

# How to qualify for a retirement benefit

Full retirement age for the Police and Fire Plan is 55. Individuals hired prior to July 1, 1989, also qualify for a full, unreduced retirement benefit when their age plus years of public service total at least 90 (Rule of 90), regardless of age.

A minimum of one year of public service is required to qualify for a retirement benefit for active members at or over their full retirement age.

If you leave PERA-covered employment before age 55, you may be eligible for a reduced retirement benefit if:

- ♦ You are a vested member of the Police and Fire Plan and at least age 50; or
- ♦ You have 30 or more years of service, regardless of age (if first hired prior to July 1, 1989).

Your service can be all PERA or a combination with other public pension plans in Minnesota.

If you left PERA-covered employment and received a refund, you may repay the refund, plus interest compounded annually, to regain prior service credits. To do this you must have resumed public service for at least six months.

## Your benefit choices

When you apply to receive monthly retirement benefits, you will have to decide whether to provide monthly benefits to your survivor when you die. If you wish to choose survivor coverage, you will receive a lower monthly benefit in order to provide this coverage.

### Single-Life Benefit

The Single-Life Benefit is just that—for your life only. If you do not select survivor coverage, you will receive a monthly benefit for your lifetime. When you die, the monthly benefit stops. Any remaining balance of your contributions will be paid in a lump sum to your beneficiary (ies).

If you are married, your spouse must sign your retirement application. If your spouse does not sign the application, you will receive the 50 percent survivor option if you selected either the Single-Life Benefit or 25 percent survivor option.

### Four survivor options

Instead of a Single-Life Benefit, you may select one of four survivor options – a 25, 50, 75, or 100 percent. Upon your death, these benefits pay 25, 50,



75, or 100 percent of your monthly benefit amount to the individual you name as your survivor.

If choosing a non-spouse survivor, age restrictions may apply when selecting the 75 or 100 percent options. For more information, see the *Survivor Options Fact Sheet* under *Forms & Publications* at [www.mnpera.org](http://www.mnpera.org)

If your named survivor dies before you, your monthly benefit will increase to the Single-Life Benefit amount, including any post retirement increases.

# As you approach retirement

**Check MY PERA.** Your retirement estimates are available 24/7. If you haven't registered for MY PERA, sign up today. It's simple. Visit [www.mnpera.org](http://www.mnpera.org).

**Survivor option estimate.** To calculate a survivor option estimate for someone other than your spouse, go to MY PERA and click on *Change Designated Survivor*. Or, you can provide PERA with that person's name and date of birth for an estimate.

**Complete a retirement application.** Submit it to PERA at least 60 days before your retirement date. We cannot accept applications more than six months before your retirement date.

**Provide proper documentation.** Submit a birth certificate with your retirement application. We also require evidence of any name change(s) from your birth certificate (example: your marriage certificate). A passport with your current name meets all identification requirements. If you select a survivor option, we will need evidence of age and any name change for your designated survivor.

## Termination of Employment

Your employer needs to complete a *Verification of Termination* form. The form is available on our website.



## Important Note

**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— e.g. school districts, cities, counties, townships, and state.**

## Penalties

Your retirement benefit may be canceled if you do not follow the requirements outlined in this brochure. You may also be required to repay any benefits you received, along with additional contributions.

## Make your decision carefully

When you make your benefit selection, that decision becomes irrevocable on the date PERA issues your first benefit payment.

## Forward contracts to PERA

Forward all independent consultant contracts with a PERA-covered employer to PERA for review to ensure you will not be subject to PERA's earnings limits. The IRS, Department of Labor, and PERA all have requirements that must be met for you to be considered an independent contractor.

# A few more details...

## Your effective date of retirement

Your retirement is generally effective the first of the month following termination of employment, (*Benefit Begin Date* on your application). If you are an elected official, your effective date is the day after your elected term ends.

## Your first benefit

You will receive your first retirement benefit about two weeks after your retirement effective date if we have received all the necessary documents.

Upon receipt of final salary information from your employer, PERA will recalculate your final monthly pension. If this finalized benefit amount is different from your initial estimated benefit payment, adjustments for over- and under-payments will be made retroactively.

## Direct deposit

Your payment is deposited in your checking or savings account on the first working day of each month. You can change your direct deposit account on line in **MY PERA** or by downloading a *Direct Deposit Agreement*.

## Considering working after retirement?

If you return to PERA-covered employment, your benefits may be reduced or suspended if you exceed the earnings limits. See PERA's *Working After Retirement* brochure on our website.

## Taxes

From the effective date of your retirement, all or most of your retirement benefit is taxable. PERA will withhold federal and Minnesota income taxes from your benefit based upon your selections on your retirement application. We are unable to withhold taxes for states other than Minnesota.

If you do not want taxes withheld, you must indicate this on your retirement application or by downloading and submitting a *Tax Withholding Preference/Change Certificate* to PERA. You can change your tax withholding any time in **MY PERA**.



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## Applying for Police & Fire Plan Retirement Benefits



Public Employees Retirement  
Association of Minnesota