

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING WORKING RETIREE PROVISIONS UNDER THE
5 TEACHERS' RETIREMENT SYSTEM; ALLOWING RETIRED TEACHERS TO MENTOR NEW TEACHERS;
6 AMENDING SECTION 19-20-734, MCA; AMENDING SECTION 6, CHAPTER 135, LAWS OF 2023; AND
7 PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10
11 **Section 1.** Section 19-20-734, MCA, is amended to read:

12 **"19-20-734. (Temporary) Break-in-service requirements.** (1) Except as provided in 19-20-732 and
13 subsection (2) of this section, a retired member who first applies for retirement benefits or applies for resumed
14 or recalculated retirement benefits pursuant to 19-20-733:

15 (a) based on a date of termination of January 1, 2014, through December 31, 2023, may not be
16 employed in a position reportable to the retirement system pursuant to 19-20-731 until the employee has a
17 break in service of 150 calendar days commencing on the first day following the member's date of termination;
18 or

19 (b) based on a date of termination of January 1, 2024, or later, may not be employed in a position
20 reportable to the retirement system pursuant to 19-20-731 until the employee has a break in service of 120
21 calendar days commencing on the first day following the member's date of termination.

22 (2) A retired member may be employed by an employer during the break-in-service period only if:

23 (a) the retired member:

24 (i) is employed as a substitute classroom teacher to carry on the duties of a regular, licensed
25 teacher who is temporarily absent or is employed to mentor a newly hired teacher;

26 (ii) performs the service after attaining retired member status; and

27 (iii) performs the service for no more than 45 days during the break-in-service period; or

28 (b) the retired member continues employment in a position in which the retired member was

1 appropriately reported to the public employees' retirement system prior to and at the time of retirement with the
2 teachers' retirement system.

3 (3) If a retired member is employed in a position reportable to the retirement system in violation of
4 this section:

5 (a) the retired member must be returned to active member status with the retirement system
6 retroactive to the member's date of retirement or the date of resumption of retirement benefits, whichever is
7 later, and the member's retirement benefits must be terminated;

8 (b) the member shall repay all retirement benefits received in violation of this section, plus interest
9 at the actuarially assumed rate; and

10 (c) the member and the employer shall pay to the retirement system contributions on all earned
11 compensation paid to the member for service performed during the break-in-service period, plus interest at the
12 actuarially assumed rate.

13 (4) For purposes of this section, the term "employed in a position reportable to the retirement
14 system" includes any work performed or service provided by a retired member to or on behalf of an employer,
15 including but not limited to work performed or service provided through a professional employer arrangement,
16 an employee leasing arrangement, as a temporary service contractor, or as an independent contractor.

17 (Terminates June 30, 2027 ~~2029~~—sec. 6, Ch. 135, L. 2023.)

18 **19-20-734. (Effective July 1, 2027 ~~2029~~) Break-in-service requirements.** (1) Except as provided in
19 19-20-732 and subsection (2) of this section, a retired member who first applies for retirement benefits or
20 applies for resumed or recalculated retirement benefits pursuant to 19-20-733 based on a date of termination of
21 January 1, 2014, or later may not be employed in a position reportable to the retirement system pursuant to 19-
22 20-731 until the employee has a break in service of 150 calendar days commencing on the first day following
23 the member's date of termination.

24 (2) A retired member may be employed by an employer during the break-in-service period only if:

25 (a) the retired member:

26 (i) is employed as a substitute classroom teacher to carry on the duties of a regular, licensed
27 teacher who is temporarily absent;

28 (ii) performs the service after attaining retired member status; and

(iii) performs the service for no more than 45 days during the break-in-service period; or

(b) the retired member continues employment in a position in which the retired member was appropriately reported to the public employees' retirement system prior to and at the time of retirement with the teachers' retirement system.

(3) If a retired member is employed in a position reportable to the retirement system in violation of this section:

(a) the retired member must be returned to active member status with the retirement system retroactive to the member's date of retirement or the date of resumption of retirement benefits, whichever is later, and the member's retirement benefits must be terminated;

(b) the member shall repay all retirement benefits received in violation of this section, plus interest at the actuarially assumed rate; and

(c) the member and the employer shall pay to the retirement system contributions on all earned compensation paid to the member for service performed during the break-in-service period, plus interest at the actuarially assumed rate.

(4) For purposes of this section, the term "employed in a position reportable to the retirement system" includes any work performed or service provided by a retired member to or on behalf of an employer, including but not limited to work performed or service provided through a professional employer arrangement, an employee leasing arrangement, as a temporary service contractor, or as an independent contractor."

Section 2. Section 6, Chapter 135, Laws of 2023, is amended to read:

"Section 6. Termination. (1) ~~[Sections Section 1 and 3] terminate~~ terminates June 30, 2027.

(2) [Section 3] terminates June 30, 2029."

NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 2025.

NEW SECTION. **Section 4. Termination.** [This act] terminates June 30, 2029.

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