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# Pension Updates



THE VOICE FOR PROFESSIONAL  
EDUCATORS AND STUDENTS

## Update No. 57

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

### Pension Rally Next Week!

Hundreds of educators are planning to attend the Pension Rally next Thursday, Feb. 29 from 3:45-4:45 p.m. Having a show of force from educators from across the state will be the *most effective way* to ask legislators to take action for state investment into a workers' benefit increase for TRA Tier 2 pensions.

The goal of this rally is to send a strong message for any state-funded improvement for TRA Tier 2 members, including the Penalty Reduction Bill, lowering the Normal Retirement Age and any other improvement to the workers' benefit.

If you haven't already, please take the following steps before Thursday:

- Respond to the [Facebook event](#), and invite your family, friends and colleagues.
- Sign up on [this RSVP form](#) so we can email you logistical information.
- Use this [Call to Action](#) to invite your legislators.

For members: We'll have optional sign-making at the Education Minnesota office (41 Sherburne Ave.) all day, two optional briefing sessions from 12-1 p.m. and 2-3 p.m., [free T-shirts](#) for members at the building and at a table in the rotunda, free buttons, expense reimbursement forms for mileage and parking at the building and the rotunda, as well as some pre-printed rally signs for folks to use.

Please feel free to make your own rally signs, like the incredible ones from last year. The Capitol doesn't allow signs with yardsticks or handles. We're able to hold banners around the second and third floor of the rotunda. Please don't use profanity, or specific harsh language toward individual elected officials. It could hurt our cause.

The event will start at 3:45 p.m. sharp, and after the event we'll take professional photos on the Capitol steps of the entire group. The Capitol building closes at 5 p.m.

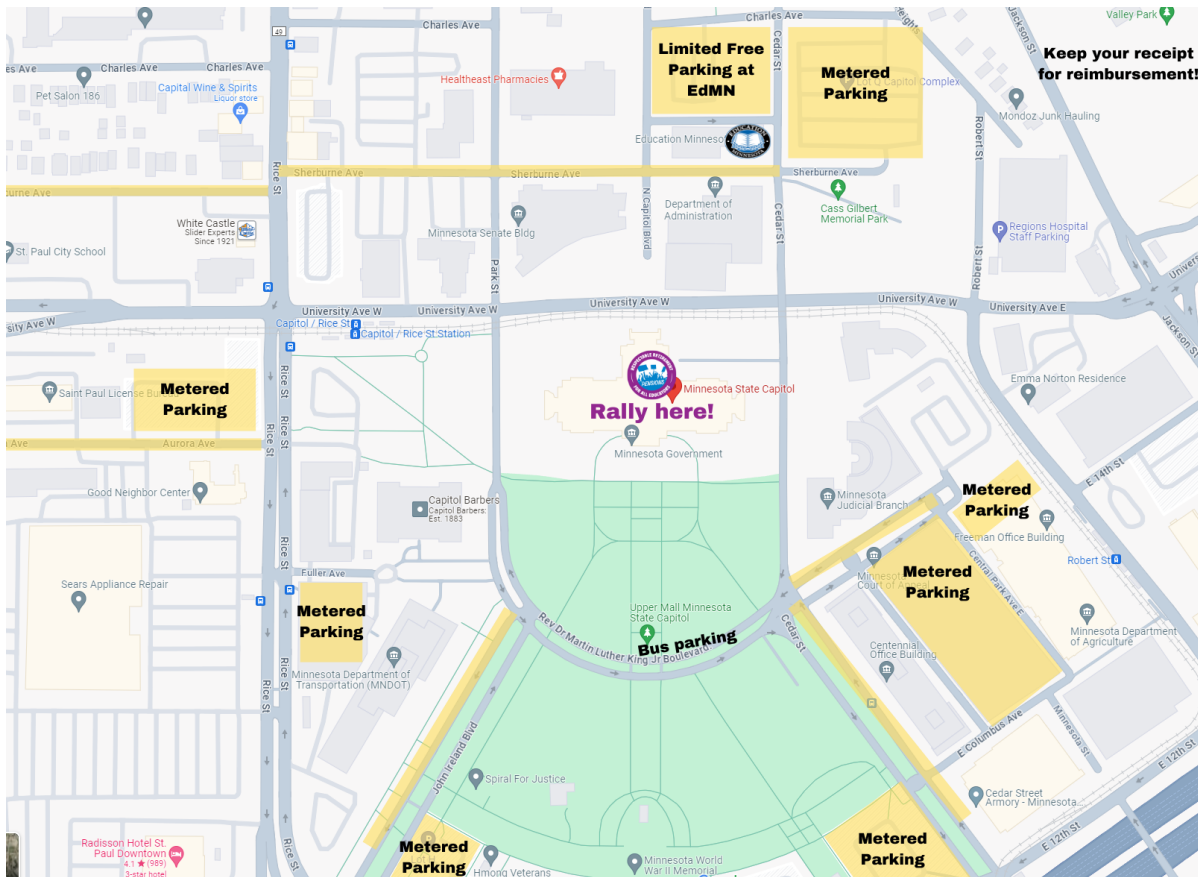
Everyone is encouraged to meet with their legislators, email and call their legislators and drop off letters to their legislators' desks next week to elevate the issue. To find your local legislators' contact information, [use this helpful tool](#).

The event will be live-streamed on the Education Minnesota Facebook page, and those who are unable to attend in person are encouraged to host watch parties and [send in](#)

[pictures](#) of your local wearing purple and holding pro-pension signs.

While this rally is the our chance to make the biggest argument for pension improvement this year, it is only the first big event this session that we'll be holding for pensions at the Capitol. There will be LCPR hearings, TRA meetings and more days of action. This is a good time to start, right after the February Forecast is released on Feb. 28 and before budget targets come out. Please come if you're able and make sure to stay engaged in this movement for all events this session.

Education Minnesota is covering the cost of two full-day, or four half-day subs for members from each local. Check in with your local president or field staff to make sure they're not already taken. It would be powerful to have representation from every single local at the Capitol on Thursday.



*Parking map for the Capitol Complex. Please remember to bring your parking receipt with you to the event! All parking information was developed from the official Capitol Admin site:*

<https://mn.gov/admin/citizen/buildings-grounds/parking/>

### Penalty Reduction Bill overview on MEA Online

Thank you to all who were able to attend our information session last Monday. The recording is now available on MEA Online.

To learn about the bill, the 2024 legislative session and how you can raise your voice, please watch the "Teacher Pension Penalty Reduction Bill: All-Member Meeting" on [MEA Online](#).

### Who does the Penalty Reduction Bill help?

A teacher who started in the fall of 1989 at age 22 is likely age 56 or 57 right now. The

PRB reduces penalties that restore earnings for educators wanting to draw their benefit before age 62, while keeping the strongest part of the Tier 2 plan - the reduced factors at 62/30 - intact. In a tight budget year, this is one lower-cost option that could fit into the state budget, while restoring thousands of dollars to the benefit of teachers who need to draw their benefit before age 62.

The bill addresses the large 7% penalties put in place in 2013 as a trade-off to the 62/30 threshold. If the bill is passed into law, the benefit for TRA Tier 2 members would exceed the past benefit at earlier ages before the 2013 change.

	2013 prior to legislative changes	Bill Proposal NRA 65		
Ages	*Percentages rounded to the tenths place	NRA 65 7% 55-57 3% 58-62 7% 63-64		
55	41.4%	50%		
56	38.9%	43%		
57	36.1%	36%		
58	33.1%	29%		
59	30%	26%		
60	26.6%	23%	62/30	
61	23%	20%	pre 2006	Post 2006
62	19.1%	17%	10.40%	11.70%
63	14.9%	14%	6.64%	7.55%
64	10.3%	7%	3.18%	3.65%
65	5.4%	0%	0%	0%
66	0%	0%	0%	0%

Chart comparing penalties before 2013 changes with hypothetical penalty changes through the Penalty Reduction Bill.

Age	Service Credit	How it is now	How it is now with NRA 65	Benefit with this bill and NRA 65	% Benefit Improvement	% Benefit Improvement
		Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
		1990 NRA 66	1990 NRA 65	1990 NRA 65 7% 55-57 3% 58-62 7% 63-64	Final Benefit improvement from NRA 66	Final Benefit improvement from NRA 65
55	33 yrs	20.8%	25.0%	29.8%	+8.9%	+4.8%
56	34 yrs	23.9%	28.2%	35.0%	+11.1%	+6.8%
57	35 yrs	27.2%	31.7%	40.5%	+13.3%	+8.9%
58	36 yrs	30.6%	35.2%	46.3%	+15.6%	+11.1%
59	37 yrs	34.2%	38.9%	49.7%	+15.4%	+10.7%
60	38 yrs	40.0%	44.9%	53.1%	+13.1%	+8.3%
61	39 yrs	46.1%	51.0%	56.7%	+10.6%	+5.7%
62	40 yrs	62.3%	65.2%	65.2%	+3.0%	0.0%
63	41 yrs	66.9%	69.7%	69.7%	+2.8%	0.0%
64	42 yrs	71.5%	74.2%	74.2%	+2.7%	0.0%
65	43 yrs	76.0%	78.5%	78.5%	+2.5%	0.0%
66	44 yrs	80.4%	80.4%	80.4%	0.0%	0.0%

Chart that reflects the percent that a TRA Tier 2 member receives of their high-5 average salary and the benefit improvement percentage with the Penalty Reduction Bill.

### Pension Definition List

For those just starting out in their pension advocacy journey, this definition list could be helpful to understand the lingo! Feel free to share with any and all colleagues!

#### Definitions

**TRA:** Teachers Retirement Association, the pension fund for most licensed staff and administrators in schools.

**LCPR:** Legislative Commission on Pensions and Retirement, Reps. and Sens. that are appointed to work on pension legislation in MN.

**MSRS:** Minnesota State Retirement System, includes legislators, police, corrections, and other state workers.

**PERA:** Public Employees Retirement Association, includes ESPs, public works, and other public employees.

**SPTRFA:** St. Paul's Teacher Retirement Association, including teachers, licensed staff and administrators who work in the St. Paul district.

**Pension:** Retirement fund that specifies exactly how much money you receive in retirement, manages investment and risk rather than putting it on the individual.

**Multiplier:** Part of the pension formula, factor that improves your benefit based on service years.

**Penalty:** Or discount/reduction factor. Part of the pension formula, reducing the percentage of benefit for early retirement before NRA.

**NRA:** Normal Retirement Age, the age at which you have a 0% penalty. In MN, this is age 66 now, 65 in 2025.

**Employee contribution:** The money coming out of your paycheck into the pension fund.

**Employer contribution:** The money the state and districts put into the pension fund.

**Benefit:** The money you actually receive when you retire.

**Tier 1:** Employees hired before July 1, 1989, with Rule of 90.

**Tier 2:** Employees hired after that date.

**COLA:** Cost-of-living-adjustment, increases retiree benefits.



## News in the Mankato Free Press

Huge shoutout to member Tom Murphy from Nicollet for a great interview with a local reporter. Read the article [here](#).

Excerpt from the Feb. 20 article: "Murphy said teachers like him have less of a choice of when to retire.

'It really makes it hard for me to know when is it a good time to retire, because I don't know, what am I going to do? I have to come up with something to make up that difference in income. All I've done is teach my entire life,' he said.

'For me, personally, I would have to figure out what I'm going to do, and even if I found something that paid well enough to make up that difference, when I ultimately retire, I still lose that amount for the rest of my life.'

This local reporter also let Education Minnesota staff know that she's planning to attend the rally next Thursday. We'll be contacting all Minnesota media outlets to cover the event, but if you know a local reporter who may be interested, please invite them! A personal ask from a local resident always goes a long way.

## Action items

This legislative session, we'll continue to post our growing list of resources at the end of each Pension Update. As you communicate about pension advocacy in your workplace, please share these resources with members who wish to get engaged.

- Use our [easy action form](#) to reach out to your State Representative, asking them to sign on in support of the Penalty Reduction Bill! We need 35 co-authors to have the best chance to make this change!
- [Sign up](#) for the Pension Updates e-newsletter and read previous newsletters [here](#).
- [Sign up to be a Pension Action Leader](#) and we'll contact you about action items and advocacy to your state legislators. We need a PAL in every local and legislative district!
- Use our [easy action form](#) to contact legislative leadership asking for their support of state investment for pension improvements.
- Join the [members-only Pension Advocacy Network private Facebook group](#), which is the best place to get updates, stay involved and ask questions.
- Watch our Pension 101 and Informational Update sessions on [MEA Online](#).
- We encourage all members to [make an appointment](#) with TRA to discuss what your benefit currently looks like and what options you have.
- Use [this flyer](#), [this flyer](#) and [this flyer](#) to communicate with your colleagues about the pension movement.
- Request a stack of [pension postcards](#) from your field staff for your local. These postcards can act as a great tool for members to write to their legislators. We'll have a bunch available at the rally!



*Printed signs that will be available at the Pension Rally.*

