

Phased Retirement Option Agreement

Public Employees Retirement Association (PERA)

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 Member Information Services: 651-296-7460 or 1-800-652-9026
 PERA Fax Number: 651-297-2547; PERA Web site: www.mnpera.org



Instructions: Please complete the form below in its entirety and submit to PERA. The employee and employer must enter into a Phased Retirement Option (PRO) agreement before the employee terminates employment. In addition, PERA must receive the PRO agreement before the PRO begins and should accompany a completed *Application for PERA Retirement Benefits*.

PRO Renewals: Please complete a new *Phased Retirement Agreement* form and submit to PERA prior to the PRO renewal date.

Please read the reverse side for details about PRO eligibility requirements.

Part A - Identification		
Name of Individual to be employed under the PRO Agreement:	PERA Member ID No.:	
Address:	Last 4 digits of Social Security No.:	
Name of Employer offering PRO employment:	PERA Employer Number (6-digits):	
Part B – For completion by the employer that will employ the individual under a PRO		
Dates of the Phased Retirement Employment : (must be limited to a one-year period)	Begin Date:	End Date:
Identify if this is the first agreement covering phased retirement for this employee or renewal of a prior agreement: <input type="checkbox"/> Initial Agreement <input type="checkbox"/> 1 st Renewal <input type="checkbox"/> 2 nd Renewal <input type="checkbox"/> 3 rd Renewal <input type="checkbox"/> 4 th Renewal		
<i>Note: Phased retirement employment may be for periods of up to one year, not to exceed a total duration of five years.</i>		
I understand that wages earned by the named individual during this period of employment must be reported to PERA and that the amounts will not be subject to PERA withholding. I further certify that this individual will be employed in accordance with the phased retirement employment conditions described in this agreement and in M.S. §353.371, and I agree to ensure that this governmental unit complies with all related requirements.		
Signature of Employer Representative:	Date of Signature:	
Part C – For completion by PERA member		
I have accepted phased retirement employment with (check the one that applies): <input type="checkbox"/> The same governmental unit for which I am currently employed. <input type="checkbox"/> A different governmental unit than my current employer. <i>Please indicate the name of your current employer: _____ and your anticipated date of termination with this unit of government (month/day/year): ____/____/____</i>		
I have read the requirements that must be met to qualify for the phased retirement program on the back of this form and confirm that I will meet all of the criteria. I understand that my PERA retirement benefit will be effective on the first day of the month following the begin date of my initial PRO agreement; however, if my agreement begins on the first day of a calendar month, my benefit will be effective on that day. I further realize that while employed in a phased retirement position, I will not accrue service credits in PERA and my retirement benefit will not be subject to reduction under the provisions regarding reemployed annuitants (M.S. §353.37). I understand and accept the conditions of phased retirement employment described in this agreement and in M.S. §353.371.		
Signature of PERA Member:	Date of Signature:	

Information about the PERA Phased Retirement Option (PRO) Program

Eligibility: An employer is under no obligation to offer the phased retirement option to a PERA General Plan member.

To participate in a PERA PRO, the employee must:

- Be an active Member of the General Plan (Coordinated or Basic)
- Be age 62 or older
- Be immediately eligible for a retirement annuity from the General Plan
- Have worked at least 1,044 hours each of the five preceding years
- Not eligible for the state employee Post-Retirement Option program under Minnesota Statutes § 43A.346

Employees not eligible for the PRO include:

- MERF Members
- Elected Officials covered by PERA
- State employees covered by PERA
- Members in other PERA plans (Correctional, Police and Fire, etc.)
- Current PERA Retirees

PRO Requirements:

- The employee and employer enter into a PRO agreement before terminating employment and PERA must receive the PRO agreement before the PRO begins.
- PRO agreements can be up to one year in length and may be renewed up to five times at the discretion of the employer.
- The employee must reduce hours by at least 25% and not exceed 1,044 hours per PRO agreement one year period.
- The employee and employer no longer contribute to PERA.

During the Phased Retirement Agreement:

- The employer will enroll the employee under PERA's Exempt Plan at the beginning of the PRO agreement. The earnings paid to an employee participating in a PRO program must be reported to PERA after each pay period using PERA Salary Deduction Report (SDR). No employee or employer contributions are payable to the retirement plan on the earnings of the PRO position.
- If the employee begins an additional public service position covered by PERA during the PRO agreement and is:
 - *Under full Social Security age:* the employee will be under the post-retirement annual earnings limits for the new employment position
 - *Over full Social Security age:* no post-retirement annual earnings limits for the new employment position
- If the PRO agreement is renewed, the employee and employer must complete and submit another *Phased Retirement Agreement* form to PERA prior to the PRO renewal date.

At the Conclusion of the Phased Retirement Agreement:

- Participation in PERA's phased retirement program stops at the conclusion of the employee's initial or renewed agreement, whichever is later. The employer must complete and submit the *Conclusion of PRO – Employment Verification Status* form to PERA at the conclusion of the PRO agreement.
- The employee is not required to terminate public employment associated with the PRO agreement or any other public employment at the end of your PRO Agreement.
- If the employee continues working in the public position after the PRO agreement ends or begin a new position covered by PERA and is:
 - *Under full Social Security age:* the employee will be under the post-retirement annual earnings limits
 - *Over full Social Security age:* no post-retirement annual earnings limits

The PRO program expires June 30, 2019:

- The law allows for anyone already working under the terms of a PRO agreement on or before June 30, 2019, to continue working under the PRO for a maximum of five years. It does not allow for new participants to enter the program on or after July 1, 2019.