

# 2022 Legislative Pension Changes

Through member advocacy and staff support the following two changes were signed into law during the 2022 legislative session.

## Three-Year Suspension of the Retired Teacher Earnings Limitation

*In effect until Jan. 1, 2026*

### Minnesota law PRIOR to the suspension

A teacher who is drawing an annuity from the Teachers Retirement Association (TRA) and wanted to return to work was able to maintain that annuity under Minnesota Statute 354.44, under these conditions:

- They are over the age of 62.
- They enter a written agreement with the employing unit to return to work.
- No more service credit is earned and they don't contribute during this time.

Earnings above \$46,000 would cause a deferral, not loss, of some of their TRA annuity benefit (one-half of their salary above \$46,000). Keep in mind that with the deferral the individual would still receive their TRA benefit eventually.

*Note: Once someone reaches the normal retirement age for Social Security, no deferral is necessary with or without this suspension.*

### 2022 legislative action of three-year suspension:

The 2022 Minnesota Legislature agreed to suspend the earnings limitation for three years. This suspension lifts the earning limitation deferral and acts as a further incentive for pre-K-12 teacher retirees between the ages of 62 and their normal retirement age for Social Security to return to work in a TRA-eligible position.

### Additional information for Education Minnesota members:

- A returning retiree would be in a probationary status (per a court decision based on "separating" before returning).
- Those who are 62+ can have an agreement to return prior to retiring with their district.
- A returning retiree must rejoin their local/Education Minnesota in order to be a member, regardless of their retiree membership, because they were separated before starting again in an active position.
- The TRA has updated information on their website regarding the temporary suspension for pre-K-12 positions. That information can be found at [minnesotatra.org](http://minnesotatra.org) under post-retirement work.

## Service Credit Purchase for Teaching Service in Other States

*Effective Jan. 1, 2023*


A teacher who has at least three years of allowable service credit with the TRA is entitled to purchase up to five years of allowable and formula service credit for periods of service as an elementary or secondary public or charter school teacher in another state (the purchase payment amount determined by the TRA process).

This is an option that other states have previously had regarding teaching service in another state. It doesn't cost the plan any additional money because the member must pay the cost of the service credit to make the plan whole. This change gives eligible members options, but whether someone chooses to act on this will depend on their unique situation.

*Continued on back*

Updated: Sept. 14, 2022

[www.educationminnesota.org](http://www.educationminnesota.org)

Education Minnesota is an affiliate of the American Federation of Teachers, the National Education Association and AFL-CIO.  3142



**THE VOICE FOR PROFESSIONAL  
EDUCATORS AND STUDENTS**

According to Minnesota Statute: 354A.0961, periods of service that may be purchased are:

- (1) periods of service as a teacher in another state before becoming a member of the association; and
  - (2) periods of service as a teacher in another state during any period of employment after terminating teaching service as a member of the association and before returning to teaching service as a member of the association.
- (c) A teacher is not permitted to purchase a period of service if the purchase would result in an entitlement to service credit for the same period of service in more than one pension or retirement plan.