



Montana Teachers' Retirement System FACT SHEET: Substitute Teaching and Elective Membership Deferral

Generally, an individual who works in a TRS-reportable position and who is expected to provide at least 210 hours of service in a single fiscal year (July 1 – June 30) is required to participate in TRS from their first day of employment. However, a narrowly defined exception in state law (§19-20-302(4), MCA) allows **substitute teachers and part-time teacher's aides/paraprofessionals** *who are not already members of TRS* to defer (postpone) membership until they reach the 210-hour threshold.

This Fact Sheet explains the circumstances under which a new substitute teacher or part-time teacher's aide or paraprofessional may elect to defer membership, and the associated documentation and reporting requirements for TRS employers.

TRS membership election options for certain substitute teachers and part-time teacher's aides or paraprofessionals

TRS law allows new substitute teachers and part-time teacher's aides/paraprofessionals who are *not* already members of TRS to make an irrevocable election either to have employee contributions withheld from their pay starting on their first day of work, or to defer membership until such time as they have worked at least 210 hours in a single fiscal year. (Employees who are currently members of the Montana University System retirement program are not eligible to make such an election.)

If the employee is eligible to defer membership, the TRS employer must provide TRS Form 106: Membership Election – Substitute Teacher or Part-Time Teacher's Aide/Paraprofessional on their first day and must keep the employee's completed form on file to record their election.

- Note: Employers *may not* provide TRS Form 106 to any other type of employee hired to work on a short-term or limited basis, such as coaches or student advisors. To determine whether TRS membership is required for those individuals, refer to a separate TRS Fact Sheet, "*Calculating and Reporting Extra Duty Service Credit*."

A substitute teacher or part-time aide/paraprofessional who has the option to defer membership may have the following questions:

Q. Why would I elect to participate with TRS beginning with my first day of employment?

A. All active TRS members accrue *service credit* based on the total hours for which contributions are paid. Members who accrue 5.00 or more years of creditable service are "vested" and will be eligible for a monthly retirement benefit when they reach retirement age. If you elect to participate in TRS on your first day of employment, you will accrue service credit for every single hour you work.

If you elect *not* to participate as of your first day, your TRS employer(s) will report hours and wages to TRS but will not immediately withhold contributions from your pay. You will remain a non-member and will not accrue service credit with TRS until 210 or more hours have been reported to TRS in a single fiscal year.

Your TRS employer(s) must begin withholding TRS contributions from your pay effective the first of the month *following* the month in which you reach or exceed the 210-hour threshold, and they must continue withholding contributions for work you perform in any TRS-reportable position thereafter.

If eventually you become a vested member of TRS, you then will have the option to purchase service for those initial 210 (or more) hours to increase your creditable service balance, if desired.

Q. If I have TRS contributions withheld from my pay, but I stop working, what happens to my contributions?

A. You have two options. You can leave your contributions on account with TRS in case you work in another TRS-reportable position in the future. (For more information, refer to TRS Fact Sheet, “Which Positions are Reportable to TRS?”) If you have **no** plans to return to work in such a position, you can apply to withdraw TRS membership and receive a refund of all contributions you paid, plus accrued interest.

Reporting Requirements for TRS Employers

As of 2025, school districts are required to report “non-contributing” **hours** (*not* days) and wages for substitute teachers and part-time aides/paraprofessionals who elect to defer membership. This is necessary to facilitate accurate tracking by TRS.

TRS will notify employers by email when circumstances require that they begin withholding contributions. This may occur either because 210 or more hours have been reported and posted for the employee within the same fiscal year (by one or multiple employers), or because the employee has been hired in a different TRS-reportable position.

- Note: If the employee’s reported hours exceeded 210 in the month in which the threshold was reached, the employer is **not** required to withhold contributions retroactively for a partial month.

Once membership has been activated, the employee must remain an active, contributing member for as long as they continue providing service to or on behalf of any TRS employer.

Questions?

If you have any questions about the content of this Fact Sheet, please contact us.

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***Please Note:** This Fact Sheet is intended to provide a concise, easy-to-understand summary of TRS law and policy. The actual application of TRS law will depend upon the specific circumstances and facts presented. In determining the rights and obligations of any person, TRS law will supersede any contradictory information provided in this Fact Sheet.*
