



Montana Teachers' Retirement System

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*Horizons*  
*Member Newsletter*

*Vol. 16, Issue 1*  
*Spring/Summer 2023*

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# Horizons

*Member Newsletter • Vol. 16, Issue 1 • Spring/Summer 2023*

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*Two TRS Bills Pass the 68th Montana Legislature*



(l-r) Rep. Marta Bertoglio (R - HD 75), TRS Executive Director Shawn Graham, and Governor Greg Gianforte at HB 117 signing

**HB 117: Generally Revise Working Retiree Laws Under TRS**

This bill was introduced at the request of the Teachers' Retirement Board to provide more flexibility for TRS employers to fill vacant positions with retired TRS members.

Previously, retirees who returned to TRS-reportable employment could continue to receive their full monthly retirement benefit as long as their earnings in that fiscal year did not exceed the greater of one-third of their Average Final Compensation (AFC) or one-third of the median AFC for all members who

retired in the previous fiscal year. Effective July 1, 2023, the annual earnings limitation will increase from one-third to 49% of AFC.

The Internal Revenue Service (IRS) requires the employment relationship to be completely severed before TRS can begin paying monthly benefits to a retiring member. In addition, before that retiree may again provide service in a position reportable to TRS, the employer must certify that there has been a *bona fide separation from service* (a break in service), the length of which is defined by the retirement system. Effective January 1, 2024, HB 117 shortens this required break in service from 150 to 120 calendar days for TRS members who terminate employment on or after that date and retire.

**HB 135: Revise Administrative Provisions of TRS**

This TRS "housekeeping bill" also was introduced at the request of the Teachers' Retirement Board to clarify and provide technical fixes within several sections of statute. The provisions modified by HB 135 are administrative in nature and do not affect your rights or benefits as an active or retired TRS member.

The TRS Board and staff are grateful to Representative Marta Bertoglio of Clancy for sponsoring HB 117 and HB 135. For more details about these and other bills, including a few that did not pass, go to [trs.mt.gov](http://trs.mt.gov) and look for the "TRS Legislative Updates" link.

*Interest Rate to Increase July 1*

Did you know TRS pays monthly interest on active and inactive (non-retired) members' account balances? A member's account consists of all TRS contributions withheld from their pay, plus interest.

Effective July 1, 2023, the annual interest rate credited to member accounts will increase to 4.00%, the highest rate since 2007. State law requires the TRS Board to adjust the interest rate each year. Typically, they set the rate based upon the short-term investment rate earned by the Montana Board of Investments.

As a reminder, your member contributions and interest remain on account with TRS until you terminate all TRS-reportable employment and either apply for a monthly retirement benefit or withdraw your account balance.

*What Are "Required Minimum Distributions" (RMDs)?*

You might be aware that the IRS requires people to begin taking distributions from their tax-advantaged retirement accounts when they reach a certain age.

If you still work in any position reportable to TRS, then this rule does not apply to your TRS account, even if you are in your seventies. However, once you terminate TRS-reportable employment, be sure you either apply for a retirement benefit or withdraw your account balance before you reach your RMD age.

Learn about the rules and your RMD age in our simple Fact Sheet. Go to [trs.mt.gov](http://trs.mt.gov), click the Fact Sheets link, and look for the document entitled "Required Minimum Distributions."

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*There is nothing to regret with a job well done.*

— Joe Garcia

## Active TRS Members: We Want Your Opinion!

Are you an active, contributing member of TRS who plans to return to work for the 2023-24 school year? Or, did you recently stop working in TRS-reportable employment but have not yet applied for a TRS retirement benefit?

If you answered “yes” to either of the questions above, please take our 2023 TRS Active Member Survey!

### What’s the 2023 Active Member Survey about?

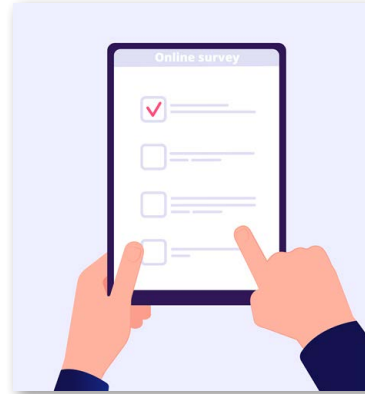
Each legislative session, a few bills are proposed that seek to cut benefits or change the nature of Montana’s defined benefit pensions for future participants. Recent bills of this nature have failed, thanks to strong opposition from stakeholder groups, but they could resurface in future sessions.

We know where we stand on these issues, but where do *you* stand? Please take a few minutes to complete our brief survey and share your honest opinions as a current TRS participant.

### To complete the survey::

1. Go to [trs.mt.gov](https://trs.mt.gov) between now and September 15, 2023.
2. Click on the “Active Member Survey” link, which will take you to the [SurveyMonkey.com](https://www.surveymonkey.com) website.
3. Complete and submit your responses, then encourage your colleagues to do the same!

Note: The survey will not ask you to share your name, where you work, or any other identifying information. Your responses will remain completely anonymous.



## Meet With TRS Staff at the Annual MFPE Educator Conference

Current Educators: Do you plan to attend the annual Montana Federation of Public Employees (MFPE) Educator Conference in Billings this fall? TRS will be there and we hope to see you at our booth and in our popular in-person presentations. Here’s a brief summary of our planned conference activities:

- Our “*TRS 101: Retirement System Basics*” presentation is designed for early- and mid-career members but it can serve as a helpful refresher for any member. In this session, you’ll learn how TRS works, what it means to be “vested,” and when Tier 1 and Tier 2 members become eligible for retirement benefits.
- Members nearing retirement age should attend our “*Ready, Set, Retire!*” presentation to learn how to make important retirement decisions and apply for a monthly benefit. This session is a must for any member who is eligible (or nearly eligible) to retire as a TRS Tier 1 or Tier 2 member.
- Members attending the conference who are planning to retire in the next 3-5 years will have an opportunity to schedule a private counseling session with a TRS Benefit Officer during the event. Watch for details in MFPE’s conference registration materials if you want to reserve your spot.

*Note: TRS Benefit Officers also are available year round for counseling sessions in our Helena offices or by telephone. To find out more, call 406-444-3134 and select the Active Members option.*

We hope to see you at the conference October 19-20, 2023, at Billings Skyview High School!

### Has your mailing address changed recently?

If you are a member who has not yet retired with TRS, you can update your address in *My TRS*, the secure online member portal.

If you receive a monthly benefit from TRS, submit Form 116 *Change of Mailing Address* to us. You can get the form by calling our office or you can print it from the “Forms” section of our website ([trs.mt.gov](https://trs.mt.gov)).

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**TEACHERS' RETIREMENT BOARD**

*Chair*

**Kari Elliott**

*Active TRS member,  
Kalispell*

*Vice Chair*

**Daniel Chamberlin**

*Public member,  
Whitefish*

**Scott Dubbs**

*Active TRS member,  
Lewistown*

**Daniel Trost**

*Public member,  
Helena*

**Dee Brown**

*Retired TRS member,  
Hungry Horse*

**BOARD and STAFF UPDATES**

*Board Departures*

At the Teachers' Retirement Board meeting held May 5, 2023, members bid a fond farewell to member **Scott Dubbs**, whose final term ends July 1, 2023 after five appointments and 24 years of continuous service to the Board.

Governor Marc Racicot initially appointed Mr. Dubbs to the Teachers' Retirement Board by in August 1999. At that time, Mr. Dubbs had been a member of the School Administrators of Montana (SAM) board for six years. All told, his service on school-related boards spans a remarkable 30 years.

Chairperson Kari Elliott presented Mr. Dubbs with a plaque and thanked him for his kindness and dedication to Montana educators, noting the countless times he has driven from Lewistown to Helena for board meetings over the years.

TRS Executive Director Shawn Graham expressed appreciation for Mr. Dubbs' calm, measured approach to board decisions. His knowledge and experience as a school administrator have been invaluable, such as when helping TRS to navigate complex IRS restrictions on post-retirement employment over a decade ago.

TRS Chief Legal Counsel Denise Pizzini credited Mr. Dubbs with helping to reduce the number of contested case matters in recent years, in part by advising TRS on school district hiring practices and contract negotiations. As a member of the Board's Legislation and Litigation committee, Mr. Dubbs has played an important role in clarifying both statutory language and internal TRS practices over the years.

Deputy Director Tammy Rau also noted the critical role Mr. Dubbs has played in expanding TRS staff and investing in better technology as times have changed. Such improvements allow TRS to maintain a high level of service to members and employers. Mr. Dubbs' institutional knowledge will be greatly missed.

"A lot has changed, of course, since 1999," Mr. Dubbs said. "It has truly been an honor."

**Sarah Hitchcock**, appointed to the Teachers' Retirement Board by Governor Gianforte in 2021, resigned from her Glasgow teaching position in January 2023 to accept a job with the Office of Governor Kristi Noem of South Dakota. We thank Ms. Hitchcock for her service and wish her success in her new role.

TRS awaits news from the Governor's Office on the appointment of two current educators to the Board.



*(l-r) Teachers' Retirement Board members Daniel Trost, Kari Elliott, Scott Dubbs, Dee Brown, and Daniel Chamberlin*

*Staff Update*

**Jaxon (Jax) Simonson** was hired as an Active Benefit Specialist in April 2023.

In this role, he primarily assists members whose service will be transferred between TRS and the Public Employees Retirement System (PERS) due to a job change or reporting error. Jax is a graduate of MSU-Northern and gained four years of experience in social work before joining TRS.



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