

Pension Updates



THE VOICE FOR PROFESSIONAL
EDUCATORS AND STUDENTS

Update No. 76

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

Attend the March 11 meeting of the Legislative Commission on Pensions and Retirement

[The first meeting of the Legislative Pension Commission](#) is Tuesday, March 11, at 5 p.m. The agenda includes a presentation from the executive director of the TRA, and we are asking members to join us in attending this meeting. There is no public comment session, however, the event is open to the public and we need to make our presence felt.

Interested members should plan to meet at the Education Minnesota office at 4:30 p.m. and we will walk to the meeting together. The doors to the Capitol building will be locked at 5 p.m., so if you cannot join us at 4:30, try to be inside the building before that time if you plan to attend.

[Ask your legislators to support the teacher pension bill now!](#)

March 5 TRA Board meeting summary

On Wednesday, the TRA Board met for their regular March meeting. As part of a legislative update, board member Kevin Lindstrom made a motion for TRA to publicly support Education Minnesota's bills for pension benefit improvements, HF1582 and SF2000. The motion included phrasing that board support would be contingent upon the bill containing a sufficient employer contribution to fund the benefit changes. The motion was seconded by board member David Rondestvedt.

In the discussion that followed, board members talked about the potential costs of the bill and where the burden of funding would lie. There were comments and questions about how the funding mechanism in the bill works, and how closely the motion on the table related to the particulars of the bill and its funding mechanism. There were also comments made in support of educators and the need for change. Because of that, we'd like to provide some additional context on our proposal.

S.F. 2000/H.F.1582 Funding

Education Minnesota strongly believes the state needs to fund teacher retirement flexibility. Our proposal does this by:

- Raising the employer contribution by 3.8% of covered payroll.
- Raising the pension adjustment aid to 5.8%.
- This funding then flows into the pension fund.

This system – raising the employer contribution rate but essentially holding districts “harmless” and not adding an unfunded mandate to schools – was first started in the 2018 pension bill. This will pay for the additional accrued liability to the fund that would come from the benefit improvements laid out in the bill.

We arrived at that figure by adding cost estimates of each of the benefit improvements – estimates done by TRA’s actuaries over the last few months. One concern raised was that although those items have been evaluated individually, they have not been evaluated as a package. As a result, TRA staff does not yet know if that figure would be sufficient to cover that liability. There was no motion to get updated cost estimates for those items together, however. It is possible that those items may actually be cheaper when costed together.

These amounts will be updated when we have new information on costing. This will happen either when TRA requests an actuarial analysis of our bill or when the bill receives a hearing in committee. We welcome any updated numbers and are ready to amend the bill as necessary.

Board Vote

After that discussion and debate, the board held a vote on the motion. Board members Kevin Lindstrom, Julie Reno, David Rondestvedt, and Kathy Oellerich voted "yes." Board members Mary Broderick and Joel Stencel voted "no." Board members Thomas Carr and Patty Hand abstained.

Because the board requires a yes vote from a majority (5) of members to pass a motion, the motion failed.

Over a dozen teachers made public comments, speaking to their disappointment in the board's vote. Education Minnesota shares that disappointment and calls on the board to reconsider their position of inaction and instead support Education Minnesota's bill to improve pension benefits. Despite the lack of support from the board, we will continue to push for pension reform at the Legislature. We have great co-authors on our bill and a placeholder in the governor’s budget. Both are far more important to our ultimate efforts than this setback at TRA.

There were other items on the agenda. Most notably:

- TRA staff presented cost estimates for a different benefit change package (on board packet pages 41-51): Expanding the current 62 and 30 rule to instead begin at age 60 (still with reductions, like the current rule), but also expanding the early retirement COLA delay to include those who meet the would-be 60 and 30 Reduced or Rule of 90. Packaging these two benefit changes together has a resulting cost of 0.19% of payroll. No action was taken on this item; it was presented as informational.
- TRA staff voted to empower HR staff to enter negotiations with interim executive director Tim Maurer. This comes at the tail end of a months-long search and hiring process.

TRA Board candidates make their case at forum

On Wednesday, March 5, four TRA board hopefuls participated in Education Minnesota's candidate forum to make their case to voters. To learn more about the candidates, check out the full forum and a candidate comparison below:

- [TRA Candidate Forum video.](#)
- [Education Minnesota Candidate Comparison.](#)
- [TRA candidate information/election timeline.](#)

The TRA Board of Trustees is seeking to fill two active member seats and one retiree seat on the board. Voting for the 2025 board election begins with the arrival of members' ballots in mid-March and ends on April 25.

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](#).

