



TRS

# Montana Teachers' Retirement System

## **Governance and Oversight Presentation State Administration and Veterans' Affairs November 4, 2021**

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# Governance

## ➤ Six-member Board

- Appointed by the Governor to serve 5-year staggered 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
- One member appointed to serve on Board of Investments

*Mont. Code Ann. § 2-15-1010*



# Governance – cont'd

- Article VIII Section 15 (Montana Constitution)
  - Public retirement systems shall be **funded on an actuarially sound basis**. Public retirement system assets, including income and actuarially required contributions, **shall 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.
  - The governing boards of public retirement systems **shall administer the system, including actuarial determinations, as fiduciaries of system participants and their beneficiaries**.
- Federal Tax Law
  - Section 401(a) of the United States Internal Revenue Code (IRC)
- State Law
  - Title 19, Chapter 20 of Montana Code Annotated
- Administrative Rule
  - Title 2, Chapter 44 of Administrative Rules of Montana (ARM)



# Board Duties

- Fiduciaries of the System
- Ensure Actuarial Funding (Annual Valuations, Experience Studies, Actuarial Audits, Set Actuarial Assumptions and Propose Legislation)
- Quarterly Board Meetings
- Employ Accredited Actuary
- Employ Executive Director
- Promulgate Administrative Rules, Board Policy and Strategic Objectives
- Maintain Qualified Plan Status
- Make Determinations – Eligibility for Membership and Benefits
- Approve and Monitor Annual Budget

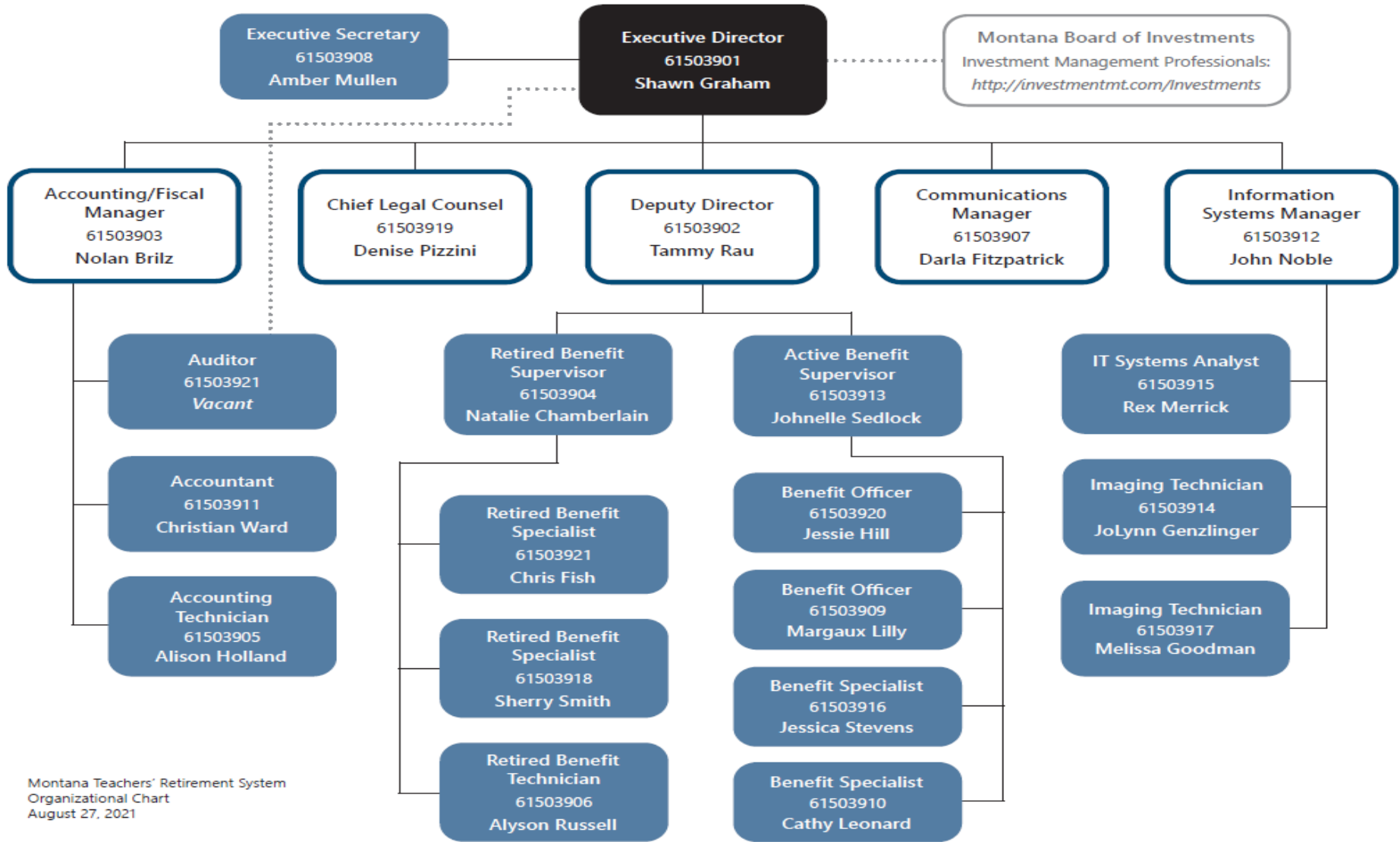


## Board Staff

- 22 FTE
- Monthly Wage & Contribution Reporting for 363 Employers
- Collect \$231M in Annual Contributions for 19,658 Active Members
- Conduct Service Audits and Calculate Benefits
- Paid \$399M in annual benefits to 16,985 Benefit Recipients
- Annual statements, 1099's, Estimates of Benefits, Retirement Applications, Education Services, Allowable Earnings Letters, RMD Letters, Actuarial Data, CAFR
- Manage Cashflow - \$5.1B in Assets

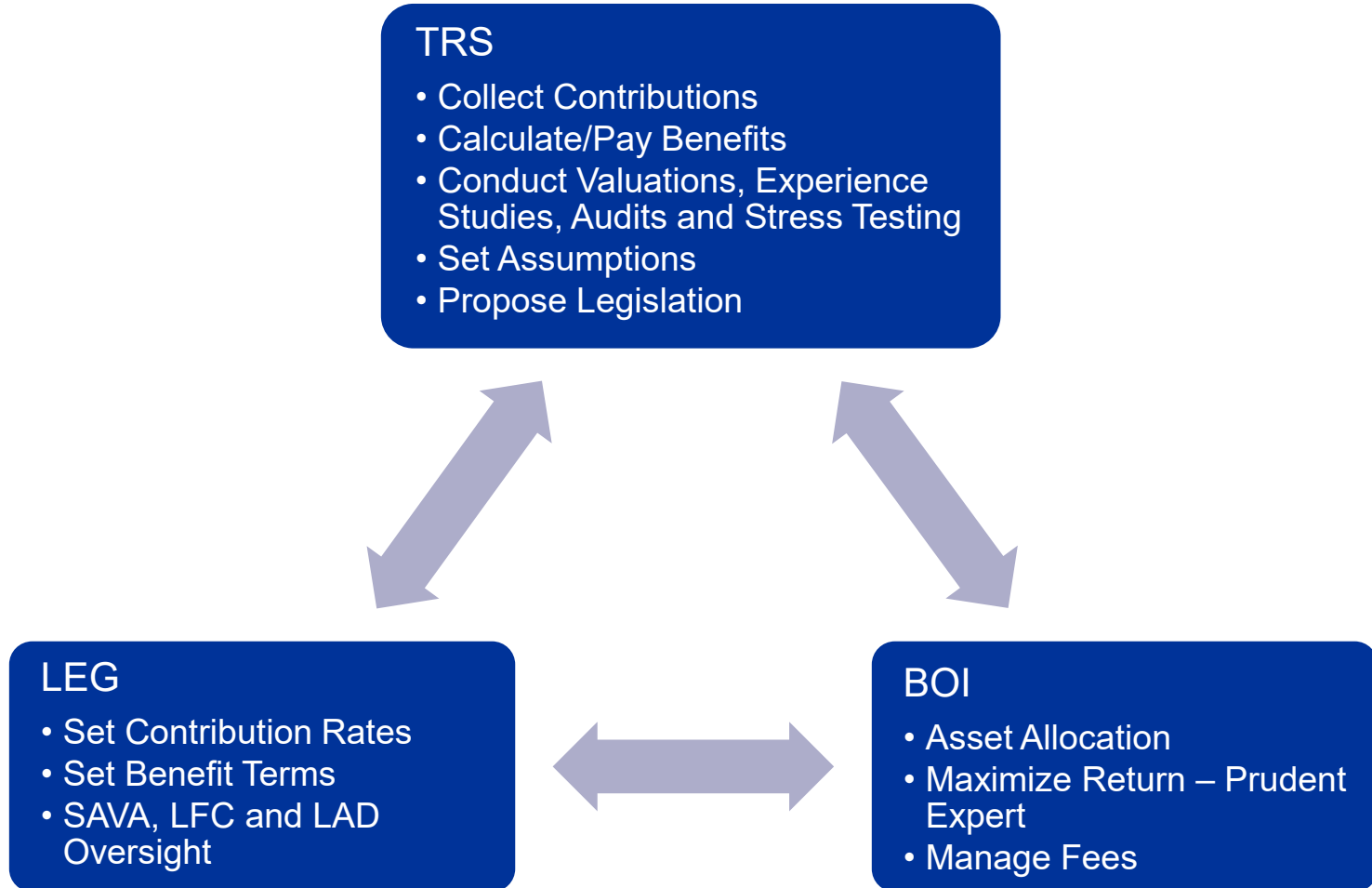


# Organizational Chart





# Roles





# Additional Resources

- Website: [trs.mt.gov](https://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
  - School Boards Page
  - Access to Secure Member and Employer Portals





# Questions

