

**Definitions of "Compensation" in Montana's Public Employee Retirement Systems**  
 For the State Administration and Veterans' Affairs Interim Committee, May 19, 2010

System	Definition
PERS	<p><b>19-3-108. Definitions.</b> (1) (a) "Compensation" means remuneration paid out of funds controlled by an employer in payment for the member's services, or for time during which the member is excused from work because of a holiday or because the member has taken compensatory leave, sick leave, annual leave, or a leave of absence, before any pretax deductions allowed by state or federal law are made.</p> <p>(b) Compensation does not include:</p> <ul style="list-style-type: none"> <li>(i) the contributions made pursuant to 19-3-403(4)(a) for members of a bargaining unit;</li> <li>(ii) in-kind goods provided by the employer, such as uniforms, housing, transportation, or meals;</li> <li>(iii) in-kind services, such as the retraining allowance paid pursuant to 2-18-622, or employment-related services;</li> <li>(iv) contributions to group insurance, such as that provided under 2-18-701 through 2-18-704; and</li> <li>(v) lump-sum payments for compensatory leave, sick leave, or annual leave paid without termination of employment.</li> </ul>
JRS	<p><b>19-5-101. Definitions</b> (1) "Compensation" means remuneration, as defined in 2-16-403, 3-5-211, and 3-7-222, paid to a member.</p> <p><b>2-16-403. Salaries of supreme court justices.</b> Prior to June 30 of each even-numbered year, the department of administration shall conduct a salary survey of justices and chief justices of the highest appellate courts similar to the Montana supreme court for the states of North Dakota, South Dakota, Wyoming, and Idaho. The department shall include the salary for a Montana supreme court justice or the chief justice in determining the average salary for a justice and the average salary for the chief justice. If the average salaries are greater than the salaries for a supreme court justice or the chief justice in Montana, then beginning July 1 of the year following the year in which the survey is conducted, the average salaries are the new salaries for a supreme court justice or the chief justice. A justice's salary or the chief justice's salary may not be reduced.</p> <p><b>3-5-211. Salaries and expenses of district court judges.</b> (1) Prior to June 30 of each even-numbered year, the department of administration shall conduct a salary survey of judges of courts of general jurisdiction similar to the Montana district courts for the states of North Dakota, South Dakota, Wyoming, and Idaho. The department shall include the salary for a Montana district court judge in determining the average salary. If the average salary is greater than the salary for a district court judge in Montana, then beginning July 1 of the year following the year in which the survey is conducted, the average salary is the new salary for that position. A district court judge's salary may not be reduced.</p> <p>(2) Actual and necessary expenses for each district court judge are the travel expenses, as defined and provided in 2-18-501 through 2-18-503, incurred in the performance of the district court judge's official duties.</p> <p><b>3-7-222. Salary -- office space.</b> (1) The chief water judge is entitled to receive the same salary and expense allowance as provided for district judges in 3-5-211.</p> <p>(2) The office of the chief water judge must be at the location that the chief justice of the Montana supreme court shall designate. The Montana supreme court shall provide in its budget for the salary, expenses, and office and staff requirements of the chief water judge, which money may be appropriated by the legislature from the general fund.</p>

HPORS	<p><b>19-6-101. Definitions.</b> (1) (a) "Compensation" means remuneration paid from funds controlled by an employer in payment for the member's services or for time during which the member is excused from work because the member has taken compensatory leave, sick leave, annual leave, or a leave of absence before any pretax deductions allowed by state or federal law are made.</p> <p>(b) Compensation does not include maintenance, allowances, and expenses.</p>
SRS	<p><b>19-7-101. Definitions.</b> (1) (a) "Compensation" means remuneration paid from funds controlled by an employer for the member's services or for time during which the member is excused from work because the member has taken compensatory leave, sick leave, annual leave, or a leave of absence before any pretax deductions allowed by state or federal law are made.</p> <p>(b) Compensation does not include maintenance, allowances, and expenses.</p>
GWPORS	<p><b>19-8-101. Definitions.</b> (1) (a) "Compensation" means remuneration paid from funds controlled by an employer in payment for the member's services or for time during which the member is excused from work because the member has taken compensatory leave, sick leave, annual leave, or a leave of absence before any pretax deductions allowed by state or federal law are made.</p> <p>(b) Compensation does not include maintenance, allowances, and expenses.</p>
MPORS	<p><b>19-9-104. Definitions.</b> (1) (a) "Compensation" means the remuneration paid from funds controlled by an employer in payment for the member's services before any pretax deductions allowed by state or federal law are made.</p> <p>(b) Compensation does not include:</p> <ul style="list-style-type: none"> <li>(i) overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave and annual leave; and</li> <li>(ii) maintenance, allowances, and expenses.</li> </ul>
FURS	<p><b>19-13-104. Definitions.</b> (2) "Compensation" means:</p> <ul style="list-style-type: none"> <li>(a) for a full-paid firefighter, the remuneration paid from funds controlled by an employer in payment for the member's services before any pretax deductions allowed by state and federal law are made;</li> <li>(b) for a part-paid firefighter employed by a city of the second class: <ul style="list-style-type: none"> <li>(i) 15% of the regular remuneration, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid on July 1 of each year to a newly confirmed, full-paid firefighter of the city that employs the part-paid firefighter; or</li> <li>(ii) if that city does not employ a full-paid firefighter, 15% of the average regular remuneration, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid on July 1 of each year to all newly confirmed, full-paid firefighters employed by cities of the second class.</li> </ul> </li> <li>(c) Compensation for full-paid and part-paid firefighters does not include: <ul style="list-style-type: none"> <li>(i) overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave; and</li> <li>(ii) maintenance, allowances, and expenses.</li> </ul> </li> </ul>

<p>TRS</p>	<p><b>19-20-101. Definitions.</b> (6) (a) "Earned compensation" means, except as limited by 19-20-715, remuneration, exclusive of maintenance, allowance, and expenses, paid for services by a member out of funds controlled by an employer before any pretax deductions allowed under the Internal Revenue Code are deducted from the member's compensation.</p> <p>(b) Earned compensation does not mean:</p> <p>(i) direct employer premium payments on behalf of members for health or dependent care expense accounts or any employer contribution for health, medical, pharmaceutical, disability, life, vision, dental, or any other insurance;</p> <p>(ii) any direct employer payment or reimbursement for:</p> <p>(A) professional membership dues;</p> <p>(B) maintenance;</p> <p>(C) housing;</p> <p>(D) day care;</p> <p>(E) automobile, travel, lodging, or entertaining expenses; or</p> <p>(F) any similar payment for any form of maintenance, allowance, or expenses;</p> <p>(iii) the imputed value of health, life, or disability insurance or any other fringe benefits; or</p> <p>(iv) any noncash benefit provided by an employer to or on behalf of an employee.</p> <p>(c) Unless included pursuant to 19-20-716, earned compensation does not include termination pay.</p> <p>(d) Adding a direct employer-paid or noncash benefit to an employee's contract or subtracting the same or like amount as a pretax deduction is considered a fringe benefit and not earned compensation.</p> <p>(e) Earned compensation does not include:</p> <p>(i) compensation paid to a member from a plan for the deferral of compensation under section 457(f) of the Internal Revenue Code, 26 U.S.C. 457(f);</p> <p>(ii) payment for sick, annual, or other types of leave that is allowed to a member and that is accrued in excess of that normally allowed; or</p> <p>(iii) incentive or bonus payments paid to a member that are not part of a series of annual payments.</p>
<p>ORP</p>	<p>Title 19, chapter 21 uses "earned compensation" but the term is not defined within the chapter.</p>