



State Administration and Veterans' Affairs
July 30, 2025

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TRS is a Defined Benefit

- Years of service and salary, not contributions, determine lifetime benefit
 - Example: 30 years x \$50,000 x 1/60th = \$25,000
 - Valuable recruitment and retention tool for employers
 - Rewards long careers (retention)
 - Part of the overall compensation package (recruitment)



Participation in TRS FY 2024

- Teachers, administrators, specialists and others employed in a teaching or educational services capacity by a public school district, state agency, county, community college, Montana University System or educational cooperative are covered by TRS.

– Active members	20,138
– Inactive members	8,515
– Retirees and Beneficiaries	18,002
– Employers	364



Membership Data FY 2024

➤ Full Time Active Members

– Average Salary	\$61,152
– Average Age	44.3
– Average Years of Service	9.7
– Average Hire Age	34.6

➤ Retired Members

– Average Annual Benefit	\$25,623
– Average Monthly Benefit	\$2,135
– Average Current Age	73.5
– Average Age at Retirement	59.3
– Average Service at Retirement	24.8

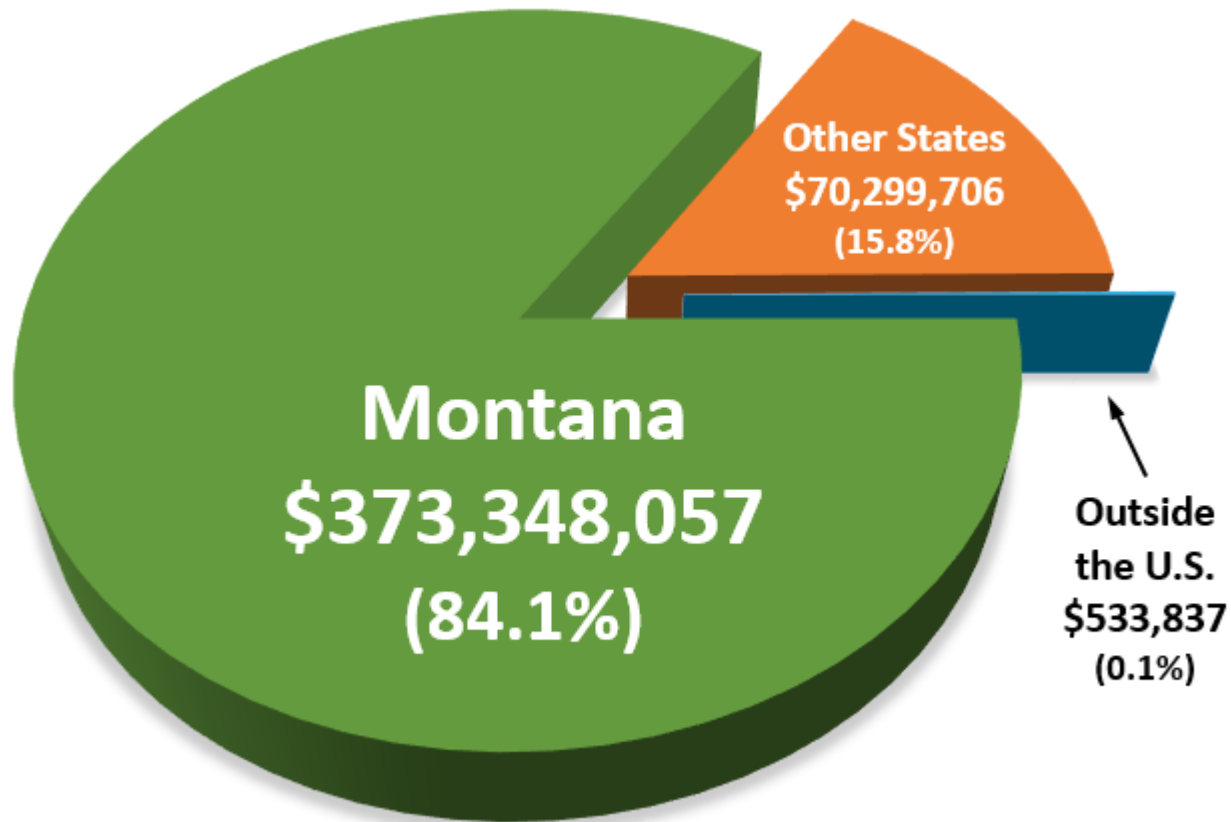


TRS Funding

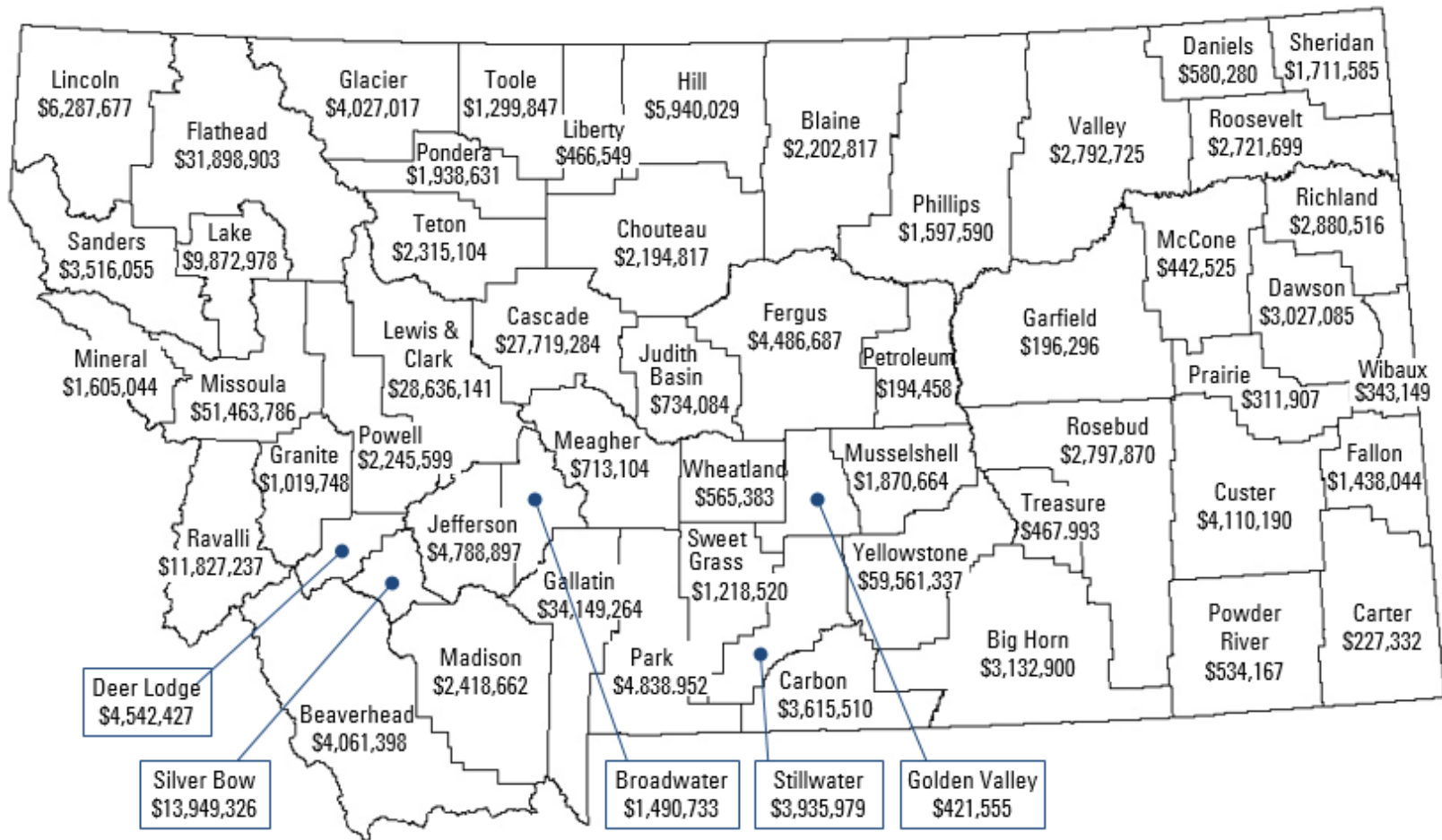
- Contributions
 - Employee – 8.15%
 - Employer – 9.47%
 - State of Montana – 2.49% plus additional \$25M per yr.
- Total Contributions FY 2024 = \$255M
- Total Benefit Payments FY 2024 = \$444M
- Funded Status as of July 1, 2024
 - 74.26% funded ratio
 - Amortization Period - 21 years
- HB 924 from 2025 Session
 - Additional 0.1% contribution each year for 20 years
 - Will increase funded ratio and decrease amortization



FY 2024 – Distribution of Benefits Paid



FY 2024 – Benefits Paid by County



Benefits Paid in Montana:	\$ 373,348,057 (84.1%)	14,717 recipients
Benefits Paid in Other States:	\$ 70,299,706 (15.9%)	3,629 recipients
Benefits Paid Outside the U.S.:	\$ 533,837 (0.1%)	36 recipients
TOTAL BENEFITS PAID:	\$ 444,181,600	18,382 recipients



FY 2025 Highlights

- Market Rate of Return
 - Preliminary results indicate TRS investments earned 9.45% market rate of return for FY 2025 which is 2.15% higher than the assumed rate of 7.30%.
- Actuarial Valuation
 - The results of our July 1, 2025 actuarial valuation will be presented to the TRS Board on October 3, 2025.
- Actuarial Experience Study
 - Once our actuarial valuation is complete, CavMac will conduct an actuarial experience study which will be presented to the TRS Board in May of 2026.



Governance

- Six-member Board
 - Appointed by the Governor to serve 5-year terms
 - Three from the teaching profession
 - Must be active members when appointed
 - At least one must be a public-school classroom teacher
 - Two representatives from the public
 - One retired member of the system
- Board Meetings
 - TRS Board holds four regular meetings (Feb, May, Oct, Dec)
 - Strategic planning held annually in August
- BOI presentation in February



Funding and Benefits Policy

➤ Purpose

- Perform retirement fund management functions with due regard for the complementary responsibilities of the legislature, the governor's office and the Board of Investments, in a manner that best maintains the long-term stability of the fund for the purpose of paying promised lifelong post-retirement benefits to its members.

➤ Constitutional Requirements

- Pursuant to Article VIII, Section 15, of the Constitution of Montana, the Board members administer the retirement system, including making actuarial determinations, as fiduciaries of system participants and their beneficiaries.
- Pursuant to Article VIII, Section 15, of the Constitution of Montana, the Teachers' Retirement System is required to be funded on and actuarially sound basis; assets of the system may not be encumbered, diverted, reduced, or terminated and shall be held in trust to provide benefits to participants and their beneficiaries and to defray administrative expenses.



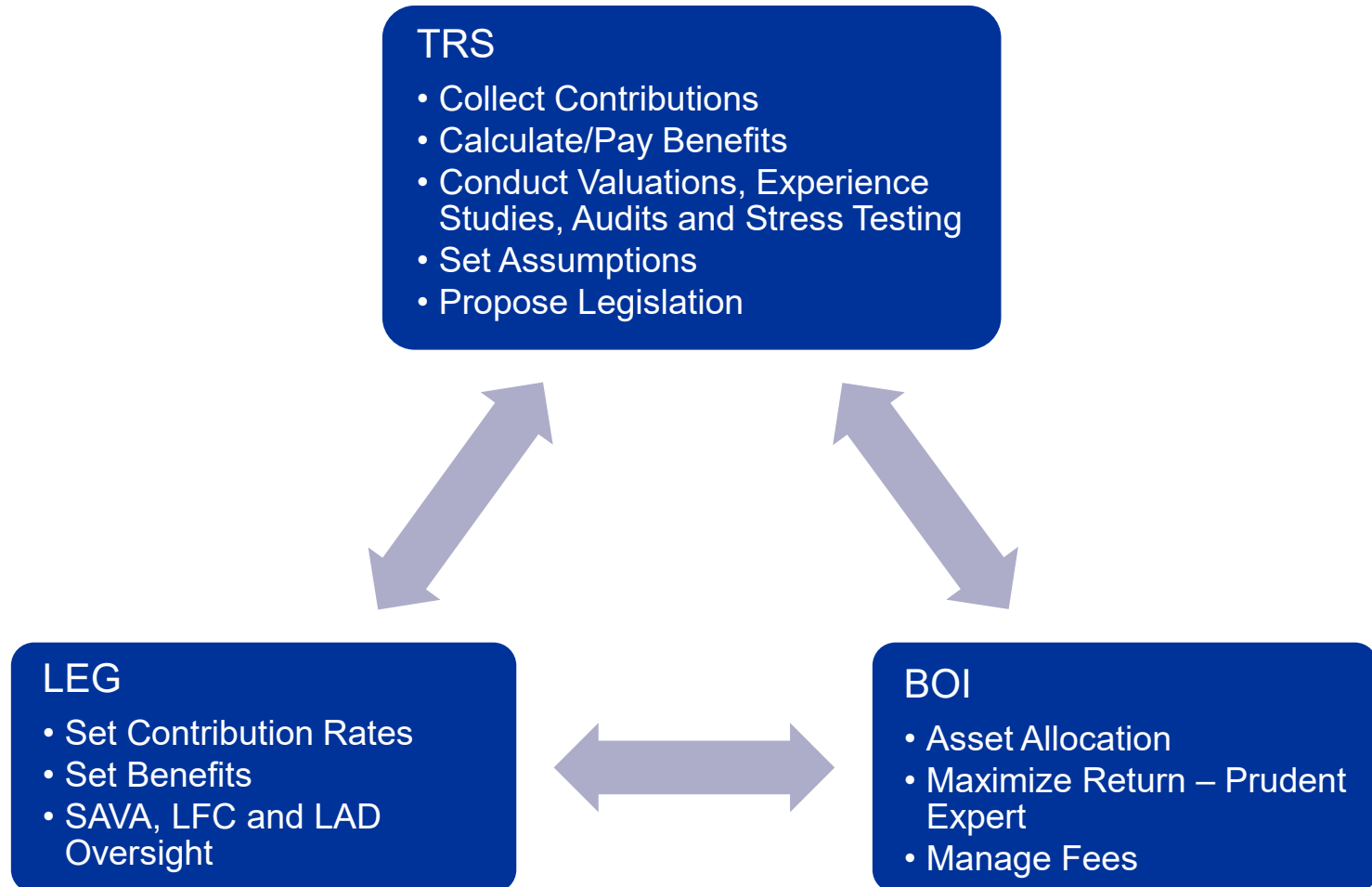
Funding and Benefits Policy – cont'd

➤ Policy

- Prescribes actuarial cost, smoothing and amortization methods
- Provides for annual actuarial valuations
- Provides for experience study every four years
- Provides for actuarial audit every five years
- Board will recommend a funding increase to the governor and the legislature if amortization period is greater than 30 years. Actuary will determine the actuarially recommended contribution rate necessary to fund the system in 30 years or less.
- Board will not support a benefit enhancement unless it includes additional funding or other benefit reductions to pay for the enhancement.



Roles





TRS Resources

- Website: trs.mt.gov
 - Board Policies and Board Meeting Materials
 - Actuarial Valuations, Experience Studies, Audits and Stress Testing
 - TRS Forms, Fact Sheets, and Reference Materials
 - Contact Information – Staff Directory
 - Active Member and Benefit Recipient Handbooks
 - Retirement Planning Information
 - Member Training Presentations
 - TRS 101 Presentation, Ready Set Retire Presentation
 - Employer Training Presentations
 - TRS Training for New Clerks, TRS Termination Pay Guides
 - Strategic Plan
 - Access to Secure Member and Employer Portals



Questions

