

The Phased Retirement program creates a flexible environment where members can transition into retirement, and employers can provide the necessary knowledge transfer. If you are age 62 or older, you may be eligible to participate in the Phased Retirement Option (PRO) and start your PERA retirement benefit without terminating your public service position.

IT IS UP TO YOUR EMPLOYER

Participating in the PRO is at the discretion of your employer and may not be available to all Coordinated and Basic members. Contact your employer for more information. In addition, you should investigate if a reduction of hours may impact other employee benefits.

PRO REQUIREMENTS

- Active Coordinated or Basic member, not an elected official
- Age 62 or older
- Must hold same position with same employer last active with
- Immediately eligible for a retirement annuity from the General Plan (Coordinated or Basic members)
- Worked at least 1,044 hours in each of the five preceding years in a position covered by PERA that you intend to go PRO
- You must agree to reduce your regular schedule by 25 percent in each pay period under the PRO and may not work over 1,044 hours in a one year period
- Not a current PERA benefit recipient
- Not eligible for the state employee Post-Retirement Option program under minn. Stat. §43A.346

BENEFITS OF THE PRO

- **PERA's termination requirements are waived for your PRO.** You will receive a PERA retirement monthly benefit without terminating your public service position. If you are active in other public service, however, you must follow PERA's termination requirements for these positions to receive your PERA retirement benefit.
- **No member and employer contributions to PERA.** You will no longer contribute to PERA for the employment under the PRO. Since you are receiving your retirement benefit, there is no accrual of service credit or adjustment of the high-five salary for your service under the PRO.
- **No annual earnings limits while working under the PRO agreement.** Your position covered under the PRO will not be subject to PERA's post-retirement earnings limits.

THE PRO PROCESS

- 1 Contact your employer.** The PRO agreement must be with your same employer, and it is the discretion of your employer to offer the PRO to you.
- 2 Apply for the PRO and retirement benefit.** PERA must receive the PRO agreement before the PRO begins. The PRO agreement replaces the *Verification of Termination* form. All other PERA benefit and application requirements must be met. Your retirement benefit will begin approximately the same time as the PRO employment period.
- 3 During the PRO.** The maximum length of the PRO is five years. You must reduce your regular schedule by 25 percent in each pay period and may not work over 1,044 hours in a one year period during the PRO. Your employer will report your earnings and hours to PERA while working under the PRO.
- 4 End of the PRO agreement.** After completing the PRO, you must terminate your position covered under the PRO. You must have no written/verbal agreement prior to termination of employment to provide services to any public employer as an employee, independent contractor or an employee of an independent contractor for 30 days. Public employment includes service to any governmental employer in Minnesota—e.g. school districts, cities, counties, townships, and state.

COMBINED SERVICE ANNUITY

Please contact a PERA representative if you have service with another Minnesota public pension fund and are considering a PERA Phased Retirement program or the other fund's Phased Retirement Program.



Your PERA monthly benefit will be suspended if the allowed hours in a pay period or the maximum hours per year are exceeded. The benefit will not be reinstated until all public employment has been terminated, and you have a continuous separation from public employment for 30 days. Please see the PRO agreement for more information.

FREQUENTLY ASKED QUESTIONS (FAQs)

If I enter a PRO agreement, when does my retirement benefit begin?

Both the PRO agreement and the retirement application materials must be sent to PERA together. Your PERA retirement benefit cannot be deferred while you are employed under the PRO. Your employer will enter the starting date of the PRO employment period on the PRO agreement. Therefore:

- If the PRO employment period starts on the 1st of the month, then your benefit effective date will also be the 1st of the month (same date).
- If the PRO employment period starts on any other day of the month, then your benefit effective date will be the 1st of the following month.

When I enter into and begin my PRO agreement, can I take a position with my current employer that is different than my current position?

No. You must remain in your current position.

Can a PERA-covered employer other than my current employer offer me a PRO agreement?

No. The PRO agreement must be entered with your same, current PERA covered employer prior to any termination of employment.

Can I work full-time for a certain period and then not work at all for the remainder of a year covered by a PRO agreement?

No. You must reduce your regularly scheduled hours of work by at least 25% per pay period and not exceed 1,044 hours for the PRO agreement one year period.

- Example 1: if you were scheduled to work 80 hours per pay period prior to the PRO, you may work 40 hours per pay period for the PRO one year agreement.
- Example 2: if you were scheduled to work 80 hours per pay period prior to the PRO, you may not work more than 60 hours in any pay period covered by the PRO for the first 6 months and not work more than 20 hours in any pay period for the remaining 6 months (as you may not work more than 1,044 total hours for the year).

If my employer allows me to accrue vacation, sick and holiday leave while working under the PRO, will the hours associated with the leave pay, when taken, count towards the maximum number of hours I may work under the PRO?

Yes. The hours you take off from work, for which you receive pay, will count towards the maximum number of hours you may work under the PRO agreement.

If I currently have employment in more than one position covered by PERA membership and want to continue working for these employers, do I have to enter a PRO with each PERA-covered employer?

Yes, if you wish to continue employment for each position. To participate under the PRO agreement and also start your PERA pension, you must either:

- Enter a PRO agreement for each position you intend to maintain during the PRO agreement. However, you must reduce each position by at least 25% and total work hours combined under all PRO agreements must not exceed 1,044 hours.
- Terminate the employment not covered by a PRO agreement and remain out of that employment for at least 30 days with no agreement to return.

Will I be eligible for disability benefits from PERA if I become disabled while working under a PRO agreement?

No. By accepting/receiving a retirement benefit, you are no longer eligible for PERA disability benefits.



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