

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

To: \_\_\_\_\_

From: \_\_\_\_\_

Date: \_\_\_\_\_

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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.

Medical Insurance

Employees who transfer from full-time to part-time status continue to pay active contribution rates for the rest of 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 less than 30 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 will not be eligible for the active dental plan. However, you may continue dental coverage for yourself and any eligible dependents by paying the full cost premium for this plan. For 2023, those costs are \$35.00 per month for single coverage and \$93.00 per month for family coverage.

Health Care Flexible Spending Accounts (FSA)

You will no longer be eligible to contribute to the health care or dependent care FSAs. You will be able to use any remaining funds in your FSA to pay for eligible health care expenses incurred prior to the date you enter phased retirement and transfer to part-time status.

Life insurance

City paid term life insurance ends when you enter phased retirement. You may continue optional and dependent life insurance for up to 18 months by paying the full cost premiums. At the end of the 18-month period, you may convert continued coverage to an individual policy.

Long Term Disability

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

### Electing Continued Coverage

Information and election forms will be mailed to you from BRI (the firm that administers COBRA and retiree continuation for the City).

### Deferred Compensation

Part-time employees are eligible to participate in the Minnesota Deferred Compensation Plan (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.

You may be eligible for pro-rated holiday pay. Please discuss this possibility with your HR Business Partner.

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 benefits, please contact HR Benefits at 612-673-2282, option 2.