



The Montana Legislature enacted critical changes in the 2013 session that will impact retirement planning for TRS Members

February 2014



We recommend that you contact TRS staff if you have any questions regarding termination of employment, normal retirement age, prearranged agreements, break in service, or the retirement process.

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Please do not send any personal information, such as a social security number, when contacting TRS via email or fax.

Termination of Employment

If you have not terminated employment in *all* positions reportable to TRS, you are not eligible for retirement benefits. Please refer to the Member's Retirement Plan Handbook to be sure that you understand all the requirements for termination of employment. Information is also available in the POSTRETIREMENT EMPLOYMENT Q&A on the TRS website.

As a TRS member, you are eligible to retire on the first day of the month following termination of employment. **For example**, if your final day of work in *all* TRS reportable positions is June 6, you are eligible to retire on July 1 and your first benefit payment will be paid on the last business day of July.

If you are 60 years or older, you have terminated employment when you are no longer doing any work - or service - for your employer(s), in any capacity including:

- as an employee
- as an independent contractor
- as a volunteer
- as a leased employee
- as an employee of a third party
- in a Public Employees' Retirement System (PERS) reportable position, *unless* you were concurrently employed in a PERS reportable position prior to termination of your TRS employment.

If you are not yet 60, please see the section below on normal retirement age.

MEMBER AND EMPLOYER CERTIFICATION OF TERMINATION OF EMPLOYMENT (FORM 144)

This form was revised in January 2014, for you and your employer to provide required certification of termination of employment. It also provides details regarding what does and does not constitute termination of employment as well as the requirements for attaining retired member status and the 150 day break in service.

You can find this form, along with other resources, on the TRS website.
www.trs.mt.gov

Normal Retirement Age & Pre-arranged Agreements

The normal retirement age for TRS members was increased from 55 to 60 years. In addition to the above requirements for termination of employment, if you retire before normal retirement age, you have not terminated your employment if you have a pre-arranged agreement with your employer(s).

A pre-arranged agreement is:

- an oral *or* written agreement
- made *before* you are retired
- to do work or service in *any* capacity for a current employer
- at *any* time in the future.

Thinking about postretirement employment?
Requirements have changed!



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The TRS mission is to promote long-term financial security for our members while maintaining the stability of the fund.

TRS is a defined benefit pension plan. Members contribute a percentage of their compensation as a share of funding for retirement, disability, and death benefits.

Further funding for TRS benefits are provided by contributions from a statewide pool of employers as well as investment returns.

TRS membership is mandatory for individuals working in positions reportable to TRS.

In compliance with the Americans with Disabilities Act of 1992, alternative accessible formats of this document will be provided upon request.

I have come to believe that a great teacher is a great artist and that there are as few as there are any other great artists. Teaching might even be the greatest of the arts since the medium is the human mind and spirit.

~John Steinbeck

150 Day Break in Service

If you retire based on a termination date of January 1, 2014 or later, you must wait 150 calendar days before you can return to work as a working retiree in a TRS reportable position. The 150 calendar day break begins on the first day following your termination. In order to help ensure compliance with IRS public pension qualification standards, an unmistakable interval of time between a member's retirement and their return to work as a retired member is necessary. The break in service requirement applies to all TRS members, including members employed by the University System.

Postretirement Employment

While most TRS members look forward to their retirement as a time in which they are no longer employed and can focus on their personal interests, others want to continue to work in public education after retirement. For those of you who are considering postretirement employment, you need to be aware of the changes outlined in this document as well as postretirement earnings limitations. You will find detailed information in the Member's Retirement Plan Handbook.

RETIRED MEMBER AND EMPLOYER NOTICE OF POSTRETIREMENT EMPLOYMENT (FORM 146)

You and your employer(s) are required to submit this form, along with all supporting documentation, to TRS, when you begin working in a position reportable to TRS as a working retiree. You must submit a notice whether you are an employee, an independent contractor, a volunteer, a leased employee, an employee of a third party or a PERS reportable position.

You can find this form, along with other resources, on the TRS website.

www.trs.mt.gov

Failure to Comply: Consequences

If you fail to comply with the requirements and you are paid benefits that you are not entitled to, Montana law requires TRS to recover any overpaid monthly retirement benefits, plus interest. This could be very costly to you, and could result in less retirement income than you had planned.

Educate Yourself!

- Read the Member's Retirement Plan Handbook to be sure you understand the sections on RETIREMENT, RETIREMENT EDUCATION, and EMPLOYMENT AND EARNINGS AFTER RETIREMENT. The most recent version of the handbook is available on the TRS website.
- Refer to resources on the TRS website including the POSTRETIREMENT EMPLOYMENT Q&A and FORM 144.
- Check with TRS staff to be sure that you understand which documents must be filed, and when.