



Membership Eligibility

PERA prohibits recording and distribution of this presentation.





Today's Program

- Welcome to PERA
- Monthly Salary Threshold
- Excluded Employees
- Exclusion Process
- Determining Plan Coverage





Welcome to PERA

PERA is a Pension

a retirement plan paid into while working that provides future monthly lifetime income





Coordinated
Plan

Employee
Contributions

Employer
Contributions

6.50%

7.50%



Police & Fire
Plan

11.80%

17.70%



Correctional
Plan

6.83%

10.25%



Calculated on Three Factors

- Average Monthly Salary
- Years of Service
- Age



Mandatory Eligibility

- 1) Minnesota public employees
- 2) Whose monthly pay from a single employer exceeds the salary threshold (\$425)
 - \$425.00 = **ineligible**
 - \$425.01 = **eligible**





Monthly Salary Threshold



What Earnings Count Towards the Threshold?



- Gross, pre-tax salary
- Overtime/retroactive pay
- PTO (used)
- Performance-based bonus



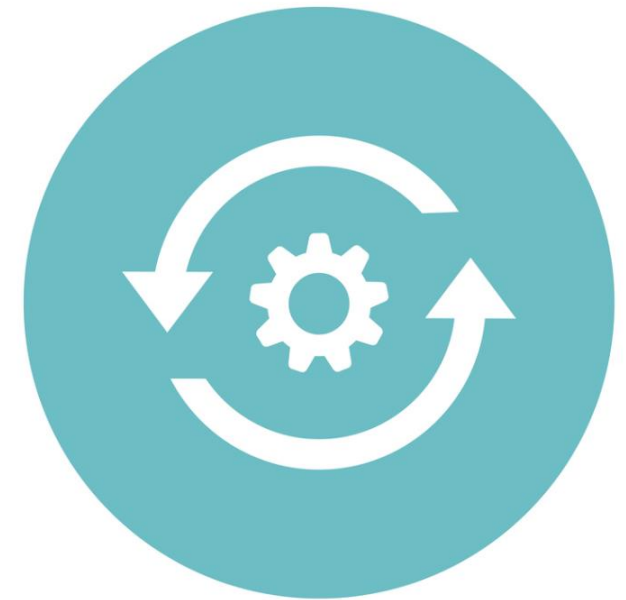
- Expense reimbursements
- Retirement incentives
- Payment for unused PTO
- Other bonus payment

Full list of PERA-eligible earnings can be found
in **chapter 5** of the Employer Manual



New Hires with *Regular* Pay

- Enroll immediately if monthly pay expected to exceed \$425
- Applies to **all** full-time employees and most part-time employees
- If pay doesn't exceed \$425 in month one, but does in month two?
 - Enroll immediately; both months are valid



New Hires with *Irregular* Pay

- Enroll the first time they are paid at least \$425.01 in a single month
- Contributions begin with the check that caused employee to exceed threshold
- PERA membership continues until termination—even if monthly pay never again exceeds \$425



OCTOBER

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9 1 st Day	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27 \$400	28
29	30	31				



Excluded Employees



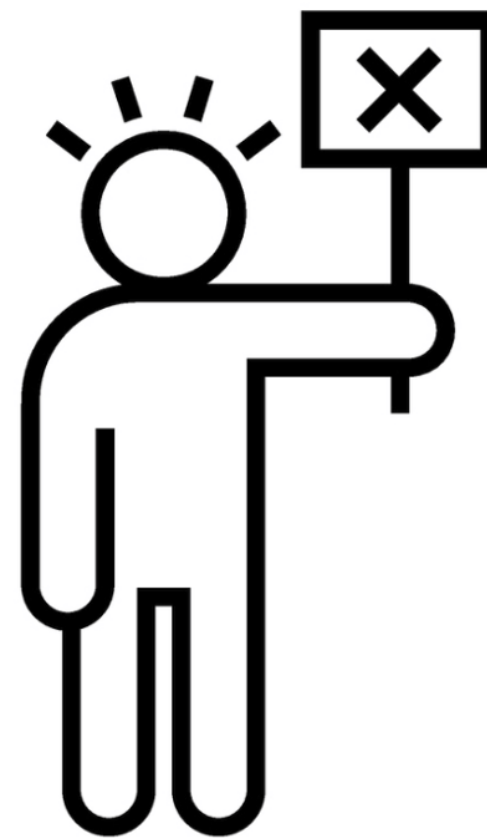
- Employers must report any and all excluded employees each year
- Exclusion code: a three-digit number that identifies *why* an employee was excluded
- Full list of exclusions can be found in chapter 3 of the Employer Manual



Exclusion Codes that Begin with 0

Employees excluded due to an affiliation with another entity.

- Full-time students under 23
- PERA retirees and disabilitants
- Certain internships



Exclusion Codes that Begin with 1

Employees who are excluded due to the type of position held

- Temporary or seasonal working six months or less
- Election officers
- Volunteer ambulance personnel and firefighters
- Emergency employees



Exclusion Code 201

Public officials who have the choice to opt out of a PERA retirement plan

Exclusion Code 301

Employees whose monthly pay never exceeds \$425



Exclusion Reporting

- All employers are required to submit an *Annual Exclusion Report*
- Instructions on how to complete report can be found in chapter 3 & 9 of the Employer Manual
- The report is due:
 - August 31 for school districts
 - February 28 for all other employers



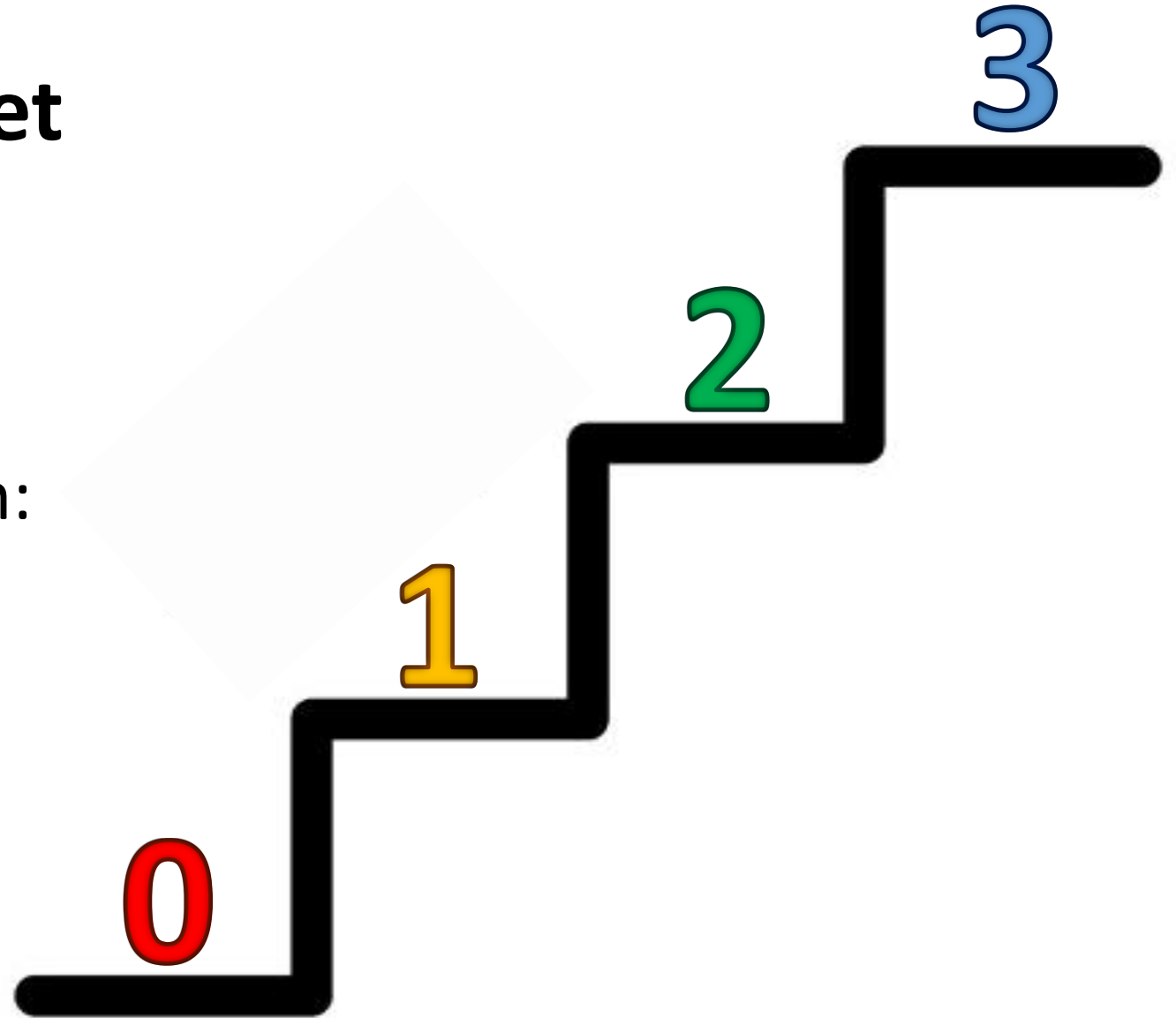


Exclusion Process



Exclusion Codes are Set up as a Sequence

- Start at 0; if none apply, progress to 1
- Once you find an exclusion: **stop**, and use that code to exclude them



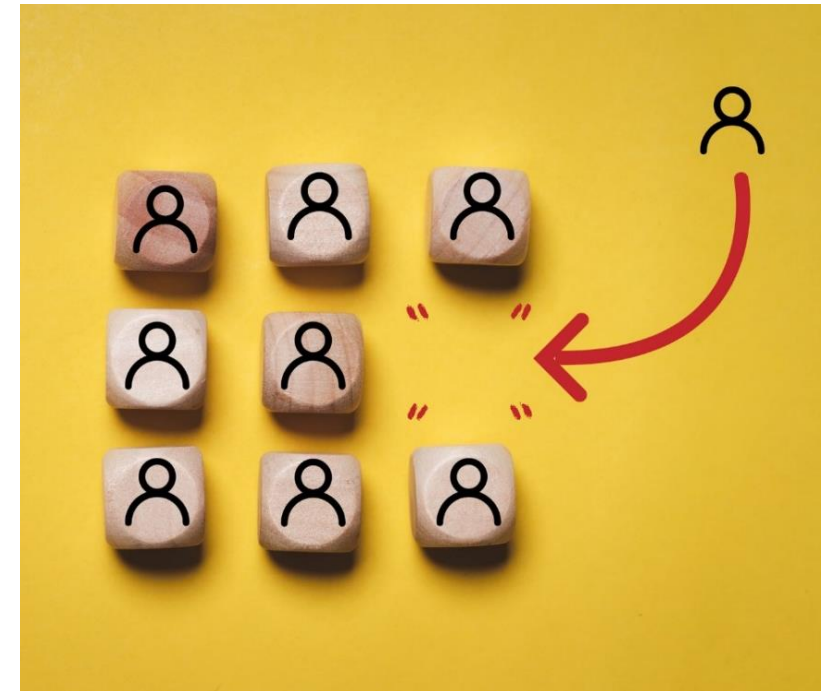
Common Exclusions

- 001: Full-time students under 23
- 003: PERA retirees and disabilitants
- 101: Temporary position six months or less
- 105: Election judges
- 106: Seasonal position six months or less
- 301: Monthly pay \$425 or less



When Exclusions No Longer Apply

- Full-time student turning 23 or no longer attending school
- Salary increase
- Extension of temporary/seasonal employment beyond six months



Termination: an *official* separation of employment.

- If member terminates and is rehired after 30+ days, membership ends and employee will need to re-establish eligibility
- If member terminates and is rehired with less than 30-day break?
 - Membership continues; termination is invalid
 - Exception: Member who terminates from **permanent** position and is rehired to a **temporary** position



Temporary/seasonal positions are excluded:

- If the position is **pre-determined** to be six months or less
- If it's the employee's **sole** position with your unit
- Regardless of level of earnings

Review for eligibility if:

- The position is extended beyond six months
- Employee accepts a second position without 30-day break



Consecutive Temporary/Seasonal Positions

Position 1: Seasonal golf course attendant

- 5/15/25 to 10/31/25: **5.5 months**

Position 2: Temporary cashier

- 11/01/25 to 3/5/26: **4 months**



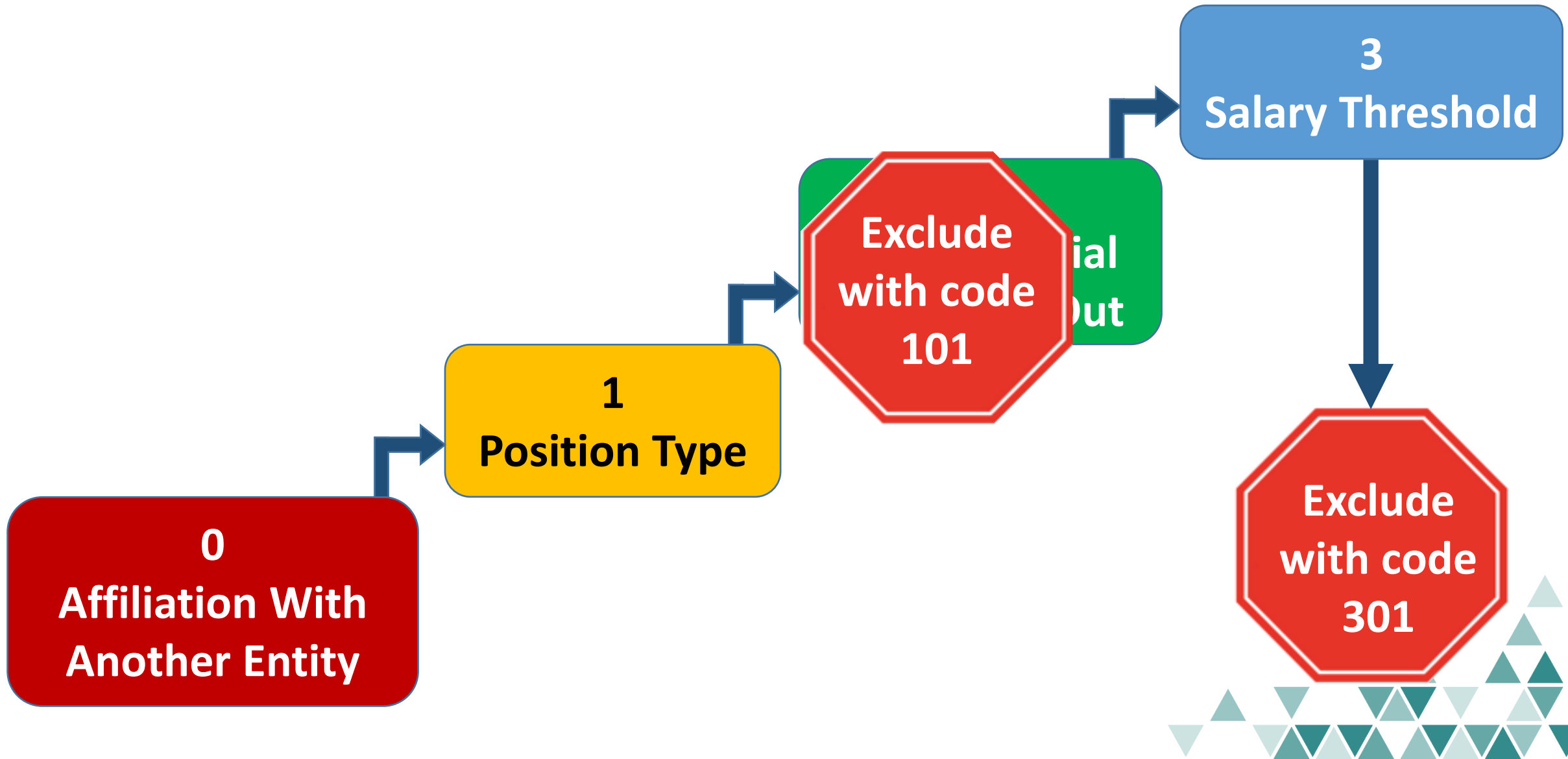
5/15/25
5.5 months

+

11/1/25
4 months

= **9.5 months** 







Determining Plan Coverage





- Mandated for positions that meet the membership requirements in Minn. Stat. §353.01, subd. 2a or 2d
- Cannot be members of another retirement plan covering public employees **for the same service**
- Full or part-time permanent public employees, including non-certified employees





- Mandated for full-time police officers and full-time professional firefighters as defined in Minn. Stat. §353.64
- Cannot be earning credit in any other PERA retirement plan or local relief association for the same services
- If assigned duties **outside** the scope of P&F criteria, must be assigned:
 - Within the **same** police or fire department
 - Less than 50% of the time
- Part-time P&F can be enrolled with a resolution from governing board





Police Officers

- Licensed by POST board and possess the full power of arrest
- Charged with the prevention and detection of crimes
- Their primary duty is to enforce the general criminal laws of the state





Professional Firefighters

- Employed by a fire department in Minnesota
- Required to be (and is) licensed under 299N.05
- Engaged in or exposed to the hazardous conditions of firefighting, fire prevention, suppression, or investigation





Minn. Stat. §353E.02

- Correctional guards or officers
- Joint jailers and dispatchers
- Supervisors of these positions





- Directly responsible for the security, custody, and control of the correctional institution and its inmates
- Expected to respond to incidents within the institution as part of their regular duties (and is trained to do so)





Eligible Positions:

- Elected officials (governing and non-governing)
- Certain appointed officials
- Emergency personnel
- Physicians and city managers
- Other positions listed under Minn. Stat. §353D





Pension Plan Alternative

- Performance-based retirement plan—**not** a pension
- Membership is **voluntary**
- No minimum salary requirement






DC Plan

Coordinated

Non-governing officials are eligible for the DCP if monthly pay is \$425 or less

If monthly pay is \$425.01 or more;

- **Elected** may choose between DCP and the Coordinated Plan
 - **Appointed (hired)** must join the Coordinated Plan
- 

- Public employees whose monthly pay from a single employer is \$425.01 or more = **mandatory eligibility**
- Certain employees are excluded from PERA **regardless** of salary
- Exclusion codes are set up as a ***sequence***
- Monitor excluded employees for future eligibility



**KEY
POINTS**



PERA is governed by Minnesota Statutes; especially chapters 11A, 353, 353A, 353D, 353E, 353F, 353G, 356 and 356A.

Changes to PERA's plans, including benefit provisions and contribution rates, are made through the introduction and passage of legislation by the Minnesota Legislature.



Disclaimer:

Our programs are intended to provide general information; the rights and obligations of PERA members are governed by state and federal laws, rules, and regulations. The Minnesota Legislature or the federal government may change the statutes, rules, and regulations governing PERA at any time. If there is a discrepancy between the law governing PERA and the information contained in this presentation, the statutes and regulations will govern.



Wrap-up and questions

www.mnpera.org

eligibility@mnpera.org

651.296.3636

1.888.892.7372

Select **option 3** for eligibility questions

