

# Report to the Education Interim Committee

## *Reemployment of TRS Retirees 19-20-732, MCA*

September 3, 2020

Shawn Graham, Executive Director  
Teachers' Retirement System

The provisions of 19-20-732, MCA, allow a Teachers' Retirement System (TRS) retired member with 27.00 or more years of service to be reemployed as a teacher, specialist, or administrator on a full-time basis by a second-class or third-class 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 of this provision is 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 27.00 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 19-20-732, MCA, might have on TRS, school districts who rehire a retired member under this provision are required to contribute to TRS the sum of all employee and employer contributions rates (19.81% effective July 1, 2020) 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 are not required to contribute to TRS.

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 pages for your reference.

<b>School District</b>	<b>Position(s) Filled</b>	<b>Compensation Paid to Retired Members</b>	<b>Number of Months Retired When Rehired</b>	<b>Age of Rehired Retiree</b>
<b>2009-2010 School Year</b>				
WINNETT K-12 SCHOOLS	Math	\$ 34,011	30	68
PLENTYWOOD K-12 SCHOOLS	Music	\$ 52,293	2	65
<b>2010-2011 School Year</b>				
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
<b>2011-2012 School Year</b>				
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
<b>2012-2013 School Year</b>				
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
<b>2013-2014 School Year</b>				
MANHATTAN PUBLIC SCHOOLS	Superintendent	\$ 100,919	48	63
ENNIS K-12 SCHOOLS	Superintendent	\$ 94,600	36	62
BROADUS PUBLIC SCHOOLS	Industrial Arts	\$ 25,146	2	62

<b>School District</b>	<b>Position(s) Filled</b>	<b>Compensation Paid to Retired Members</b>	<b>Number of Months Retired When Rehired</b>	<b>Age of Rehired Retiree</b>
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**2014-2015 School Year**

LEWISTOWN PUBLIC SCHOOLS	Elementary Special Ed	\$ 26,266	72	67
LEWISTOWN PUBLIC SCHOOLS	Elementary Special Ed	\$ 25,940	48	57
ENNIS K-12 SCHOOLS	Superintendent	\$ 113,234	48	63
BROADUS PUBLIC SCHOOLS	Industrial Arts	\$ 35,645	14	63
FORSYTH PUBLIC SCHOOLS	Counselor	\$ 33,599	72	68

**2015-2016 School Year**

LEWISTOWN PUBLIC SCHOOLS	Counselor	\$ 27,136	24	61
WHITEHALL PUBLIC SCHOOLS	School Psychologist	\$ 9,467	24	56
MISSOULA PUBLIC SCHOOLS	Regional Director	\$ 105,281	12	60
HINSDALE PUBLIC SCHOOLS	Lead Coordinator	\$ 18,263	24	56
BROADUS PUBLIC SCHOOLS	Industrial Arts	\$ 35,232	24	64
RAPELJE PUBLIC SCHOOLS	Superintendent	\$ 73,350	2	61

**2016-2017 School Year**

HARLEM PUBLIC SCHOOLS	Teacher	\$ 38,000	2	61
NASHUA K-12 SCHOOLS	Superintendent	\$ 56,833	36	70
HINSDALE PUBLIC SCHOOLS	Lead Coordinator	\$ 21,915	36	57
RAPELJE PUBLIC SCHOOLS	Superintendent	\$ 96,907	14	62

<b>School District</b>	<b>Position(s) Filled</b>	<b>Compensation Paid to Retired Members</b>	<b>Number of Months Retired When Rehired</b>	<b>Age of Rehired Retiree</b>
<b>2017-2018 School Year</b>				
HUNTLEY PROJECT PUBLIC SCHOOLS	Drivers Ed	\$ 5,350	2	65
NASHUA K-12 SCHOOLS	Superintendent	\$ 60,167	48	71
HINSDALE PUBLIC SCHOOLS	Lead Coordinator	\$ 23,718	48	58
RAPELJE PUBLIC SCHOOLS	Superintendent	\$ 100,902	26	63
NORTH HARLEM	Teacher	\$ 30,000	60	63
<b>2018-2019 School Year</b>				
EAST HELENA PUBLIC SCHOOLS	School Psychologist	\$ 11,904	60	59
BELGRADE PUBLIC SCHOOLS	Superintendent	\$ 134,623	108	65
CUTBANK PUBLIC SCHOOLS	Principal	\$ 11,000	84	71
DRUMMOND PUBLIC SCHOOLS	Counselor	\$ 22,766	2	64
NORTH HARLEM	Teacher	\$ 31,600	72	64
MALTA PUBLIC SCHOOLS	Music Teacher	\$ 44,280	84	61
<b>2019-2020 School Year</b>				
HAYS/LODGEPOLE SCHOOLS	Librarian	\$ 63,330	48	69
BAKER PUBLIC SCHOOLS	Long Term Sub	\$ 42,542	12	60
BELGRADE PUBLIC SCHOOLS	Superintendent	\$ 140,600	120	66
STANFORD PUBLIC SCHOOLS	Music Teacher	\$ 36,262	3	65
HAYS/LODGEPOLE SCHOOLS	Science Teacher	\$ 36,590	2	60
MALTA PUBLIC SCHOOLS	Music Teacher	\$ 46,350	96	62
POPLAR PUBLIC SCHOOLS	Elementary Teacher	\$ 68,482	26	67
POPLAR PUBLIC SCHOOLS	Elementary Teacher	\$ 68,482	26	58
SHELBY PUBLIC SCHOOLS	Counselor	\$ 15,897	72	70

**Summary of Information:**

FY 2010 through FY 2020, 51 positions have been filled under this provision.

FY 2010 through FY 2020, TRS received approximately \$475,000 in contributions for these members

FY 2010 through FY 2020, TRS paid approximately \$1,950,000 in retirement benefits to these members