

Fact Sheet #5 Disability Retirement Benefits

Montana Teachers' Retirement System (TRS) offers our members the opportunity to retire with disability benefits, as long as they meet the appropriate qualifications.

QUALIFYING FOR DISABILITY RETIREMENT BENEFITS

TRS members who meet the following criteria are eligible to apply for Disability Retirement benefits:

- are active and contributing
- have completed five full years of active service (vested)
- become physically or mentally incapacitated with a disability that is likely to be permanent, and
- cannot continue to perform their duties

Tier Two members (became members of TRS on or after July 1, 2013) are not eligible for Disability Retirement benefits if they are eligible for Service Retirement.

The TRS Board reviews all applications for Disability Retirement and makes a determination at their quarterly meetings.

CALCULATING DISABILITY RETIREMENT BENEFITS

Disability Retirement benefits are based on one of the two following formulas, whichever gives a greater benefit:

- one-fourth (1/4) of the member's Average Final Compensation (AFC) or
- years of service x AFC x 1.6667%

The effective date of the Retirement Disability benefit is the first of the month following the date the member terminated employment.

APPLYING FOR DISABILITY RETIREMENT BENEFITS

Request an Estimate of Benefits

The first step in applying for Disability Retirement benefits is to contact TRS and request an estimate of benefits. You must provide TRS with the following information for the estimate:

- date of planned termination of employment
- final year contract earnings
- termination pay amount
- member date of birth
- beneficiary date of birth
- number of days you will work in the final contract year
- amount of any additional earnings

Receive an Estimate of Disability Retirement Benefits

After TRS receives all necessary information with your application, TRS will provide you with an estimate of Disability Retirement benefits, the Disability Retirement application packet, and the date of the next scheduled Board meeting.

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The Disability Retirement application packet includes the following forms:

- Application for Disability Retirement Allowance
- Application for Disability Retirement Allowance: Member Questionnaire
- Application for Disability Retirement Allowance: Employer's Report to the TRS Board
- Application for Disability Retirement Allowance: Physician's Report to the TRS Board
- Application for Disability Retirement Allowance: Release of Information
- IRS Form W-4P: Withholding Certificate for Pension or Annuity Payments
- Form 115 Montana State Withholding Certificate
- Form 114 Application for Electronic Deposit
- Form 144 Member and Employer Certification of Termination of Employment
- Form 117 Authorization for Deduction of Health Insurance
- Form 113 Retirement Termination Pay

Application materials must be received in the TRS office no less than three weeks prior to the next scheduled Board meeting. This allows TRS staff time to review and consider the material. You must be sure that all the necessary information has been filled out on each of the forms and all necessary signatures are provided. Any missing information will cause a delay in processing your application.

In addition to the application packet, the following information is helpful to the Board (but is not required) when considering your application:

- correspondence or documentation of disability between your physician and insurance carrier,
- correspondence or documentation of disability between your physician and workers compensation, and/or
- correspondence or documentation of disability between your physician and Social Security, and Social Security letter of determination.

Board Application Review Process

TRS will notify you, in writing, within 10 days after the Board meeting, of the Board's decision. If your disability application is denied, you may notify the Board—in writing, within 30 days from your receipt of the Board's decision—that you wish to proceed to a contested case hearing.

Notification and Contested Case Hearings

You may refer to Montana Code Annotated Title 2, Chapter 4, Part 6 and to the Administrative Rules of Montana 2.44.201 and 2.44.202 regarding notification and contested case hearings.

Verification of Disability

The TRS Board requires each disability retiree to undergo a medical examination by a physician to verify the continuation of the disability:

- once each year for the first five (5) years following the approval of your Disability Retirement benefit and
- once every three years thereafter until age 60.

If you refuse to undergo a medical examination, as required, your benefit may be discontinued until an exam has been completed. If your refusal should continue for one full year, all rights to your disability benefit may be revoked.



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The Board also requires each disability retiree to submit an earnings statement each year until age 60. If you continue to be gainfully employed, you will continue to submit your annual earnings statement.

POST DISABILITY RETIREMENT WORK

As a disabled retiree, you may return to employment, including self-employment, as long as the combined income from your Disability Retirement benefit and your earnings do not exceed the greater of (a) your AFC or (b) the median salary of TRS members who retired during the preceding fiscal years.

If the combined income from your Disability Retirement benefit and your earnings exceeds the maximum allowable income, your benefit will be reduced or suspended.

MORE INFORMATION

The TRS Member's Retirement Plan Handbook has more detailed information regarding disability retirement, Average Final Compensation (AFC), and Tier One and Two membership. The handbook is available to view or download as a pdf file on the TRS website at trs.mt.gov.

Montana TRS

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866-600-4045 (toll free) 8 a.m. to 5 p.m. Monday through Friday	Montana TRS PO Box 200139 Helena, MT 59620-0139	TRS Member Services Capitol Complex 1500 East Sixth Avenue Helena, MT 59601	www.trs.mt.gov TRS homepage trs.mt.gov/TrsInfo/Forms Download a form trs.mt.gov/TrsInfo/AboutStaff Staff directory
406-444-3134 Local calls			
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