



MEMO
Information Related to Your
PERA Phased Retirement Option (PRO) Agreement

To: _____

From: _____

Date: _____

The information in this memo is regarding changes to your benefits and the terms and conditions of employment that result from your participation in PERA's Phased-Retirement Option.

This information is applicable only to employees represented by AFSCME attorney, MnPEA and MPEA working 20 to 29.99 hours per week in phased retirement.

Medical Insurance

Employees who transfer from full-time to part-time status continue to pay active contribution rates for the rest of the 2023 calendar year. To be eligible for lower, active medical rates in 2024 you must average 30 or more hours of service during the annual measurement period (from October 2022 to October 2023). If you average 20 to 29.99 hours of service per week during the annual measurement period, you may continue active coverage, but your employee contributions will increase. The City will pay 50% of the contributions paid on behalf of full-time employees. If you average less than 20 hours of service per week during the annual measurement period, you can enroll for retiree coverage and pay the full cost premiums to continue the medical plan.

HRA/VEBA

You will continue to receive contributions to your HRA/VEBA account as long as you are enrolled in the active medical plan. You will not receive HRA/VEBA contributions when you enroll for the retiree medical plan.

Dental Plan

You may continue dental coverage for yourself and any eligible dependents, The City will pay 50% of the contributions paid on behalf of full-time employees. For 2023, your monthly contribution is \$35.00 per for single coverage or family coverage.

Health Care Flexible Spending Accounts (FSA)

You will continue to be eligible to contribute to the health care or dependent care FSAs.

Life insurance

City paid term life insurance will be reduced to \$25,000. You may continue basic and optional life insurance.

Long Term Disability

City paid coverage ends when you enter phased retirement. It may not be continued or converted.

Deferred Compensation

Part-time employees are eligible to participate in the Minnesota Deferred Compensation Plan (the MNDCP). You may change your contribution amount at any time. Unless a later date is stated, changes take effect the month following the election date. Funds in your MNDCP cannot be withdrawn until you retire at the end of the phased retirement period(s).

Vacation, Sick Leave and Holiday Pay

Your vacation and sick leave accruals will be pro-rated based on actual hours worked and paid. In some instances you may be eligible for pro-rated holiday pay.

Payments for unused vacation and sick leave will be made to you or to the MSRS Health Care Savings Plan when you separate from service at the end of the phased retirement period(s). For more information, please refer to City ordinance or your labor agreement.

If you have questions about benefits, please contact HR Benefits at 612-673-2282, option 2.

Note: Enter details on employee's new work schedule and any changes to job duties or supervisory or reporting relationships.