SENATE EDUCATION
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Bill No. SB 141

REPORT TO THE 2015 SENATE STATE ADMINISTRATION AND HOUSE STATE ADMINISTRATION COMMITTEES

Reemployment of TRS Retirees 19-20-732, MCA

(House Bill 363, 2009 Legislative Session)

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House Bill 363, 2009 Legislative Session, sponsored by Representative Llew Jones, allows a Teachers' Retirement System (TRS) retired member with 30 or more years of service to be reemployed as a teacher, specialist, or administrator on a full time basis by a school district without the loss or interruption of their TRS retirement benefits. A retired member hired under this provision is exempt from the one-third earning's and part-time employment limits under Montana Code Annotated (MCA) § 19-20-731 as well as the 150 calendar day break-in-service requirement under 19-20-734, MCA.

The intent behind HB 363 (codified as 19-20-732, MCA), as explained by the Sponsor, was to help school districts fill a position when they cannot find a qualified applicant, and to do so in such a way as to not have an adverse impact on the funding of TRS. Therefore, before hiring a retired teacher, a school district must first certify to the TRS office that they advertised the position each school year but were unable to fill the position because the school district received no qualified applications or did not receive an acceptance of an offer of employment made to a non-retired teacher, specialist, or administrator. Advertisement of the position and certification of inability to fill the position must occur each school year prior to entering into a contract with a retired member, including re-contracting with the same retired member.

To be eligible for reemployment under § 19-20-732, MCA, a retired member must have retired under TRS with 30 or more years of creditable service. In addition, a TRS retired member must also have received at least two monthly retirement benefits. Because monthly benefits are processed on the last business day of each month, if a retiree terminated in June, with retirement benefits effective July 1, they would not be eligible to be reemployed under this provision until September 1, after they have received their July and August retirement benefits.

The maximum number of years a TRS retired member may be employed pursuant to §19-20-732, is three years during their lifetime. A year is defined to mean all or any part of a fiscal year (July 1 through June 30). Retired members reemployed under this provision will not receive any increase in their retirement benefits due to additional service time or salary received while working and drawing retirement benefits.

To fund any adverse impact HB 363 might have on TRS, school districts who rehired a retired member under HB 363 are required to contribute to TRS the sum of all employee and employer contributions rates (19.21% effective July 1, 2014) on the salaries paid to retired members working under this provision. **Note:** this rate is to be paid by the school district; reemployed retired members will not be required to contribute to TRS. Section 19-20-732, MCA, is scheduled to sunset on July 1,

2015; however, Senator Llew Jones, has a bill draft request (LC-0699) to extend the sunset date on 19-20-732, MCA.

19-20-732(1)(e), MCA, requires the Teachers' Retirement Board to report to the appropriate committee each Legislative session regarding the implementation and results of section 19-20-732. A complete history of the positions filled, the compensation paid and the school districts reemploying TRS retirees under the provisions of 19-20-732, MCA, since September 2009 is included on the following page for your reference.

School District	Position(s) Filled	Compenation Paid to Retired Members	Number of Months Retired When Rehired	Age of Rehired Retiree
2009-2010 School Year				
WINNETT K-12 SCHOOLS	Math	$ 34,011	30	68
PLENTYWOOD K-12 SCHOOLS	Music	$ 52,293	2	65
2010-2011 School Year				
RICHEY PUBLIC SCHOOLS	Math	$ 20,066	37	61
TROY PUBLIC SCHOOLS	Speech-Language Pathologist	$ 25,818	2	56
WINNETT K-12 SCHOOLS	Math	$ 43,717	42	69
2011-2012 School Year				
MANHATTAN PUBLIC SCHOOLS	Superintendent	$ 95,025	24	62
TROY PUBLIC SCHOOLS	Speech-Language Pathologist	$ 25,970	14	57
WINNETT K-12 SCHOOLS	Math	$ 44,540	54	70
2012-2013 School Year				
GRASS RANGE PUBLIC SCHOOLS	Math	$ 20,010	7	62
MANHATTAN PUBLIC SCHOOLS	Superintendent	$ 100,775	36	62
TROY PUBLIC SCHOOLS	Speech-Language Pathologist	$ 26,210	26	58
ENNIS K-12 SCHOOLS	Superintendent	$ 93,800	24	61
2013-2014 School Year				
MANHATTAN PUBLIC SCHOOLS	Superintendent	$ 100,919	48	63
ENNIS K-12 SCHOOLS	Superintendent	$ 94,600	36	62
BROADUS PUBLIC SCHOOLS	Industrial Arts	$ 6,146	2	62
2014-2015 School Year to Date				
LEWISTOWN PUBLIC SCHOOLS	Elementary Special Ed	$ 8,635	72	67
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ENNIS K-12 SCHOOLS	Superintendent	$ 39,417	48	63
BROADUS PUBLIC SCHOOLS	Industrial Arts	$ 10,958	14	63
FORSYTH PUBLIC SCHOOLS	Counselor	$ 10,080	72	68