

New “60 and 30” Pension Career Rule Overview

For Members of the Teachers Retirement Association (TRA)

This legislative session, a new Career Rule with lower penalties for each retirement age from 60 through 64 was passed into law. This rule enhances benefits for those retiring between 60 and 64, with 30 years of service credit. Key facts about the new law:

- A qualifying member retiring at 60 will now get nearly 87% of their full benefit, rather than 65%.
- This rule brings wage replacement to 97% parity with Rule of 90 for those retiring at 60.
- To help pay for this, COLAs will be delayed until 65 for all career rules (both the new 60 and 30 with enhanced benefits, as well as Rule of 90).
 - *Those retiring at 60 and 61 already have a COLA delay but will now have much lower penalties.*
 - *Those retiring at 62 will still come out ahead compared to existing 62 and 30 without a COLA delay.*
 - *Tier 1 members will still have access to both step and level formula; whichever creates the higher annuity.*
- Benefit goes into effect June 30, 2025.

For more information on these changes, see TRA's legislative page. Contact TRA at www.minnesotatra.org/contact for questions about your individual situation.

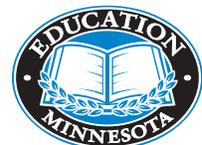
Chart 1: Comparing Penalties

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

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Chart 2: Comparing Initial Monthly Benefits (TRA example for starting monthly benefit)

Age	Years of Service	Law pre-July 1, 2025	Law pre-July 1, 2025 62 and 30	Law post-July 1, 2025	Change in Benefits
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	\$36.41
65	30	\$3,437.50	\$3,437.50	\$3,437.50	

Note: 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%.

Chart 3: Illustration of Lower Penalties vs COLA Delays (TRA example for impact of COLA delay on ages 62-64)

