



## 2015 LEGISLATIVE UPDATE

During the 2015 session of the Montana state legislature, three bills were passed that will have an effect on the Montana Teachers' Retirement System (TRS). Information regarding each of the bills can be found in the synopses below.

### **HB 85**

Sponsor: Rep Tom Woods (D) HD 62  
Title: Revise the Administration and Tax Qualification Laws of TRS  
Effective: July 1, 2015

The primary goal of this legislation was to comply with federal standards for defined benefit plans and to clarify certain aspects of the current law with more concise definitions and language. Some of the changes that may be of interest are:

- ◆ *Provides* a specific statute of limitations applicable to TRS actions to recover overpaid benefits and unpaid contributions.
- ◆ *Clarifies* that the aggregate number of years of creditable service that may be purchased for employment not covered by TRS is five years.
- ◆ *Clarifies* that after retirement benefit payments have started, a member may not (1) redeposit amounts previously withdrawn or (2) purchase creditable service — even if the member returns to active member status. This does not apply to creditable service catch up authorized under USERRA.
- ◆ *Provides* Tier Two members with the same survivor benefit as Tier One members allowing beneficiaries of a deceased, vested member to elect monthly benefits in lieu of refunded contributions.

### **SB 124**

Sponsor: Sen Dee Brown (R) SD 2  
Title: Require Certain Boards to Record and Publish Meetings in Video or Audio Format  
Effective: July 1, 2015

The primary goal of this legislation was to make meetings of certain state government boards available to the public via video or audio recordings. The following Boards are required to post recordings within 1 business day of their meetings: Investments, Public Employees' Retirement, Teachers' Retirement, Public Education, and Regents.

The TRS Board will begin posting audio recordings of its meetings on the TRS website via a link on the TRS Board page. The Board meeting on August 12, 2015 will be the first meeting posted.

**SB 141**

Sponsor: Senator Llew Jones  
 Title: Repeal Termination of Employment Provisions for certain retired TRS members.  
 Effective: Upon passage and approval — April 2, 2015.

The purpose of this legislation was to eliminate the sunset date on §19-20-732, MCA which was scheduled to terminate on June 30, 2015. While the sunset date was removed, *all limitations* in this provision will remain in effect.

**Retired TRS Member**

A retired teacher, specialist, or administrator (except a disability retiree) may be employed in excess of the 1/3 earnings limitation — by a TRS employer for a maximum of 3 years during the lifetime of the retired member — without the loss or interruption of any payments or retirement benefits. Requirements that must be fulfilled by the retired member are:

1. The retired member must have completed 30 — or more — years of creditable service *prior* to retirement;
2. The retired member must have received a retirement allowance for *no less* than 2 months;
3. The retired member must hold a valid teaching certificate;

A retired member reemployed under this section is *ineligible* for active membership and is *ineligible* to receive service credit.

**TRS Employers**

1. Each year, prior to employing a retired member, the employer must certify to the Office of Public Instruction (OPI) and to TRS that after having advertised the position for that year, the employer has been unable to fill the position because the employer either has received no qualified applications or has not received an acceptance of an offer of employment made to a nonretired teacher, specialist, or administrator.
2. An employer employing a retired member is required to contribute monthly to TRS at the following required contribution rates:
  - *Employee* regular and supplemental (currently 8.15%), *Employer* regular and supplemental (currently 8.57%), *State* supplemental (currently 2.49%) for a total of 19.21%. This will increase to 19.31% on July 1, 2015.

For the most current and detailed information about each of the bills, including links to the bill text and any associated fiscal notes, you can:

1. Visit the [Legislative Updates page](#) of the [TRS website](#).
2. Go directly to the [LAWS 2015 web page](#) on the [Montana Legislature’s website](#).

If you have specific questions about how the new legislation may impact you — as active member, benefit recipient, or employer — please contact the TRS office at (406) 444-3134.