

Local Government Correctional Service Retirement Plan

July 30, 2021

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PUBLIC EMPLOYEES
RETIREMENT ASSOCIATION



Today's Agenda

- Introduction
- Eligibility
- Benefits
- Costs
- Questions





General
Plan

Established

Membership*

1931

405,974



Police & Fire
Plan

1959

25,806



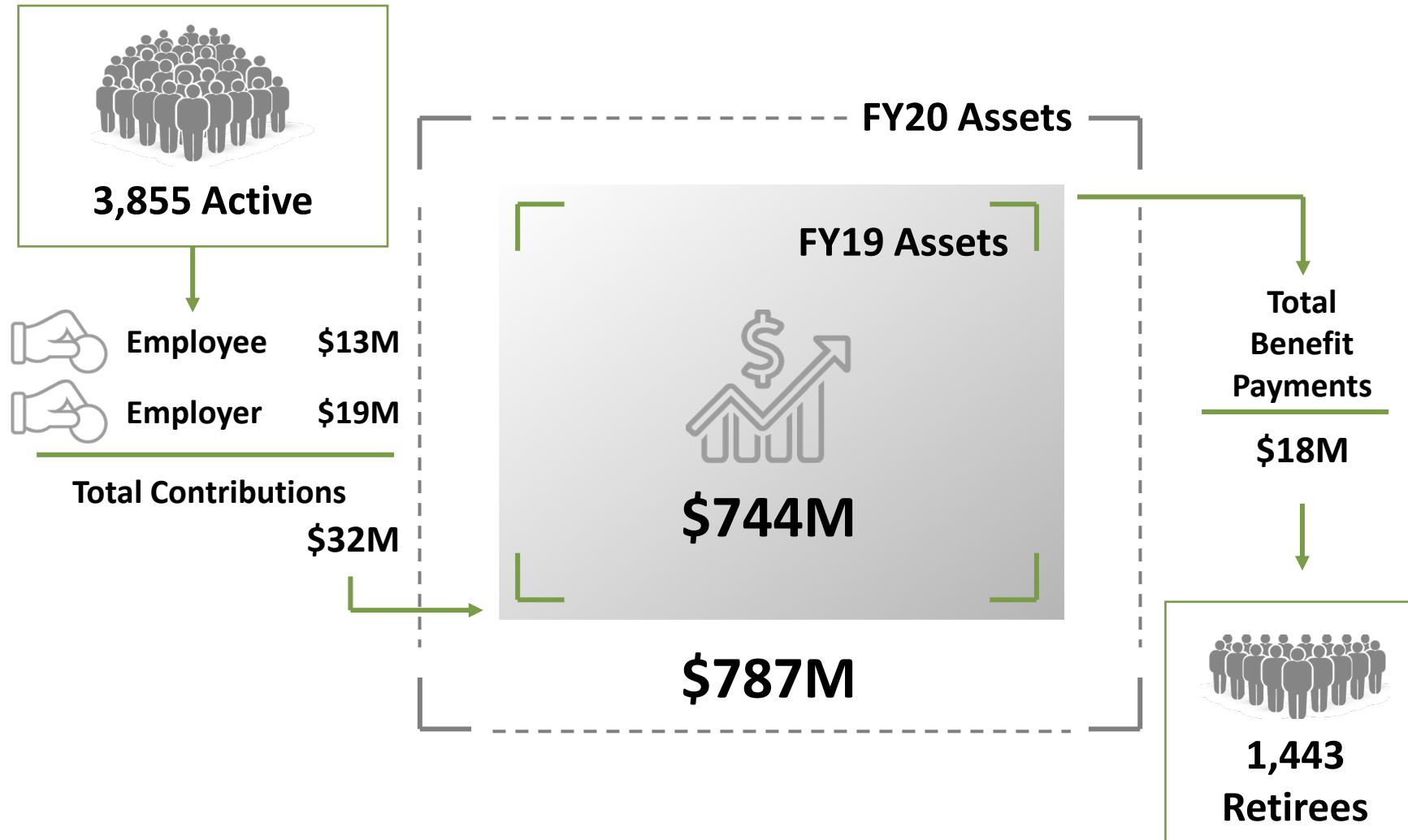
Correctional
Plan

1999

11,119

*as of July 1, 2020







PERA is governed by Minnesota Statutes; especially chapters 11A, 353, 353A, 353D, 353E, 353F, 353G, 356 and 356A.

Changes to PERA's plans, including benefit provisions and contribution rates, are made through the introduction and passage of legislation by the Minnesota Legislature.





ELIGIBILITY



Local government employees in covered correctional service for a county administered jail or correctional facility or in a regional correctional facility administered by multiple counties, who are directly responsible for security, custody and control of persons confined in jail or facility, who are expected to respond to incidents within the jail or facility, and who are not members of the Public Employees Police and Fire Fund.





General

5 years – 100%



P&F

10 years – 50%
15 years - 75%
20 years – 100%



Correctional

5 years – 50%
7 years – 70%
10 years – 100%



General

55 Reduced
66 Unreduced



P&F

50 Reduced
55 Unreduced



Correctional

50 Reduced
55 Unreduced





BENEFITS



Refunds

If you leave public service prior to retirement and do not elect to collect a deferred benefit, or are not vested

Survivor Benefits

If you die prior to retirement

Disability Benefits

If you become disabled prior to retirement

Retirement Benefits

Deferred, Early, or Normal
Single or Survivor
Coverage
Inflation Protected



If you are not vested

- Refund of member contributions
- Interest at 3%

If you are vested

- Refund of member contributions, or
- Deferred retirement benefit



If vested active or vested former member over 50 not yet retired

- Surviving spouse receives benefit as if member chose 100% survivor option
- Reduced for early commencement
- May elect refund of contributions
- If no surviving spouse, dependent children may be eligible

If not vested

- Refund of member contributions



Duty Disability

- Directly attributable to inherent dangers of the job
- Minimum of a 25 year service benefit
 - 47.5% of Average Salary plus 1.9% for each additional year of service
- Minimum benefit is non-taxable for 5 years or 55, whichever is later
- Converts to taxable retirement benefit at 55, or 5 years whichever is later

Regular Disability

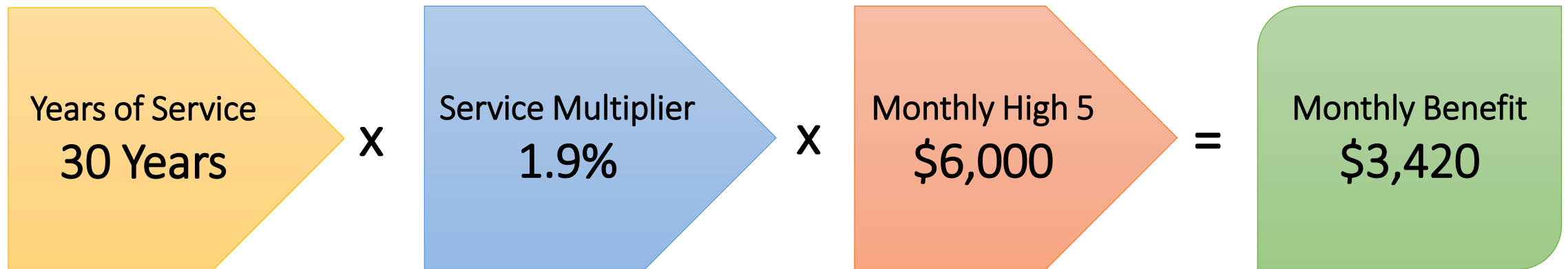
- Eligible after 1 year of service
- Minimum of a 10 year service benefit
 - 19% of Average Salary plus 1.9% for each additional year of service.
- Fully taxable
- Converts to a retirement benefit, 5 years or 55, whichever is later.



Three Factors

- Years of Service
 - General 1.7%
 - Correctional 1.9%
 - P & F 3.0%
- Age
- Average Monthly Salary





Early retirement benefits are actuarially reduced to reflect a longer payout period.

Survivor coverage elections will reduce the payout amounts.

All increases are payable on January 1 of each year.

PERA Correctional
100% of social security increase
(min 1%, max 2.5%)

PERA General
50% of social security increase
(min 1%, max 1.5%)

PERA Police & Fire 1.0%





COSTS





General Plan

Employee
Contribution

6.50%

Employer
Contribution

7.50%



Police & Fire Plan

11.80%

17.70%



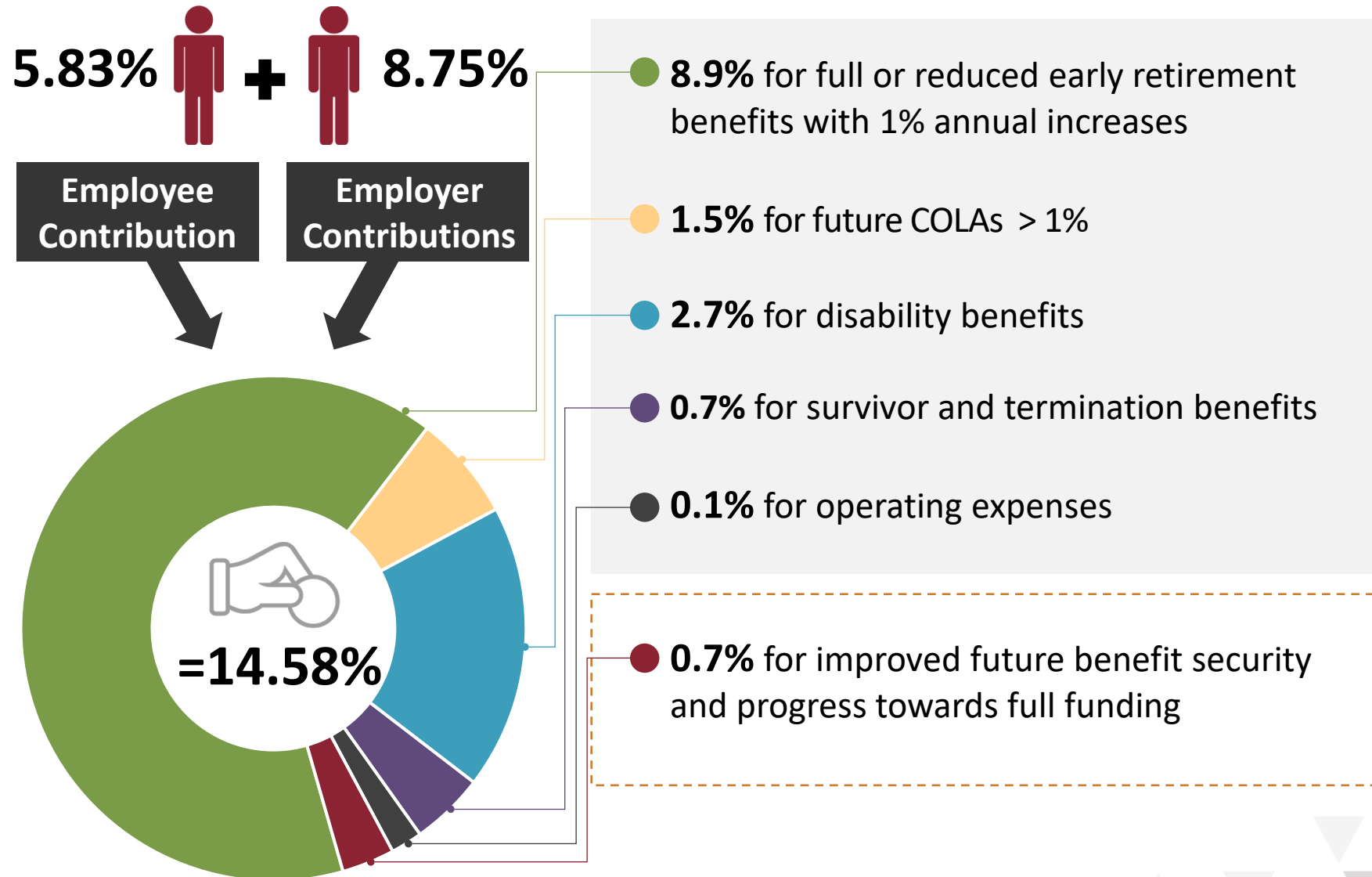
Correctional Plan

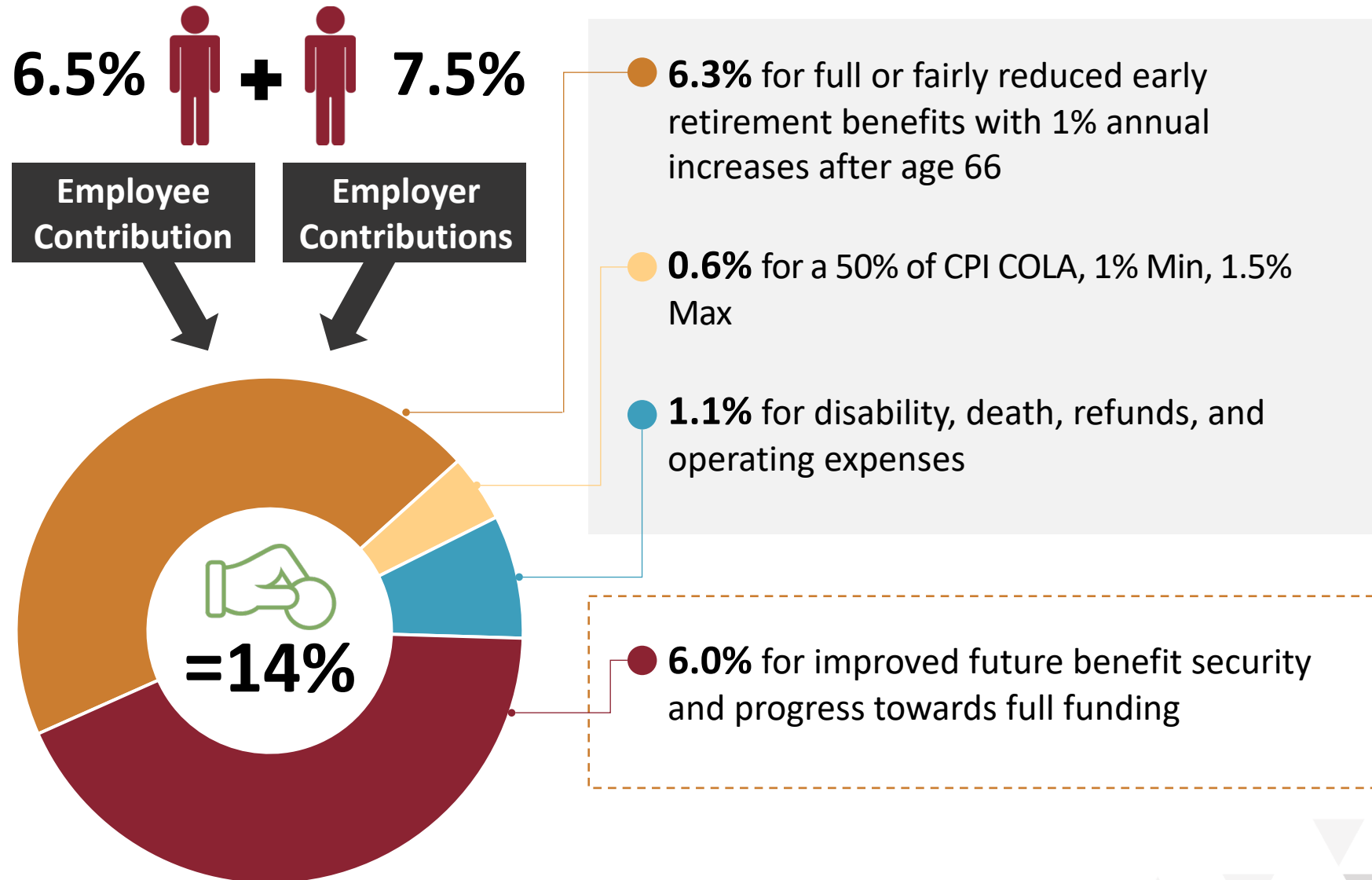
5.83%

8.75%

Social Security costs are 6.2% for both the employee and employer.
Police & Fire are not covered under Social Security







Wrap-up and questions

www.mnpera.org

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