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

PERA

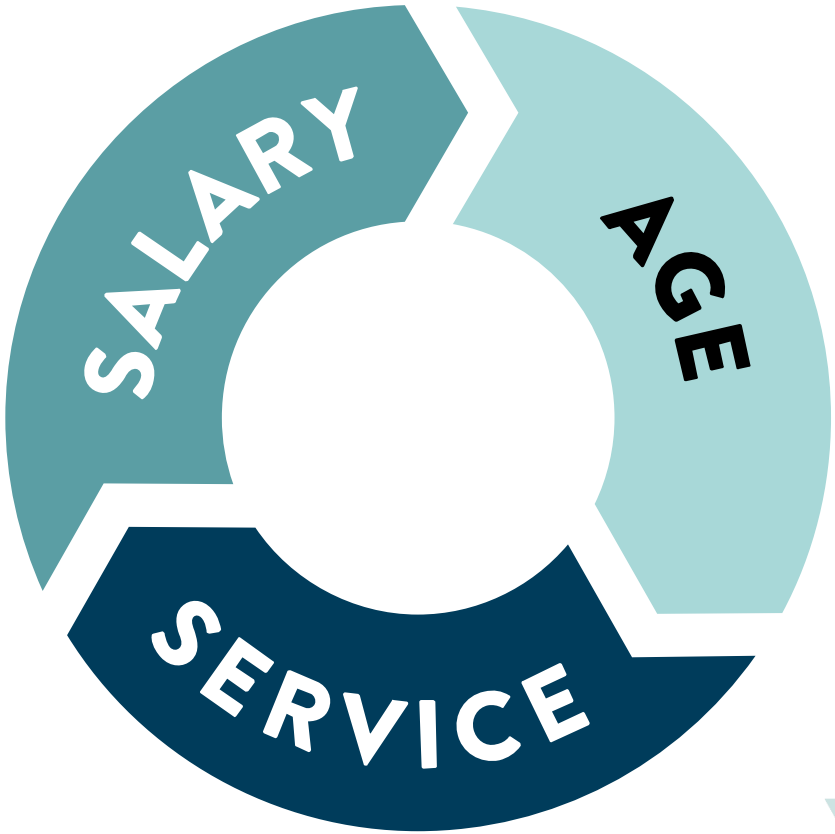
Paycheck Deductions

	Employee Contributions	Employer Contributions
Coordinated Plan	6.50%	7.50%
Police & Fire Plan	11.80%	17.70%
Correctional Plan	6.83%	10.25%

Pension Formula

Calculated on Three Factors

- Average Monthly Salary
- Years of Service
- Age



Who is Eligible?

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?

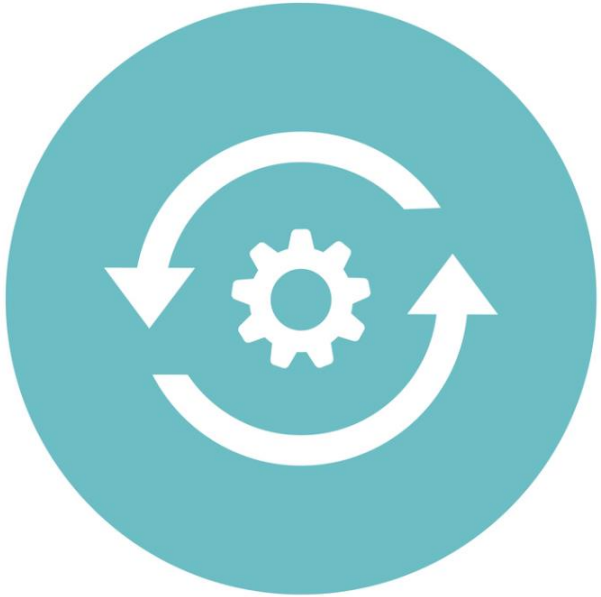
- Gross, pre-tax salary
- Overtime/retroactive pay
- PTO (used)
- Performance-based bonus

- 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

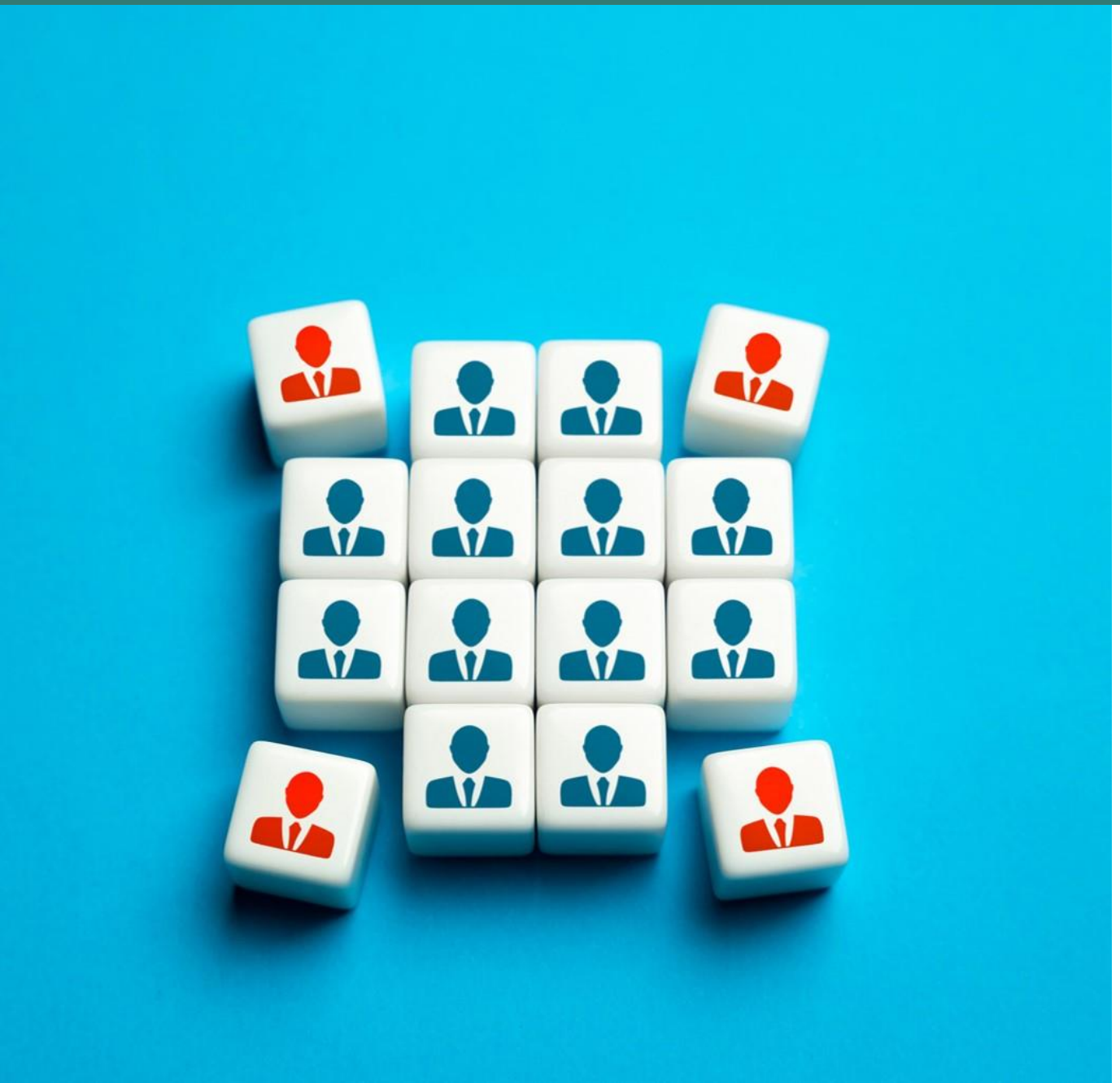
- Enroll immediately if monthly pay expected to exceed $425
- Applies to **all** full-time employees and most part-time employees
- If pay doesn't exceed $425 in month one, but does in month two?
  - Enroll immediately; both months are valid



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

Salary Threshold



Excluded Employees

Excluded Employees

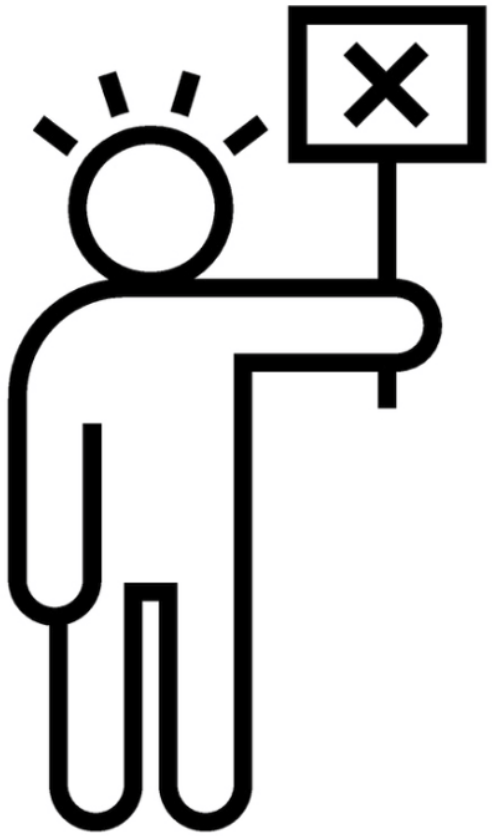
- Employers must report any and all excluded employees each year
- Exclusion code: a three-digit number that identifies ***why*** an employee was excluded
- Full list of exclusions can be found in chapter 3 of the Employer Manual

Exclusion Categories

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 Categories

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 Categories

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

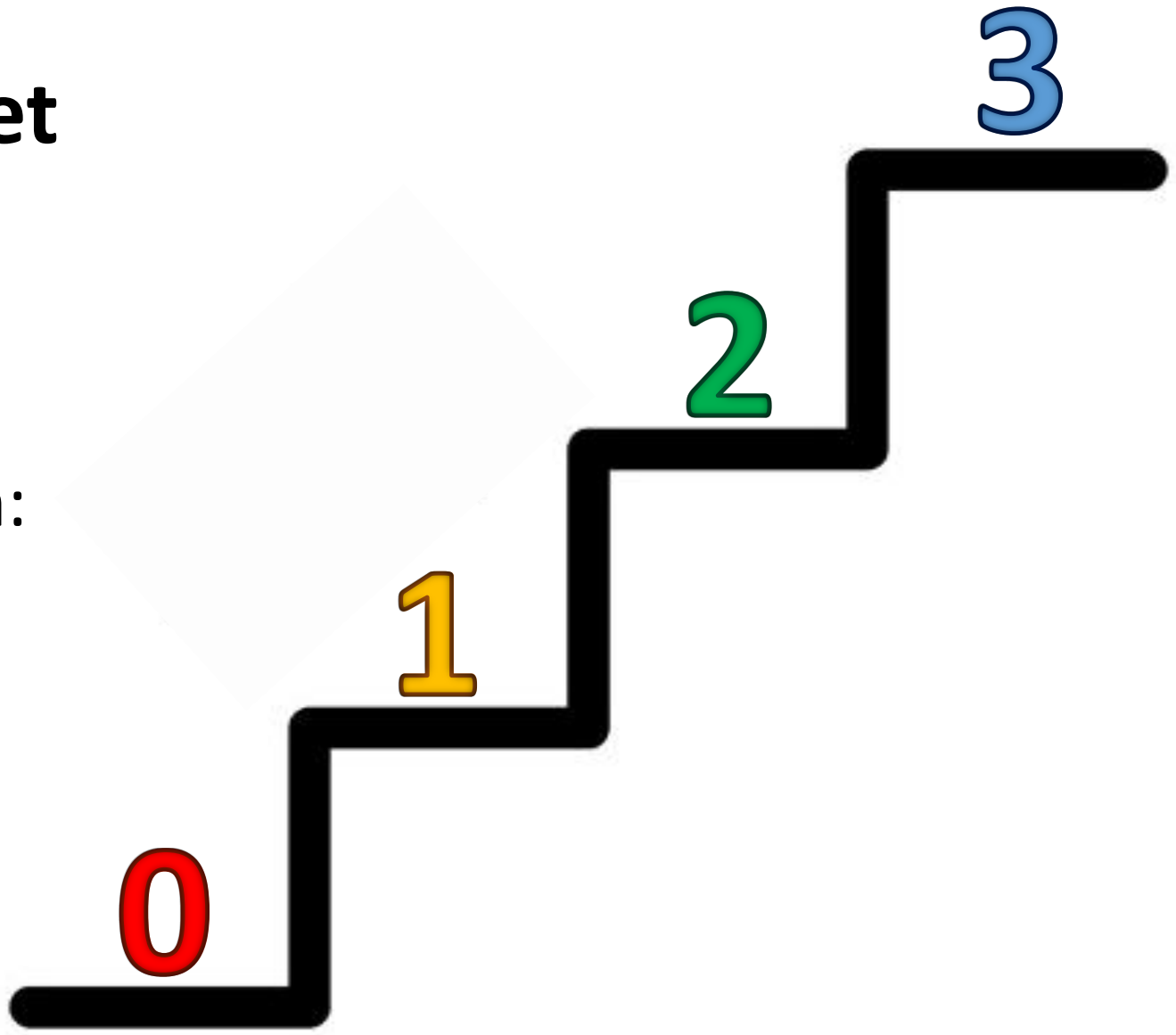
- All employers are required to submit an *Annual Exclusion Report*
- Instructions on how to complete report can be found in chapter 3 & 9 of the Employer Manual
- The report is due:
  - August 31 for school districts
  - February 28 for all other employers

Exclusion Process

Exclusion Code Sequence

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

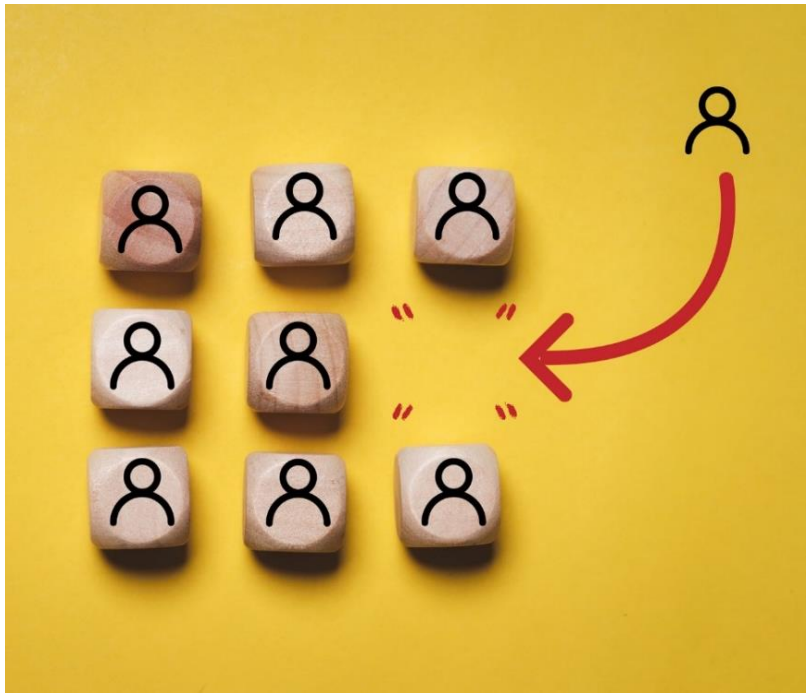


Common Exclusions

- 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



Employment Changes

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

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 Positions

Consecutive Temporary/Seasonal Positions

Position 1: Seasonal golf course attendant

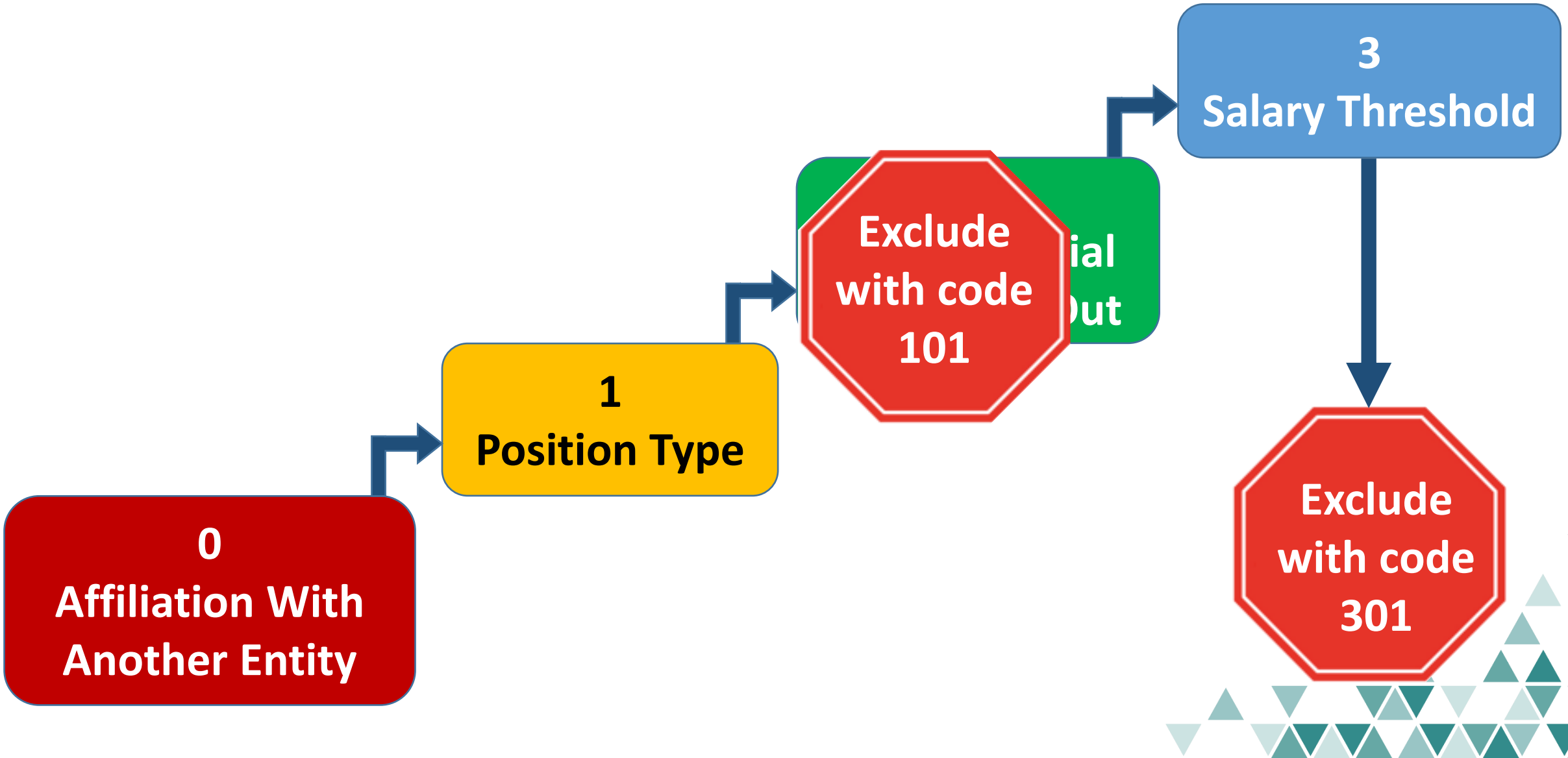
- 5/15/25 to 10/31/25: **5.5 months**

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**

Exclusion Code Sequence



Determining Plan Coverage

Coordinated Plan

- 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

Police & Fire Plan

- 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

Correctional Plan

Minn. Stat. §353E.02

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

Correctional Plan

- 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)

Defined Contribution Plan

Eligible Positions:

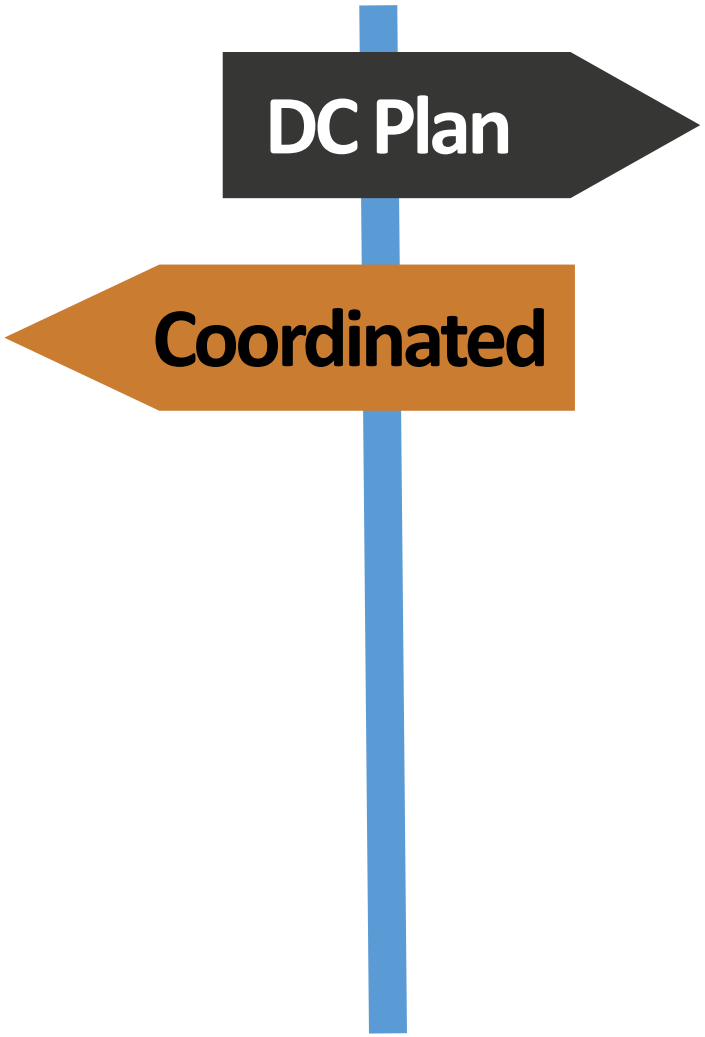
- Elected officials (governing and non-governing)
- Certain appointed officials
- Emergency personnel
- Physicians and city managers
- Other positions listed under Minn. Stat. §353D

Defined Contribution Plan

Pension Plan Alternative

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

Non-governing Body Officials



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

Recap

- 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

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

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

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