

## TRS End-of-Year Reminders

The deadline for June 2025 wage and contribution reports is **TUESDAY, JULY 15**

Please submit your June report **no later than July 15** so that TRS may close out fiscal year 2025.

Late reports prevent TRS from posting all member contributions and service in a timely manner. They also can delay or skew the results of GASB 68 reports showing each employer's net pension liability.

If you have no actual wages to report for June, submit a **\$0 Contribution** report to TRS by July 15. The online manual within the TRS Wage and Contribution Reporting System explains how to do it.

Sick and annual leave payouts generally are not reportable to TRS as wages

Payouts of sick and annual leave to employees are not reportable to TRS as wages unless the employee is a TRS working retiree. (See below for members who are retiring with TRS.)

When to report termination pay for members retiring with TRS

When a member has elected to include termination pay in the calculation of their TRS retirement benefit, you must submit **TRS Form 113 Termination Pay**, along with a printout of the *Term Pay Calculator*, at least **one week** before you submit the monthly report that includes it. Otherwise, you will get an error in the TRS Wage & Contribution Reporting System.

- The required sequence of steps is explained in this handy [Termination Pay flowchart](#).
- The TRS [Fact Sheets webpage](#) has more resources about termination pay and retirement.

TRS Fact Sheet: *Calculating and Reporting Extra Duty Service Credit* (Revised May 15, 2025)

"Extra duties" usually are performed by teachers in exchange for a stipend or other compensation, and we know it is not always easy to know how and when to report that compensation. The updated ["Calculating and Reporting Extra Duty Service Credit" fact sheet](#) walks you through the process. TRS also has created a calculator tool, which you can request from TRS Accounting Manager Nolan Brilz.

- **Note: Effective July 1, 2025, some non-educational extra duties are reportable** to TRS when performed by a teacher, teacher's aide, paraprofessional, or administrator for student supervision. This information has been incorporated into the fact sheet linked above.

Requirement to report hours and wages for "non-contributing" substitutes and PT aides/paras

At the request of MASBO, TRS has implemented a mechanism for tracking hours (**not** days) and wages for substitute teachers and part-time aides/paras who elect to defer membership in TRS until they have worked 210 or more hours in a single fiscal year.

- Reporting procedures were distributed earlier in 2025 and [are available here](#). **Effective July 1, 2025, state law requires employers to report these hours and wages to TRS.**
- Eligible employees must fill out **TRS Form 106** to make an irrevocable membership election. Please use the [latest version of Form 106](#) (June 2025), which has been simplified.

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## TRS “New Hire” procedure

Be sure to follow the TRS New Hire procedure, available on the [Forms webpage](#) (Employer Forms section). It explains how to identify whether a new employee is already a member of TRS.

## Independent Contractor webpage

TRS requirements for establishing **independent contractor status** changed in July 2024. Be sure to refer to the [IC Requirements webpage](#), which provides links to TRS Form 148 and other materials you will need for proper reporting.

## Employer contribution rates are not changing for FY 2026

These are the current rates:

School districts, education cooperatives, counties, community colleges	
Active TRS members	9.47% of earned compensation
TRS working retirees	11.85% of earned compensation

Montana University System and state agencies	
Active TRS members and TRS working retirees	11.85% of earned compensation

- The Member (employee) contribution rate also is unchanged at 8.15%.
- Current and past contribution rates can be viewed anytime on the TRS website.

## **NEW!** TRS has created a flyer you can provide to members who leave employment

Recently, a school district clerk asked whether TRS had a flyer she could provide to members leaving employment to let them know what to do with their member contributions.

We liked the idea, and now we’ve created a one-page flyer you are welcome to use!

- **The new “Leaving Employment” flyer is presented on Page 3 of this document.**
- In the near future, we also will post the flyer in the Employers section of our website.

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If you have questions about this memo, please contact one of these staff members:

Nolan Brilz, Accounting & Fiscal Manager	(406) 444-3679
Christian Ward, Accountant	(406) 444-3323
Ali Holland, Accounting Technician	(406) 444-2540
Cathy Leonard ( <i>for termination pay questions only</i> )	(406) 444-3132



## Leaving Employment?

**You might be wondering what to do with the contributions you have paid to TRS. Your options will depend on your TRS member status and your future plans.**

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If you might return to work someday in a position covered by TRS (such as teaching at another Montana public school, community college, or the MUS), consider leaving your contributions on account with TRS.

When you return to work, your member account balance and creditable service will continue to grow.

If you have **no** plans to return, your options depend on your age and vested status, as explained below.

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### **Vested** members are eligible for **lifetime** TRS retirement benefits

If you have **5.00 or more years** of verified creditable service with TRS, you are a **vested** member, which means you are eligible for a future retirement benefit. TRS retirement benefits are paid for life.

If you are **under age 60** when you terminate employment, you can simply leave your member contributions on account with TRS until you are eligible to apply for regular retirement.

- Early retirement, which pays a reduced lifetime benefit, is available at age 50 for vested Tier 1 members or age 55 for vested Tier 2 members.
- Contact TRS to learn about your options and to receive an estimate of retirement benefits.

Members who terminate employment with no plans to return may **withdraw** their member account balance (*member contributions plus accumulated interest*)

Non-vested members of TRS (those with **less than 5.00 years** of creditable service) can apply for withdrawal. Vested members also have the option to withdraw, but by doing so, they **forfeit** their right to a future lifetime retirement benefit.

Members who withdraw can elect (a) a direct rollover of funds (tax-deferred) into another eligible retirement account; (b) a lump-sum refund, minus 20% federal income tax; or (c) a combination. They can initiate the withdrawal process online in *My TRS*, or they can request a paper application from TRS.

NOTE – Before you decide to withdraw your member account balance, please consider the following:

- If you are a vested member, the dollar value of your future lifetime benefit is likely to far exceed your member account balance.
  - If you are under age 59 ½ and you elect to take a lump-sum refund, you *may* be assessed an additional penalty by the IRS when you file your tax return. Please consult a tax advisor.
  - Members who withdraw are *not* entitled to any of their employer's contributions.
  - If you withdraw as a Tier 1 member and later you resume TRS-reportable employment, you return as a Tier 2 member with slightly less favorable retirement benefits, *even if* you repurchase your withdrawn service.
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### **Not sure of your vested status or membership tier?**

**Log into *My TRS*, or call TRS at 406-444-3134 during regular business hours.**

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