

A. COORDINATED, CORRECTIONAL, AND POLICE & FIRE PLANS

A1. Will the Coordinated Plan be included in the upcoming contribution rate increase?

No. The contribution rate increase is only for the Correctional Plan on pay issued July 1, 2025 and after.

A2. Are the contribution rates for the Police & Fire Plan increasing or decreasing?

No. The new 2024 legislation does not include changes to contribution rates for the Police & Fire Plan.

A3. Can a resolution be passed to retain a transferring member's Police & Fire Plan coverage for any new position?

No, not for any new position. To continue Police & Fire membership with a resolution upon transfer, the new position must be in a police or fire department. If the position is elected or they assume an appointed position, including city council member, city manager, or finance director, they also are ineligible to retain Police & Fire coverage.

A4. Our fire marshal has been in the Coordinated Plan. Do we have to move them to the Police & Fire Plan or can the employee choose to stay in the Coordinated Plan?

If their position meets the new expanded definition for firefighters, then yes, they must participate in the Police & Fire Plan. Police & Fire coverage starts on the first full earnings period after May 16, 2024 (the date the new law went into effect).

Corrections can be made through payroll if the transfer began within the last 60 days. For a plan transfer that began more than 60 days ago, call the Employer Response Line at 651-296-3636 and select option 3 for eligibility or email eligibility@mnpera.org.

B. JULY 31, 2024 DEADLINE FOR THE DEFINED CONTRIBUTION PLAN (DCP)

B1. Who can start or stop DCP participation by the July 31, 2024 deadline? Are any forms required?

1. Public officials can start or stop DCP participation.

- » Start: [Membership Election by Public Officials](#) or [DCP Election by Appointed Public Official](#)
- » Stop: [Notice to Discontinue Defined Contribution Plan Participation](#)

2. City managers who had opted out of the Coordinated Plan within six months of their start date can stop DCP participation or with city council approval by a resolution they can join the DCP.

- » Start: [Membership Election by a City Manager](#)
- » Stop: [Notice to Discontinue Defined Contribution Plan Participation](#)

3. Physicians and certain volunteer firefighters who started service within 90 days can join the DCP.

- » Start: [Membership Election by a Governmental Physician](#) or [DCP Membership Certification for Certain Ambulance, Rescue or Volunteer Firefighter Positions](#)
- » Stop: Upon termination of employment

4. Employees of the Port Authority of the City of St. Paul can join the DCP.

- » Start: [DCP Membership Certification for Certain Ambulance, Rescue or Volunteer Firefighter Positions](#)
- » Stop: Upon termination of employment

5. Public ambulance personnel can start the DCP within 30 days of their first day of service or they can stop participation.

- » Start: [DCP Membership Certification for Certain Ambulance, Rescue or Volunteer Firefighter Positions](#)
- » Stop: Call the Employer Response Line at 651-296-3636 and select option 3 for eligibility or email eligibility@mnpera.org.

You must inform all individuals in the above positions and/or conditions of their final option.

B2. How long do employers have to return the election form to PERA to meet the July 31, 2024 deadline?

PERA must receive the election forms by July 31, 2024 before the new law takes effect on August 1, 2024.

B3. Do we need to offer current public officials the DCP option again due to these changes?

Yes. Since appointed and elected public officials who first began service prior to February 1, 2024 will no longer be able to join the DCP after July 31, 2024, you must inform them of their option to make a final choice to join the DCP. If public officials first began service between February 1, 2024 and July 31, 2024, you must inform them of their options for the open election period beginning October 1, 2024. More information will be shared with employers in August and September.

B4. All of our public officials have previously made their decisions on the DCP and we don't have any new public officials. Do I need to inform them of the July 31, 2024 deadline?

Yes. Public officials must be informed of their final window to stop or start participation. Public officials who are currently enrolled in the DCP will no longer be able to revoke membership. Public officials who previously opted out of the DCP must be informed of the option to make a final choice to join. Before the law changed, they could join at any time.

B5. Have you made initial contact with members who will be affected by the upcoming DCP changes? When we reach out, how much do they know already?

The [Summer 2024 Member Newsletter](#) features the DCP changes on page 2. We do not have contact information for individuals who are not participating in PERA. Employers must inform these individuals of the final option to join.

B6. If current DCP members want to stay in the DCP, do they need to submit another membership election form by July 31, 2024 before the new law takes effect?

If a current DCP member already has valid membership, no action is needed for them to remain in the DCP after July 31, 2024. Beginning August 1, 2024, they will not have the option to stop participating.

B7. Do individuals who have opted out of the DCP in the past and want to continue to waive the coverage need to complete a new form prior to July 31, 2024? I don't believe we turned anything in for them in the past.

If they want to continue to opt out of PERA coverage, no action is needed. For those beginning service after August 1, 2024, membership election forms should be provided to them and returned to PERA—regardless of whether they elect PERA coverage or chose not to participate.

B8. If an elected official first started prior to February 1, 2024 and has been in the Coordinated Plan, what do we need to do?

No action is needed. An elected public official's optional selection to participate in the Coordinated Plan is final. They do not have the option to stop the Coordinated Plan and join the DCP.

B9. Does an appointed (hired) non-governing body public official need to do anything to remain in the Coordinated Plan?

No action is needed. An appointed (hired) non-governing body public official who exceeded the earnings threshold and had mandatory Coordinated Plan coverage must remain in the Coordinated Plan until they have an official termination.

B10. The Membership Election by Public Officials form on your website cites revocable elections which is at odds with the Spring 2024 Employer Newsletter article. Is this not the correct form for our elected officials who wish to make a new election prior to July 31, 2024?

The referenced Membership Election by Public Officials form has a revision date of November 2023. This form contains the rules as of November 2023 and can be used through July 31, 2024.

Effective August 1, 2024, DCP members will no longer have the option to revoke membership even if a previous election form stated that option.

Any documents or information that indicated they have the option to revoke DCP participation is overruled by the new legislation. Updated DCP membership election forms will be available on August 1, 2024.

C. DCP COVERAGE FOR PUBLIC OFFICIALS SERVING MORE THAN ONE TERM

C1. An elected official was reelected March 2024 for their second term and would like to change from not participating in PERA to enrolling. What are their options?

Before August 1, the reelected official can make a final election to participate in the DCP. Their signed election form must

be received by PERA by July 31, 2024.

Note: Since their original start date with the governmental subdivision was before February 1, 2024, they do not qualify for the open election period in October.

C2. Will a reelected incumbent who was not in the DCP have the option to join the DCP within 30 days of taking office again?

An individual's decision to join or opt out of the DCP can only be made once and must be made within 30 days of first starting their DCP-eligible service with the governmental subdivision.

An incumbent who is reelected in the same governmental subdivision does not get another election period. If they first began service prior to February 1, 2024, they can make a final, irrevocable change to join the DCP by July 31, 2024.

C3. How does the 30-day election period apply to an individual who is appointed to fill the remainder of an elected position's vacancy if they are later elected to the same position?

Their 30-day, one-time election period begins the first day they start service in the vacant elected position they were appointed to fill.

D. ABOUT THE DCP

D1. What is the difference between the DCP and Coordinated Plan?

The Coordinated Plan is a pension plan in which vested members receive a lifetime, monthly benefit upon retirement. The monthly benefit is determined by a calculation which takes into account the member's age at retirement, their years of service, and their highest five consecutive years of salary.

For the DCP, members do not receive a monthly retirement benefit. A DCP member will have a percentage of total contributions placed in one or more of seven accounts of the Minnesota Supplemental Investment Fund. Member and employer contributions are combined and used to purchase shares in the accounts selected by the member. Upon termination of public service, a DCP member is entitled to a lump-sum payment of the values of shares held, with interest or dividends that have accrued.

D2. The lump-sum payout with the DCP isn't a new change, correct?

That is correct. The lump-sum payout can be paid directly to the member or as a direct rollover to another tax-qualified plan.

D3. Can DCP members change investment options anytime?

Yes. There are no time limits to change investment options.

D4. Do members only contribute to the DCP?

No. Employer contributions are required for all positions except for Volunteer Firefighters. The [DCP Handbook](#) lists contributions rates for members and employers.

D5. What are the employee and employer contribution limits for the DCP?

The DCP combined member and employer contribution limit for 2024 is \$69,000.

D6. Am I understanding that all our employees, including our Council, need to be offered the ability to participate in PERA's DCP?

No. Most employees do not have the option to join PERA's DCP because participation is limited to certain positions. Employers are required to inform all DCP-eligible individuals of their option to participate in the DCP.

For individuals who start service in a DCP-eligible position with an employer on or after August 1, 2024, the employer must fill out Part A of the applicable membership election form and promptly provide it to the individual so they are aware of their one-time and final decision to participate within 30 days of their start date.

D7. What happens to DCP funds when the DCP member dies?

If a DCP member dies prior to receiving the balance of their DCP account, the value is payable to their designated beneficiaries. If they did not designate a beneficiary, payment of the account would be made to their spouse. If they do not have a

spouse, their account will be payable to their estate.

Upon notification of the member's death, PERA will mail distribution forms to the named beneficiaries or estate representative. PERA will issue the death benefit once we receive the distribution form and a copy of the member's death certificate.

E. 30-DAY DCP ELECTION WINDOW STARTING AUGUST 1, 2024

E1. Does the 30-day election window begin when public officials are elected (November 8, 2024) or when they start (January 6, 2025)?

The 30-day election window begins on the start date or their first day of work. In this example, the election window begins on January 6, 2025.

E2. Does the 30-day election window begin when we hire an employee or when they start working?

For employees and appointed public officials, their 30-day election window begins on the first day of work.

E3. As an ambulance service, we sometimes hire a driver and then they later become an EMT. When does the 30-day election window start for them, since they can only participate in the DCP as an EMT?

The 30-day election window will begin on their first day of work in the EMT position. If they choose to enroll in the DCP, only their earnings as an EMT would have contributions to the DCP. If they continue to work as a driver and are in the Coordinated Plan, contributions for the Coordinated Plan would only be from their earnings in the driver position.

F. DCP-ELIGIBLE POSITIONS

F1. Do elected officials need to participate in the DCP or Coordinated Plan if they make over \$425 a month?

DCP participation is optional for any eligible individual and has no minimum earnings requirement to join. DCP eligibility is limited to certain positions including public officials, governmental physicians, and certain ambulance service or rescue squad personnel or other positions listed under [Minn. Stat. Chapter 353D](#).

Governing body public officials cannot participate in the Coordinated Plan. Their options are to join the DCP or to have no PERA coverage.

If non-governing body public officials earn over \$425 in a month, the Coordinated Plan may be required or optional depending upon their position.

- » If a non-governing body public official in an elected position earns over \$425 in a month, they have the option to join the Coordinated Plan instead of the DCP. Either plan is optional for them.
- » A non-governing body public official in an appointed or hired position must be enrolled in the Coordinated Plan immediately if their earnings ever exceed the monthly threshold. If they are in the DCP, those contributions must stop.

F2. Do we need to offer the DCP to city elected mayors and council members?

Employers must inform any individual eligible for optional PERA membership of their opportunity to participate. The employer must fill out Part A of the appropriate membership election form and give it to the individual to complete Part B with their selection and signature within 30 days of their first day of service.

The employer must return the form to PERA and PERA must receive the form within 60 days from that first day of service—even if no PERA coverage was selected.

F3. Is there any paperwork that is needed from governmental physicians and/or the employer?

The employer must fill out Part A of the [Membership Election by a Governmental Physician](#) form and provide it to the physician so they are aware of their options. Part B must be filled out and signed by the physician and returned to the employer to send to PERA.

The form must be signed with 30 days of the physician's first day and it must be received by PERA within 60 days of their first day.

F4. How does this apply to school employees?

The DCP is optional for elected school board members. If you have a school employee in the Coordinated Plan who is also an elected school board member who joined the DCP, you must report their earnings and contributions separately for each plan. They cannot make contributions to the Coordinated Plan with their school board earnings and they cannot make DCP contributions on their earnings as a school employee.

F5. Are there only two options for elected school board members, (1) the DCP or (2) no PERA plan?

Yes. As governing body public officials, they only qualify for the DCP or to have no PERA coverage.

F6. Which volunteer firefighters are eligible for the DCP?

Volunteer or emergency on-call firefighters serving in a municipal fire department or an independent nonprofit firefighter corporation not covered by the PERA Police & Fire Plan, PERA Statewide Volunteer Firefighter Plan, or a volunteer relief association may pay contributions into the DCP on that firefighter service.

The fire department or the firefighting corporation may pay employer contributions into the DCP only if the governing body of the subdivision or the firefighting corporation ratifies the DCP election.

F7. Our school board members are not paid. How does that work?

If they do not have any earnings in their position, then they will not be able to contribute to the DCP. DCP contributions are based on a percentage of their earnings from an eligible position.

F8. Is our elected sheriff in the Police & Fire Plan still eligible for Police & Fire?

Yes. By law, a person who is elected to the county sheriff position must contribute to the Police & Fire Plan if the position provides earnings in excess of the monthly threshold. Only elected county sheriffs who are retired with the Police & Fire Plan can choose to join the DCP. Starting August 1, 2024, they can only join the DCP if they don't have previous employment with the county.

F9. What if an employee who has been enrolled in the Coordinated Plan gets elected to a governing body public office this fall?

You will complete Part A of the [Membership Election by Public Officials](#) form to inform them of their option to join the DCP in the elected governing body public official position. If they are still working in their previous position, they should remain in the Coordinated Plan for any earnings for that other position. Any earnings as the governing body public official are only eligible for the DCP or no PERA plan. If they are only in the governing body role, then their Coordinated Plan should be terminated.

F10. We have a few elected county commissioners that are “grandfathered” into the Coordinated Plan. Do they still have the option to stay in the Coordinated Plan under these new rulings?

Yes. The selection they made to participate in the Coordinated Plan is final. They must continue until termination.

F11. Are there any elected officials that do not qualify for either plan?

No. All public officials who start service with a governmental subdivision are eligible for the DCP. Some positions have the option to join the Coordinated Plan. Previously, persons appointed to a board or commission whose earnings didn't exceed the threshold did not have any option for PERA participation. This condition is no longer in the law and they can join the DCP with any amount of earnings.

Starting August 1, 2024, elected county sheriffs who are retired with the Police & Fire Plan can only choose to join the DCP if they don't have previous employment with the county.

G. DCP FORMS AND RESOURCES

G1. Do you have anything that we can give elected officials to explain the upcoming DCP changes?

The [Upcoming DCP Changes](#) notice was created for employers to distribute to their DCP-eligible employees and public officials.

G2. Will there be an Open Election Period form for us to use or do we need to create one?

The Open Election Period form will be available on the [Forms and Publications](#) page on mnpera.org by October 1, 2024.

Completed election forms must be received by PERA by October 30, 2024.

G3. Our elected county auditor just retired mid-term on July 9, 2024. Which membership election form is right for our new county auditor who was appointed on July 10, 2024?

Since the new county auditor was appointed to fill the unfinished term of an elected position, use the [Membership Election by Public Officials](#) form to inform them of their option to join the DCP.

PUBLIC OFFICIAL ELIGIBILITY AND FORMS				
	APPOINTED OR HIRED		ELECTED OR APPOINTED VACANT ELECTED POSITION	
MONTHLY PAY	NON-GOVERNING	GOVERNING	NON-GOVERNING	GOVERNING
Over \$425 in a month	Mandatory Coordinated	Optional DCP	Optional Coordinated or Optional DCP	Optional DCP
\$425 or less every month	Optional DCP*	Optional DCP	Optional DCP	Optional DCP

<p>MEMBERSHIP ELECTION FORM KEY</p> <ul style="list-style-type: none"> ERIS or Notice of Member Enrollment Membership Election by Public Official DCP Election by Appointed Public Official 	<p>NON-GOVERNING does not vote on decisions. <i>Examples: city or township clerk or treasurer, county auditor or attorney.</i></p> <p>GOVERNING is a voting member of the governmental body. <i>Examples: township supervisor, city council, school board, soil & water board, county commissioner.</i></p>
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Monitor the monthly pay of **appointed or hired non-governing public officials** who are not enrolled in the Coordinated Plan. If their pay exceeds \$425 in any month, Coordinated Plan contributions **must** begin immediately and DCP contributions must stop.