



Verification of Termination of a PERA Member's Employment for the Retirement Application Process

To PERA Member: PERA will pay you an estimated pension within two weeks following your effective date of retirement if we have received your application, all required documents, and this termination verification form. You will be required to take this verification form to your employer to complete, date, and sign. Later, upon receipt of final salary information from your employer, PERA will calculate your final monthly pension. This is the actual amount that will be paid for the duration of your retirement. If the actual benefit amount is different from your initial estimated pension payment, adjustment for overpayments and underpayments will be made retroactively.

To Public Employer: PERA asks you to complete this form to verify the anticipated or actual termination date of this PERA member. After completing the information below, return the form to the employee or send it to our office. **If after submitting this form the member changes his or her termination date, notify PERA immediately.**

A right to retirement requires a complete and continuous separation for 30 days from employment as a public employee and from the provision of paid services to a PERA-covered employer, including services as an independent contractor or an employee of an independent contractor. In addition, there can be no written or verbal agreement prior to termination to provide paid services to a PERA-covered employer.

Information for Employer to Complete		
Member Name:	Member Number:	Social Security Number:
Is this person an elected official? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, what is the position title? _____ If yes, we require a copy of the governing board's meeting minutes showing acceptance of this person's resignation or a copy of the canvassing board election report. PERA will not issue payment without this documentation.		
Check here if there is, or will be, any verbal or written agreement for rehire, including work as an independent contractor, in effect prior to termination. <input type="checkbox"/> Yes		
Employer Name:	PERA Employer (Unit) Number:	
Anticipated or Actual Termination Date of Above Employee:		
Employee Is Paid By (please check ✓): <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Hour <input type="checkbox"/> Contract <input type="checkbox"/> Salary </div>		
Employer Representative's Signature and Title:	Phone Number: (____) _____	Date:

This form must be signed by the employer to be valid.

Return this form to: Public Employees Retirement Association (PERA)
60 Empire Drive, Suite 200, St. Paul, MN 55103-2088
Fax: (651) 297-2547

Separation Requirements for Retirement Eligibility (Non-Elected PERA-Covered Positions)

The defined benefit plans administered by PERA are tax-qualified plans under the Internal Revenue Code (IRC). As a qualified plan, PERA members receive favorable tax treatment of contributions made on their behalf by governmental employers.

Separation Requirements

Under rules of the IRS, we are prohibited from paying benefits to a member unless the retiree has a bona fide separation in service. The employment separation is considered bona fide if there has been a good faith and complete termination of the employment relationship. A plan member is not considered to have a valid severance of the employment relationship if, before the effective date of the termination, the employee has an agreement (verbal or written) to return to work with the same employer as either a retired employee or an independent contractor.

In summary, to qualify for a retirement benefit, a PERA member—regardless of age—must:

- terminate public service through a voluntary resignation or dismissal by the employer,
- remain out of public employment, or refrain from providing paid services to a PERA-covered employer, during the 30 calendar days following the date of termination, and
- avoid making any arrangements to work for the same employer as an employee or independent contractor until after the 30-day separation period has passed.

A leave of absence or other type of temporary leave or layoff from employment does not qualify as a termination of public service or as a bona fide separation in service. Similarly, a change in the status of a worker from an employee to a consultant, contractor, or a temporary or substitute worker—without a valid termination and break in service for at least 30 days—does not allow the person to draw PERA retirement benefits, while still providing services to that employer. Depending upon the situation, becoming a temporary consultant or an independent contractor may mean that the individual can no longer contribute to PERA; however, it does not mean that the former employee qualifies to receive retirement benefits from PERA before completely severing the employment relationship with the employing entity.

The Employer's Role

Participating employers have a duty to ensure that each employee that applies for a PERA retirement benefit has a valid termination of public service and a bona fide separation in the employment relationship.

We want to remind employers that there can be consequences to individuals and to their agencies if employees are reemployed with the same employer without a valid separation of service. If the member does not effectively terminate public service, any retirement benefits paid by PERA will be discontinued and the person must repay any benefit payments paid by the retirement system. In certain instances, the retiree could be retroactively reinstated to active membership effective the first day of employment as a retired annuitant for the employer. In that situation, the employer and member would be required to pay omitted deductions and interest as required under Minn. Stat. § 353.27.