

Teachers' Retirement Board

Agency Overview - Highlights

August 2015

Prepared by the Legislative Services Division
For the State Administration and Veterans' Affairs Interim Committee

Teachers' Retirement Board:

The [Teachers' Retirement Board](#) administers the Teachers' Retirement System (TRS). The Board consists of 6 members appointed by the governor to staggered 5-year terms. Membership must include:

- 3 members from the teaching profession who, when appointed, are active members of TRS, with at least 1 of the 3 actively employed as a public school classroom teacher who must hold a class 1, 2, or 4 certificate);
- 1 retired teacher who was a member of the retirement system at the time of retirement; and
- 2 representatives of the public.

The Board hires its own staff, including an executive director.

Executive Director: Shawn Graham, 444-3376, sgraham@mt.gov

Website: <https://trs.mt.gov/>

Responsibilities:

- Constitutionally responsible for administering TRS, including actuarial determinations, as fiduciaries of system participants and their beneficiaries
- Contracts with Cavanaugh MacDonald Consulting, LLC, for actuarial services.
- Provides informational material to employers and members, including retirement planning seminars.
-

Programs, FTE, and Budgeted Funding - FY 2016:

Source: TRS

Programs	FTE	General Fund	State Special	Federal Revenue	Proprietary	Trust Funds	Total Funding	% General Fund
Teachers Retirement System	18.00	\$0	\$0	\$0	\$0	\$2,482,437	\$2,482,437	0.00%

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Statutory Advisory Councils

- None.

Most Recent Legislative Audits:

- [Financial Compliance Audit for Two Fiscal Years Ending June 30, 2014 - 14-09A.](#)
In compliance. No recommendations.

Board Bills Passed - 2015 Session:

- HB 85 - Revised the administration and tax qualification laws of the TRS

Board Bills that Failed - 2015 Session:

- HB 59 - To increase university system supplemental contribution to TRS

Committee Areas of Interest During 2014-14 Interim:

- Monitored implementation of HB 377 (2013), which provided actuarially-require funding to make the system actuarially sound.
- Monitored status of the lawsuit to void the HB 377 provision reducing the Guaranteed Annual Benefit Adjust (GABA) for retirees.

Special Update: From TRS website:

"On June 30, 2015, District Court Judge Mike Menahan ruled in favor of the plaintiffs in *Byrne v. State of Montana*. The court found that the GABA is part of TRS benefits and is subject to protection under the 'contracts clause' of the Montana Constitution.

The Order On Motions For Summary Judgement states, "The 2013 Legislature passed a law that unnecessarily reduced pension benefits for school teachers and other public education professionals. The undisputed facts in this case demonstrate that increased contributions borne by workers, employers, and the State, which is the guarantor of the TRS, brought the system back to actuarial soundness without cutting any benefits." The court ruled that the GABA will remain at 1.50% for TRS Tier One members. The adjustable GABA (rate determined based on the funding status of the system) will apply to TRS Tier Two members (members hired on or after July 1, 2013)."

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Hot Topics of 2015 Session:

- None.

Statutorily Required Reports:

- [Comprehensive Annual Financial Report - FY 2013-2014](#)
- [Annual actuarial report - FY 2014](#)
- [Experience study - 5-year period ending July 1, 2013](#)
- Special actuarial report required by HB 377 (2013) on progress toward 100% funding. This report is included in the annual actuarial valuation.

ATTACHMENT

TRS Organizational Chart

[Staff Directory](#)

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