Public Employees Retirement Association (PERA)

Updated September 15, 2025

The following information will provide answers to questions you may have as result of the upcoming transition from current county employment to private nonprofit 501(c)(3) employment, effective January 1, 2026.

WHAT TO KNOW BEFORE PRIVATIZATION OCCURS

1. **What is privatization?**
   Privatization occurs when a public employer is sold or merged with a private entity. As you are no longer considered a public employee, you stop participating in the Coordinated Plan. You will receive a PERA pension at retirement based on your service and salary earned up to the date of privatization.

2. **What is PERA?**
   PERA pension is a 401(a) defined benefit plan you pay into while working as a public employee, employed by Alomere Health (Douglas County Hospital). You contribute 6.5% of your gross salary to your PERA account through payroll deductions. Your employer contributes the equivalent of 7.5%, which helps fund your plan, not your account. These percentages are set by statute and cannot be increased or decreased. Both the employee and employer contributions will end effective 1/1/2026.

   Unlike a 401(k), your PERA monthly payment benefit is calculated with a formula considering your age, length of service, and salary – not the contributions you have made.

3. **Have I been contributing to PERA?**
   All eligible employees of Alomere Health are automatically enrolled in PERA upon hire.
   - Some exclusions include full time students under the age of 23, temporary employees, and employees already collecting monthly retirement payments from PERA.

4. **What does it mean to be "vested" in PERA?**
   Being vested means you have earned enough service credit to be eligible for a lifetime monthly benefit upon reaching retirement eligible age. If you are employed at Alomere Health on the day before the transition (12/31/2025), you will immediately become a vested member of PERA, no matter how much service credit you have accrued up until that time.
   - Vesting only applies to money left in PERA, vesting does not apply if money is withdrawn from PERA.

5. **How is my retirement benefit calculated?**
   Your lifetime monthly benefit is calculated using a formula with three factors: service, salary and age. Payments are not based on amount of contributions made.
   - **Service credit.** This is your years and months of service (up to privatization) x 1.7% multiplier
   - **Highest average salary.** This is an average of 60 consecutive highest months of salary (up to privatization). Your high-five is frozen on the day before privatization. If you have worked fewer than 60 months in public service, PERA uses the average of your total years and months of service.
   - **Age.** Your benefit is actuarially reduced if you are under age 66 (full retirement age). Your benefit will not increase after age 66.

PLANNING FOR RETIREMENT

6. **What options do I have with my money in PERA after the transition?**
   - Collect now or defer your benefit. If you are at least 55 and not working for another public employer, you can collect your monthly benefit right away without terminating Alomere. Or you can defer your monthly benefit to a later date. The federal government requires you to start collecting by age 73 (RMD age).
   - If you have not reached retirement age, you may wait to collect your benefit until a later date. You will continue to receive credit for age in the calculation formula. Full retirement age to collect an unreduced benefit is 66.

     How to apply for a monthly retirement benefit: (60 to 90 days before you want benefits to begin)
     - Complete the Retirement Application in blue or black ink. retirement-application.pdf
     - Have your employer sign the Verification of Employment Status-Privatization.
     - Submit proof of your date of birth and any name changes.
     - Submit optional tax forms.
     - Sign the application in the presence of a notary.
     - Mail all required to documents to PERA. (Copied, faxed or emailed applications will not be accepted)
     - Your benefit selection is final once your payment is processed. After the benefit begins, your pension may qualify for annual increases.

   - Take money out of PERA (take a refund).
     - By accepting a refund, you forfeit any future monthly retirement benefit from PERA.
     - The refund may be subject to federal and state taxes and penalties at withdrawal *unless* it is rolled over to another tax-qualified retirement plan. (tax-notice-about-your-rollover-options.pdf)
       - invest in personal IRA account
       - invest in Alomere's new retirement account, 401(k) option
     - If an employee chooses a withdrawal, they will ONLY receive their employee contributions accumulated with interest. Employer contributions remain with PERA to fund benefits provided by the association. (this contribution guideline is not unique to privatization)
       - Once an employee takes their money out of PERA, they do not receive employer contributions at the time of the refund or any time in the future.

     How to apply for a refund:
     - Complete the application in blue or black ink. refund-application.pdf
     - Sign the application in the presence of a notary.
     - Mail your application to PERA. (*Copied, faxed, or emailed applications will not be accepted.)

       PERA
       60 Empire Drive, Suite 200
       Saint Paul, MN 55103-2088

7. **How is my benefit different if I have public service before July 1, 1989?**
   If someone's age + service credit = 90, Rule of 90 applies. (ex. 55 years old + 35 years contributing to PERA)

   Full retirement age is 65. You will receive credit towards Rule of 90 for each month of work at the privatized facility. However, this credit will NOT be part of the benefit calculation service credit. If you wish to use your privatized credit towards your monthly benefit:
   - You must have a 30-day separation from Alomere to start your benefit.
   - Earning limits will apply if you return to work with Alomere or another PERA-covered employer.

   *If an employee has already reached Rule of 90, they do not need to leave employment for 30 days to collect.

8. **What if I have refunded service from years ago?**
If you have forfeited service and wish to pay it back, all repayment of refunds to Minnesota public pension funds (PERA, MSRS, TRA, or SPTRFA) must be completed by December 31, 2025.

9. **What if I am eligible for a monthly retirement benefit prior to the transition (vested and have met minimum age requirement)?**
You have several options AFTER January 1, 2026. You may:
   - Apply for a refund of your PERA contributions plus interest now or at any time until age 73;
     - NOTE: You are not eligible for a refund if you continue public service in another PERA-covered position. By accepting a refund, you forfeit any future monthly retirement benefit from PERA. Further, the refund may be subject to federal and state taxes and penalties at withdrawal, unless it is rolled over to another tax-qualified retirement plan.
   - Receive a monthly retirement benefit without terminating employment; or
   - Receive a monthly retirement benefit after terminating your employment.

10. **Will PERA meet with me to explain the impact / benefits?**
Yes. PERA will coordinate informational sessions to accommodate staff members' schedules. PERA will provide retirement estimates to each affected employee prior to the educational sessions.

LEARN MORE

11. **How can I learn more about PERA?**
   - To better understand PERA, sign up for a "From Hire to Retire" webinar to understand how this money will be available to you after retirement.
     - Link to sign up for the webinar: https://mnpera.org/calendar/
   - Other informative videos: Member Videos - PERA (mnpera.org)

12. **Who do I contact at PERA with specific questions about my account information?**
   - Benefits@mnpera.org
   - 651-296-7460

13. **When will PERA provide informational sessions?**
PERA information sessions will be held on:

Date	Times	Location
Wednesday, October 8	7:00 am 11:00 am 12:30 pm	Virtual: go-to meeting
Monday, October 13	5:00pm	Hospital: Lobby Meeting Room
Tuesday, October 14	7:00 am 11:00 am 12:30 pm	Hospital: North/South Conference Room

*Registration only required for virtual meetings, please sign up on the portal.

* Please note: Benefit estimates in myPERA will continue to be available online, but do not reflect the privatized status. Benefit estimates after January 1 will be accurate. *