

# **PERA Phased Retirement Option**

**Ways & Means/Budget Committee**

August 24, 2009  
Human Resources

# What is Phased Retirement?

- The Minnesota legislature passed a bill allowing PERA coordinated members to begin receiving a pension while working reduced hours
- Employee stops earning service credits and future adjustments to high-five average salary; no further PERA contributions for employee or employer
- Decision to offer new phased retirement option strictly up to the employer

# Eligibility Criteria

- PERA coordinated member must be age 62 or older with at least 5 years of PERA service
- Must agree to reduce hours worked by at least 25% and work no more than 1,044 hours per year (1/2 time or less)
- Must enter into a “phased retirement agreement”

# Phased Retirement Agreement

- Initial agreement may not exceed one year
- May be renewed for periods of up to one year, not to exceed a total of five years
- Employees at full Social Security retirement age may enter into an initial agreement but may not renew
- Employee retires at the end of the phased retirement period

## Next Steps

- Human Resources requests that the City Council authorize City of Minneapolis participation in the PERA phased retirement option
- HR further requests that the Director Human Resources coordinates implementation for eligible City of Minneapolis employees