

The PERA Defined Contribution Plan (DCP) was established in 1987 and is a defined contribution plan for local government officials, physicians, city managers, public ambulance service personnel, and other categories of employees listed under Minnesota Statutes Chapter 353D.

The DCP differs from PERA's defined benefit plans in that the employer and employee contributions are deposited in each member's account and invested by the Minnesota State Board of Investment. Accounts are 100% vested and can be distributed as a lump-sum payment following termination of employment. DCP members do not receive monthly pension benefits from this plan.

PERA's tax counsel recently reviewed PERA's DCP for federal compliance and identified areas within the plan that need to be updated to ensure the plan meets federal Internal Revenue Service (IRS) requirements.

WHAT'S CHANGING

» Elected or Hired Before February 1, 2024

Individuals who were elected, hired, or appointed before **February 1, 2024** and had an unlimited or revocable election period can make a final change to either start or stop DCP Plan participation. A final decision must be made by **July 31, 2024**, before the new law takes effect. Valid DCP members who want to remain enrolled do not need to take action.

» Elected or Hired Between February 1, 2024 and July 31, 2024

Individuals who were hired or took office between February 1, 2024 and July 31, 2024 can make a one-time election during October 2024. This includes city managers revoking participation in the PERA Coordinated Plan.

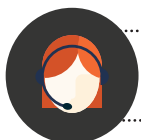
» New Hires

Effective August 1, 2024, all individuals newly hired or elected to a position eligible for DCP participation must make a one-time election within 30 days of hire. All provisions permitting individuals to make election more than 30 days after hire or to revoke election to participate are removed.

THIS CHANGE MAY IMPACT:

- Elected Officials
- City Managers
- Physicians
- Public Ambulance
- Volunteer Firefighters

Please ask your employer (or governmental subdivision) questions related to these changes as soon as possible. They can reach out to PERA's Employer Response Line for more help if needed.



You can call PERA Member Services at 651.296.7460 or 1.800.652.9026 Mon - Fri 8 am - 4:30 pm.