How to qualify for a retirement benefit

You are first eligible for an unreduced retirement benefit if at the end of your PERA-covered employment you meet any of the following requirements:
- You are age 65 with at least one year of service or your age plus years of service credit total at least 90 years (Rule of 90) if you first entered public service prior to July 1, 1989; or
- You have a minimum of one year of service and have reached full retirement age under Social Security rules (capped at age 66 if hired after June 30, 1989).

If you retire before full retirement age, you may be eligible for a reduced benefit if:
- You have at least the minimum number of service credits necessary to be a vested member of the retirement plan and are at least age 55; or
- You have 30 or more years of service at any age (if hired before 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 a survivor option, 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, those 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 at mnpera.org.

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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. To process your retirement application we need documentation of your date of birth (birth certificate) and any name change (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.

Your retirement estimates are available 24/7. If you haven't registered for MY PERA, sign up today. It's simple. Visit mnpera.org.

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Term of Employment

Your employer needs to complete a Verification of Termination form. The form is available on our website in the Retirement Toolkit.

As you approach retirement

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.

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.

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 form on the Forms page on our website.

Considering working after retirement?
If you return to PERA-covered employment, your benefits may be reduced or suspended if you exceed the earnings limits. For more information, see Working After Retirement brochure on our website.