

Pension Updates



THE VOICE FOR PROFESSIONAL
EDUCATORS AND STUDENTS

Update No. 73

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

TRA board meeting update

The TRA board met this week for a regular meeting. You can view the board packet [here](#). The meeting was recorded and will be viewable at some point soon on the TRA board [documents page](#).

The board covered numerous topics, but here are a couple important highlights:

1. **Benefit improvement costing:** TRA's actuarial consultant brought updated costing estimates for several potential benefit improvements, based on the updated, finalized (July 1, 2024) fund valuation. You can view those costing estimates in detail on page 91 of the board packet. Important excerpts include:

- Expanding the current 62 and 30 (with reductions) to include retirement years 60 and 61. That is estimated to create an increase in the required contribution rate of 0.55%, or just under \$36 million for the first year.
- Eliminating the current COLA delay for those retiring before NRA65 (who don't qualify for 62 and 30). That is estimated to create an increase in the required contribution rate of 0.47%, or roughly \$30.5 million for the first year.
- NRA lowered to 64: estimated to create an increase in the required contribution rate of between 1.09% to 2.01% depending on usage changes.
- NRA lowered to 63: estimated to create an increase in the required contribution rate of between 2.22% to 3.47% depending on usage changes.

2. **Consideration of a legislative position on benefit improvements:** The board did not pass a motion in support of any legislative position at this time. However, it did signal support for expanding the current 62 and 30 rule (with reductions) to include retirement years 60 and 61, as costed above. TRA staff said they would work on fleshing out possible ways to fund that benefit change without an increase in employee contribution rates. Some members made it clear they would also like the board to support other potential bills with better benefit improvements, and they didn't want any board position to preclude them from supporting other bills. Multiple board members mentioned Education Minnesota's proposals. They left open the possibility of revisiting drafting their own bill, depending on what they hear from staff.

3. **Consideration of a legislative position on layered amortization:** The board took up a report from a layered amortization work group created by the

Legislature. The work group recommended switching TRA to a method of layered amortization as part of its valuation process. Slides on layered amortization are on pages 55-75 of the board packet. The group's recommendations are on page 71. The board considered a motion to fully endorse those recommendations, which failed on a tied vote. A second motion passed to support the recommendations but change the "active benefits changes" layer to amortize over a 20-year period, rather than over a 15-year period, as a compromise. The interim executive director planned to bring the decision back to the work group, so they can consider amending their recommendations.

Rally to Fund Our Future moved to Feb. 18

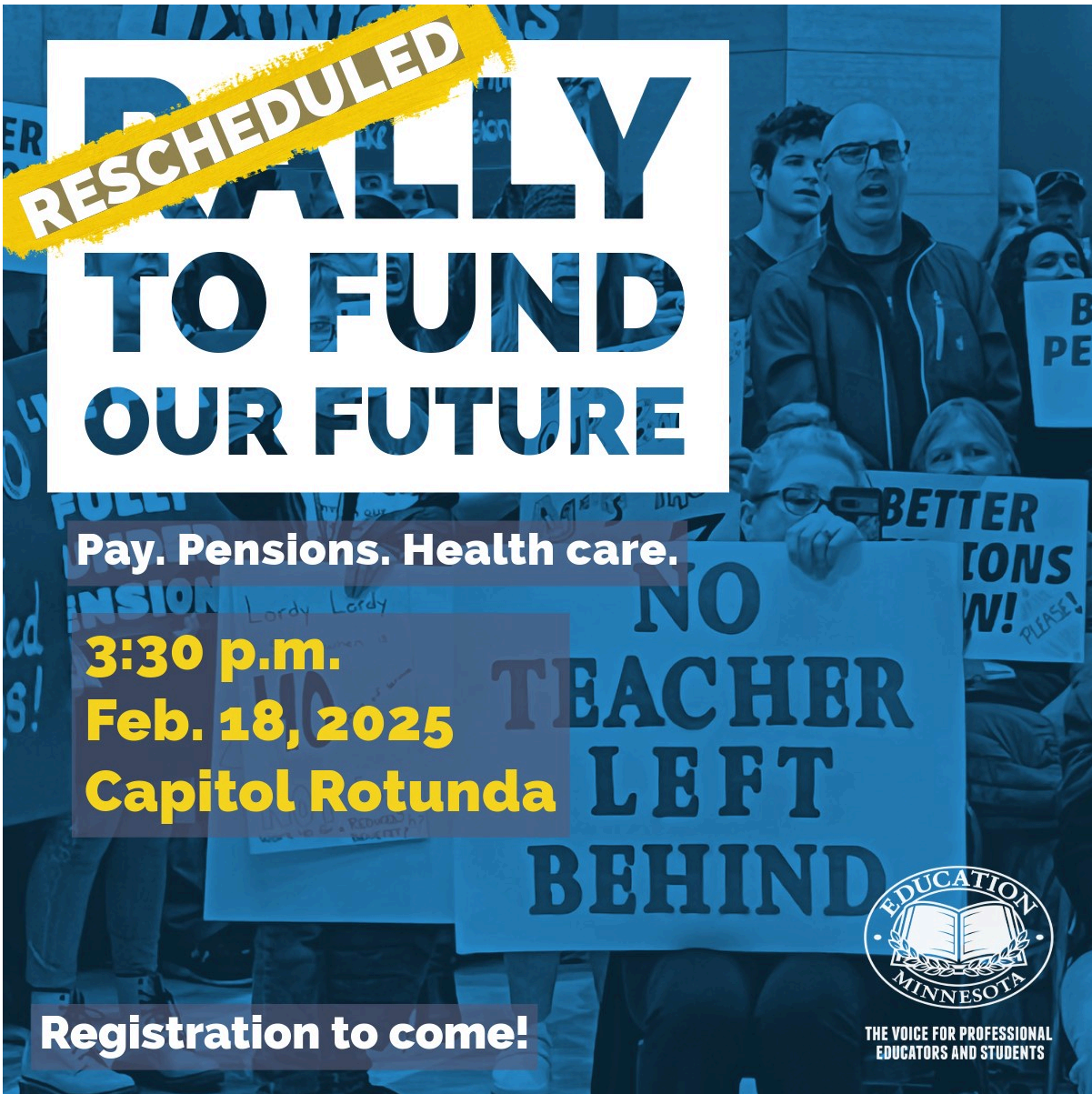
The Rally to Fund our Future, originally scheduled for Jan. 29, has been **rescheduled to 3:30 p.m. on Tuesday, Feb. 18.**

Given the uncertainty at the Capitol right now, this is the best approach to raise awareness about the importance of raising the revenue needed to improve educator pay, pensions and health care.

The Minnesota House has yet to solidify a power-sharing agreement, and Republicans are trying to use a temporary majority to take control of the chamber for the next two years. DFL legislators have signaled that they are planning to work in their districts for the first weeks of the session. Between the House and Senate, there will also be at least two special elections and litigation over which party will control which body. [See more information on what's going on at the Capitol.](#)

Because of all this, the rally has been rescheduled to a time when we expect legislators back at the Capitol.

A new registration link will be available on Monday. Staff will be reaching out to current registrants by email and text with the new details.



RESCHEDULED

RALLY TO FUND OUR FUTURE

Pay. Pensions. Health care.

3:30 p.m.

Feb. 18, 2025

Capitol Rotunda

Registration to come!



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Pension Updates will be sent 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](#).

