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Pension Updates



THE VOICE FOR PROFESSIONAL
EDUCATORS AND STUDENTS

Update No. 66

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

Pension bill passes the Legislature, awaits governor signature

One of the first omnibus bills to fully make it through the process, the pensions bill passed the House with unanimous support and the Senate with a vote of 59-8. The only state funding in the bill went towards educator pensions, including about \$28 million to the Teachers Retirement Association and about \$1 million to the Saint Paul Teachers Retirement Fund Association.

The money appropriated for TRA would lower the normal retirement age from 66 to 65 for educators who were active members of the TRA on or after May 24, 2023 this year. Lowering the normal retirement age to 65 a calendar year earlier than scheduled could increase the annual pensions of mid- and late-career educators by thousands of dollars. Educators who plan to start drawing their benefit after this school year should reach out to TRA for more information.

St. Paul teachers will see a slower increase in employee contributions, mitigating the employee contribution jump from a bill that passed in the 2023 session. Rather than jumping from 7.75% to 9%, St. Paul teachers will have employee contributions increase gradually by 0.25% until 2026.

Also included in the pensions bill is a policy that allows a new bargaining item - student loan payments could qualify as employee contributions to 403b plans, for the purpose of receiving an employer match. This would help educators who have student loans - who are unable to contribute much to their 403bs - build their supplemental retirement account early.

To see the full version of the bill that passed, [click here](#).

May TRA meeting

At the monthly TRA board meeting, members discussed the TRA administrative budget, legal considerations for recording meetings and the pensions omnibus bill. For more information, click [here](#) for the board packet and follow the [EdMN Pension Advocacy Network](#).

Refresher on NRA 65

As the lowering of the retirement age is set to go into effect this year, here's a quick refresher on what the one-year reduction of the full retirement age means for

members.

As you see in the charts below, the entire base penalty chart is shifted down one year, and the 62/30 penalties are shifted down as well but not past age 62. Also listed below are some example estimates of how much of a benefit improvement a retiree would receive.

If you have any further questions about NRA 65, please reach out to pensions@edmn.org.

NRA 66 4% 55-58 7% 59-65			
Ages		30+ years of service pre-2006 start	30+ years of service post-2006 start
55	65%	65%	65%
56	61%	61%	61%
57	57%	57%	57%
58	53%	53%	53%
59	49%	49%	49%
60	42%	42%	42%
61	35%	35%	35%
62	28%	14.46%	16.11%
63	21%	10.40%	11.70%
64	14%	6.64%	7.55%
65	7%	3.18%	3.65%
66	0%	0%	0%

NRA 65 4% 55-58 7% 59-64		
	30+ years of service pre-2006 start	30+ years of service post-2006 start
58%	58%	58%
54%	54%	54%
50%	50%	50%
46%	46%	46%
42%	42%	42%
35%	35%	35%
28%	28%	28%
21%	10.40%	11.70%
14%	6.64%	7.55%
7%	3.18%	3.65%
0%	0%	0%
0%	0%	0%

Retirement date in 2026 using a high-5 of \$90,000

Start date w/benefit details	Years w/1.7%	Years w/1.9%	Total Years	Age 58	Age 60	Age 62	Age 64	Age 65
1990 - Annual benefit w/NRA 66	16	20	36	\$27,580	\$34,034	\$50,194	\$54,783	\$56,814
1990 - Annual benefit w/NRA 65				\$31,687	\$38,142	\$52,580	\$56,814	\$58,680
Annual improvement w/reduced NRA				\$4,107	\$4,108	\$2,386	\$2,031	\$1,866
1995 - Annual benefit w/NRA 66	11	20	31	\$23,984	\$29,597	\$43,651	\$47,641	\$49,407
1995 - Annual benefit w/NRA 65				\$27,556	\$33,170	\$45,724	\$49,407	\$51,030
Annual improvement w/reduced NRA				\$3,572	\$3,573	\$2,073	\$1,766	\$1,623
2000 - Annual benefit w/NRA 66	6	20	26	\$20,389	\$25,160	\$31,234	\$37,307	\$40,343
2000 - Annual benefit w/NRA 65				\$23,425	\$28,197	\$34,270	\$40,343	\$43,380
Annual improvement w/reduced NRA				\$3,036	\$3,037	\$3,036	\$3036	\$3,037
2005 - Annual benefit w/NRA 66	1	20	21	\$16,793	\$20,723	\$25,726	\$30,728	\$33,229
2005 - Annual benefit w/NRA 65				\$19,294	\$23,225	\$28,227	\$33,229	\$35,730
Annual improvement w/reduced NRA				\$2,501	\$2,502	\$2,501	\$2,501	\$2,501
2010 - Annual benefit w/NRA 66	0	16	16	\$12,859	\$15,869	\$19,699	\$23,530	\$25,445
2010 - Annual benefit w/NRA 65				\$14,774	\$17,784	\$21,614	\$25,445	\$27,360
Annual improvement w/reduced NRA				\$1,915	\$1,915	\$1,915	\$1,915	\$1,915

Pension updates during the interim will continue as new actions, events and information comes up. To stay in the loop as quickly as possible, please join the [Education Minnesota Pension Advocacy Network](#).



