

Post-Retirement Option

GENERAL PROCEDURES AND INSTRUCTIONS

I. Create SEMA4 records


Position Record

Create a new position for a Post-Retirement Option (PRO) appointment. Do not change an existing position, even if it is vacant, to a PRO position.

1. To access Position Data, select Organizational Development > Position Management > Maintain Positions/Budgets > Add/Update Position Info. On the search page, select Add a New Value.
2. Enter the effective date. Accept the default Reason code **NEW**.
3. Enter the appropriate data on all the Position Data pages.
 - On the Description page, the Reg/Temp value must be **Limited**. The Standard Hours field *must* be consistent with the PRO agreement.
 - On the Specific Information page, the Classified Indicator must be **Unclassified**. The FTE field *must* be consistent with the PRO agreement.
 - On the Barg Unit/Cost Projection page, enter the end date for the position in the Not to Exceed Date field. This date must match the end date on the PRO agreement. Select **PROX** in the Unclassified Authorization field.
4. Complete the Position Funding page.
5. Save.

Job Record

For the initial PRO appointment, the employee must be in terminated, separated, or retired status.

1. To access Job Data, select Workforce Administration > Job Information > Job Data. Do not add a concurrent job.
2. On the search page, enter the employee ID or name of the person being appointed to the PRO job.
3. On the Work Location page, select  to add a new row. Enter the effective date. (See PRO Required Breaks in Service table below.) Select **Rehire** as the Action and **SUN** (Stat Uncl Appt-Non Academic) as the Reason.

4. Enter the appropriate data on all the Job Data pages.
 - On the Job Information page, the Empl Class should be **Not Applic**. The Classified Indicator must be **Unclassified**. The Standard Hours and FTE fields must be the same as the position record and consistent with the PRO agreement.
 - On the Employment Information page enter a date in the Appointment End Date field. This date must correspond with the end date in the PRO agreement.
 - On the Benefit Program Participation page, enter **PR** in the Retirement Code field. *MSRS and PERA use this code to distinguish PRO participants from other retirees who return to state employment, so be sure it is accurate.* Determine whether the employee is eligible for SEGIP coverage under ESR or with a partial employer contribution and enter the correct code in the Special Elig field.
 - Update the ACA Employee Eligibility page per the instructions under [Instructions and scenarios for completing the ACA Employee Eligibility page in SEMA4](#).
5. Save.

PRO Required Breaks in Service


Transaction	No Break	At least one calendar day break	At least 30 calendar day break before employment offer
Under age 62 – between termination and initial PRO appointment	N/A	N/A	X
Age 62 and over – between termination and PRO appointment	N/A	X	N/A
Between PRO and non-PRO appointments	N/A	X	N/A
Upon renewal*	X	N/A	N/A
Between PRO appointments that are not renewals regardless of age	N/A	X	N/A

*See HR/LR Policy #1408, Post-Retirement Option, for information on renewals. A renewal is when a PRO appointment is extended within the same agency with substantially the same duties although the working conditions may change. With renewals, there can be no break in service.

II. SEMA4 entry to renew or make changes to a PRO appointment


Position Record

To renew or make changes to a PRO appointment, complete these steps:

1. Access the PRO position in Position Data. Select  to add a new row.
2. Enter the effective date. Enter the Reason code: **PEX** (Extend Position End Date) for renewal of a PRO appointment.
3. On the Barg Unit/Cost Projection page, enter the new end date in the Not to Exceed Date field. Select **PROX** in the Unclassified Authorization field.
4. Make sure that all other fields are consistent with the renewed/modified PRO appointment.
5. Save.

Job Record

For a renewed PRO appointment when there is no break between the end of one appointment and the beginning of the next, complete these steps:

1. On the Work Location page, select  to add another row.
2. On the Work Location page, enter the effective date of the renewed appointment. Select **Movement** as the Action and **SUN** (Stat Uncl Appt-Non Academic) as the Reason.
3. On the Employment Information page, enter a date in the Appointment End Date field. This date must correspond with the end date in the renewed PRO agreement.
4. Save.

If the new appointment alters the PRO job's attributes, make the necessary changes to the Job data fields so they are consistent with the changes to the position record and the PRO agreement.


If the new appointment alters vacation eligibility, process any vacation payouts per the applicable labor contract or compensation plan.

If the employee's SEGIP coverage will terminate because hours are reduced, be sure this is reflected in the Special Eligibility field and the ACA Employee Eligibility page. Changing the employee from eligible to ineligible in SEMA4 will generate the necessary COBRA information.

III. Separation from PRO

Employees are considered to have separated from their PRO appointment if they resign, if the PRO appointment is terminated at the discretion of the appointing authority, if the PRO appointment is not renewed, or if there is a break between a PRO appointment and subsequent PRO appointments.

Enter the separation in the employee's SEMA4 job record:

1. On the Work Location page, select  to add another row.
2. On the Work Location page, enter the effective date of the separation. Select **Separation** as the Action and **TRM** (Term Without Rights) as the Reason.
3. Save.

IV. Payment Process for Health Care Savings Plan

These instructions apply only if the employee qualifies for the employer contribution to a Health Care Savings Plan. Refer to the Insurance section and M.S. 43A.346, subd. 9 for eligibility requirements and other information.

Payment is made to MSRS for a PRO appointee's HCSP at the end of each PRO appointment, regardless of whether the employee's PRO appointment will be renewed for an additional period. Each PRO appointment may be no more than one year in length, and no PRO appointment can cause the employee to exceed the five year limit on total PRO employment.

The employer contribution to the Health Care Savings Plan (HCSP) is made in mass time entry after the end date of the eligible employee's existing PRO appointment.

1. Agency staff must determine if the employee received an employer contribution for SEGIP administered health coverage during any month of the ending PRO appointment. The employee is not eligible for an HCSP contribution during any month the employee received an employer contribution toward SEGIP administered health coverage.
2. Agency payroll or HR staff calculates the total number of Eligible Hours Worked during the months the employee did not receive an employer contribution for SEGIP administered health coverage. This will include all eligible hours between the start and end dates of the PRO appointment just ended which would include regular hours worked; vacation, sick leave, and compensatory time taken; overtime hours worked; and holiday hours paid on a regularly scheduled day of work. However, the agency must deduct any time the participant received a state contribution to SEGIP coverage (e.g., partial employer contribution or ERI) or was offered a state paid contribution towards health or dental coverage offered through SEGIP. The hours worked under a PRO appointment in any month the employee was eligible for a state paid contribution to health and dental coverage offered through SEGIP are not included in the calculation for the HCSP contribution.
3. Agency payroll or HR staff determines the appropriate contribution amount from the Employer Contribution Schedule for Post-Retirement Option on the [MMB - SEGIP HR Processes and Policies](#). The schedule lists the dollar amount of the employer contribution, based on the total eligible hours calculated in step 2.
4. In mass time entry, agency payroll staff enter earn code HCR (ER Contrib. to Health Care Sv.) and the dollar amount found on the contribution schedule for each eligible employee. This earn code does not pay the employee and does not affect taxes.
5. During pay calculation, a deduction for the employer contribution will be taken for the amount of the HCR earnings code entered in mass time entry. On the Paycheck Deductions page in SEMA4, this will appear as deduction code HCSP07 (Post Ret Hlth Svgs Plan 1X ER).
6. On the pay stub, the employee will see the earnings "Post Ret Hlth Svgs Plan 1X ER" for the dollar amount from the schedule and the employer-paid benefit "Hlth Svgs" for the same amount.

Agency payroll or HR staff should contact deductions.mmb@state.mn.us if there are any questions about how to process the employer contribution to MSRS for the Health Care Savings Plan.

RESPONSIBILITIES

Agencies are responsible for:

Developing and implementing internal agency policies and procedures for creating PRO positions, and ensuring that individuals offered a PRO appointment meet all eligibility requirements.

MMB is responsible for:

Updating this procedure as necessary.

REFERENCES

HR/LR Policy 1408 Post-Retirement Option

HR/LR General Memo 2021-1 Post-Retirement Option General Guidance and Information

Post-Retirement Option Agreement Form

Employer Contribution Schedule for Post-Retirement Option (at [MMB - SEGIP HR Processes and Policies](#))

CONTACTS

PRO Appointments

For question about PRO appointments, agency Human Resources should contact their MMB Agency and Applicant Services representative.

Insurance

Agencies and employees call SEGIP at 651-355-0100.

Retirement

Agencies and employees contact the appropriate state retirement system.

MSRS: 651-296-2761 or toll free 1-800-657-5757

PERA: 651-296-7460 or toll free 1-800-652-9026

SEMA4

For questions about job and appointment records, agencies contact their SEMA4 HR Specialist at MMB.

For questions about processing HCSP contributions, agencies contact MMB staff at deductions.mmb@state.mn.us.