

Proposal for Retirement plan Legislation (2007 session) ①

from: Ray Jacobs, Candidate for MT representative, HD 2, Lincoln County
POB 794, Eureka, MT 59917
(406-889-3539) no e-mail, no fax

to: Dave Boyher
Legislative Research Director
Helena, MT

Name, title, etc. in upper right hand corner

1. Problem--inadequate funding of the Teachers' Retirement for the long haul. One situation that makes individual teacher's retirements more expensive than is necessary or warranted is that teachers sometimes acquire advanced education credits and degrees right near the time they retire, when it is too late for their advanced education to be of benefit to their students. They are, in such cases, merely getting the extra education in order to place themselves higher on the salary schedule so that their last 3 years average salary, on which their retirement amount is based, will be higher.
2. What the legislation needs to do--Instead of averaging the highest 3 years salary (which is usually the last 3 years), the teacher should be placed on the salary schedule of the school in question, for the last (or highest) 3 years, where they would have been if they hadn't acquired additional education during the last five years before retirement (unless such education was required for re-certification). This would require using the salary schedule that was in effect during each of the three years in question, which should be the school's responsibility, subject to oversight by the state. Having worked 23 years as a teacher, I think this change would provide enough benefit to be well worth the extra work involved, but only research could give any idea exactly how much would be saved.
4. This would apply to the TRS only.
5. There would be a small cost in checking the salary schedules as described above. I don't know the amount, but it shouldn't be much.
6. I don't know of similar legislation that has been proposed.
7. I haven't previously been in the legislature & I'm not running unopposed. I am merely making a suggestion for someone else to possibly use. Above all, I would not want to see the 1.5% cost of living raise (annual) withdrawn. The teachers waited much too long for it and it is inadequate, but much better than nothing.

Thanks for the
opportunity for input!
R. Jacobs

(2)

Proposal for retirement plan Legislation
(for 2007 Legislative session)

To: Dave Boyher
Legislative Research

from Ray Jacobs, candidate for Representative, H.D. 2
Lincoln County, MT
P.O.B. 794, Eureka, MT 59917
406-889-3539
no fax or e-mail

1. The teacher's retirement funding is on shaky ground, is the problem. Part of the cause of the problem without a doubt is people retiring too young & thereby drawing teachers' retirement for too many years. A person starting to teach at age 22 can retire at age 47 with 25 years service & if that person lives to age 87, will have drawn retirement for 40 years, for example.
2. I think the legislation should allow teachers to retire whenever they have 25 years into the MT Teachers' retirement system, but they should not be allowed to draw any retirement until they are 55 years of age (or older, up to 60, if that's what it takes to fix the system).
4. I am talking only about the teachers' retirement system, as that's the only one I know anything about. However if the other state retirement systems work similarly, perhaps the same idea would work with them. Above all, I would not like to see the guaranteed 1.5% annual cost of living raise withdrawn. It should be at least double that amount, but is at least something dependable for retired teachers to count on.
5. No additional funding that i'm aware of would be needed.
6. I don't know of similar legislation that has been proposed.
7. I haven't previously been in the legislature, & I am not running unopposed. I am merely making a suggestion for someone else to possibly use.

*Thanks for The
opportunity for input!*

Ray Jacobs