

Phased Retirement Option – could it work for you and your department?

Non-union employees nearing retirement may be interested in exploring a new Public Employees Retirement Association (PERA) plan called the Phased Retirement Option (PRO). PRO was authorized by the Minnesota Legislature in 2009 and allows PERA Coordinated and Basic members age 62 and over the option to work part time for a limited period and receive a PERA pension without formally resigning employment. Each covered employer – in this case, Ramsey County - has sole discretion on offering the Phased Retirement Option to an individual employee and establishing associated terms and conditions.

The PRO plan cannot be offered to union employees unless a union requests to participate and agrees to terms and conditions of participation. Union employees may direct any interest they have in a PRO Agreement to their union leaders.

PERA has prepared a list of [Frequently Asked Questions](#) regarding Phased Retirement Options.

Phased Retirement Option (PRO)

Employees interested in pursuing a PRO with Ramsey County will be subject to the following requirements:

1. The employee must be a PERA Coordinated or Basic member and meet all requirements for a PERA pension;
2. The employee must be at least 62 years of age;
3. The employee must have worked at least half time in a PERA-covered position for a minimum of five years immediately prior to beginning Phased Retirement;
4. The employee must not be eligible for the State Employee Post-retirement Option program (for PERA members who are State employees);
5. The employee must agree to substantially reduce the hours they work – reduction of hours worked must be at least 25 percent, not to exceed 1,044 hours per year--essentially half time or less;
6. The employee and employer must file a [Phased Retirement Agreement](#) form with PERA;
7. Current retirees cannot participate in the program;
8. An employer is under no obligation to offer a PRO agreement. Department management will determine whether the proposed arrangement will benefit the Department and consider such factors that include, but are not limited to, available funding, willingness to supervise an additional part-time employee, and the nature of and need for the job functions the individual would perform;
9. The initial offer to an employee must not exceed one year, but it can be renewed for periods of up to a year for a total of five years. A PRO agreement can be terminated by the employer or employee at any time;
10. An employer is under no obligation to renew a PRO agreement. If the agreement is terminated or not renewed, the employee is not eligible to return to employment status except through normal PERA and Ramsey County Rules;
11. Employees covered by a PRO Agreement with Ramsey County are: a) not subject to the provisions of the Benefits Policies; b) not eligible to participate in County employee insurance programs or Health Care Savings Plan (HCSP); and c) not eligible for the County contribution to deferred compensation;
12. Only non-unions employees are eligible to participate in a PRO agreement at the present time; represented employees may be eligible if their union agrees;
13. Ramsey County employees in PRO positions will be treated similar to temporary employees and consequently will not be counted against the department's personnel complement. However, departments that utilize the PRO must remain within their authorized personnel budget;
14. Ramsey County Personnel Rules will apply to employees entering into a PRO agreement; wages will be paid in accordance with the Personnel Rules.

If you are interested in pursuing a [Ramsey County PRO Agreement](#), please contact your supervisor or Department Head to discuss if such an agreement would be mutually beneficial to you and your department.