

**Teachers' Retirement System**  
**07/01/2014 through 06/30/2015**  
**Annual Statement of Member Account**

**(Please Post until November 30<sup>th</sup>)**

Teachers' Retirement System (TRS) Annual Statement of Member Account is composed of four sections. Each section provides important information concerning a members retirement benefits. For active members, TRS sends statements directly to individuals or to schools for distribution at the beginning of the school year. For inactive vested members, statements are mailed to the member's last known address.

1. Personal Account Information and Beneficiary Designations

Please read all account information provided and make sure your name, address, birth date, and beneficiary information are correct. Name, beneficiary, and address change forms are available on the TRS website at [trs.mt.gov](http://trs.mt.gov). **Send all changes in writing to TRS.** Only nine primary and contingents are listed on the statement, however more may be on file with TRS.

2. Creditable Service Detail

Service credit is the credit you earned last year towards retirement. The beginning balance is not provided, only service activity during the year and the current total.

3. Accumulated Contributions Account Detail

Contributions are what you contributed last year through payroll deductions to TRS. Usually, Buy Back contributions are made when buying service credit. The beginning balance is not provided, only account activity during the year and the current total balance.

4. Estimates of Monthly Retirement Benefit

Three asterisks (\*\*\*) indicates no estimate can be done. TRS may not have automatically calculated a monthly benefit estimate for one of five reasons. The birth date is missing. One's service credit is not yet 5.00 years, so one is not a vested member. Finally, part-time or hourly work occurred within the last three years of employment, or earning an additional second benefit amount requiring manual review and calculation.



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## bulletin

### important information regarding beneficiary designation

#### **New Beneficiary Designation Form Now Available**

TRS recently modified the Beneficiary Designation for Active Members form (Form 123). Note, this form is not for use by TRS members who have already retired or have applied for retirement benefits. The new beneficiary designation form includes important information and instructions to help you:

- understand TRS law related to beneficiaries and the benefits that may be paid based on the type of beneficiary you designate, and
- complete your Form 123 in a manner that accurately reflects your beneficiary designation decisions.

If you currently have a beneficiary designation on file with TRS, you are not required to submit a new Form 123 to TRS. However, if you want to change your beneficiary designations with TRS, you should do so by using the new Form 123. *Note, effective January 1, 2016, beneficiary designations submitted to TRS must be submitted using the new form.* You can find the new Form 123 on the Forms page of the TRS website at [trs.mt.gov](http://trs.mt.gov) or you can request one by calling TRS at 406-444-3134.

#### **Minor Children, Estates, and Trusts as Beneficiaries**

If you designate

- a minor child (even if not your child),
- your estate, or
- a trust

as your beneficiary, there are specific requirements and limitations that apply, including the types of benefits that may be paid to them by TRS. The new Form 123 describes the requirements and limitations. You are required to supply specific information to facilitate timely payment to a minor child or an eligible trust.

If your current Form 123 on file with TRS includes any of these types of beneficiaries, we recommend that you review the information and if necessary, submit a new beneficiary designation form to provide the additional information required to designate a minor child or trust as your beneficiary.

#### **Spouse as Beneficiary (Opposite-sex or Same-sex)**

Under IRS law, a beneficiary who is the legal spouse of a deceased TRS member may receive more favorable treatment in the calculation of survivor benefits or more favorable tax treatment on rollovers of the deceased member's accumulated contributions than a non-spouse beneficiary. The more favorable treatment applies to both opposite-sex and same-sex spouses. If your current beneficiary designation on file with TRS includes an individual who is your legal spouse,

but whose relationship to you is identified as something other than “spouse,” or if you cannot remember what relationship you specified, TRS advises that you submit a new Form 123 to ensure that your spouse/beneficiary will receive the favorable treatment she or he is entitled to receive in the event of your death.

Please be advised that you should not designate a beneficiary as your spouse if she or he is not your legal spouse. TRS’s administrative processes include requirements for your spouse’s signature on your retirement application that prohibit you from reducing/revoking the interest of a spouse/beneficiary while a divorce is pending, and may require certification or legal proof of dissolution of the marriage that you will have a difficult time providing if the legal marriage never existed.

For additional information regarding TRS’s recognition of same-sex spouses, please see Bulletin - TRS Treatment of Same-sex Spouses, also enclosed.



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## bulletin

### treatment of same-sex spouses

#### ***Obergefell* Decision**

On June 26, 2015, the United States Supreme Court issued its decision in *Obergefell v. Hodges* (*Obergefell*). This decision establishes that individuals in same-sex marriages (same-sex spouses) must be treated the same under law as individuals in opposite-sex marriages (opposite-sex spouses).

#### **Impact of *Obergefell* Decision on TRS Members**

As a legal matter, the *Obergefell* decision establishes that governmental pension plans, including TRS, cannot make distinctions between same-sex spouses and opposite-sex spouses in the provision of benefits or services. As a practical matter, the new legal requirement should have very little impact on TRS members. TRS law does not define either “spouse” or “marriage,” nor does it mandate benefits or limit benefits available to a beneficiary or joint annuitant based on a marital relationship between the member and the beneficiary/joint annuitant.

However, because Montana law on marriage, prior to the *Obergefell* decision, defined marriage as a relationship between a man and a woman and prohibited marriage between people of the same sex, other protections afforded to “spouses” under TRS law were not available to same-sex spouses, such as:

- the right to have a family law order entered to distribute TRS benefits in the circumstance of a divorce, and
- first priority as “next of kin” if a member dies without an effective beneficiary designation on file.

As well, a spouse may receive more favorable treatment, under IRS law, in the calculation of joint/survivor retirement benefits and in the rollover of tax-deferred funds to eligible retirement accounts.

#### **What Should a Member with a Same-sex Spouse Do?**

In order to ensure that your spouse receives all of the legal protections he or she is entitled to related to your TRS account, it is important that you specifically mark the “spouse” relationship status when designating your spouse as your beneficiary with TRS or when designating your spouse as your joint annuitant when electing a joint and survivor retirement benefit option (Option A, B, or C).

#### **Additional Information**

You may obtain additional information regarding TRS’s application of the *Obergefell* decision and treatment of same-sex spouses at [trs.mt.gov](http://trs.mt.gov). If you still have questions, please contact TRS at 406-444-3134.



## **notice**

### **request for public information – retirees' monthly benefit amounts**

#### **Request for Active and Retired TRS Member Information**

On May 26, 2015, TRS received a request for information regarding the full name, organization (currently working for or retired from), years of service, date of retirement (if retired), and pension amount per month (if retired) for all active and retired TRS members.

#### **Background**

TRS received a similar request for information from Watchdog.org in 2011. At that time, there was no Montana statute, case law, or Attorney General Opinion addressing whether a TRS retiree's annual or monthly benefit amount is public information. TRS requested an opinion on the issue from Montana's Attorney General, then Steve Bullock. On September 16, 2011, Attorney General Bullock issued his final opinion stating that retirees' rights of privacy do not exceed the merits of public disclosure.

In Montana, an Attorney General opinion has the force of law unless/until it is overturned by judicial decision. Because Montana Watchdog agreed to receive information from TRS that met their needs but did not include the benefit amounts of TRS retirees, there was no basis for TRS to seek judicial review of the Attorney General's opinion in 2011.

#### **Current Action**

This recent request has triggered the need for the TRS Board to again consider the issue of privacy and public disclosure of retiree names with benefit amounts. On October 1, 2015, the TRS Board will consider whether to provide the requested information, as authorized by the Attorney General opinion issued in 2011, or to direct TRS staff to seek judicial review of the Attorney General's opinion as a matter of responding to the current request. If you would like to submit written comments to the TRS Board in advance of their consideration of this matter, please send your comments via email to [trsoutreach@mt.gov](mailto:trsoutreach@mt.gov) or via U.S. mail to Karin Janssen, Communication Specialist, P.O. Box 200139, Helena, MT, 59620-0139. The October 1, 2015, TRS Board meeting agenda will be posted on the TRS website on or before September 28, 2015.