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# Pension Updates



THE VOICE FOR PROFESSIONAL  
EDUCATORS AND STUDENTS

## Update No. 84

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

### Pension budget targets released

Governor Walz and legislative leaders reached an agreement yesterday on joint budget targets. These targets determine how much funding each committee will receive to allocate among their various proposals. The amount designated for pensions is \$80 million over the biennium. While this amount is not sufficient to fully fund our original bill ([S.F. 2000 / H.F. 1582](#)), efforts are ongoing with TRA and key legislators to achieve the best possible career rule. However, this funding is a step in the right direction and we are very appreciative of the ongoing funding allocated to pensions for the third year in a row.

Tomorrow's [Strong Schools & Strong Pensions Rally](#) will be crucial to getting this done. With all the priorities still left on the table at the Legislature, we need to ensure educator voices are heard and your pension remains a priority as final bills are moved through the process. Please register and ask coworkers to join you!

### TRA special meeting today!

The TRA held a special meeting today at 2 PM to review legislative proposals. During the meeting, TRA staff explained that of the \$80 million allocated to pensions, an agreement was reached to dedicate half of the amount to public safety and half to teachers. This means TRA will have \$20 million per year to fund an enhanced career rule for teachers. They also presented a proposal that was modified from other options previously discussed in the legislature.

	62-and-30 With Age 66 NRA	Current Law 62-and-30	60-and-30 with 6% Augmented Factors	Proposed 60-and-30 with 5% Augmented Factors
55	0.35000	0.42000	0.42000	0.42000
56	0.39000	0.46000	0.46000	0.46000
57	0.43000	0.50000	0.50000	0.50000
58	0.47000	0.54000	0.54000	0.54000
59	0.51000	0.58000	0.58000	0.58000
60	0.58000	0.65000	0.81149	0.86946
61	0.65000	0.72000	0.85539	0.90041
62	0.85500	0.89604	0.89604	0.92882
63	0.89600	0.93359	0.93359	0.95481
64	0.93300	0.96820	0.96820	0.97850
65	0.96800	1.00000	1.00000	1.00000

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This would be an enhanced career rule for teachers at least 60 years of age, and with 30 years of service. During the discussion, Executive Director Maurer shared that this proposal would have 97% parity with Rule of 90 for people at age 60, and **would be a higher benefit than Rule of 90 for anyone retiring at 61 or later.**

Age	Years of Service	Starting Monthly Benefit			Change in Benefits
		Current Law	Current Law 62-and-30	Proposed 60-and-30 with Augmented 5% Factors	
55	30	\$1,443.75	\$1,443.75	\$1,443.75	
56	30	\$1,581.25	\$1,581.25	\$1,581.25	
57	30	\$1,718.75	\$1,718.75	\$1,718.75	
58	30	\$1,856.25	\$1,856.25	\$1,856.25	
59	30	\$1,993.75	\$1,993.75	\$1,993.75	
60	30	\$2,234.38	\$2,234.38	\$2,988.77	\$754.39
61	30	\$2,475.00	\$2,475.00	\$3,095.16	\$620.16
62	30	\$2,715.63	\$3,080.14	\$3,192.82	\$112.68
63	30	\$2,956.25	\$3,209.22	\$3,282.16	\$72.94
64	30	\$3,196.88	\$3,328.19	\$3,363.59	\$35.41
65	30	\$3,437.50	\$3,437.50	\$3,437.50	

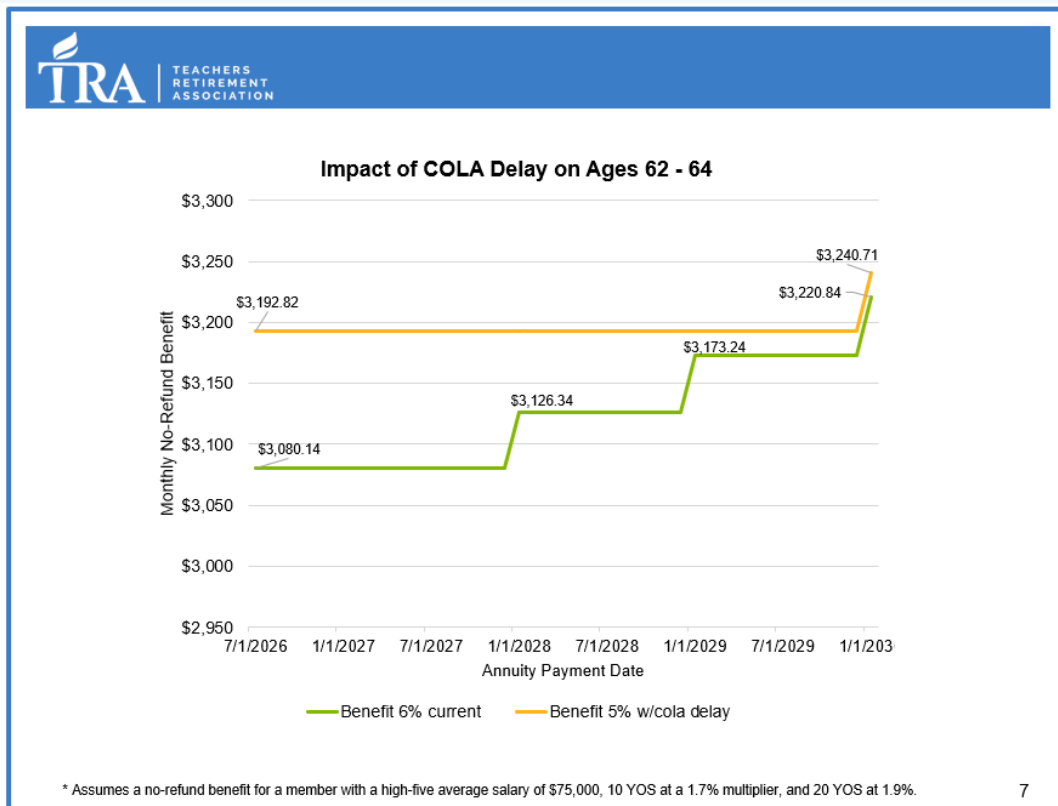
\*Assumes a no-refund benefit for a member with a high-five salary of \$75,000, 10 YOS at a 1.7% multiplier, and 20 YOS at 1.9%.

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However, the state has not allocated enough money to fully fund this proposed career rule. So, the TRA board discussed paying for the improvement with:

- \$20 million from the state
- Incorporating a Cost of Living Adjustment delay for all TRA members not yet at their Normal Retirement Age
- Absorbing approximately \$17 million in liability to the fund, cutting into the TRA sufficiency

Importantly, even with the COLA delay, no member is harmed in this proposal and career teachers benefit significantly.



Board members passed a motion to support a career rule that does not harm any member, is funded for school districts and Minnesota State, and that diminishes the TRA sufficiency but does not result in a deficiency.

This means that the board is now supporting a career rule for teachers, even though it won't be fully funded by the state. This greatly expands how strong of a career rule we can secure at the legislature and within the budget target allocated to pensions.

We applaud the TRA board for calling today's meeting and helping to advance a career rule that our members need.

## Legislative Commission on Pensions and Retirement meeting tomorrow

Tomorrow, the Legislative Commission on Pensions and Retirement will be meeting at 12 PM (due to the fluid nature of the legislative schedule, this time may change).

The LCPR will adopt their recommendations for the year, including policy items, as well as pension improvements. Please note this item on the agenda:

- Amendment S2884-13A - will be posted as soon as it is available (*benefit improvements and funding for public safety and teachers*)

Education Minnesota officers and staff are lobbying to have the strongest career rule possible for teachers included in this amendment and are advocating for the LCPR to follow the TRA's recommendation. We will share more information as it is available.

## **Strong Schools & Strong Pensions Rally is tomorrow!**



Gov. Tim Walz and legislative leaders are in the midst of final negotiations on the state budget before the Legislature adjourns on Monday, May 19. With the proposed state budget released, now is a critical time to make our voices heard loudly on investments in strong pensions and strong public schools!

**[REGISTER NOW](#)** for our Strong Schools & Strong Pensions Rally at 1:30 p.m. Saturday, May 17. Mileage and parking reimbursement is available for Education Minnesota members.

*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](#).*

