

Ready to Retire is an educational program designed to empower you to make decisions about PERA's retirement benefits and to walk you through the application process.

YOUR PERA PENSION

- » A professionally managed 401(a) retirement plan governed by Minnesota statutes.
- » Based on a formula, **not** on amount of contributions or market performance.
- » Replaces a **portion** of income for the rest of your lifetime.

READY TO COLLECT YOUR BENEFIT?

- » Must terminate from all public employment in Minnesota.
- » No public service 30 days after your termination date.
- » No written or verbal agreement to return to public service.

DECISION #1 – WHAT DAY ARE YOU RETIRING?

- » **Termination Date:** last day you are paid as a public employee, or day your authorized leave of absence ends.
- » **Benefit Effective Date:** begins the month following your termination from public employment, or if deferring, the month you want to begin collecting.

DECISION #2 – COLLECT NOW OR LATER?

- » A termination from public employment does not require you to start drawing from PERA.
- » If you retire before normal retirement age, you can avoid this reduction in benefits by choosing to defer your pension and collect at a later date.
- » Once retired from public service you must begin drawing your benefits no later than age 73.

DECISION #4: SINGLE OR SURVIVOR OPTION?

The **single life** benefit option pays a monthly benefit for just the member's lifetime.

- » Largest monthly pension possible.
- » Paid every month of your lifetime until death.
- » Account closes upon your death. Any remaining contributions will be paid to your beneficiary.
- » Most members will deplete their contribution balance within three to four years of collecting their benefit.

HOW MUCH WILL PERA PAY ME?

Benefits are calculated by multiplying a plan-specific percentage times each year of service, multiplied by your high-five salary.

Coordinated: 1.7% **Correctional:** 1.9% **Police & Fire:** 3%

Years of service

- » You earn one credit for each month you have contributions.

Age at retirement

- » Full retirement age for Coordinated Plan members is 66; early retirement is 55.
- » Full retirement age for Police & Fire and Correctional Plan members is 55; early retirement is 50.
- » A reduction factor is applied to the calculation for early retirement as there will be more payments paid over time.

Salary

- » Your average monthly salary is the 60 consecutive months of your highest salary.



DECISION #3 – LIFETIME OR LUMP-SUM?

- » You may choose to give up the pension and request a lump-sum payout of the member balance. If you choose this option, you will forfeit all future PERA benefits.
- » Two options for taking the payout:
 - Rolled over into another tax-qualified plan—your payout will continue to defer taxes while also avoiding the early withdrawal penalty.
 - Paper check—federal and state tax due year of refund.

The **survivor** benefit option pays an additional monthly lifetime benefit to any **one survivor** the month after your death.

- » Monthly pension based on age of the survivor.
- » Choose from all four options for a spouse:
 - 25%, 50%, 75%, or 100%
- » Options for non-spouse survivor are dependent on age of survivor. See [Survivor Options Fact Sheet](#).
- » If your survivor dies before you, the benefit reverts to the single life amount. A second survivor may not be named.

Once PERA has processed your first payment, the benefit option decision is FINAL and cannot be changed. If married, a spouse must agree to your benefit option.

DECISION #5 –TAXES AND BANK ACCOUNT?**Tax withholding**

- » YOU determine how much tax is withheld.
- » PERA does not provide tax advice—consult a professional for tax questions.
- » A tax calculator is available via your myPERA account.

Direct deposit

- » Benefit recipients can choose checking or savings.
- » Cannot split the benefit amount between two accounts.

Tax withholding and banking information can always be updated.

PERA PAPERWORK

- » All necessary forms and resources can be found at mnpera.org/retirement.
- » The original application must be signed in front of a Notary Public by the member and spouse (if married) and then mailed or dropped off at our St. Paul office. Faxed or emailed applications will not be accepted as we require original ink for all signatures.
- » For help on filling out the form, see [Completing a Retirement Application](#) video.

WHAT HAPPENS NEXT?

- » You will receive a confirmation letter that will indicate your application status.
- » First payment will not occur on the first of the month! First payments are delayed by two weeks and will be direct deposited on a Friday in the middle of the benefit begin month.
- » After the first month, you will receive payment the first banking day of the month for the rest of your life!
- » Annual increases start after your plan's waiting period and may occur every January for the rest of your life.

ACTIVATE YOUR PERSONAL MYPERA ACCOUNT

Valuable information regarding your plan and benefit can be found at mnpera.org, including access to your personalized myPERA account. Find the 'myPERA Login' at the top right of every page on our site and view:

Active Members:

Estimates, calculators, and your personal benefit statement

Retired Members:

Access tax forms and update Tax Withholding/Direct Deposit.

**TIMELINE TO BEGIN YOUR RETIREMENT BENEFIT**

There are three items required for the application process. Submit 60 to 90 days in advance of benefit begin date.

1. Application for Retirement

Complete and submit your retirement application. Original application only. No fax or email.

2. Identification

Provide proof of age and **ALL** name changes. Photocopies only as we will not return originals.

3. Verification of Termination

Provide employer verification of termination.

PERA must receive all three of these before we can start payments.

VERIFICATION OF TERMINATION

- » You must be separated from all Minnesota public service for 30 days. There can be no written or verbal agreement to return to public service, including sub lists, part-time and volunteer work, and independent contracting.
- » You can find this form at mnpera.org/retirement. It is completed by the member (PART A) and employer (PARTS B and C). Once completed it is usually submitted via fax by the employer.
- » Verification of Termination, identification documents, and other paperwork may be uploaded via myPERA.

STILL HAVE QUESTIONS? CONTACT US!

- » Member Service Center is staffed Monday-Friday, 8:00 am to 4:30 pm.
 - Call our toll-free line 1.800.652.9026 or our local line 651.296.7460

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