



PERA ID

**PHASED RETIREMENT OPTION (PRO) AGREEMENT**

The employee and employer must enter into a PRO Agreement prior to the start of the employee's phased retirement employment. The employer and PERA member must complete this form in its entirety. The signed Agreement must be submitted to PERA before the effective date of the PRO and should accompany a completed *Application for PERA Retirement Benefits*.

**Employer**

Name of employer offering PRO Agreement \_\_\_\_\_ PERA Employer No. (6-digits) \_\_\_\_\_

Name of individual to be employed under the PRO Agreement \_\_\_\_\_ Social Security No. (last 4) \_\_\_\_\_

Starting date of the PRO employment period \_\_\_\_\_

The employee must have a reduced schedule that (1) is a reduction of at least 25 percent of regularly scheduled work hours and (2) does not exceed 1,044 hours. Complete lines 1-3 to determine the allowable number of compensated hours the employee may have in any reporting period under the PRO Agreement.

Normal reporting period for the employee ☐ Weekly ☐ Biweekly ☐ Monthly ☐ Semi-monthly

**Member must meet BOTH of the following maximum hour criteria:****A. Maximum hours per pay period:**

1. Number of current hours the employee worked in a normal pay period: \_\_\_\_\_
2. Multiply the number from line 1 X .75: \_\_\_\_\_ x .75
3. Enter the **maximum** hours to be worked per pay period (result from multiplying lines 1 and 2): \_\_\_\_\_

**B. Maximum hours per year.**1,044<sup>1</sup>

<sup>1</sup>Note: For members working less than full time prior to the PRO, annualized maximum hours per pay period may be less than 1,044

I have read the requirements for PRO Agreements (on back of form) and confirm that the named employee has met the PRO requirements.

\_\_\_\_\_  
Signature of Employer Representative

\_\_\_\_\_  
Job Title

\_\_\_\_\_  
Date

**Member**

I have read the requirements for PRO Agreements (on back of form) and confirm that my agreement has met the PRO requirements.

\_\_\_\_\_  
Signature of PERA member

\_\_\_\_\_  
Date

\_\_\_\_\_  
Home email address  
(for PRO communications)

## INFORMATION ABOUT THE PERA PHASED RETIREMENT OPTION (PRO) PROGRAM

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The employer has sole discretion to determine the length of an employee's PRO employment period. The maximum period of phased retirement employment for a member is five years.

The PRO Agreement must be completed by the employer and employee and sent to PERA before the reduced PRO employment begins. If a PRO Agreement covering employment of less than five years is renewed, do not send the renewal document to PERA. Keep the document on file.

### To participate in the PRO program, the following requirements must be met:

The employee must:

- **understand that if the allowed hours in a pay period or the maximum hours per year are exceeded, the PERA monthly benefit will be suspended. The benefit will not be reinstated until all public employment has been terminated and a continuous separation for 30 days has occurred.**
- be an active member of General Plan as an employee, not an elected official
- be age 62 or older
- be immediately eligible for a retirement annuity from the General Plan
- have worked at least 1,044 hours each of the five preceding years
- have a reduced annual work schedule that is both a reduction of at least 25 percent from the employee's number of previously regularly scheduled work hours and that may not exceed 1,044 hours in a one-year period. The employer and employee may agree on any scheduling arrangement that is less than the maximum hours allowed
- not be eligible for the state employee Post-Retirement Option program under Minn.Stat. § 43A.346
- not work as an employee for another governmental employer in Minnesota
- at the termination of the PRO agreement, have no written/verbal agreement prior to termination of employment to provide services to your agency as an employee, independent contractor or an employee of an independent contractor for 30 days. Public employment includes service to any governmental employer in Minnesota—e.g. school districts, cities, counties, townships, and state

### The PERA reporting responsibilities of the employer are:

- I understand that our agency must report the earnings and number of compensated hours that the named employee has each pay period while the PRO employment continues. I further understand the break in service requirements that must be met when the employee fully retires and will immediately notify PERA when the employee terminated PRO employment and all public employment.
- Enroll the employee under PERA's Exempt Plan at the start of the phased retirement employment period.
- Report the phased retirement earnings of the employee and the associated number of compensated hours after each pay period using the Salary Deduction Report or an approved alternative method.
- Do not pay employer contributions or employee deductions to PERA on the earnings of the PRO position.
- Monitor the number of compensated hours that the employee has while working in a PRO position and ensure that the limit in law is not exceeded. Please work with PERA to fulfill this requirement.
- When the member does fully retire, report the termination of service to PERA and take steps to ensure that the employee has a complete, continuous separation from all public employment for 30 days. Also, there can be no written/verbal agreement prior to termination of employment to provide services to your agency as an employee, independent contractor or an employee of an independent contractor for 30 days. Public employment includes service to any governmental employer in Minnesota—e.g. school districts, cities, counties, townships, and state.

### IMPORTANT:

**If the PRO employment does not meet the conditions in law (stated above) the employee will no longer qualify to receive retirement annuity payments unless the person has a termination of service and a 30 day break from all public employment.**

### RETURN (MAIL OR FAX) COMPLETED FORM TO:



Public Employees Retirement Association  
60 Empire Drive, Suite 200, St. Paul, MN 55103-2088  
1-800-652-9026 | 651-296-7460 | Fax: 651-297-2547 | mnpera.org