

# **Phased Retirement vs. Gradual Retirement**

**Human Resources Department  
(Updated June 17, 2019)**

# Employee Eligibility for Alternative Work Arrangements (AWA)

AWA Policy applies to:

- **Departments:** All departments under the jurisdiction of the Mayor and City Council.
- **Employees:** Applies to appointed employees, non-represented employees, politically appointed employees and employees represented by the Minneapolis City Supervisors Association (MCSA), the Minneapolis Professional Employee's Association (MPEA) and AFSCME #9 (General Unit and Attorney's Unit). Employees covered by a labor agreement should check applicable contract language regarding Alternative Work Arrangements (AWA).

# How? - Gradual Retirement Considerations

Management should consider the following:

1. Employee's proximity to retirement
2. Department feasibility
3. Impact the arrangement will have on customer service, budget, department and City operations
4. Employee's past performance
5. Is the employee interested in combining this with another AWA and/or [Phased Retirement?](#)



# How? - Gradual vs. Phased Retirement

## Differences and Considerations

### **Gradual (Part of AWA Policy)**

#### **Considerations:**

1. Employee's proximity to retirement
  2. Department feasibility
  3. Impact the arrangement will have on customer service, budget, department and City operations
  4. Employee's past performance.
- AWA Agreement for a Gradual Retirement Arrangement needed. Employee Job Change Form may also be needed.

### **Phased (Not Part of AWA Policy; Authorized by State law)**

#### **Eligibility:**

1. Be at least 62 years of age
  2. Be employed at least half time for the past five years at the City or another PERA-covered employer
  3. Agree to reduce work hours by at least 25 percent
  4. Agree to work not more than 1,044 hours per year (half-time or less)
- Phased Retirement Request and Job Change Form needs to be completed.



## Phased Retirement cont.

- City has right to decide whether phased retirement agreement is offered.
- The initial phased retirement agreement is limited to one year.
- City may decide to renew the agreement for periods of up to one year for a total duration of five years.
- Approving a Phased Retirement while also filling the position being vacated will have budget implications.



## Phased Retirement cont.

- Members of the PERA Police and Fire Plan are **not** eligible for the phased retirement option. This option applies only to members of the PERA Basic and Coordinated Plans.
- A reduction in hours will affect other employee benefits.
- More information available on the [PERA website](#).