

Education Minnesota Pension Task Force – 2022 Summary

Pension Task Force

Education Minnesota convened a task force of 17 members from across the state to learn about and examine Minnesota's educator related pensions: Public Employees Retirement Association, Teacher Retirement Association (TRA), and St. Paul Teachers Retirement Fund Association. The task force met together six times from February- April. The group was charged with gaining a strong understanding of current Minnesota educator pension plans and prioritizing possible changes that would benefit educator recruitment, retention, retirement flexibility, member benefits and our statewide education system.

Included in the work of the task force was to consider the needs for:

- Education – What information is needed for both for the task force and Education Minnesota members.
- Defense – Determine any need for defending our defined benefit plans.
- Advocacy – Develop and recommend options for retirement flexibility.

Pension Task Force Mission Statement

The state of Minnesota has chronically underfunded its pension systems and the number one priority is for the state to increase funding to all educator pension funds.

Pension Task Force leading to member action last spring

The task force's work has led to more than 3,600 Education Minnesota members emailing their Minnesota legislators and the governor through our March Action Alert, 60 members meeting with legislators in a pension lobby day and member representatives directing Education Minnesota to continue its strong advocacy for pension improvements by passing an action item at our 2022 Representative Convention.


Pension Task Force's Recommended Priority Improvements (with rationale)

- Set normal retirement age at 62 years of age or 35 years of service equivalent.
 - *More equitable than the Rule of 90, specifically for those who take leaves of absences or begin their education career later in their work lives.*
 - *Provides a much stronger benefit and is more like those under Tier 1.*
- Restore augmentation on deferred benefits (until change in 2018, it was 2 percent).
 - *Current system penalizes members unnecessarily.*
 - *The money is already in the fund with all other investments.*
 - *Discourages leaving money in the fund for someone who leaves TRA service.*
- COVID Additional Service Credit Bill
 - *Would value and recognize educators who went above and beyond during the COVID-19 pandemic.*
 - *Gives greater value to staying in profession and encourages retention.*
- COLA – Variable rate between 1-3 percent that is tied to the Consumer Price Index
 - *Needed improvement in order to better keep up with cost-of-living increases.*

Continued on back

Updated: Sept. 13, 2022

www.educationminnesota.org

Education Minnesota is an affiliate of the American Federation of Teachers, the National Education Association and AFL-CIO.  3141



THE VOICE FOR PROFESSIONAL
EDUCATORS AND STUDENTS

Other priorities and possibilities for improvement discussed by the task force:

- Lower retirement age to 62 and raise formula
- Rule of 90
- Remove all discounts
- High 3 replaces High 5
- Decrease discounts to 3 percent per year
- Increase the formula to 2.1 percent
- Service Credit Purchase (We were able to win on this issue in 2022!)

Task Force Recommendations:

Recommendations from the task force for Education Minnesota's work:

- Create an action plan to engage with members and the Legislature to improve pension benefits and pension funding.
- Create an EPIC report on Minnesota's pension plans and how they compare.
- Focus on the priorities labeled above for pension improvements moving forward.
- Advocate at the Legislature for bills on pension improvement.

Recommendations from the task force to the Minnesota Legislature:

- Increase pension funding from the state to recruit and retain a competitive workforce.

Education Minnesota Pension Task Force Members:

Shannon Barrett – Rochester ESPs

Will Baumann – Minnesota State College Faculty

Brent Bovitz – Eden Prairie Education Association

Vicki Fellows – North St. Paul-Maplewood-Oakdale
Education Association

Scott Halverson – Winona Education Association

Steve Kempenich – White Bear Lake Educators
Association

Dan Kuhlman – Rochester Education Association

Luke Olson – South St. Paul Teachers Association

Julie Seiler – Spring Lake Park Teachers United

Rebecca Vinji – Education Minnesota-Detroit Lakes

Lori Borgeson – St. Paul Federation of Educators

Mike McKay – St. Paul Federation of Educators

Joan Beaver – Education Minnesota Retired

Gretchen Long - Minnesota State College Faculty

Perry Nelson – Bagley Education Association

Ryan Fiereck (Chair) – then-Education Minnesota Vice
President on leave from Education Minnesota-St.
Francis

Rodney Rowe – Education

Minnesota Secretary-Treasurer on leave from Education
Minnesota-Worthington

Staff Representatives:

Adam Janiak – Negotiations Specialist

Christine Thornborrow – Director of Marketing - ESI

Kathi Micheletti – Director of Public Affairs

Kate Lynne Snyder – Lobbyist