

Phased Retirement Agreement



Public Employees Retirement Association (PERA)

60 Empire Drive, Suite #200, Saint Paul, MN 55103-2088
 Member Information Services: 651-296-7460 or 1-800-652-9026
 PERA Fax Number: 651-297-2547

Instructions: Type or print in black ink. Original is to be mailed to PERA prior to the start of employment under the phased retirement option (PRO) program and should accompany a completed *Application for PERA Retirement Benefits*. As applicable, a signed copy of any subsequent *Phased Retirement Agreement* must also be provided to PERA prior to its effective date. Both Parts A and B must be completed in their entirety.

Please read the reverse side for details about the requirements relating to phased retirement.

Part A - For completion by the employer that will employ the individual under a PRO		
Name of Employer		PERA Employer Number (6-digits)
Name of Individual who will be Employed under the PRO Program		Last 4 digits of Member's Soc. Sec. No.
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 B - To be signed by the 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 Phased Retirement Option Program Public Employees Retirement Association (PERA)

Eligibility of Coordinated or Basic Plan Member

To draw a retirement benefit while working as an employee for a PERA-covered employer, the member must:

1. be employed for at least 1,044 hours per year for the five years immediately preceding participation in the phased retirement program;
2. be age 62 or older,
3. reduce the hours of work in public service, when compared to his or her previous work schedule, by at least 25 percent and limit the hours of work per year to 1,044 or fewer;
4. be eligible for a monthly retirement benefit from PERA (vested), and
5. provide a completed *Phased Retirement Agreement* form to PERA, along with an *Application for PERA Retirement Benefits*, prior to the start of employment under the phased retirement program.

Additionally, if the PERA member is accepting a phased retirement position in an agency of the State of Minnesota, he or she cannot be eligible for the State Employee Post-Retirement Option program.

Other Important Items

An individual's PERA retirement benefit will be effective on the first day of the month following the begin date of the initial employment under a *Phased Retirement Agreement*; however, if the employment begins on the first day of a calendar month, the benefit will be effective on that day.

Participation in the PRO program stops at the conclusion of the initial or renewed agreement. Additionally, to qualify for continued monthly benefits after the phased retirement period ends, the employee must fulfill the usual retirement requirements. This includes terminating public service, having a minimum 30-day break in service and not having any agreement to return to work in a non-elected position for the same employer until after the 30-day separation period has passed. Failure to abide by these requirements will result in the cancellation of the PERA benefits.

Responsibilities of the Employer

An employer is under no obligation to offer the phased retirement option to a PERA Coordinated or Basic Plan member. If participation is offered, the employer must reduce the employee's hours of work, when compared to the individual's previous work schedule, by at least 25 percent and limit the hours per year to 1,044 or fewer.

The initial offer of employment under the PRO program is limited to one year. An employer may extend the individual's employment for periods of up to one year, for a maximum of five years. The earnings paid to an employee participating in a PRO program must be reported to PERA after each pay period. The employer will report the employee's salary under the Exempt Plan, after having enrolled the individual in that PERA plan. No employee deductions or employer contributions are payable to the retirement plan on the earnings of the phased retirement position.

Participation in PERA's phased retirement program stops at the conclusion of the employee's initial or renewed agreement, whichever is later. When an employee's participation in the phased retirement program ends, the employer must promptly inform PERA. Similarly, employers must notify PERA if an employee covered by a PRO agreement terminates public service.