

Now that you are retired and collecting your lifetime monthly benefit, you may consider returning to work. Federal and state statutes could affect your retirement benefit, but only if you return to work in a PERA-covered position. This publication provides helpful information on how earnings limits impact your PERA benefit.



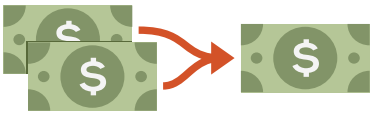
Did you have your 30-day separation?

If you return to a PERA-covered position before meeting ALL termination requirements, your benefit will be canceled, and you will have to repay any benefit collected as well as missed contributions.

WHAT DO I NEED TO KNOW?

- » If you return to PERA-covered employment after collecting your benefit, neither you nor your employer will make contributions to PERA.
- » If you are over full Social Security Administration (SSA) retirement age, there is no restriction on how much you can earn.
- » If you are under full SSA retirement age, you must remain within the annual earnings limits set by SSA, or your benefit will be reduced or possibly suspended. However, the reductions will be payable to you at a later date.
- » Income earned through private-sector employment, self-employment, investments, and elected service will not impact your PERA pension.

HOW DOES IT WORK?

For every \$2 you earn over the limit, your benefit will be reduced by \$1 and held by PERA in a non-interest-accruing escrow account.  For example, if you exceed the earnings limit by \$2,000, we would reduce your pension by half that amount, or \$1,000, and hold this in the escrow account.

If it is determined your earnings will exceed the limit to the point where they totally eliminate the remainder of your pension, we will suspend your benefit the first of the month following the day you earn more than your annual limit.

Your PERA benefit remains suspended until the beginning of the following year or until termination of your employment.



WHAT ARE THE 2025 EARNINGS LIMITS?

\$23,400

If you are a PERA retiree employed in a PERA-covered position and will not reach your full Social Security Administration (SSA) retirement age this year, you can earn up to \$23,400 before your benefit is affected.

\$62,160

If you will reach full SSA retirement age this year, the limit is \$62,160 between January and the month in which you reach full retirement age.

YEAR BORN	FULL SSA RETIREMENT AGE
1943-1954	66
1955	66 + 2 months
1956	66 + 4 months
1957	66 + 6 months
1958	66 + 8 months
1959	66 + 10 months
1960+	67

HOW DO I GET MY REDUCTIONS BACK?

The withheld amount stays with PERA for at least one year. For example, if you had a total of \$5,000 withheld in 2025, this amount stays with PERA for all of 2026 and may be paid out to you in 2027.

- In January of the eligible year, PERA will mail you a letter with the application paperwork.
- The amount may be paid directly to you as a lump sum and is considered taxable income. Or, you can defer the taxes and roll it over to another tax-qualified plan.
- If you die prior to claiming the withheld benefits, the eligible amount may be claimed by your spouse or beneficiaries.



CALL US IF YOU HAVE ANY QUESTIONS ABOUT WORKING IN A PERA-COVERED POSITION AFTER RETIREMENT.

EARNINGS LIMITS EXAMPLES

UNDER FULL SSA RETIREMENT AGE

Pat retired, started benefits October 1, 2024, and receives \$1,200 per month.

Pat returns to a PERA-covered position in January 2025. As Pat is under the full SSA retirement age, the \$23,400 earnings limit applies to this position.

Pat earns \$35,400 annually at work, which is \$12,000 over the 2025 limit, reducing the monthly benefit by \$6,000 (\$1 for every \$2 over) for the year, or \$500 per month.

Therefore, Pat's benefit will be:

$$\begin{aligned}
 & \$1,200 \\
 & - \$500 (\$6,000 / 12 \text{ months}) \\
 & = \mathbf{\$700 \text{ per month}}
 \end{aligned}$$

THE YEAR YOU REACH FULL SSA RETIREMENT AGE

Sam retired, started benefits August 1, 2024, and receives \$2,000 per month in benefits.

Sam returned to a PERA-covered position in January 2025. The \$62,160 earnings limit applies to this position, because Sam will reach full SSA retirement age in November 2025.

Sam earns \$65,160 from January through October, which is \$3,000 over the 2025 annual limit. The benefit will be reduced by \$1 for every \$2 earned over the limit only for the first 10 months ($\$3,000 / 2 = \$1,500$). Then, in November, when Sam reaches full SSA retirement age, the benefit will return to \$2,000 per month because the limit no longer applies.

Therefore, Sam's benefit will be:

$$\begin{aligned}
 & \$2,000 \\
 & - \$150 (\$1,500 / 10 \text{ months before full retirement age}) \\
 & = \mathbf{\$1,850 \text{ per month (Jan–Oct)}} \\
 & \mathbf{\$2,000 \text{ per month (Nov–Dec)}}
 \end{aligned}$$

Q & A



What type of earnings will affect my PERA pension?

Only income from a PERA-covered job will affect your pension benefit. Income earned through private-sector employment, state agency employment, self-employment, investments, and elected service will not impact on your pension.

My full SSA retirement age is 66 + 4 months, but you said my full PERA retirement age is 66. Which is correct?

Full retirement age for Coordinated membership is 66 (65 if hired prior to July 1, 1989). In the Police & Fire and Correctional Plans, full retirement age is 55. Social Security has different full retirement ages based on the year you were born—your SSA age is used for earnings limits. See the chart on page one.

When are escrow funds available to me?

Availability of escrow funds depends on your employment status. If you have terminated re-employment, then funds are available one year after your separation date. If you work through the end of a calendar year and continue working, then deductions from that year must stay in escrow for at least one full year. For example, funds placed into escrow throughout calendar year 2024 would be available in January 2026.

Do earnings in the months before retirement count towards my limits?

No. Only earnings that occur after your 30-day separation and return to PERA-covered employment will be counted.

Do I have earnings limits under a PRO Agreement?

You do not have a limit while the agreement is in effect; however, you cannot work more than 1,044 hours in a year. See the *Phased Retirement* publication for more information.

If I return to any PERA-covered position after retirement, will I continue to pay contributions to PERA?

No. Neither you nor your employer will make contributions to PERA based on re-employment earnings.

This publication is intended to provide general information; the rights and obligations of PERA members are governed by state and federal laws, rules, and regulations. The Minnesota Legislature or the federal government may change the statutes, rules, and regulations governing PERA at any time. If there is a discrepancy between the law governing PERA and the information contained in this publication, the statutes and regulations will govern. This document can be made available in alternative formats to individuals with disabilities by calling -651-296-7460 or 1-800-652-9026, or through the Minnesota Relay Service at 1-800-627-3529.