



Determining Membership Eligibility

When an employee is hired, it is the responsibility of the personnel/payroll officer to ensure that the employee is properly enrolled. Most full-time employees will be mandatorily enrolled in Tennessee Consolidated Retirement System (TCRS). However, there are situations where an employee could be given a voluntary, but irrevocable, choice to participate. Employers should adhere to the following guidelines when determining membership eligibility for their employees.

Mandatory Membership in TCRS

Full-time state employees and K-12 teachers must become members of the retirement system, regardless of age, with the exception of those employees who are ineligible to participate, as described in *Ineligible for TCRS Membership*, and those who choose the ORP. Only those higher education employees who are exempt from the Fair Labor Standards Act are eligible to participate in the ORP. Likewise, full-time employees of political subdivisions or local government ("local government"), hired after the date the local government joined TCRS, must become members of the retirement system.

Optional (Voluntary) Membership

State law permits some employees to have voluntary membership in TCRS. These employees can only become members if they elect to join. Employees with optional membership must, upon the initial date of hire, file an irrevocable election to become or not to become a member in TCRS, provided they have not previously participated in TCRS*. These forms can be found under Forms and Guides at RetireReadyTN.gov.

Employers are required to report employees with optional membership who choose not to join. While these employees are reported with the data reported on all members, they are reported as nonparticipating (NONP).

*Note: If a member has already participated full or part-time in TCRS, membership is mandatory, except for those employers who do not allow part-time membership.

The following is a list of employees and officials who have voluntary membership in TCRS, unless they have previously been a member. Additionally, if a member has previously been given the choice to participate and non-elected, he/she does not get another choice to participate as a part-time employee.

- **Part-Time Employees**

- o **Teachers:** Membership is optional for part-time teachers. Interim teachers employed on a temporary basis to replace regular K-12 public-school teachers on unpaid leave are considered

part-time employees and have optional membership. Substitute teachers are not eligible for membership unless they are under contract and are scheduled to work on a regular basis replacing teachers throughout a school year.

- o **State Employees:** Membership is optional for part-time employees over age 25, unless the employee has already participated in TCRS as a full-time employee.
- o **Local Government Employees:** Part-time employees of local governments whose chief governing body has passed a resolution authorizing these members to participate.
 - The chief governing body of a local government that began participating prior to July 1, 1984 must pass a resolution authorizing such coverage for part-time employees. Part-time employees of local governments that began covering their employees on or after July 1, 1984 are automatically eligible for membership, unless the chief governing body has passed the appropriate resolution excluding such coverage. Once a local government has authorized coverage for their part-time employees, it cannot be revoked.
- **Judges**
 - o **State Judges:** Any person in office as a judge of a court of record in Tennessee whose salary for the position has been paid during the period of his/ her service wholly from the State, including the administrative director of the courts
 - o **City Judges:** Those who are employees of the city and whose compensation is paid through the city payroll system whereby federal withholding and Social Security are deducted are eligible.
 - o **County Judges:** The retirement law specifically defines county judges as a judge of a general sessions court, trial justice court, county chair, county judge, probate judge, or judge of a juvenile and/or domestic relations court and whose compensation is paid wholly by the county or a county attorney receiving regular monthly or quarterly compensation from the county.
- **Elected County Officials:** The retirement law specifically defines county officials as a county clerk, clerk of a circuit court, independent clerks of a general sessions court, register of deeds, county trustee, sheriff, elected county road superintendent, assessor of property and county mayor.
- **Members and Officials of the General Assembly:** Includes senators and representatives serving in the General Assembly.
- Election Commissioners with the completion of five years of service on the Commission
- Members of city, county or special school district boards, commissions, committees, councils, and the like, by whatever name known, who are elected by popular vote and are employed by a local government whose chief governing body has passed a resolution authorizing these members to participate.
- City attorneys whose compensation is paid through the city payroll system whereby federal withholding and Social Security are deducted have optional membership if the employer does not participate in TCRS. If the employer does participate in TCRS, membership is mandatory.
- District Attorneys General, Assistant District Attorneys General

- An employee of a local government who is employed on the date that the local government begins participation in TCRS, unless the employee was a member or former member of a preexisting defined benefit plan maintained by that local government. In such case, the employee must be enrolled in TCRS.

Employees that join TCRS do not have an option to cease membership unless employment is terminated.

Ineligible for TCRS membership

The following is a list of positions, employees, or officials who are not eligible for membership in the retirement system. Employees who are not eligible are not reported to TCRS.

- Substitute teachers, unless they are interim teachers employed on a temporary basis to replace teachers on unpaid leave or under contract and scheduled to work on a regular basis replacing K-12 public-school teachers throughout the school year.
- Members of city, county, or special school district boards, commissions, committees, councils, and the like, by whatever name known, who are elected by popular vote and **the chief governing body has not passed the appropriate resolutions authorizing membership in TCRS.**
- Anyone employed as an independent contractor or on a percentage basis. This includes county attorneys, city attorneys, and city judges who are paid a retainer fee through a law firm or on a contractual basis. Note: Retirees who return to work for TCRS-covered employers in substantially the same role as the individual held prior to retirement could still be eligible for TCRS and subject to the return to work rules.
- Jurors
- Volunteer Firefighters
- Any full-time temporary or part-time temporary employee of an institution of higher education.
- State employees and local government employees under age 25 who are emergency, interim, temporary, or seasonal. When a full-time employee attains age 25, the member should be enrolled into TCRS. When a part-time employee attains age 25, depending on the employee's election to join or not join TCRS, the member will either be enrolled or continued to be reported as non-participating (NON-P).
- Students. For TCRS purposes, a student is defined as any person enrolled in a course of study in a school or post-secondary educational institution who as a condition of such enrollment is employed in a full-time position and also includes any person engaged in advanced training in medicine or dentistry as an intern or resident.
- Part-time employees of a local government where the governing body has not authorized the part-time optional provision.

- Individuals who are not employees of the TCRS-covered entity are not eligible to participate in TCRS. This includes individuals who are employed by a staffing agency or other entity that performs work for a TCRS-covered employer through a contract or grant.

Simultaneous membership in publicly supported retirement system prohibited

Simultaneous membership in more than one publicly supported retirement system is prohibited, wherein the total combined employer contributions to such plans exceed 3% of the employee's salary, unless one of the Hybrid Plans is adopted by the Political Subdivision for such employee. If either Hybrid Plan is adopted by the Political Subdivision, the Political Subdivision may make employer contributions to the defined contribution plan component of that Plan and to any one or more additional tax deferred defined contribution plans on behalf of such employee provided that the total combined employer contributions to such plans on behalf of the employee does not exceed 7% of the employee's salary. No member of TCRS shall be eligible to be a member of any other state, county, or municipal retirement system and receive retirement credit for the same service established in TCRS. If any employee is eligible for membership in more than one retirement system for the same service, the employee is subject to the mandatory membership provisions and must become a TCRS member and withdraw his/her membership from the other plan. A member who is employed by two or more TCRS covered positions may be a member of TCRS with all TCRS covered employers.

There are additional employer resources related to TCRS Plan Enrollment under the For Employers section at RetireReadyTN.gov.

If there are any questions regarding the eligibility of an employee, please contact the Employer Reporting Team, listed under *For Employers* at RetireReadyTN.gov.