



# Montana Teachers' Retirement System

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## FORM 144: MEMBER and EMPLOYER CERTIFICATION OF TERMINATION OF EMPLOYMENT

Alternative accessible formats of this document will be provided upon request.

PLEASE TYPE OR PRINT LEGIBLY IN DARK INK

### MEMBER INFORMATION

Full Name: First	Middle	Last	Suffix ( <i>Jr., Sr., etc.</i> )	<u>XXX - XX -</u> Last 4 digits of SSN	<u>( )</u> Telephone Number
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Mailing Address – Street or P.O. Box	City	State	ZIP ( <i>use ZIP+4 if known</i> )
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### EMPLOYER INFORMATION

Employer's Printed Name	TRS Employer Number	<u>( )</u> Telephone Number
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Mailing Address – Street or P.O. Box	City	State	ZIP ( <i>use ZIP+4 if known</i> )
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Position This Member is Terminating

### REQUIREMENTS FOR TERMINATION OF EMPLOYMENT

When applying for a retirement allowance, a TRS member and each of his/her employers is required to complete this form to certify the member's termination of employment for each position reportable to TRS in which the member has been employed in the twelve months preceding the last certified date of termination. The certification obligation of the member and employer is ongoing and the information provided on this form must be immediately updated at any time the information provided is discovered to have been in error or is no longer accurate due to changed circumstances. A separate certification must also be completed for employment in a position on behalf of one employer but for which another employer reported the member to TRS (for example, if an agent school district has reported an employee's service on behalf of an education cooperative, CSPD, etc.).

TRS law requires that, in order to be eligible for retirement benefits, a member must terminate employment in all positions reportable to TRS and must attain retired member status before again performing work or providing service in any position reportable to TRS, in any capacity, including as a working retiree under the provisions of 19-20-731, MCA. TRS members who terminate employment on or after January 1, 2014, must have a break in service (not work in a TRS-reportable position) of 150 days. Failure to fulfill any of these requirements will result in the member being returned to status as an active member of TRS retroactive to the member's previously identified date of termination or effective date of retirement; the member and/or employer will be required to repay to TRS any retirement benefits received by the member and all employer and employee contributions owed on compensation paid to the member while the member was ineligible to receive retirement benefits, with interest.

#### Which Positions Are Reportable to TRS?

Prior to retirement, a person is employed in "a position reportable to TRS" and must be an active member of TRS if:

- the person is an employee of the state of Montana; a public school district; the office of public instruction; the board of public education; an education cooperative; the Montana school for the deaf and blind; the Montana youth challenge program; a state youth correctional facility; the Montana University System; a community college; or any other agency, political subdivision, or instrumentality of the state; and
- the duties performed in the position entitle the person to active membership in TRS under 19-20-302, MCA.

After retirement, a TRS retired member is employed in a “position reportable to TRS” if:

- the retired member performs work or provides service on behalf of a TRS employer; and
- the duties performed on behalf of the employer would entitle the person to active membership in TRS under 19-20-302, MCA, without respect to the job title ascribed to the position and regardless whether the retired member is an employee of the employer, an employee of a third party, an independent contractor, or a volunteer.

### **What Circumstances Do Not Constitute Termination of Employment?**

- A reduction in hours worked or a modification or reduction of duties and functions performed does not constitute a termination of employment, even if the member subsequently only performs work or provides services that would not otherwise entitle the person to active membership in TRS. For example, a TRS member who goes from being a full-time employee to being a part-time employee has not terminated employment; a TRS member who stops teaching under a teaching contract but continues to provide services as a substitute teacher has not terminated employment; and a TRS member who stops working for a school district as a computer teacher but continues to work for the school district setting up, maintaining, or programming the district’s computer system or student lab computers has not terminated employment.
  - The only exception is that a TRS member may continue to work for an employer in a position for which the member was fully and correctly reported to the Montana Public Employees’ Retirement System (PERS) prior to the members certified date of termination in the TRS reportable position. For example, if, prior to retirement, a TRS member was employed by the same school district as a substitute teacher (a position reportable to TRS) and a bus driver (a position reportable to PERS), the TRS member would not have to terminate the employment as a bus driver in order to retire with TRS.
- A TRS member who continues to perform any work or provide any service on behalf of an employer as the employee of a third party (for example, as an employee of an affiliated entity or contractor of the employer, through a temporary staffing agency, or through an employee leasing agency), as an independent contractor, or as a volunteer, has not terminated employment.
- A TRS member who has not attained normal retirement age and has a pre-arranged agreement for post-retirement employment with a pre-retirement employer has not terminated employment.
  - A “pre-arranged agreement for postretirement employment” is an oral or written agreement made before the member has attained retired member status for the member to perform work or provide service on behalf of the employer, in any capacity (including as an employee of the employer, as an employee of a third-party, as an independent contractor, or as a volunteer) at any time in the future.
  - “Normal retirement age” for TRS members is age 60.
- A TRS member has not terminated employment in all positions reportable to TRS if the member performs any work or provides any service on behalf of any employer in a position reportable to TRS after the member’s certified date of termination but prior to attaining retired member status. Such work or service would be employment in a position reportable to TRS and from which the member must terminate in order to be eligible for retirement benefits.
  - For example, if a TRS member applies for a retirement allowance based on termination of employment as a teacher with School District A as of June 10th (making the member eligible for retirement benefits as of July 1st) but then the member provides service on July 15th (prior to actually receiving the first monthly benefit payable on the last business day of July) on behalf of an education cooperative as a curriculum specialist, the service on behalf of an education cooperative is service as an active member of TRS from which the member must now terminate to be eligible to receive retirement benefits. The member now is not eligible to receive retirement benefits until August 1st.

### **When Does a TRS Member Attain Retired Member Status?**

A TRS member attains retired member status when all of the following have occurred:

- The member has terminated employment in all positions reportable to TRS;
- The member has filed an application for a retirement allowance with TRS;
- TRS has processed the member’s application for a retirement allowance; and



- The member has actually received at least one monthly retirement benefit payment from TRS.
  - Since retirement benefits are paid by TRS on the last business day of each month, the earliest date that a member will actually receive his/her first monthly retirement benefit payment will be the last business day of the month following the member's last certified date of termination from any position reportable to TRS.

**150-day Break in Service**

To ensure compliance with IRS qualification standards, TRS requires members whose last certified date of termination is on or after January 1, 2014, to have a 150-day break in service. The 150-day break in service period begins on the first day following the member's last certified date of termination. The break in service requirement applies to work performed or service provided in a position reportable to TRS whether the TRS retiree is an employee of the employer, an employee of a third party, or an independent contractor.

- There is a very limited exception to the break in service requirement for service provided as a substitute teacher, but all of the following must be satisfied for the exception to apply:
  - The retiree must be employed as a substitute teacher to carry on the duties of a regular, licensed teacher who is temporarily absent;
  - The retiree has attained retired member status before providing service as a substitute teacher; and
  - The service as a substitute does not exceed 45 days during the 150-day break in service period.

**MEMBER CERTIFICATION**

**By my signature below, I certify that:**

1. I have read and understand the requirements for termination of employment, attainment of retired member status, the impact of a pre-arranged agreement for post retirement employment, and break in service requirements related to my eligibility for retirement benefits as stated herein. I will immediately notify TRS if additional information becomes known to me or circumstances change, at any time in the future, such that the information I have provided on this form is no longer correct.
2. My date of termination of employment with the employer was/will be \_\_\_\_\_.
3. I [  do ] [  do not ] have a pre-arranged agreement to provide any service or perform any work in any capacity on behalf of the employer after my certified date of termination. I understand that, if I have a pre-arranged agreement but have not attained normal retirement age, I have not terminated employment with the employer and will be retroactively returned to active member status with TRS if I provide any service or perform any work in any capacity on behalf of the employer at any time in the future.
4. I will not/have not provide(d) any service in a position reportable to TRS on behalf of any employer after my date of termination but before attaining retired member status. I understand that any service I provide in a position reportable to TRS after my certified date of termination but before I attain retired member status is service I provide as an active member of TRS, and from which I must terminate to be eligible for retirement benefits.
5. If my last date of termination in any position reportable to TRS is on or after January 1, 2014, I will not provide any service or perform any work in a position reportable to TRS on behalf of any employer, in any capacity, for a period of 150 days beginning on the first day after my date of termination, except as a substitute teacher as expressly provided herein. I understand that if I provide service or perform work in a position reportable to TRS during the 150-day break in service period, except as specifically allowed, I will be returned to active member status with TRS retroactive to my date of retirement or date of resumption of benefits, and I will have to repay all retirement benefits I received from that date, with interest.
6. I understand I am eligible to receive retirement benefits on the first of the month following my last date of termination in all positions reportable to TRS and that, if I am retroactively returned to active member status with TRS for violation of any of the requirements stated herein, I will be required to repay TRS any and all retirement benefits, with interest, I received during the period of time for which I am retroactively returned to active member status.



# Montana Teachers' Retirement System

## FORM 144: MEMBER and EMPLOYER CERTIFICATION OF TERMINATION OF EMPLOYMENT – Continued

7.  The employer identified above is the only employer by which I have been employed in a position reportable to TRS in the 12 months preceding my last certified date of termination.

**Or**

- The employer identified above is 1 of \_\_\_\_\_ employers by which I have been employed in a position reportable to TRS in the 12 months preceding my last certified date of termination, and I have submitted a separate Member and Employer Certification of Termination of Employment for each employer.

### MEMBER'S SIGNATURE – must be signed in the presence of a notary public

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

TO BE COMPLETED BY THE NOTARY PUBLIC:

State of \_\_\_\_\_

County of \_\_\_\_\_

This instrument was signed or acknowledged before me on (date): \_\_\_\_\_

by: \_\_\_\_\_

*Notary: Print name of individual whose signature is being notarized*

\_\_\_\_\_  
*Notary Signature*

### EMPLOYER CERTIFICATION

**By my signature below, I certify that:**

- I am an employee, director, officer, trustee or other representative of the employer duly authorized to sign contracts on behalf of the employer.
- I am required to provide the employee's date of termination. The employee's date of termination with the employer was/will be (mm/dd/yyyy) \_\_\_\_\_, after which date the employee has not/will not perform(ed) any work or provide(d) any service, in any capacity, on behalf of the employer prior to attaining retired member status, and then fulfilling the 150-day break in service requirement except as a substitute teacher as expressly set forth herein.

3.  There is not a pre-arranged agreement for post-retirement employment between the employer and employee;

**Or**

- There is a pre-arranged agreement for post-retirement employment between the employer and employee, and a description of the pre-arranged agreement and any written documentation of the pre-arranged agreement is submitted with this certification form.

4. I or another representative of the employer will immediately notify TRS if additional information becomes known or circumstances change, at any time in the future, such that the information provided on this form is no longer correct.

\_\_\_\_\_  
*Certifying Officer's Printed Name*

\_\_\_\_\_  
*Certifying Officer's Title*

\_\_\_\_\_  
*Certifying Officer's Signature*

\_\_\_\_\_  
*Date*