



2025 Legislative Update

Visit bills.legmt.gov for more information about any bill.

TRS Board Legislation

[HB 67](#)

Generally Revise Laws Related to the Administration of TRS

Sponsor: Representative Marta Bertoglio (R) HD 75
Effective: July 1, 2025
Status: **Passed Legislature and signed by Governor Gianforte**
TRS Position: Proponent

This General Revisions ("housekeeping") bill revised or clarified several TRS membership provisions:

- The definition of *extra duty service* in 19-20-101, MCA, has been clarified and expanded. Extra duty service that falls outside the school district's regular curricular, cocurricular or extracurricular programs, and that is not reportable to TRS on its own, now must be reported when it is assigned to a school district teacher, teacher's aide, paraprofessional or administrator for purposes of student supervision.
- 19-20-208, MCA (Duties and liability of employer) now includes the requirement to report hours and wages for substitute teachers and part-time teachers' aides/paraprofessionals who elect to defer membership until they complete at least 210 hours of service in a single fiscal year. This requirement allows TRS to track hours reported for these employees and to activate membership automatically once they reach or exceed the 210-hour threshold.
 - Related clarifications also have been made in 19-20-302 (Active membership) and 19-20-417 (Credit for substitute teaching service, part-time teachers' aide service, paraprofessional service, or other service not reported).
- The term *educational services capacity* has been inserted in 19-20-302 (Active membership) to specify the criteria that TRS applies when determining whether an individual must be reported to TRS.
- IRS changes to Required Minimum Distribution (RMD) ages have been incorporated into 19-20-703, MCA.
- 19-20-905, MCA, has been clarified to explain how TRS would calculate and restore monthly benefits if a member who originally retired under a disability allowance later returned to active TRS membership and earned a "second benefit" before subsequently re-retiring with TRS.

TRS Board Legislation – continued

HB 51 **Increase University System Supplemental Employer Contribution to TRS**

Sponsor: Representative Eric Matthews (D) HD 66

Effective: July 1, 2025

Status: *Failed to pass Legislature*

TRS Position: Proponent

This bill would have increased the employer supplemental contribution rate from 4.72% to 14.21% of all MUS-RP participant salaries to amortize, by 2033 (as required in 19-20-621, MCA), the unfunded liability created when TRS was closed to all University System new hires.

The House Education committee amended the bill to extend the required amortization date from July 1, 2033, to July 1, 2046; to increase the supplemental contribution rate for MUS-RP employers from 4.72% to 6.00%; and to remove the requirement for the TRS Board to periodically review and recommend rate adjustments to the Legislature. The committee passed this amendment but tabled the bill.

Other Bills Potentially Affecting TRS

HB 158 **Revise Working Retiree Provisions Under TRS**

Sponsor: Representative Melissa Nikolakakos (R) HD 20

Effective: July 1, 2025

Status: **Passed Legislature and signed by Governor Gianforte**

TRS Position: Informational

Existing provisions in 19-20-732, MCA, temporarily allow certain school districts to fill vacant positions with TRS members who retired with 27 or more years of creditable service. Retirees reemployed under this provision are not subject to earnings limitations and their monthly retirement benefit is not reduced.

HB 158 increases the time limit for reemployment under this provision from 3 years to 5 years in the retiree's lifetime and extends the sunset date from July 1, 2027, to July 1, 2029.

HB 349 **Revise TRS Laws Related to Reemployment**

Sponsor: Representative Melissa Nikolakakos (R) HD 20

Effective: Upon passage and approval

Status: **Passed Legislature and signed by Governor Gianforte**

TRS Position: Informational

A new provision (19-20-735, MCA) expands existing provisions of 19-20-732, MCA, to allow the Office of Public Instruction (OPI) to fill TRS-reportable positions with retired TRS members on a full-time basis with no loss or interruption of benefit payments. Members reemployed under this provision must have retired with at least 27 years of creditable service and reemployment with OPI is limited to 5 years during their lifetime.

Other Bills Potentially Affecting TRS – continued

HB 359

Revise TRS Laws on When Retired Teachers Can Return to Work

Sponsor: Representative Jamie Isaly (D) HD 58

Effective: July 1, 2025

Status: **Passed Legislature and signed by Governor Gianforte**

TRS Position: Informational

Under 19-20-734, MCA, recently retired members who have not yet completed their mandatory break in service are allowed to substitute teach for a regular classroom teacher for up to 45 days during their break-in-service period. This bill added mentoring of a newly hired teacher to the existing exception.

SB 287

Generally Revise State Finance Laws

Sponsor: Senator Wendy McKamey (R) SD 12

Effective: July 1, 2025

Status: *Failed to pass Legislature*

TRS Position: Proponent

This general funding bill included two provisions benefiting TRS. If the bill had passed, one provision (as amended) would have increased the supplemental contribution rate paid by TRS employers by 0.1% each year for 20 years beginning on July 1, 2027. Another provision could have allowed a limited transfer of funds from a state special revenue account to TRS if a serious economic downturn were to threaten the future financial stability of the retirement system.

Note: The same provisions were included in HB 924, described below.

HB 924

Generally Revise State Finance Laws

Sponsor: Representative Llew Jones (R) HD 18

Effective: July 1, 2025

Status: **Passed Legislature and signed by Governor Gianforte**

TRS Position: Proponent

Similar to SB 287, this bill increases the employer supplemental contribution rate by 0.1% each year for 20 years, beginning July 1, 2027. This provision will help to improve the funded status of the system.

The bill also creates a pension reserve fund within the Montana Growth and Opportunity Trust (MGOT) and provides general fund transfers of \$250 million in FY 2025, \$48.2 million in FY 2026 and \$36.8 million in FY 2027 into the pension portion of the MGOT. If a future economic downturn were to cause TRS inception-to-date investment returns to fall below the actuarially assumed rate of return for two consecutive years, an amount necessary to bring the inception-to-date market rate of return up to the actuarially assumed rate of return (not to exceed 25% of the pension reserve fund balance) could be transferred to TRS.

Other Bills Potentially Affecting TRS – continued

HB 700

Change Amortization Period for DB Retirement Systems to 25 Years

Sponsor: Representative Bill Mercer (R) HD 52

Effective: July 1, 2025

Status: *Failed to pass Legislature*

TRS Position: Proponent

Current law requires Montana's defined benefit (DB) pensions to amortize in 30 years or less. This bill, which was tabled in committee, would have applied a more conservative amortization period of 25 years. TRS currently amortizes in 21 years; however, if economic conditions were to increase the amortization period beyond 25 years, this bill would have compelled the Legislature to address the funding shortfall to help the State of Montana fulfill its contractual obligation to pay benefits to eligible retirees and survivors.