Your privatized PERA benefit is augmented – or increased – each month that you continue working at the privatized facility.

Beneficiary(ies)
When you die (or both you and your survivor die) your beneficiary(ies) will receive a lump-sum payment of the remainder of your PERA contributions.

Effective date of privatization
The date that the PERA medical facility becomes private and active PERA membership terminates.

High-five salary
The average of your highest 60 consecutive months of PERA-covered salary.

Privatized former public employer (PFPE)
A PERA medical facility that privatized under Minn. Stat. ch. 353F.

Privatized former public employee
A person who:
1. was employed by the privatized former public employer on the day before the effective date of privatization; or
2. terminated employment with the privatized former public employer on the day before the effective date; and
3. was a participant in PERA’s General Plan at the time of termination of employment with the privatized former public employer.

Rule of 90
If you were hired before July 1, 1989, and your age plus service credits total at least 90.

Rule of 90 provides a PERA benefit that is not reduced for early retirement.

Service Credit
While working in PERA-covered employment, you earn one service credit for each month of PERA contributions, up to 12 service credits per year.

PERA uses your service credit to determine the percentage of your high-five average salary that you receive as a PERA benefit.

Single-life Benefit
The single-life benefit pays a monthly benefit for your lifetime only. When you die, the monthly benefit stops.

Survivor Option
Instead of a single-life benefit, you may choose one of four survivor options. When you die, your survivor will receive 25%, 50%, 75%, or 100% of your monthly benefit amount for their lifetime. If your survivor dies before you do, your monthly benefit will increase – or bounce back – to your single-life benefit.

Vesting
Vesting means you have earned enough service credit to qualify for a PERA benefit.

Privatization provides immediate vesting no matter how much PERA service credit you have at the time of privatization.

How to apply for your benefit
To begin your benefit:
Submit paperwork 60-90 days prior to your benefit effective date.

Download forms at:
mnpera.org/benefits/privatization
• Application for PERA Retirement Benefits
• Verification of Employment Status Privatization Plan

Submit forms along with photocopies of:
• Proof of age for you and your survivor
  - Passport(s) or birth certificate(s)
• Proof of name changes for you and your survivor
  - Passport(s) or marriage certificate(s)

What’s Inside
• Your benefit options/page 2
• Exceptions/page 3
• FAQs/page 3
• Glossary/page 4
• How to apply for your benefit/page 4

Options Based on Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Application Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under age 55</td>
<td>Defer benefit to 55 or later</td>
</tr>
<tr>
<td>Age 55-70 %</td>
<td>Begin benefit</td>
</tr>
<tr>
<td>Age 70+</td>
<td>Must begin benefit or take a refund</td>
</tr>
</tbody>
</table>

When your PERA employer becomes a private employer under Minnesota Statutes, Chapter 353F

You keep the PERA benefit you have already earned; however, you are no longer a public employee, and you may not actively participate in PERA after the date of privatization.

Minnesota law allows certain benefit enhancements for employees who continue working at the privatized medical facilities. This brochure will help you understand how privatization affects your PERA benefit.

Benefit Options
1. Begin your benefit and continue working at the privatized facility – enhanced benefits do not apply.
2. Begin your benefit after terminating employment at the privatized facility – enhanced benefits may apply.

Refund Option
Take a refund of your PERA contributions plus interest at any time after privatization.

Refunds are payable in a lump sum within 120 days after submitting a valid Application for Refund – mnpera.org/forms.

You are not eligible for a refund if you also work for another PERA employer.
Your benefit options

1 BEGIN YOUR BENEFIT AND CONTINUE WORKING AT THE PRIVATIZED FACILITY

- The retirement benefit is calculated the same way as a regular retirement benefit (privatized enhanced benefits do not apply).
- Earnings limitations do not apply while working at the privatized facility; however, earnings limitations may apply if you are later employed by a PERA-covered employer.

2 BEGIN YOUR BENEFIT AFTER TERMINATING EMPLOYMENT AT THE PRIVATIZED FACILITY

- The retirement benefit is calculated the same way as a regular retirement benefit. With some exceptions, the benefit includes enhanced augmentation from the time of privatization until the date you terminate from the privatized facility (see page 3).
- If you were hired prior to July 1, 1989, PERA may use your continued service with the privatized facility to determine your Rule of 90 benefit effective date.
- To qualify for enhanced augmentation and/or privatized Rule of 90 credit, you must terminate your employment at the privatized facility for at least 30 days.
- If you terminated your employment at a privatized facility prior to May 24, 2013, but have not yet applied for a benefit, your enhanced retirement benefit will continue to grow at the same rate that was in effect when your employer privatized.
- Earnings limits may apply if you return to work for the privatized former public employer (PFPE) or another Minnesota public employer, are collecting an enhanced benefit, and are under full Social Security retirement age.

We can help
You have several choices with your PERA benefit. Please contact PERA before changing jobs or beginning your benefit to discuss your options.
651-296-7460 or 1-800-652-9026 | mnpera.org

Frequently asked questions - FAQs

Q: What is privatization?
A: Minn. Stat. ch. 353F governs local government (PERA) public medical facilities that are sold to private entities. The purpose and intent is to ensure, to the extent possible, that people employed at public medical facilities that are privatized and consequently are excluded from retirement coverage by PERA will be entitled to receive future retirement benefits.

If the sale qualifies for inclusion under Minn. Stat. ch. 353F, you will no longer contribute to PERA beginning on the date of privatization. You will qualify for a monthly retirement benefit as early as age 55. An enhanced monthly retirement benefit applies to those who continue working at the facility and terminate employment from the PFPE for at least 30 days.

Enhanced augmentation rates:
The enhanced augmentation rates PERA uses to calculate your benefit depend on when the facility became privatized. For example, if the facility became privatized after December 2010, the enhanced augmentation rate could be up to 2 percent.

Q: What are enhanced benefits?
A: The law covering privatization provides:
- Augmentation
- Privatized Rule of 90 credit

Privatized enhanced augmentation stops accruing:
- beginning the first of the month in which you become covered again by a public retirement plan, accrue at least 6 months of service, and your retirement benefit is calculated separately from the other fund;
- beginning the first of the month after you terminate service with the privatized former public employer (PFPE);
- beginning the first of the month that the privatized facility is sold to another entity.

Privatized enhanced augmentation eliminated:
- beginning the first of the month in which you become covered again by a public retirement plan, accrue at least 6 months of service, and your benefit calculated under Combined Service Annuity (CSA) provisions;
- beginning the first of the month that you become covered again by PERA’s General Plan.

Privatized Rule of 90 credit stops accruing:
- beginning the first of the month in which you become covered again by a public retirement plan and accrue at least 6 months of service;
- beginning the first of the month that you become covered again by PERA’s General Plan;
- beginning the first of the month after you terminate service with the PFPE;
- beginning the first of the month that the privatized facility is sold to another entity.

Privatized enhanced benefits DO NOT apply:
- if you begin your PERA benefit while continuing to work for the PFPE;
- if you are no longer employed on the day prior to the privatization effective date.

Exceptions to every rule

Privatized enhanced augmentation stops accruing:
- beginning the first of the month in which you become covered again by a public retirement plan, accrue at least 6 months of service, and your retirement benefit is calculated separately from the other fund;
- beginning the first of the month after you terminate service with the privatized former public employer (PFPE);
- beginning the first of the month that the privatized facility is sold to another entity.

Privatized enhanced augmentation eliminated:
- beginning the first of the month in which you become covered again by a public retirement plan, accrue at least 6 months of service, and your benefit calculated under Combined Service Annuity (CSA) provisions;
- beginning the first of the month that you become covered again by PERA’s General Plan.

Privatized Rule of 90 credit stops accruing:
- beginning the first of the month in which you become covered again by a public retirement plan and accrue at least 6 months of service;
- beginning the first of the month that you become covered again by PERA’s General Plan;
- beginning the first of the month after you terminate service with the PFPE;
- beginning the first of the month that the privatized facility is sold to another entity.

Privatized enhanced benefits DO NOT apply:
- if you begin your PERA benefit while continuing to work for the PFPE;
- if you are no longer employed on the day prior to the privatization effective date.

We can help
You have several choices with your PERA benefit. Please contact PERA before changing jobs or beginning your benefit to discuss your options.
651-296-7460 or 1-800-652-9026 | mnpera.org

mnpera.org