September 14, 2012

To: TRS Employers

From: Dan Gaughan, Accounting & Fiscal Manager

Reporting Requirements for Employers and Working Retirees

Both the employer and the retired member must provide written notice to TRS of the post-retirement employment within 30 days of signing a contract, or, if no written contract is entered into, within 30 days of the first day on which postretirement services are provided. Both the working retiree and employer(s) must complete the Retired Member's and Employer's Notice of Post-Retirement Employment Form 146. Together with all related contracts, job descriptions, and other specified documentation, Form 146 must be submitted to TRS within 30 days of employing a TRS retiree. This required notice must be completed annually or at any time a contract (letter of agreement, etc.) is executed or modified.

In addition to the submission of Form 146, the employer is required to report the hours worked by and compensation paid to the working retiree on the employer's monthly wage and contribution report to TRS.

Working Retiree Positions and Services that Must be Reported to TRS

Under 19-20-731, MCA, working retirees must be reported to TRS if the performance of the duties and functions of the position would make the employee eligible (under 19-20-302, MCA) to participate in TRS. It is the nature of the services, duties, and functions to be performed by the working retiree, not the job title assigned, that will determine reportability to TRS.

Additionally, a working retiree must be reported to TRS whether the TRS retiree is an employee of the employer, an employee of a third party, or an independent contractor. Finally, under 19-20-731, MCA, for a TRS retiree working in a position reportable to TRS and concurrently working in a position that is not reportable to TRS (for example a PERS covered position), **all compensation paid to the TRS retiree in both positions** is reportable to TRS and will be counted against the retiree's earnings limitation.

TRS working retiree reporting software upgrade:

Currently scheduled to go into production October 1, 2012.

We have contacted Black Mountain Software and Foxey Lady concerning these changes. If your district uses a different vendor software or in-house developed software to create an upload file to our system then please contact us for the necessary technical specifications.

A new column has been added to the TRS wage and contribution reporting on-line web reporting system. The new column title on the Contribution Detail screen is titled position code, used only for working retirees.

The Copy Forward function and the Upload function will set the position code if only one code exists in the TRS database for this employer.

The following error message will occur if a position code is entered or uploaded into the contribution detail screen for an employee that is **not** a working retiree: Position code only allowed for working retiree

The error messages below may occur when the validate contributions process is selected on the Contribution Summary screen:

- The position code entered (xx) is not valid for this working retiree. The valid position codes are: 01 TRS, 02 TRS IC, 03 PERS and 04 PERS IC (IC is Independent Contractor).
- Position code is required for this working retiree. Will occur if a position code is not entered, and a code(s) is established in the TRS system.
- The position code entered (xx) is not valid for this working retiree, leave blank. Will occur if a position code is entered but there is no code established in the TRS system.

The following warning messages may occur when the validate contributions process is selected on the Contribution Summary screen:
- High-lighted warnings:
   Working Retiree - Form 146/Contract has not been received
   Working Retiree - Form 146 has not been received
   Working Retiree - Contract has not been received

 For further information you may contact:
        Dan Gaughan 444-3679; dgaughan@mt.gov

Also enclosed is the Postretirement Earnings Q and A that has been sent to currently identified TRS working retirees.