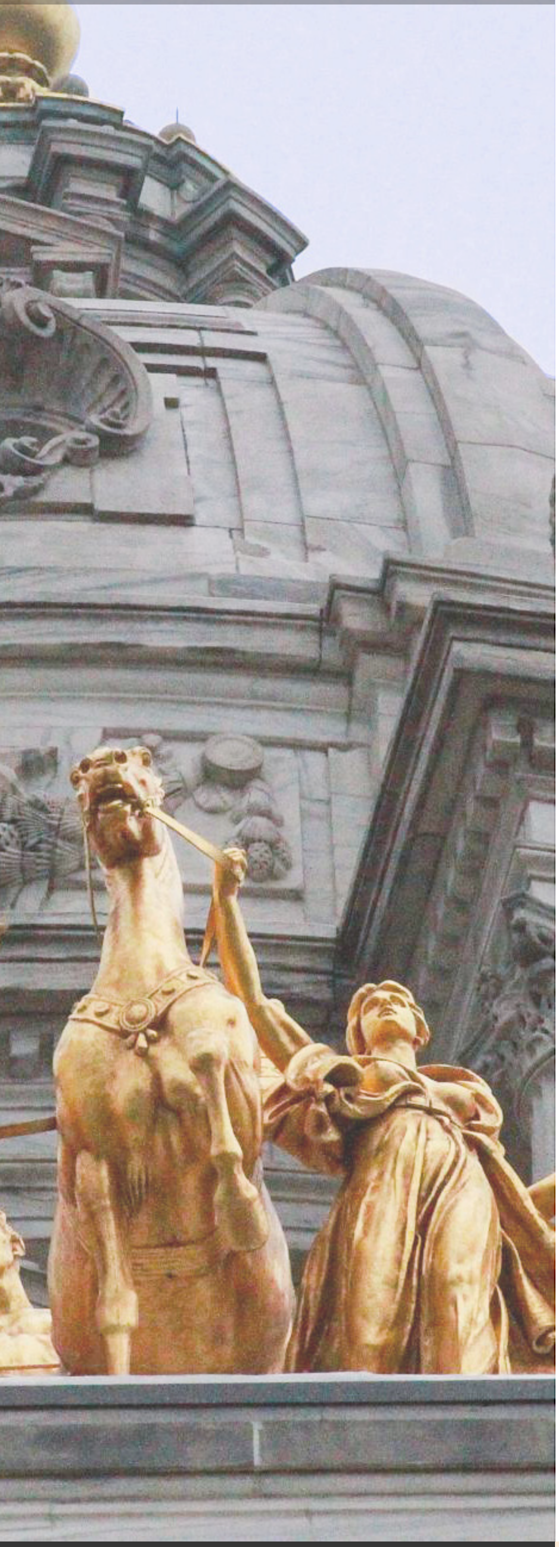

Separation Requirements for Retirement Eligibility - Certain PERA-Covered Elected Positions

To be eligible for a PERA retirement benefit, public employees must fulfill a minimum break in service as required by law. Normally, a person's right to retirement requires a complete and continuous separation for 30 days from employment as a public employee. Additionally, a PERA member is not considered to have a valid termination of service if, before the effective date of the termination, the member has an agreement (verbal or written) to work for the same employer as an employee, an independent contractor, or employee of an independent contractor. The laws governing the PERA pension plans allow for a few exceptions or modifications to the separation requirements that relate to one or more elected positions as described below.

Situation #1: Leaving non-elected PERA-covered position and beginning a local elected position (except that of a county sheriff who is required to join the Police and Fire Plan)

Termination Requirements:	Employment in the non-elected position must terminate through a resignation from the employee or dismissal by the employer.
Break in Service Requirements:	A continuous separation for 30 days from employment in a *non-elected position* with a governmental employer is required. This person could take office in an elected position at any time after the date of termination without jeopardizing eligibility for retirement.
Eligibility for Retirement:	A retirement benefit is payable on the first of the month following the date of termination (if age and service qualifications are met).
Does the employer report the post-retirement salary?	The salary from the elected position is not subject to any post-retirement income limits; thus, the employer would not report these earnings to PERA under the exempt plan.

Example #1: Margaret, a township employee, intends to run for a City Council position in November 2015. Margaret plans to end her job with the township on December 31, 2015. If she wins the election, she wants to draw a retirement benefit while holding the elected city office in 2016.

Example #1: Leaving a non-elected position and beginning a local elected position		
Termination	Break in Service	PERA Retirement Eligibility
Margaret terminates her *non-elected* township position on December 31, 2015	Margaret must be separated for 30 days from this position or any other *non-elected* employment with a governmental entity.	Margaret can draw a benefit as of Jan. 1, 2016. (She starts the City Council position on Jan. 2, 2016 and could at any time join the Defined Contribution Plan (DCP) without jeopardizing her PERA benefits.)

Separation Requirements for PERA Retirement Eligibility-Certain Elected Positions

Situation #2: Member Running for Re-election to the Same Governing Body Position

Under M.S. §353.01, subd. 28(d) (2007), elected officials, who are Coordinated or Police and Fire plan members, meet the 30-day separation requirement for retirement by resigning from office before filing an affidavit for candidacy for a subsequent term in the same office and by remaining separated from that office for a 30-day period prior to the date of the election.

Termination Requirements:	The PERA member must submit his or her resignation from elected office *before* filing for another term in that same office.
Break in Service Requirements:	The elected governing body official must have a continuous 30-day separation from public office *prior* to the date of the election.
Eligibility for Retirement:	A retirement benefit is payable on the first day after the termination date (if age and service requirements are met).
Does the employer report the post-retirement salary?	If the person is re-elected to the same office, the earnings would not be subject to any post-retirement income limits; thus, the employer would not report this salary under the exempt plan. However, if the official chooses to join the DCP, the employer would report the salary and applicable DCP contributions.

Example #2: Tom is a School Board member who wants to begin drawing his PERA Coordinated Plan retirement benefit and also run for re-election to the same office. Under the 2015 election process, filings are accepted between July 28, 2015 and August 11, 2015. The election is scheduled for November 3, 2015 and the School Board term in office begins on January 2, 2016.

Example #2: PERA Member Running for Re-election to Same Public Office		
Termination	Break in Service	PERA Retirement Eligibility
On June 30, 2015 Tom filed his resignation with the School Board effective Oct. 5, 2015 and his Coordinated Plan salary deductions stopped.	Tom must not perform any duties as a School Board member for a 30-day period before the date of the election (Oct. 3 2015 - Nov. 3, 2015).	Tom is eligible to draw a retirement benefit beginning on the day following his effective date of resignation (Oct. 6, 2015)

Situation #3: A non-elected PERA position and a DCP position held concurrently
M.S. §353.01, subd. 28(c) (2007) allows a member of a defined benefit plan, who also participates in a defined contribution plan for other service, to be paid an annuity from the defined benefit plan while participating in the defined contribution plan.

Termination Requirements:	Employment in the non-elected position must terminate; however, the person may continue to hold the elected DCP-covered position.
Break in Service Requirements:	Member must remain continuously separated from non-elected public service for 30 days. The individual may continue to earn wages from the elected DCP-covered position.
Eligibility for Retirement:	A retirement benefit is payable on the first of the month following the date of termination (if age and service qualifications are met).
Does the employer report the post-retirement salary?	The employer must continue to report the salary from the DCP-covered position, along with the proper member and employer contributions for investing purposes. Also, if the person later returns to a non-elected position, the employer must report the earnings to PERA under the exempt plan.