



## 2019 Legislative Update

You may read the full text of any bill (pdf) by clicking the bill number.

### TRS Board Legislation

#### [HB 204](#)

Sponsor: Representative Marilyn Ryan (D) HD 99  
Title: Generally Revise Teachers' Retirement System  
Effective: July 1, 2019  
Current Status: Passed Legislature and Signed by Governor Bullock  
TRS Position: Proponent

HB 204 was introduced at the request of the Teachers' Retirement Board. The primary goal of this legislation was to clarify certain aspects of current law with more concise definitions and language.

Of note, this legislation:

- *Requires* TRS employers to submit a wage and contribution report for each month of the year, even if they had no activity (\$0 contribution report).
- *Clarifies* the transition between active member status, inactive member status and dormant member status.
- *Reconciles* the state supplemental contribution in 19-20-607 with the regular employer contribution rates contained in 19-20-605.
- *Clarifies* that TRS does not pay a "withdrawal" but instead pays a "refund" upon a withdrawal from membership.
- *Replaces* references to "next of kin" with "alternate beneficiary" which is a non-designated beneficiary that becomes a valid beneficiary based on the hierarchy of relationship to the member.
- *Clarifies* the requirements for a beneficiary designation to be effective, requirements for reducing or revoking the interests of a spouse, opportunity to name a custodian for a minor child and the supremacy of TRS statutes related to beneficiary designations.

#### [HB 337](#)

Sponsor: Representative Ryan Lynch (D) HD 76  
Title: Increase University System Supplemental Contribution to TRS  
Effective: July 1, 2019  
Current Status: Failed to Pass Legislature  
TRS Position: Proponent

HB 337 was introduced at the request of the Teachers' Retirement Board to increase the supplemental contribution necessary to amortize the unfunded liability created when TRS was closed to all new hires of the MUS by 2033, as required by 19-20-721, MCA. The supplemental contribution would need to increase from 4.72% of MUS-RP participants' salaries to 11.89%.

## Other Legislation Not Requested by TRS

### [SB 139](#)

Sponsor: Senator Mike Lang (R) SD 17  
Title: Revise Retiree Return to Work Provisions in the Teachers' Retirement System  
Effective: Upon Passage and Approval – signed into law May 7, 2019  
Current Status: Passed Legislature and Signed by Governor Bullock  
TRS Position: Opponent

SB 139 reduces the years of creditable service necessary to work under the provisions of 19-20-732, MCA, from 30 to 27 years. The bill adds a new requirement for OPI to verify that the Employer advertised the position and it requires TRS to report to both the interim SAVA Committee and the interim Education Committee on utilization of this statute. Additionally, the bill removes "superintendent" from the definition of administrators that are eligible to work under 19-20-732 and it restricts the "employer" eligible to use this provision to Class 2 and Class 3 districts. This provision allows retirees to work in limited circumstances with no limit on what they can earn without any adjustment to their monthly retirement benefit. TRS opposed an expansion of 19-20-732, MCA, throughout the legislative session but the final bill is much better than the bill that was introduced to the legislature.

### [HJ 39](#)

Sponsor: Representative Tom Burnett (R) HD 67  
Title: Joint Resolution Requesting Legislative Performance Audit on Combining the Administration of TRS and MPERA  
Effective: Interim Study  
Current Status: Passed Legislature  
TRS Position: Informational

This joint resolution would request the Legislative Audit Committee to prioritize a performance audit on combining the administration of TRS and MPERA and to have the Legislative Audit Division present its findings to the next Legislature.

Please call TRS at (866) 600-4045 if you have any questions about how these bills affect TRS members, benefit recipients or employers.