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Pension Updates



THE VOICE FOR PROFESSIONAL
EDUCATORS AND STUDENTS

Update No. 6

****Don't forget the call to action in our last update...contact board members before Dec. 12!****

If you've missed any past updates, they're now available on our [pension page](#).

Process overview for making pension plan changes

The contributions, benefits and all other components of our pension plans are defined in state statute. State statute can only be changed by the state Legislature and the governor. The process varies, but there are generally three levels of decision making and influence that are most notable.

The following is a very basic overview of these decision-making structures.

Pension plan boards

The board of trustees overseeing our pension plan systems is often the beginning or end of any plan discussion. The board makes decisions on administration of the plans, hires the executive director and sets other policies that aren't in state statute. These boards, their staff and their executive directors are influential when decisions or changes are being considered at the Legislature as well.

Pension plan boards are responsible for the following, according to their websites:

- TRA: Board responsibilities: Oversee administration of the pension fund; establish rules, policies and procedures for administering the plan; approve an annual budget; retain an actuary to assess the financial status of the plan; determine member appeals; and appoint the executive director. Eight-member board (five teacher representatives are elected and three are appointed [MMB, MSBA and MDE]).
- SPTRFA: Governed by a 10-member board that serves as a fiduciary to members and beneficiaries. Nine of 10 board members are elected by membership for staggered three-year terms. One ex-officio board member is appointed by the St. Paul Public Schools School Board.
- PERA: This plan's board approves its operating budget, decides legislative policy and priorities and hires the executive director. In addition, trustees establish policies and procedures that govern PERA operations; hear and rule on appeal matters of disabilitants, retirees and

members; and direct the dissemination of information to PERA members.

Legislative Commission on Pensions and Retirement (LCPR)

The [LCPR](#) is a legislative commission that discusses, considers and recommends and whose members also create bills relating to Minnesota pension plans.

From statute: "The commission consists of seven members of the Senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration and seven members of the House of Representatives appointed by the speaker. No more than five members from each chamber may be from the majority caucus in that chamber. Members shall be appointed at the commencement of each regular session of the legislature for a two-year term beginning January 16 of the first year of the regular session."

The LCPR is the cornerstone for pension discussions. Although pension bills do not have to go through the commission, the commission does consider pension changes and is looked to by the full Legislature for recommendations.

The governor, House and Senate

This is the level that can be the most difficult to make change. Funding, policy and partisanship all impact what bills are or are not put into law.

The following is a simplified version of the lawmaking process. See [this link](#) for details:

- Legislators create bills to be presented in the House or Senate.
- Before a bill can begin to be processed, it must first be given its first formal "reading." The first reading occurs when the bill is introduced, given a file number and assigned to a committee for study. The committee chair decides a hearing date for the bill. The committee decides if the bill leaves committee and goes to the floor for vote.
- Bills must move forward by vote out of either the House or Senate and an identical bill must be voted on by both the House and Senate in order to become law.
- Once approved by the Legislature, a bill goes to the governor to be signed, vetoed or allowed to expire. Any veto can be overridden by the both the House and Senate.

Important events/dates

- PERA board meetings – [Dates](#) (upcoming is Dec. 8)
- TRA board meetings – [Dates](#) (upcoming are Dec. 12 and Jan. 18)
- SPTRFA board meetings – [Dates](#) (upcoming are Nov. 16 and Dec. 14)
- [Education Minnesota ESI Member Benefits](#) provides informational seminars on pension benefits for members. Check out the flyer for ["When can I afford to retire?" seminar dates](#).

Resources

[TRA document on pension basics](#)

[Education Minnesota pensions web page](#)

[Election results](#)

As we share information throughout this campaign, we will add to the resources on the website and share links for you to use.

If you have any questions, please email [Adam Janiak](mailto:adam.janiak@nea.org).

