member
  - ▶ Whether the individual is:
    - ▶ An employee of the employer
    - ▶ An employee of a third party
    - ▶ An independent contractor
    - ▶ A volunteer

# 150 Calendar Day Break in Service

---



## ▶ Exception

- ▶ After an individual attains retired member status, they may be employed as a substitute classroom teacher to carry on the duties of a regular, licensed teacher who is temporarily absent for no more than 45 days during the 150 calendar day break in service period.

## ▶ Violation of the break in service period

- ▶ The member is returned to active member status retroactive to their date of retirement and must repay all retirement benefits received, plus interest
- ▶ The employer and the member must pay employee and employer contributions for the period of violation.



# Working Retirees

# Working Retiree Reportable Positions

---



- ▶ Working retirees must be reported to TRS if
  - ▶ The performance of duties and functions would require participation in TRS for an active member.
- ▶ The job title does not determine reportability to TRS, it is the nature of the services, duties, and functions of the position.
- ▶ Working retirees must be reported if they are employed by the employer, if they are an independent contractor, if they are an employee of a third party, or if they are a volunteer.



## Working Retirees

---

- ▶ Retired members are subject to strict requirements regarding eligibility for retirement benefits and limitations on the amount of compensation they can earn in postretirement employment.
- ▶ Both the employer and the retired member must provide written notice to TRS via the Notice of Postretirement Employment for Retired Members and Employers (*Form 146*) within 30 days of any postretirement employment in a TRS reportable position.



# New Hire Questionnaire

---

- ▶ TRS recommends that you use the New Hire Questionnaire (Form 107) for:
  - ▶ Employees
  - ▶ Employees of a third party (e.g. temp agency)
  - ▶ Independent Contractors
  - ▶ Volunteers
  
- ▶ This will help you to track your requirements for reporting and contributions.



# Contribution Rates



# Contributions to TRS

---

## ▶ Employer Contributions

### ▶ Active Members

- ▶ Employers remit to TRS 8.47% of total earned compensation paid to each active member.
- ▶ As of July 1, 2014 the rate increases to 8.57%

### ▶ Working Retirees

- ▶ Employers remit to TRS 9.85% of total earned compensation paid to each retired TRS member that they employ.
- ▶ As of July 1, 2014 the rate increases to 10.95%

- ▶ The employer contribution rate for both active members and working retirees will continue to increase by .1% until July 1, 2023.

- ▶ *Website: Rates & Median Average Salary Charts*



# Contributions to TRS

---

## ▶ Member Contributions

### ▶ Tier One: became members **before** July 1, 2013

- ▶ Employers remit to TRS 8.15% of total earned compensation paid to each active member on behalf of that member

### ▶ Tier Two: became members **on or after** July 1, 2013

- ▶ Employers remit to TRS 8.15% of total earned compensation paid to each active member on behalf of that member
- ▶ Depending on future funding of TRS, contributions for Tier One and Tier Two members may not always be the same.

### ▶ Working Retirees

- ▶ Working retirees do not contribute to TRS.



## Resources for Employers

TRS website

TRS staff



# TRS Presentations

---

- ▶ **Wednesday, June 18**
  - ▶ 10:50 a.m. New Clerk Training w/ PERS
  - ▶ 3:00 p.m. TRS Online Services, Key Information
  
- ▶ **Thursday, June 19**
  - ▶ 11:00 a.m. TRS Online Services, Key Information
  - ▶ 3:00 p.m. New Clerk Training, TRS Online Services
  
- ▶ **Exhibitor Table**



# TRS Website

---

- ▶ The TRS website is located at: [www.trs.mt.gov](http://www.trs.mt.gov)
- ▶ The Employers page has:
  - ▶ News section at the top
  - ▶ Links to the online reporting systems for insurance deductions and wage & contribution reporting
  - ▶ Key information links
  - ▶ GASB changes for employer accounting
  - ▶ Employer manual
  - ▶ TRS memos
  - ▶ Legislative updates
  - ▶ Training materials
  - ▶ Forms
  - ▶ Links to statutes

# TRS Staff

---



- ▶ Our staff members are available to help you with questions or problems that you may have.
  - ▶ Website: [www.trs.mt.gov](http://www.trs.mt.gov)
  - ▶ Phone: (406) 444-3134 / (866) 600-4045
  - ▶ Email: [trswebadmin@mt.gov](mailto:trswebadmin@mt.gov)
- ▶ The Contact TRS Staff page on the website has information on specific staff members who can help you address specific questions.

# Questions

---

