

New Employees

New employees need to complete and send to MPERA the Membership Card/Designation of Beneficiary form. This form provides basic information about the employee and gives the employee with an opportunity to designate a beneficiary. If an employee has questions about the beneficiary designation, refer them to the handbook for their pension plan or have them contact MPERA.

Before sending your employee's Membership Card/Designation of Beneficiary form to MPERA, please review it to ensure it is complete with all employee and beneficiary information such as social security numbers.

ELIGIBILITY

Determining the Right Pension Plan for a New Employee

MPERA administers eight different retirement systems including:

- Public Employees' (PERS);
- Game Wardens' and Peace Officers' (GWPORS);
- Judges' (JRS);
- Highway Patrol Officers' (HPORS);
- Sheriffs' (SRS);
- Municipal Police Officers' (MPORS);
- Firefighters' Unified (FURS);
- Volunteer Firefighters' Compensation Act (VFCA)

Employees Eligible to Participate in an MPERA Administered Retirement System

If your organization participates in any of the MPERA-Administered retirement systems, you must cover all eligible full-time and regular part-time employees as of their employment date. Please be aware each of the above retirement systems are governed by their own set of unique rules.

THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) § 19-3-301, MCA

The Public Employees' Retirement System (PERS) contains the largest number of members from state, city, county, and school district employers.

Who is Eligible for PERS?

- Any employee of the state of Montana, its university system or any of the colleges, schools, components, or units of the university system; *and*
- Any employee of an employer eligible to participate under the contract between the board and the contracting employer under § 19-3-201, MCA.

Who is Not Eligible for PERS?

- Inmates or residents of state institutions or correctional institutions;
- Persons in state institutions principally for the purpose of training but who receive compensation;
- Independent contractors;
- With certain exceptions, persons who are members of any other retirement or pension system supported wholly or in part by funds of the United States government, any state government, or political subdivision of the state and who are receiving credit in the other system for employment.
- Substitute teachers or part-time teacher's aides who may elect to join the Teachers' Retirement System in accordance with § 19-20-302(4), MCA;
- Court commissioners, elected officials, or appointive members of any board or commission who serve the state or any contracting employer intermittently and who are paid on a per diem basis;
- Full-time students employed at and attending the same public elementary school, high school, community college, or unit of the state university system, except that a person excluded from membership as a student of a public community college or a unit of the state university system who later becomes an active member by otherwise becoming an employee may affirmatively exercise the option of purchasing the service credit excluded by this subsection by applying to the board in writing after becoming an active member and become eligible to receive service credit for the excluded service under the provisions of § 19-3-505, MCA.

University System Temporary Employee Exemption § 19-3-111, MCA

For the university system, there is an exemption for temporary employees.

"Temporary employee" means an employee of the university system who is hired into a position that is not permanent and who has negotiated an alternative benefits package through a labor organization certified to represent employees of the university system pursuant to Title 39, chapter 31. The employer contribution to the alternative benefits package may not exceed the cost of the benefits that the employee would otherwise be entitled to through employment.

Federally Subsidized Employees Eligible § 19-3-402

A person whose compensation is paid either fully or in part from federal funds but who is not subject to the federal retirement system is considered an employee and is entitled to all benefits and is required to make all employee contributions under the retirement system based upon the full salary received by such employee, including that portion of salary paid from federal funds.

Optional PERS Membership

Membership is optional only for certain new employees:

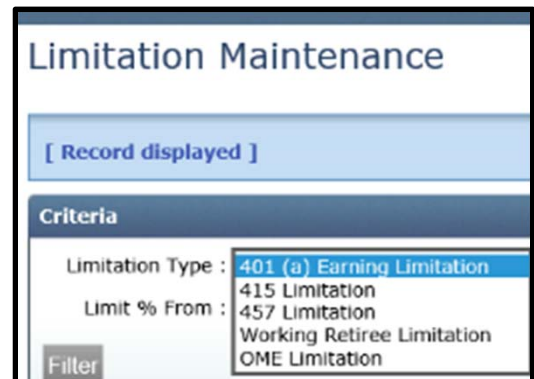
- An employee directly appointed by the Governor.
- A Chief Administrative Officer of a city or county.
- A legislative branch employee working 10 months or less to perform work related to the legislative session.
- A new employee of a county hospital or rest home.
- An Employee working 960 hours or less in PERS-covered positions.

If an employee is already a member of PERS (already have contributions in PERS through any employment), they cannot elect out of PERS. If your employee declines membership, they need to be aware that:

- They will not receive membership service or service credit for employment for which membership was declined;
- They cannot later become a member of PERS while still employed with the same employer but in a different optional position;
- They cannot become a member if they terminate employment, and become employed in another optional position within 30 days of termination;
- They are eligible for another optional membership election if they terminate employment, and become employed in another optional position 30 days or more after termination; and
- If they subsequently accept employment in a position for which retirement is mandatory, they must become a member regardless of their election to decline in their optional position.
- When an employee in an optional position exceeds 960 hours in a fiscal year they become a mandatory member.

When an employee is nearing the 960 hour limitation, the employer will receive an informational message:
“Employee is nearing the 960 hour limitation”.
“Employee has been reported for ‘X’ hours”.

If an employee is over the 960 hour limitation, the employer will receive an ERROR message indicating; “employee is over 960 hour limitation, membership is mandatory”. *“Employee has been reported for ‘X’ hours, contributions are required”.* MPERA will send the employer correspondence indicating membership is mandatory for this member.



Fiscal Year	Calendar Year	SSN	Name	Job Classification	Hours Limit	Hours Reported	% of Limit(Hour)
2016	2016	000-00-0736	_NM_3655 55 _NM_3655	OP Employee under 960 hours	960	235.0000	24.4792%
2016	2016	000-00-3496	_NM_2972 72 _NM_2972	OP Employee under 960 hours	960	390.6000	40.6875%
2016	2016	000-00-5527	_NM_48205 05 _NM_48205	OP Employee under 960 hours	960	431.7000	44.9688%

Montana University System Retirement Program (MUS-RP) Elections

Scenarios:

- A newly hired classified position - has 12 months to make a plan choice election between DB, DC and MUS-RP. If they elect MUS-RP report as "Excluded" on the NCE.
- A newly hired classified or contracted position who is already a PERS member - has 30 days to elect to remain in PERS, or join the MUS-RP. If no election is made, they default to PERS.
- A newly hired contracted position that is not a PERS member - is a member of the MUS-RP. Report as "Excluded" on the NCE.
- A person in a classified PERS-covered position who elected MUS-RP that is then hired into a non-university position gets 12 months to make an election for their non-university position between PERS DB and DC.

Examples:

- A person newly hired into a classified position who is a PERS member has 30 days to elect to join the MUS-RP, or remain in PERS. After 30 days they will default to PERS.
- A person in a classified position who elected PERS (DB or DC) who is hired into a contracted position has 30 days to elect to join the MUS-RP, or remain in PERS. After 30 days they will default to PERS.
- A person in a contracted position who is not a member of PERS is hired into a classified position has 12 months to elect between the MUS-RP and PERS DB or DC plans. If no election is made, they will default to the PERS DB plan.
- A person who is hired into a contracted position and is not a PERS member has no election. They are a member of the MUS-RP.

Important! A university system employee who has PERS money on account through their university employment and later elects the MUS-RP and stops contributing to PERS cannot withdraw or take a benefit from their PERS account until they have severed employment with the Montana university system.

THE JUDGES' RETIREMENT SYSTEM (JRS) § 19-5-301, MCA

Who is Eligible for (JRS)?

Except for a judge or justice who elected in writing to remain under the Public Employees' Retirement System on or before October 1, 1985, a judge of a district court, a justice of the Supreme Court, and the chief water judge or associate water judge provided for in § 3-7-221, MCA must be members of the Montana judges' retirement system.

Who is Not Eligible for JRS?

A judge pro tempore is not eligible for active membership in the retirement system.

THE HIGHWAY PATROL OFFICERS' RETIREMENT SYSTEM (HPORS) § 19-6-301, MCA

Who is Eligible for (HPORS)?

All members of the Montana highway patrol, including the supervisor and assistant supervisors, must be members of the retirement system.

THE SHERIFFS' RETIREMENT SYSTEM (SRS) § 19-7-301, MCA

Who is Eligible for (SRS)?

Sheriffs, investigators and detention officers are eligible for SRS. However, a member of the Public Employees' Retirement System who begins employment in a position covered by the Sheriffs' Retirement System may remain in the Public Employees' Retirement System or may elect to become a member of the Sheriffs' Retirement System by filing a written election with the board no later than **90** days after beginning the employment.

A sheriff, investigator, or detention officer who elects to become a member of the sheriffs' retirement system must be an active member as long as actively employed in an eligible capacity, except as provided in § 19-7-1101(2), MCA.

THE GAME WARDENS' AND PEACE OFFICERS' RETIREMENT SYSTEM (GWPORS) § 19-8-301, MCA

Who is Eligible for (GWPORS)?

The following state peace officers must be covered under the Game Wardens' and Peace Officers' Retirement System and, beginning on the first day of employment, must become and shall remain active members for as long as they are employed as peace officers:

game wardens who are assigned to law enforcement in the department of fish, wildlife, and parks;

motor carrier officers employed by the department of transportation;

campus security officers employed by the university system;

wardens and deputy wardens employed by the department of corrections;

corrections officers employed by the department of corrections;

probation and parole officers employed by the department of corrections;

stock inspectors and detectives employed by the department of livestock; and

drill instructors employed by the department of corrections.

THE MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM (MPORS) § 19-9-301, MCA

Who is Eligible for (MPORS)?

A police officer becomes an active member of the retirement system:
on the date the police officer's service with an employer commences;
on July 1, 1977, if the police officer is employed by an employer on that date; or
in the case of an employer that elects to join the retirement system, as provided in
§ 19-9-207, MCA, on the effective date of the election if the police officer is
employed by the employer on that date.

An employee who is a member of the Public Employees' Retirement System on the date of the employer's election may remain in the public employees' retirement system or may elect to become a member of the Municipal Police Officers' Retirement System by filing an irrevocable written election with the board no later than **90** days after the date of the employer's election.

An active member is not eligible to be covered under any other mandatory retirement plan for police service to which an employer is required to contribute on the member's behalf, except the Social Security Act, while the member is eligible to be covered by this plan.

THE FIREFIGHTERS' RETIREMENT SYSTEM (FURS) § 19-13-301, MCA

Who is Eligible for (FURS)?

A full-paid firefighter becomes an active member of the retirement system:
on the first day of the firefighter's service with an employer;
on July 1, 1981, if the firefighter is employed by an employer on that date; or
in the case of an employer who elects to join the retirement system, as provided in
§ 19-13-211, MCA on the effective date of the election if the firefighter is employed
by the employer on that date.

A part-paid firefighter may elect to become a member of the retirement system by filing an irrevocable written election with the board within **90** days of becoming a part-paid firefighter.

When Employees Have Plan Choice Elections

PERS Plan Choice Elections

New members of PERS, or members who refunded their previous account and return to PERS-covered employment after a minimum 24 month break in service have 12 months to choose between the [Defined Benefit Retirement Plan](#) (DBRP) or the [Defined Contribution Retirement Plan](#) (DCRP).

Note: Montana University System members have a third choice of the Montana University System Retirement Program (MUS-RP).

This is an extremely important decision for PERS members. Once a member makes an election, *their election is irrevocable.*

MPERA Resources to help new members with their decision:

New Hire Welcome Packet - Employees newly reported to MPERA will receive a welcome packet by either email or hard copy. Please inform your new employees to expect this packet within approximately two months of hire.

PERS New Hire Handbook -The PERS New Hire Handbook is available on our website. This handbook provides an overview of the DBRP and DCRP as well as information on the 457(b) Deferred Compensation Plan.

Educational Services - MPERA offers in-person or online PERS Plan Choice Election education. Schedules are available on MPERA's online [Education Calendar](#). MPERA trainers will also schedule sessions for employers who have groups of new employees. Online classes are held frequently and are offered free of charge.

Videos - If employees are unable to attend a class, our New Member Plan Choice Educational videos are available.

In addition to our class offerings, MPERA staff is available to answer any questions your employees may have regarding their retirement. Our office can be reached at: 1-877-275-7372 or 406-444-3154.

To e-mail us, go to: mpera@mt.gov