

BENEFITS PAYABLE BY PERA

RETIREMENT (PENSION) BENEFITS

A participant in PERA's Basic, Coordinated, Correctional, or Police and Fire Plan who has met the Association's vesting requirements and retires is eligible to receive a monthly pension or benefit that is payable for life. The benefit is based on years of allowable service credit, the highest five consecutive years' average salary, and age at retirement.

DISABILITY BENEFITS

Monthly disability benefits are also available through PERA. (Please refer to the member handbook for each plan for qualifications for disability.) The disability must be total and permanent for Basic and Coordinated plan members. It may, however, be an occupational disability for Correctional and Police and Fire Plan members.

PENSION AND BENEFIT OPTIONS

The Single-life retirement benefit is payable for the PERA member's lifetime only. No monthly survivor payments are made to any other person following the member's death. However, any unpaid balance of the member's contributions to the plan is payable to the designated beneficiary(ies).

The designation of a spouse as beneficiary is revoked upon marriage dissolution under Minnesota law. If the court order requires that your former spouse be designated a beneficiary, a PERA Change Form must be completed and submitted to PERA.

Instead of the Single-life benefit, the member may select a Survivor option benefit. These benefits provide a monthly payment to another person following the member's death. To provide this continuing benefit, the Single-life benefit amount is reduced, based on the ages of the member and the designated survivor at the time payments begin. If the designated survivor outlives the member, the 25 percent option pays one-quarter of the PERA member's benefit to the survivor for that person's lifetime. Likewise, the 50 percent, 75 percent, and 100 percent options pay that specified percentage of the member's monthly benefit to the survivor if that individual survives the retired member. Should the designated survivor die first, the monthly payment to the member and former member trustee increases to the Single-life amount for the remainder of the member's lifetime. If the court order requires that a former spouse be named as the survivor for the marriage period, the member then has the right to name another person as survivor for all other service.

Note: A Basic Plan member who becomes disabled or a Police and Fire Plan member who qualified for duty-related total and permanent disability will often choose a single-life benefit on the disability application. This is because if death occurs before retirement, the surviving spouse and/or dependent children will be entitled to monthly benefits.

(No automatic survivor coverage is available for disabled Coordinated and Correctional plan members, or to Police and Fire Plan members who are not receiving a duty-related total and permanent disability benefit.) When the disabled Police and Fire Plan or Basic Plan member reaches retirement age, the single-life benefit may be changed to a Survivor option. However, if a Survivor option was elected on the disability application, that option cannot be changed at retirement.

PRE-RETIREMENT SURVIVOR BENEFITS

If an active member dies before retirement, monthly survivor benefits are available for a surviving spouse or dependent children, or both. The types of benefits payable depend on the plan to which the member contributed. A former spouse could receive the marital portion of the payment to be made to a current spouse, if negotiated in a court order filed on or after April 10, 1992, for the period the current spouse receives payments.

For Basic Plan members and Police and Fire Plan members who are totally and permanently disabled as the result of a hazardous duty illness or injury, the surviving spouse may be entitled to a percentage of the member's average monthly salary over the last full six months of employment prior to the date of death. Each dependent child may also receive a portion of that average salary. The family maximum benefit is 70 percent of such salary (80 percent if a Police and Fire member died as the result of hazardous duty). The benefits cannot be waived by the member. This type of survivor payment is not available upon the death of a Coordinated or Correctional Plan member.

The surviving spouse of an active Coordinated or Correctional Plan member may select the 100 percent survivor option that the member would have qualified for on the date of death. (This option is also available to the surviving spouse of a Police and Fire, or Basic Plan member instead of the benefits shown in the previous paragraph.) If no spouse survives the member, any dependent children under age 20 would receive a benefit until age 20 or five years after benefits begin, whichever is later.

This surviving spouse optional benefit is paid for the spouse's lifetime or for a term-certain period of 10, 15, or 20 years. (Term-certain payments are not available under the Police and Fire Plan.) The surviving spouse optional benefit may be waived on a form provided by PERA.

COURT ORDERS AFTER RETIREMENT

If a survivor option was chosen at retirement, that selection can be revoked in the event of a marriage dissolution or annulment. The monthly benefit would then revert to a single-life pension. The payment, however, may still be split between the parties. For this to occur, the court must order the revocation of the benefit selection and both the member and former spouse must sign a PERA form acknowledging the change.