

How to qualify for a retirement benefit

BENEFIT ELIGIBILITY

You are first eligible for an unreduced retirement benefit if at the end of your PERA-covered employment you meet any of the following requirements:

- You are age 65 with at least one year of service or your age plus years of service credit total at least 90 years (Rule of 90) **if you first entered public service prior to July 1, 1989**; or
- You have a minimum of one year of service and have reached full retirement age under Social Security rules (capped at age 66 **if hired after June 30, 1989**).

If you retire before full retirement age, you may be eligible for a reduced benefit if:

- You have at least the minimum number of service credits necessary to be a vested member of the retirement plan and are at least age 55; or
- You have 30 or more years of service at any age (if hired before July 1, 1989).

For vesting purposes, your service can be all PERA or a combination with other public pension plans in Minnesota.

If you left PERA-covered employment and received a refund, you may repay the refund, plus interest compounded annually, to regain prior service credits. To do this you must have resumed public service for at least six months.

Your benefit choices

When you apply for monthly retirement benefits, you will have to decide whether to provide benefits just to you or also to a survivor when you die. If you select one of the four survivor options, you will receive a lower monthly benefit in order to provide this survivor coverage.

SINGLE LIFE BENEFIT

The single life benefit is just that—for your life only. When selecting the single life option, you will receive a monthly benefit for your lifetime. When you die, the monthly benefit stops. Any remaining balance of your contributions will be paid in a lump sum to your beneficiary(ies).

If you are married, your spouse must sign your retirement application. If your spouse does not sign the application, you will receive the 50% survivor option if you selected either the single life benefit or 25% survivor option.



SURVIVOR OPTIONS

Instead of a single life Benefit, you may select one of four survivor options—25, 50, 75, or 100%. Upon your death, these benefits pay 25, 50, 75 or 100% of your monthly benefit amount to the individual you name as your survivor.

If choosing a non-spouse survivor, age restrictions may apply when selecting the 75 or 100% options. For more information, see the Survivor Options Fact Sheet at mnpera.org

If your named survivor dies before you, your monthly benefit will increase to the single life benefit amount, including any annual increases.

Approaching retirement

CHECK MYPERA

Your retirement estimates are available 24/7. If you haven't registered for myPERA, sign up today. It's simple. Visit mnpera.org.

SURVIVOR OPTION ESTIMATE

To calculate a survivor option estimate for someone other than your spouse, go to myPERA and click on Change Designated Survivor. Or, you can provide PERA with the person's name and date of birth for an estimate.

COMPLETE A RETIREMENT APPLICATION

Submit it to PERA at least 60 days before your benefit effective date. We cannot accept applications more than six months before your benefit effective date.

PROVIDE PROPER DOCUMENTATION

To process your retirement application we need identification documents. A passport with your current name meets all identification requirements. Otherwise, you will need to submit proof of your date of birth (birth certificate) and any name change (marriage certificate). If you select a survivor option, we will need evidence of age and any name change for your designated survivor.



IMPORTANT NOTE

A right to a retirement benefit requires a complete and continuous separation from all public employment for 30 days.

There can be no written or verbal agreement prior to termination to provide services to a public employer.

Independent contractors and employees of an independent contractor may not work for their same employer for 30 days.

Public employment includes service to any governmental employer in Minnesota— e.g. school districts, cities, counties, townships, and state.

YOUR BENEFIT MAY BE CANCELED

Your retirement benefit may be canceled if you do not follow the requirements outlined in this brochure. You may also be required to repay any benefits you received, along with additional contributions.

MAKE YOUR DECISION CAREFULLY

When you make your benefit selection, that decision becomes irrevocable on the date PERA issues your first benefit payment.

INDEPENDENT CONTRACTOR

Forward all independent consultant contracts with a PERA-covered employer to PERA for review to ensure you will not be subject to PERA's earnings limits. The IRS, Department of Labor, and PERA all have requirements that must be met for you to be considered an independent contractor.

A few more details...

TERMINATION OF EMPLOYMENT

Your employer needs to complete a Verification of Termination form. The form is available on our website in the Retirement Toolkit.

BENEFIT EFFECTIVE DATE

Your benefit is generally effective the first of the month following termination of employment (also known as your benefit begin date). If you are an elected official, your effective date is generally the day after your elected term ends.

FIRST BENEFIT PAYMENT

You will receive your first benefit payment about three weeks after your benefit effective date if we have received all the necessary documents.

Upon receipt of final salary information from your employer, PERA will recalculate your final monthly pension. If this finalized benefit amount is different from your initial estimated benefit payment, adjustments for over- and under-payments will be made retroactively.

DIRECT DEPOSIT

Your payment is deposited in your checking or savings account on the first banking day of each month.

You can change your direct deposit account on line in **myPERA** or by downloading a Direct Deposit Agreement form on the Forms & Publications page on our website.

WORKING AFTER RETIREMENT

If you return to PERA-covered employment, your benefits may be reduced or suspended if you exceed the earnings limits. For more information, see Working After Retirement brochure on our website.

PHASED RETIREMENT

PERA's termination requirements and earnings limits do not apply in the case of an individual who, prior to retirement, is covered by a Phased Retirement Agreement. For more information, visit the Forms & Publications page on our website.

TAXES

For most members, your retirement benefit is fully taxable. PERA will withhold federal taxes and Minnesota state taxes (if a MN resident) from your benefit. We are unable to withhold taxes for states other than Minnesota.

If you do not want taxes withheld, you must submit a federal W-4P or state W-4MNP tax form to PERA. You can change your tax withholding any time in **myPERA**.



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Applying for Coordinated Plan Retirement Benefits

A brief look at what you should know



Public Employees Retirement
Association of Minnesota