

Pension Updates



THE VOICE FOR PROFESSIONAL
EDUCATORS AND STUDENTS

Update No. 68

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

Pension Advisory Group Priorities

The Pension Advisory Group (PAG) met Tuesday night and reached a consensus around their priority recommendation for the legislative session.

The original Pension Task Force and last year's Representative Convention prioritized a career rule of 62 years of age *or* 35 years of service because it benefits the greatest number of members. At the PAG meeting, after a lot of discussion, the group decided to recommend the following for the upcoming legislative session.

- Career rule of 60 *and* 30 (60 years of age *and* 30 years of experience with no penalties.)
- Lowering base penalties to from 7% to 5% from ages 59-64, which improves the benefits down to age 55.
- Low-cost improvements to the Cost of Living Adjustment (COLA), eliminating the “double-penalty” of the Tier 2 COLA delay and accelerating the scheduled COLA increase from 1.2% to 1.5% in 2028.

The PAG realizes that the 60/30 career rule modification impacts a smaller group of teachers, but it is an important next step toward pension equity. These proposals will now be forwarded to the Education Minnesota Legislative Action Committee and Governing Board for final approval.

TRA Retreat and Meeting Recap

The Teachers Retirement Association Board met for two days this week, with one day focused on updates and education, and one day focused on official action and legislative planning.

After a lot of energy from TRA members and a year-long fight to ask TRA to record meetings, board members voted to record and publicly post audio and transcripts of their meetings. Thank you to all members who signed our petition from last week (1,450 signatures strong!) and those who continued to speak to this need during open comment at meetings. This publicly available resource will go a long way in increasing our advocacy toward pension solutions.

During the legislative planning discussion, TRA board members directed staff to

prepare information on career rule options (including 60 and 30 as well as 62 and 30), penalty reduction options, COLA improvement options and a targeted, temporary multiplier increase or double-service credit as a retention tool.

Soon-to-be Interim Executive Director Tim Mauer also shared his intention to communicate frequently with stakeholders and continue to collaborate with Education Minnesota as TRA moves forward. This discussion was valuable and productive toward our pension goals for next year.

Though TRA has been directed to record meetings moving forward, these meetings hadn't been recorded, so go to the [Education Minnesota Pension Advocacy Network](#) to watch our recordings for the Sep. 18-19 meetings!

You can also find the information they discussed, including helpful figures and charts for your pension understanding, on [TRA's website](#).



Pension Fact of the Week

Ever wondered about some of the specific differences between the tiers?

TRA members employed before July 1, 1989, are eligible for either the step or level formula, whichever is greater. Members starting employment after June 30, 1989, are eligible for the level formula. The step formula contains the Rule of 90 and the level formula contains the 62-and-30 provision.

Step formula (Tier 1 only):

Includes Rule of 90.

Multiplier percentages:

- 1.2% - 1st 10 years up to 6/30/06
- 1.7% - Years 11 and beyond up to 6/30/06
- 1.4% - 1st 10 years after 6/30/06
- 1.9% - Years 11 and beyond after 6/30/06

Level formula multiplier percentages (Tier 2, and Tier 1, if better):

Includes 62-and-30 provision with reduced penalties.

Multiplier percentages:

- 1.7% for every year of service prior to 7/1/06
- 1.9% for every year of service after 6/30/06

PENSION FACT OF THE WEEK



DID YOU KNOW?

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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](#).

