



**MONTANA TEACHERS' RETIREMENT SYSTEM**  
**POLICY 3-0310-001**  
**INTEREST RATES**

**Section:** Administrative  
**Implementer:** TRS Board

**Effective Date:** October 3, 2025  
**Revision Date:** October 3, 2025

**Purpose:**

The Teachers' Retirement System Board (the Board) establishes interest rates for the Teachers' Retirement System (TRS) defined benefit retirement system pursuant to this policy. It is intended that this policy comply with Mont. Code Ann. §§19-20-201 & 19-20-501.

In establishing policy pertaining to interest credited to member accounts, the Board takes notice of the following specific constitutional and statutory requirements:

1. Pursuant to Article VIII, Section 15, of the Constitution of Montana, the Board members administer the retirement system, including making actuarial determinations, as fiduciaries of system participants and their beneficiaries. Pursuant to §19-20-203, MCA, the Board is responsible to employ technical or administrative employees necessary for the transaction of the business of the retirement system, and to designate an actuary to assist the Board with the technical actuarial aspects of the operation of the retirement system.
2. Pursuant to Article VIII, Section 15, of the Constitution of Montana, the Teachers' Retirement System is required to be funded on an actuarially sound basis; assets of the retirement system may 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.
3. Pursuant to §19-20-501, MCA, the Board members are trustees of all money collected for the retirement system and shall provide for the financial administration of the money as required by the Montana Constitution and §19-20-501.
4. Pursuant to §§19-20-201(1)(i) & 501(2), MCA, the Board members shall annually establish the regular rate of interest credited to member accounts.

**Definitions:**

**Policy:**

A. Interest Credited to Member Accounts

1. The interest rate used to credit interest to member accounts for each fiscal year shall be the lesser of the average projected average of the Short-Term

Investment Pool (STIP) interest rate earned by the Montana Board of Investments as of March 31<sup>st</sup> of the preceding fiscal year or 2.0%.

2. Interest on a member's account is compounded annually and credited monthly.

**Cross References:**

**The following laws, rules or policies may contain provisions that apply to this policy. The list should not be considered exhaustive – others may also apply.**

Art. VIII, Section 13, Constitution of Montana  
Art. VIII, Section 15, Constitution of Montana  
§ 19-20-101(1), MCA  
§ 19-20-201(1), MCA  
§§ 19-20-401 through 19-20-404, MCA  
§§ 19-20-408 through 19-20-411, MCA  
§§ 19-20-416 through 19-20-417, MCA  
§§ 19-20-426 through 19-20-427, MCA  
§ 19-20-501(2), MCA  
§ 19-20-1206, MCA

**History:**

Adopted October 3, 2025

**Signature:**

By Board action taken on October 03, 2025, and by my signature below, the TRS Board has authorized implementation of this original or modified policy. The effective date of this policy is:

X the date of the Board action set forth above

October 3, 2025

BY: Kari Elliott, Board Chair

/s/ Kari Elliott  
Signature

**TRS policies may be amended or revoked from time to time, with amendments and revocations effective from the date of board action or later date as specified in the policy. The official version of any TRS policy is the version posted on the TRS website, which may be accessed on the [Board Policies](#) page of the TRS website. Any deviation between the official version of a policy and a printed version will be resolved in favor of the official version. Hardcopy prints of policies will be dated as of the date of printing. Please make certain to review the material online prior to placing reliance on a printed version.**