

# Thinking of easing into retirement? We have an option for you

If you are age 62 or over, you may be able to ease into retirement with the Phased Retirement option, at the discretion of your employer. PERA's termination requirements and earnings limits are waived if you meet the requirements.

## To qualify, you must ...

- ◆ be age 62 or over and a vested member of PERA.
- ◆ have worked a minimum of 1,044 hours in each of the five years immediately preceding the offer of a phased retirement by your employer or another PERA-covered employer.
- ◆ agree to reduce your hours of work by at least 25 percent and will not exceed 1,044 hours per year.

## Other requirements:

- ◆ Five years is the maximum length for a Phased Retirement option and you must renew the agreement annually.
- ◆ You and your employer (or a new PERA-covered employer) must sign a *Phased Retirement Agreement* form provided by PERA. This replaces PERA's normal *Termination Verification* form.

## The benefits of the plan

When a member retires, there are certain restrictions that apply. Under the Phased Retirement option, these restrictions do not apply. You will receive the full PERA retirement benefit you have earned, based upon your years of service, age at retirement, and high-five salary.

In addition, during your Phased Retirement, you and your employer do not make contributions to PERA. Since you receive a retirement benefit, there is no accrual of service credit or adjustment of the high-five salary.

## Employer's discretion

Your employer is under no obligation to offer you a Phased Retirement or to renew any agreement that is made. You should also investigate the impact a reduction of hours may have on your other employee benefits.

## The procedure

Phased retirement requires a written agreement between you and the PERA-covered employer offering you the option. You must file both a *Phased Retirement Agreement* form and an *Application for PERA Retirement Benefits* with PERA. All other PERA benefit and application requirements must be met.

## When you retire

If your phased retirement agreement is not renewed or when it ends, your employer must report your termination of public employment to PERA. It is important to note that a right to a retirement benefit requires a complete and continuous separation from all public employment for 30 days. There can be no written or verbal agreement prior to termination to provide services to a public employer. Independent contractors and employees of an independent contractor may not work for their same employer for 30 days. Public employment includes service to any governmental employer in Minnesota.

If you later rejoin PERA-covered employment and are under Social Security's full retirement age, you will be subject to PERA's annual earnings limit.

