

# SECTION 1 GENERAL INFORMATION

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## DEFINITIONS

For the purpose of this manual, the following definitions apply:

**‘Accumulated Contributions’** means the sum of a member’s contributions on deposit with the retirement system together with interest.

**‘Administrative Officer’** means an employee who has a significant degree of executive or policy-making authority and whose appointments are based on required training or experience in the field of education.

**‘Average Final Compensation’** means the average of a member’s earned compensation during the three consecutive years of full-time service that would yield the highest average and on which contributions have been remitted.

**‘Beneficiary’** means one or more primary and/or contingent persons formally designated in writing by a member and on file with the TRS to receive a retirement allowance or payment upon the member’s death.

**‘Board’** or **‘Retirement Board’** means the Teachers' Retirement Board as provided for in section 2-15-1010, MCA.

**‘Cost-Basis’** or **‘Investment in Contract’** means the contributions in a member’s account on which taxes have already been paid.

**‘Creditable Service’** means each year of service for which contributions to the TRS were deducted from a member’s compensation and remain on deposit with the TRS. Any out-of-state employment service; service while on leave; service in the military; private teaching service; service for Montana extension service employment; service transferred from the PERS; or any service due to employment-related injury, and for which payment has been finalized will also be considered creditable service.

**‘Earned Compensation’** for active members, means compensation exclusive of maintenance, allowance, and expenses paid for services by a member out of funds controlled by an employer, before any pre-tax deductions allowed under the IRC are deducted from the member’s compensation. Elective deferrals made under a bona fide cafeteria plan under IRC section 125 are considered earned compensation but only to the extent the amounts would be includible in gross income but for IRC section 125(a).

**‘Fiscal Year’** means July 1 through June 30.

**‘Full-time service’** means service which is at least 180 days in a fiscal year, at least 140 hours a month during nine months in a fiscal year, or full-time under an alternative school calendar adopted by a school board that is less than 180 days but meets minimum accreditation requirements of 1,080 hours.

**Instructional Services Capacity** means the education and instruction of students in the regular curriculum of the institution; or to take part in the curriculum development and/or administration of instructional services.

**Limitation Year** for the purpose of Section 415 of the IRC is September 1 through August 31. Compensation earned during this period is used to determine the maximum contribution that may be allowed under Section 415.

**Membership Service** means the periods of employment that would entitle a person to active membership in the retirement system on which contributions have been reported and remain on deposit.

**Normal Form** or **Normal Form Benefit** means a monthly retirement benefit payable during the lifetime of a retired member.

**Normal Retirement Age** means an age no earlier than 55 years of age, with the right to receive an immediate retirement benefit without an actuarial reduction in the benefit.

**Paraprofessional** means a person who provides instructional support as a one-on-one tutor assisting in classroom management, such as organizing instructional materials, provides instructional assistance in a computer laboratory, conducts parental involvement activities, acts as a translator, or provides instructional support services under the direct supervision of a certified teacher.

**Part-time Service** means service of less than full-time. Part-time service credit will be calculated based on the total number of hours, days, or months reported to the TRS, divided by the number of hours, days, or months of equivalent full-time service. Seven hours shall be considered one day.

**Part-time Teacher's Aide** means an individual who works less than seven hours per day assisting a certified teacher in a classroom.

**Retired Member** means a person who has terminated all employment that is eligible for membership under the TRS and who has received at least one monthly retirement benefit.

**Service** means the performance of instructional duties or related activities that would entitle the person to active membership in the retirement system.

**Service Credits** means the number of years credited to a member's account for which contributions have been received as required by statute or rule.

**School Term** means the fiscal year July 1 through June 30.

**‘Termination’** or **‘Terminate’** means that the member has severed the employment relationship with each employer and that all, if any, payments due upon termination of employment, including but not limited to early retirement incentives, accrued sick and annual leave balances, have been paid to the member.

**‘Termination Pay’** means any form of bona fide vacation and/or sick leave, severance pay, amounts provided under a window or early retirement incentive plan, or other payments paid at the time of retirement and termination of employment and on which employee and employer contributions will be paid.

**‘Vested’** means that a member has been credited with at least five full-time years of membership service upon which contributions have been made, and has a right to a future retirement benefit.

## **ADMINISTRATION**

### **THE TRS BOARD**

The TRS Board serves active and retired teachers, administrators and educators, and their beneficiaries. Its' primary purpose is to administer the TRS, which includes (but is not limited to) enrollment of new members, collection of member and employer contributions, and payment of retirement benefits.

The TRS Board is composed of six members appointed by the Governor. Four members are appointed from the teaching profession, of which one must be a public school classroom teacher and one a retired teacher, and two members are appointed as representatives of the public sector. The Board employs administrative officers and a staff to conduct the business of the system. The Board typically meets in Helena on the first Friday following Labor Day, the third Friday in November and February, and the second Friday in May.

<b>TRS BOARD MEMBERS</b>	<b>TERM EXPIRES</b>
JAMES TURCOTTE Public Member, Helena	July 1, 2010
DARRELL LAYMAN Retired Teacher, Glendive	July 1, 2011
JEFF GREENFIELD Active Member, Shepherd	July 1, 2011
KARI PEIFFER Active Classroom Teacher, Kalispell	July 1, 2012
SCOTT DUBBS Active Member, Lewistown	July 1, 2013
ROBERT PANCICH Public Member, Great Falls	July 1, 2014

### **ADMINISTRATIVE OFFICERS**

DAVID L. SENN	Executive Director
TAMMY RAU	Deputy Executive Director
DENISE PIZZINI	Chief Legal Counsel

## RESPONSIBILITIES OF THE BOARD

The powers and duties of the retirement board are as follows:

- Employ professional and administrative employees who are necessary for the transaction of the business of the retirement system;
- Keep a record of all its proceedings, which shall be open to public inspection;
- Publish an annual report by January 1 of each year. This report provides, in detail, the fiscal transactions for the two fiscal years immediately preceding the report due date, the amount of accumulated cash and securities of the TRS, and the last fiscal year balance sheet showing the assets and liabilities of the TRS;
- Designate an actuary to assist the TRS Board with the technical actuarial aspects of the TRS, which includes establishing mortality and service tables and making an actuarial investigation at least once every four years into the mortality, service, and compensation experience of the members and beneficiaries of the TRS;
- Determine the eligibility of a person to become a member of the TRS;
- Adopt policies for the determination of creditable service in the TRS;
- Grant retirement, disability, survivor, minor child, and other benefits; and
- Perform other duties and functions as are required to properly administer and operate the TRS.

## MISSION STATEMENT



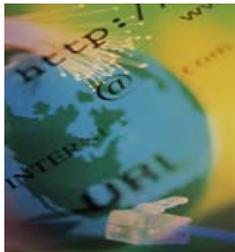
The mission of the TRS Board is to promote long-term financial security for our membership while maintaining the stability of the fund.

Guiding Principles: To earn the respect and trust of our members, we adhere to the following values:

- High ethical standards
- Honesty, integrity, and impartiality
- Dignity, respect, and mutual support
- Service excellence

# COMMUNICATING WITH THE TRS

## INTERNET



Website: [www.trs.mt.gov](http://www.trs.mt.gov)  
E-mail: [trswebadmin@mt.gov](mailto:trswebadmin@mt.gov)

Information regarding the TRS may be obtained by logging on to the TRS website. This website contains information relative to active members, retired members, benefit recipients, school business officials, and attorneys.

## 24/7 ON-LINE TRS WEBSITE ACCESS

To access TRS information and forms available to employers click on the 'Employers' link. For assistance with access to the TRS website, please refer to Page 10 to obtain contact numbers for the TRS Information Technology staff. The TRS website provides various forms for TRS membership and contribution reporting.

mt.gov  
Montana's Official State Website

**MONTANA TEACHERS' RETIREMENT SYSTEM**

Employers | Members | Retirees/Benefit Recipients | Calendar | Publications | TRS Board | TRS Staff | Help | Home

Wages and Contribution Reporting (TRS On-line)  
Payroll Insurance Reporting  
Employer's Manual  
Employer Video Tutorials  
Employer Forms  
Memos and Newsletters  
MASBO Training Material

mt.gov  
Montana's Official State Website

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### Employer Forms [Back](#)

[New TRS Member Questionnaire \(Form 107\)](#)  
[Membership Election Substitute Teacher or Part-time Teacher's Aide \(Form 106\)](#)  
[Model Resolution for Purchasing Service \(Form 121\)](#)  
[Authorization for Deduction of Health Insurance \(Form 117\)](#)  
[Record for Membership \(Form 102\)](#)  
[Beneficiary Designation for Active Members \(Form 123\)](#)  
[Beneficiary Designation - Attachment for Active Members \(Form 123A\)](#)  
[Reportable Compensation \(Form 138\)](#)  
[Automated Clearing House Debit Authorization - ACH \(Form 140\)](#)  
[Employer Payroll Insurance Reporting Sign-Up Form \(Form 141\)](#)  
[Certification To Employ a Retired Member Pursuant To HB 363](#)



If you are unable to open the TRS forms, you will need to install Adobe reader. The TRS website provides a link to allow the installation of adobe reader to your computer. Click on the link to install the software.

## TRS EMPLOYER NUMBER

The TRS utilizes a six-digit employer number for the identification of your reporting agency. This number is specific to each reporting agency. Your TRS employer number must be referenced on all correspondence to the TRS and on your 'Monthly Earnings and Contribution Report' and insurance information.

## UPDATING TRS REPORTING AGENT CONTACT INFORMATION



To update any change in the name and mailing or e-mail address of the individual responsible for reporting monthly contributions and/or insurance to the TRS, access 'Employer Contact Info' on the Montana TRS Wages and Contribution Reporting system.

**Employer Contact Info**

Employer

Name

Address

City/State/Zip

Business Phone   Ext:

Fax

Contact Payroll  Phone   Ext:

Contact Personnel  Phone   Ext:

Email Address

New Password  Confirm

Because of the ubiquitous nature of web access and powerful password crackers, the TRS requires strong passwords for your protection. Your password must be at least **eight characters in length**, composed of at least **one number**, one **upper case letter**, and one **lower case letter**. Special characters can be used like: ~!#\$%^&\*()\_+{}|:;';<>.,?/\. Maximum length is 12 characters. Passwords expire after 60 days.  
[Click here for more password help.](#)

The TRS may need to contact the person responsible for reporting should there be any questions concerning your 'Monthly Earnings and Contribution Report' and/or insurance information submitted to the TRS.

## WRITING TO THE TRS



Include the TRS member's full name, Social Security Number, and home mailing address on the written request for information or action. Mail the correspondence to our office.

Teachers' Retirement System  
PO Box 200139  
Helena, MT 59620-0139

## FAXING INFORMATION TO THE TRS



Fax Line: 406-444-2641

When faxing information relative to a member's account, include the TRS member's name, Social Security Number, and telephone number.

## CALLING THE TRS



Main Line: 406-444-3134  
Toll Free: 1-866-600-4045

The TRS office opens at 8:00 a.m. and closes at 5:00 p.m., except for state recognized holidays, with a limited staff working during the noon hour. After normal office hours, please leave a message for a return call the following business day.

When calling the TRS office, be sure to ask for the proper section of the office, to expedite handling the request for information. The following is a description of duties handled by each section of the TRS office with the appropriate telephone number(s):

### **Administrative Section: 406-444-3134**

- Administrative Rules
- Agency Administration
- Family Law Order/Divorce
- Legislative Issues
- Legal Issues

**Information Technology Section: 406-444-3395 or 444-9293**

- Web Reporting Sign-Up
- Website Information
- On-Line Internet Reporting

**Active Membership Section: 406-444-3324 or 444-4113**

- Account Information
  - Beneficiary Designation and Update
  - Eligibility for Membership
  - Service Credit
  - Statement of Account Questions
  - Vesting

- Legislative Updates

- Purchase of Service
  - Service Purchase Irrevocable Election
  - Rollover/Transfer Form

- Transfer of Service between the TRS and PERS: **406-444-2465**

- Retirement Counseling
  - Estimate of Benefits
  - Retirement Application Materials
  - Retirement Benefit Allowances
  - Retirement Education Seminars
  - Retirement Planning Questions
  - Termination Pay
  - Termination Pay–Irrevocable Election Form

- Member's Retirement Plan Handbook

**Accounting Section: 406-444-3323, 444-2540, or 444-3679**

- Contribution Reporting
  - Contribution Reporting Deadlines
  - Monthly Contribution Reporting Questions
  - Overage/Shortage Questions

- Membership
  - Beneficiary Designation Form
  - Change of Mailing Address
  - Name Change
  - New Member Packet
  - Record for Membership Form

- Withdrawal of Account Balance

## **Retired Payroll Section 406-444-3135, 444-3185, or 444-2441**

### General Requests

- Change of Mailing Address
- Beneficiary Designation for Retirees
- Direct Deposit Setup/Change
- Guaranteed Annual Benefit Adjustment (GABA)
- Legislative Changes Affecting Benefit Recipients
- Name change

### Insurance

- On-Line Web Insurance Reporting

### Life Altering Events

#### Death

- Change of Beneficiary
- Death of a Benefit Recipient
- Minor Child Benefit
- Survivor Benefit

#### Divorce

### Post-Retirement Employment

- Part-Time Wage and Hour Limits
- Returning to Full-Time TRS Covered Employment

### Taxes

- Annual Tax Form 1099-R
- Federal Income Tax Withholding
- Montana State Income Tax Withholding

### Tax Excludable Information

## A TRS MEMBER'S RESPONSIBILITIES



The TRS encourages members to take ownership of their retirement account. To assist in the retirement education process, a 'Member's Retirement Plan Handbook' is provided to each member. The information contained in the handbook provides the tools a member will need to be well informed at the time of termination and retirement, and ready to make the choices that will lead to a rewarding life as a retired educator. The TRS goal is to provide fast, easy access to complete and accurate information to all TRS members. To assist with the retirement education process, we suggest the following:

- **Dedicate time to become informed** before making important decisions. The TRS strongly encourages each member to utilize the resources offered by the TRS for retirement education.
- **Inform the TRS of any significant event** such as marriage, divorce, death of a beneficiary, or the birth of a child, a change in name and/or mailing address.
- **Take advantage of other tools and resources** available on the TRS website; account information, the on-line benefit estimator, and the retirement education tutorials.
- **Include family** in their retirement planning and decision-making.
- Carefully **review the annual 'Statement of Account'** provided by the TRS relative to creditable service, beneficiary designation, and the estimate of benefits, if provided.

## MEMBER'S CONTRIBUTION ACCOUNT



A TRS member's account balance represents contributions withheld from their gross wages and reported to the TRS, plus accumulated interest. The employer contribution is not reflected in a member's account balance. It is placed in the pension trust fund and, together with investment earnings, provides funding for a member's retirement benefit.

## STATEMENT OF ACCOUNT

In the fall of each year, the TRS provides an 'Annual Statement of Account' to each member. The statement presents the member's contributions and accumulated interest, representing their account balance, as well as creditable service for the fiscal year ending June 30. In addition, if a member is eligible for normal or early retirement, the statement will provide the estimated monthly annuity payment the member could receive at retirement. The TRS will mail the 'Annual Statement of Account' directly to a member's address on file with the TRS. To ensure a member's receipt of their statement, please notify the TRS of an address change. If a current mailing address is not available, the TRS will mail the Statement of Account to your office, as the employer.

## USE OF SOCIAL SECURITY NUMBERS



The TRS requires that a member provide their Social Security Number to ensure that any amounts disbursed under their account are properly reported to the Internal Revenue Service (IRS) and as a reference number for tracking all data with regard to the member's retirement account.

- IRC Sections 6041 (A), and 6109 authorize the TRS to solicit a member's Social Security Number.
- The TRS will not disclose the member's Social Security Number to any party, unless required by law.

## FUTURE UPDATES TO THE EMPLOYERS' MANUAL

The Employers' Manual is provided by the TRS in a manner that may be kept in a hard binder to facilitate future growth and is available on the TRS website. Replacement pages and sample forms will be available on the TRS website as the TRS progresses through changes in policies, procedures, legislation, and automation. The TRS will notify employers when updates to the Employers' Manual are available on the TRS website for downloading and printing.