

Agency Bill Draft Requests for SAVA's Consideration – Aug. 23, 2016

Agency: Teachers' Retirement System

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Priority #	Short Title	Summary/Rationale	Statutes to be Amended
1	Revise Teacher's Retirement System administrative and tax qualification laws	To maintain IRS tax qualification status and to achieve administrative efficiencies.	See attached chart
2	Increase MUS-RP Supplemental Contribution Rate	Increase the Montana University supplement contribution rate to comply with section 19-20-621, MCA. The current rate of 4.72% is not sufficient to amortize the unfunded liabilities by July 1, 2033, as required by state law.	19-20-621, MCA
3	Revise MUS-RP participation statute	Clarify retirement participation requirements when an individual is an active or inactive member of both TRS and PERS at the time of hire by the Montana University System.	19-21-201, MCA

## Attachment to Standard Bills Chart

### Teachers' Retirement System Table of General Revisions Legislation to be Considered for 2017 Last update 08/08/16

Current Code Section	Proposed Change	Reason
19-20-101	Remove conversion of fringe benefits as an exception to 'earned compensation'	Remove fringe benefits converted to compensation as an exception to "earned compensation" and rely on the 10% cap on compensation statute instead. Simply removing converted fringe benefits as an exception to earned compensation and relying on the 10% cap on earnings would not take any rights away from our membership while at the same time improving the administrative efficiency of TRS.
19-20-403 and possible new section 19-20-4??	Cleanup purchase of leave provisions	Clarify purchase of "leave" provisions to distinguish between employer-approved leave (where the employee remains employed/job attached) and leaves resulting from a break in service (termination of employment), and make it clear in statute what types of "employee leave" are eligible to be purchased when there is no break in service.
New Section 19-20-4??	Clarify how service credit for coaching and other extracurricular stipends are calculated by TRS	For consistency and administrative purposes, we need to formalize how service credit is calculated for extracurricular stipends.
19-20-905	Revise disability retirement benefit trigger for reinstatement to active member status	Current statute uses "full-time employment" as the trigger for reinstatement to active member status for disabled members working for a TRS employer. A trigger based on exceeding the disability retiree's earnings limitation would be more meaningful and would be in alignment with the trigger for working retirees in general.
19-20-1002	Provide for the lump sum payment of any remaining benefits payable under a term certain benefit election when there is no surviving beneficiary	Under a 10 or 20-year term certain benefit, there is potential for a member to pass away early in the term and then their designated beneficiary(ies) could pass away prior to the end of the 10 or 20-year term. The benefits remain payable by TRS but we cannot make monthly benefit payments to an estate or trust; instead, we would make a lump sum payment of actuarial present value of the remaining benefits payable under the term to the estate of the last surviving beneficiary or if the estate is not probated to the next of kin or heirs of last surviving beneficiary according to the list in 19-20-717.