

## SECTION 7 RETIREMENT EDUCATION

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## A TRS MEMBER'S RESPONSIBILITIES

The Member's Retirement Plan Handbook outlines the member's responsibility, relative to their personal retirement planning.

- **Dedicate the time to become informed** before making important retirement decisions. Read their Member's Retirement Plan Handbook thoroughly.
- **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, or of any updates to a TRS account.
- **Take advantage of other tools and resources** available on the TRS website; account information, the on-line benefit estimator calculator and the retirement education tutorials.
- **Include family** in the retirement planning process.
- **Review their 'Annual Statement of Account'** provided by the TRS relative to creditable service, beneficiary designation, and the estimate of benefits.

We encourage our members to take ownership of their retirement. For some, this does not seem so difficult. But for others, it is very difficult. The TRS has staff that will walk a member through the entire process. Our goal is to provide the tools that will make the decision-making process a little easier.

As the employer, you will play a distinct role in the retirement education process. First of all, we at the TRS do not expect your office to provide retirement planning to our members. Throughout a TRS members' career, we will ask that you provide salary and service credit information on the monthly 'Contribution Report'; contract information, daily or hourly rates of pay, when needed; and, any payout amount for accumulated sick and/or vacation days, as the TRS member begins planning for their retirement. Our role, at the TRS is to provide retirement planning assistance. We ask that as your TRS covered employees begin thinking about their retirement, suggest they utilize the resources provided on the TRS website and contact our office. We will help them prepare for their retirement.

The TRS is a 'Defined Benefit Plan' qualified under Internal Revenue Code (IRC) Section 401(a). As a 'Defined Benefit Plan' a monthly benefit is calculated based on each member's total years of service credit and average final compensation, not on the account balance or the performance of the financial markets. With this in mind, the correct reporting of a TRS member's wages and service credit is critical.

## MEMBER'S CONTRIBUTION ACCOUNT



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

## 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 a '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 receipt of a statement, please notify the TRS of any address changes. If a current mailing address is not available, the TRS will mail the statement to your office, as the employer.

## EFFECTIVE RETIREMENT DATE



The effective date of retirement will normally be the first of the month following a member's date of termination. A member terminating employment before attaining 25 years of service may delay receipt of a benefit until their 50th birthday (early retirement), or until their 60th birthday (normal retirement), or until any date in between.

Eligibility for retirement is dependent on a TRS member terminating **all** employment with their TRS employer and that all payments due upon termination of employment have been paid.

## RETIREMENT PLANNING PROCESS

The TRS has three methods available to begin the retirement planning process.



One method for planning retirement is to use an on-line benefit estimator via the TRS website. The benefit estimator will enable a member to begin retirement planning prior to their anticipated retirement date, in the privacy of their home or office.



A member employed on an hourly or part-time basis, or a member who prefers to have TRS staff provide an estimate of benefits, may access the TRS website to print the 'Request for An Estimate of Benefits' form. Print, complete, and mail the properly completed form to the TRS. The TRS will mail an 'Estimate of Benefits' to the member's home mailing address.



A member may call or write the TRS to request an 'Estimate of Benefits'. The TRS will request specific information in order to provide the most accurate estimate possible.

Each of these methods for retirement planning will provide valuable information relative to the decisions a member will need to make. At the time of the decision to terminate employment and apply for a monthly retirement benefit, a member must contact the TRS office to request a 'Retirement Application Packet'.

# ESTIMATE OF BENEFITS REQUEST FORM

	<p><b>MONTANA TEACHERS' RETIREMENT SYSTEM</b>                  1500 E 6TH AVE                  PO BOX 200139                  HELENA MT 59620-0139                  www.trs.mt.gov                  406-444-3134                  1-866-600-4045</p> <p><b>REQUEST FOR AN ESTIMATE OF BENEFITS</b></p>	<p><i>TRS Office Use Only</i></p>
<p>PLEASE TYPE OR PRINT LEGIBLY IN DARK INK.</p>		
<p><b>MEMBER INFORMATION</b></p>		
<p>First _____ Middle _____ Last _____ Suffix _____                  Printed Name</p>		
<p>_____ - _____ - _____                  Maiden Name Date of Birth Social Security Number</p>		
<p>_____ - _____ - _____                  Mailing Address—including City, State &amp; Zip+4 Code (If unknown, use 5-digit Zip Code) Area Code &amp; Telephone Number</p>		
<p>Estimates are provided as a service to our members. Please remember this is only an estimate. Your estimated benefit amount will be calculated under all of the options available, as well as the three options available with regard to the use of termination pay.</p>		
<p>_____                   Primary Beneficiary's Name</p>		<p>_____                   Primary Beneficiary's Date of Birth</p>
<p>\$ _____                   Final Year Contract Amount</p>	<p>\$ _____                   Other Compensation *</p>	
<p>\$ _____                   Termination Pay Amount **</p>	<p>_____                   Termination Date</p>	
<p>_____                   Effective Retirement Date ***</p>		
<p>* Other Compensation may include, but is not limited to, summer school, driver's education, coaching, etc.</p>		
<p>** 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.</p>		
<p>*** Your effective retirement date is the first of the month following the last pupil instruction day, pupil-instruction-related day, or termination date.</p>		
<p>If your retirement date is not in the current fiscal year, please provide projections of what your three highest consecutive years' salaries will be at the time of retirement:</p>		
<p>\$ _____</p>	<p>\$ _____</p>	<p>\$ _____</p>
<p>_____                   Member's Signature</p>		<p>_____                   Date</p>
<p>IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT OF 1992,                  ALTERNATIVE ACCESSIBLE FORMATS OF THIS DOCUMENT WILL BE PROVIDED UPON REQUEST</p>		
<p>TRS Form 112</p>	<p>Page 1 of 1</p>	<p>Revised 10/2009</p>

## RETIREMENT APPLICATION PROCEDURE

For a member's convenience, a 'Retirement Education' tutorial is available on the TRS website. The information provided in this tutorial is for educational purposes only. The tutorial provides basic information about the retirement benefit formula and allowances. It does not provide accurate, detailed calculations of any specific member's account or retirement benefit.

A member considering retirement should contact the TRS at least six months prior to the effective retirement date to request an estimate of benefits and a retirement application packet. A member retiring in the current fiscal year will receive a retirement application packet. The TRS recommends the member return the packet to the TRS at least 60 days prior to their date of termination.



**NOTE:** The TRS request member's call the TRS office to schedule a personal appointment for assistance with retirement planning.

## MINOR CHILD BENEFIT



Upon the death of an active member within one year of the date of death, or upon the death of a retired member, any minor children will be entitled to receive a minor child benefit of \$200.00 per month. A minor child benefit will be paid through the month in which the minor child attains age 18.

## DISABILITY RETIREMENT BENEFIT

### ELIGIBILITY FOR A DISABILITY RETIREMENT BENEFIT

If a member becomes disabled and cannot continue to perform the primary duties of their position covered under the TRS, they may be eligible for a disability benefit, provided:

- (1) The member has five or more years of creditable service in the TRS;
- (2) The member became disabled while an active contributing member of the TRS;
- (3) The member is declared physically or mentally incapacitated for the further performance of duties, and the disability is likely to be permanent; and
- (4) The TRS Board has approved the member's application for a disability benefit.

If a TRS member is experiencing health conditions that make it difficult to perform the primary duties of their position covered under the TRS, they may be eligible for a disability benefit. The TRS member must contact the TRS office to request an estimate of disability benefits and obtain important information concerning disability retirement eligibility.

The effective date of the member's disability benefit will be the first of the month following the date the member terminated employment.

## PROCEDURE TO APPLY FOR A DISABILITY RETIREMENT

Either the member, or the employer acting on the member's behalf, must contact the TRS office to request the 'Disability Retirement Application Packet'. The packet should be completed and sent to the TRS at least 60 days prior to the date of termination.

The application packet will include an employer's report to the TRS Board. This report allows you, as the employer, to submit a written statement of the difficulties observed in the performance of assigned job duties and to describe any accommodations made. In addition, an applicant's physician statement must be completed and returned, along with any physician's notes and medical records that would assist the TRS Board or its representative in its assessment of the disability.

## DEATH OF AN ACTIVE MEMBER

If a TRS member dies before applying for a monthly retirement benefit, the TRS **must** be notified of the date of the TRS member's death by the member's beneficiary or by you, as the TRS employer. The TRS will e-mail or mail a 'Deceased Active Member Check List' form to your office to request verification of the TRS member's current fiscal year salary information. Upon receipt of the salary information provided by the employer, the TRS will provide benefit information to the member's designated beneficiary.

For TRS reporting purposes, a TRS member may only have wages reported to the TRS that were earned through their date of death. Any balance of a contract to be paid by the TRS employer to the member or their beneficiary will be considered termination pay and as such, will be subject to the same statutory requirements. (Ref: §19-20-101 and §19-20-716, MCA) If the member signed a 'Termination Pay – Irrevocable Election Form' and the surviving beneficiary elects a monthly survivors benefit, the 'Termination Pay – Irrevocable Election Form' will remain in effect for the surviving beneficiary.

Additionally, if the TRS member was purchasing service under a 'Service Purchase – Irrevocable Election Form', the reduction through the date of death will be the final payment the TRS will accept via payroll deduction. The beneficiary will have the option to purchase any remaining service in a lump sum by personal payment.

The following is an example of a properly completed 'Deceased Active Member Check List' form.

## DECEASED ACTIVE MEMBER CHECK LIST

Member's Name: James Smith SSN: 123-45-6789  
 Date of Death: January 31, 2009 Age: 56  
 Notified of Death By: School District No. 5  
 Additional Information Received By: District Clerk - Telephone# 442-1730

### SURVIVOR INFORMATION

Name: \_\_\_\_\_ SSN: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City, State & Zip Code: \_\_\_\_\_  
 Date of Birth: \_\_\_\_\_ Relationship: \_\_\_\_\_

### SURVIVOR BENEFIT INFORMATION

Effective Date \_\_\_\_\_  
 Monthly Benefit \_\_\_\_\_  
 W/H Certificate \_\_\_\_\_  
 Death Certificate \_\_\_\_\_  
 Ins. Deduction \_\_\_\_\_  
 EFT Form \_\_\_\_\_

### CHECK LIST

Status Changed \_\_\_\_\_  
 Label Changed \_\_\_\_\_  
 Birth Certificate \_\_\_\_\_  
 Survivor Added \_\_\_\_\_

### MINOR CHILD INFORMATION

Name: \_\_\_\_\_ SSN: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City, State & Zip Code: \_\_\_\_\_  
 Date of Birth: \_\_\_\_\_

### MINOR CHILD BENEFIT INFORMATION

Effective Date \_\_\_\_\_  
 Monthly Benefit \_\_\_\_\_  
 Stop Date \_\_\_\_\_  
 EFT Form \_\_\_\_\_

### CHECK LIST

Status Changed \_\_\_\_\_  
 Birth Certificate \_\_\_\_\_  
 Minor Child Added \_\_\_\_\_

### EMPLOYER INFORMATION

Please complete and fax this form to the TRS at your earliest convenience. The TRS will provide benefit information to the member's beneficiary(ies). Thank you.

TRS Employer No.: 150051 Payroll Officer/Phone #: Jane Hanson - 442-1730  
 Contract Salary for FY: \$40,000 Number of Days in contract: 187  
 Total Salary Paid FY: \$21,390 Daily rate of pay: \$213.90  
 Termination Pay Amount: \$5,000 Last Day on Paid Status: January 31, 2002  
 TPIEF signed by member? Yes  No  Number of days paid in current FY: 100  
 TRS Phone # (406) 444-3134 TRS FAX# (406) 444-2641