



Board of County Commissioners Agenda Request

2J

Agenda Item #

Requested Meeting Date: May 27, 2025

Title of Item: PERA Phased Retirement Option (PRO) Agreement

<input type="checkbox"/> REGULAR AGENDA <input checked="" type="checkbox"/> CONSENT AGENDA	Action Requested: <input checked="" type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft) <input type="checkbox"/> Hold Public Hearing <i>*provide copy of hearing notice that was published</i>	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Information Only
Submitted by: Bobbie Danielson		Department: HR
Presenter (Name and Title): n/a		Estimated Time Needed: n/a
Summary of Issue: <p>The Personnel Committee unanimously recommends approval.</p> <p>The Minnesota Public Employees Retirement Association (PERA) offers a Phased Retirement Option (PRO) that allows eligible Coordinated or Basic Plan members to transition into retirement by reducing their work hours while beginning to receive retirement benefits. This program is designed to facilitate knowledge transfer and provide flexibility for both employees and employers.</p> <p>The Chief Deputy Recorder is scheduled to transition from full-time to part-time status in July 2025. This planned change, which was incorporated into the 2025 budget, allows the Recorder's Office to retain her valuable knowledge and expertise for an additional period of time (not to exceed 5 years under this program). Please see the attached handout for key features of the PERA Phased Retirement Option.</p>		
Alternatives, Options, Effects on Others/Comments:		
Recommended Action/Motion: Motion to authorize participation in the PERA Phased Retirement Option program for the current Chief Deputy Recorder (M.H.), and to authorize the HR Director to complete and submit the necessary paperwork to PERA.		
Financial Impact: <p>Is there a cost associated with this request? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>What is the total cost, with tax and shipping? \$</p> <p>Is this budgeted? <input type="checkbox"/> Yes <input type="checkbox"/> No Please Explain:</p>		

INFORMATION ABOUT THE PERA PHASED RETIREMENT OPTION (PRO) PROGRAM

The employer has sole discretion to determine the length of an employee's PRO employment period. The maximum period of phased retirement employment for a member is five years.

The PRO Agreement must be completed by the employer and employee and sent to PERA before the reduced PRO employment begins. If a PRO Agreement covering employment of less than five years is renewed, do not send the renewal document to PERA. Keep the document on file.

To participate in the PRO program, the following requirements must be met:

The employee must:

- understand that if the allowed hours in a pay period or the maximum hours per year are exceeded, the PERA monthly benefit will be suspended the month of the violation. Any payments made between the date of the violation and suspension of the benefit must be returned to PERA by the employee. The benefit will not be reinstated until all public employment has been terminated, a continuous separation from public service has occurred, and any overpayments have been returned to PERA.
- be an active member of General Plan as an employee, not an elected official
- 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 in a position covered by PERA that they intend to go PRO
- have a reduced annual work schedule that is both a reduction of at least 25 percent from the employee's number of previously regularly scheduled work hours and that may not exceed 1,044 hours in a one-year period. The employer and employee may agree on any scheduling arrangement that is less than the maximum hours allowed
- not be eligible for the state employee Post-Retirement Option program under Minn.Stat. § 43A.346
- not work as an employee for another governmental employer in Minnesota
- remain with your current employer in your current position
- at the termination of the PRO agreement, have no written/verbal agreement prior to termination of employment to provide services to your agency as an employee, independent contractor or an employee of an independent contractor for 30 days. Public employment includes service to any governmental employer in Minnesota—e.g. school districts, cities, counties, townships, and state

The PERA reporting responsibilities of the employer are:

- I understand that our agency must report the earnings and number of compensated hours that the named employee has each pay period while the PRO employment continues.
- The employee must remain with the same employer, in the same position held prior to starting the PRO.
- Enroll the employee under PERA's Exempt Plan at the start of the phased retirement employment period.
- Report the phased retirement earnings of the employee and the associated number of compensated hours after each pay period using the Salary Deduction Report or an approved alternative method.
- Do not pay employer contributions or employee deductions to PERA on the earnings of the PRO position.
- Monitor the number of compensated hours that the employee has while working in a PRO position and ensure that the limit in law is not exceeded. Please work with PERA to fulfill this requirement.
- When the member does fully retire, report the termination of service to PERA and take steps to ensure that the employee has a complete, continuous separation from all public employment for 30 days. Also, there can be no written/verbal agreement prior to termination of employment to provide services to your agency as an employee, independent contractor or an employee of an independent contractor for 30 days. Public employment includes service to any governmental employer in Minnesota—e.g. school districts, cities, counties, townships, and state.

IMPORTANT:

If the PRO employment does not meet the conditions in law (stated above) the employee will no longer qualify to receive retirement annuity payments unless the person has a termination of service and a 30 day break from all public employment.

RETURN (MAIL OR FAX) COMPLETED FORM TO:



Public Employees Retirement Association
60 Empire Drive, Suite 200, St. Paul, MN 55103-2088
1-800-652-9026 | 651-296-7460 | Fax: 651-297-2547 | mnpera.org