



State legislative action prompts changes to TRA pensions

On May 19, 2026, the Minnesota governor signed House File 4074, the 2026 Omnibus Pension and Retirement Bill (omnibus pension bill), into law.

This legislation makes slight adjustments to the rules for transitioning into retirement and returning to work as a TRA retiree. Whether you are nearing retirement or in the middle of your career, it's important to understand TRA's recent legislative changes.

RETURN-TO-WORK AGREEMENTS

In certain circumstances, a TRA member who works in a PreK–12 school is able to transition gradually into retirement by simultaneously collecting a pension and a paycheck. This is done according to a formal return-to-work agreement defining the terms and duration of the retiring member's employment. Importantly, these formalized agreements are the only scenario in which there can be a preexisting understanding that the member will apply for TRA benefits and continue working for a school district.

Previously, eligibility for return-to-work agreements was limited to those aged 62 and older. The omnibus pension bill lowered the eligibility age for these agreements from age 62 to age 59 1/2. Individuals must be at least 59 1/2 years old when they receive their first TRA pension check and are employed under a return-to-work agreement.

The TRA Board of Trustees supported reducing the age to better align with TRA's 60-and-30 benefit structure, which became effective in 2025. Under that benefit, eligible members who are age 60 or older with at least 30 years of service credit may qualify for more favorable reduction factors for early retirement under the Level formula.

TRA members employed by Minnesota State have a different postretirement employment option. This was not affected by the new legislation.



Read more about legislative updates on page 3.

Additional 2026 legislative changes:

CLARIFIED ELIGIBLE SALARY

Minnesota Paid Leave program payments are not eligible salary for pension purposes.

PHYSICIAN ASSISTANTS

The list of medical providers who can submit documentation with respect to TRA disability benefits now includes physician assistants.

EMPLOYER CONTRIBUTIONS

Beginning July 1, employers will make pension contributions on the eligible salary earned by reemployed TRA annuitants.

INTEREST ASSUMPTION

The assumption used to calculate joint-and-survivor benefits was moved out of statute and into an appendix overseen by the Legislative Commission on Pensions and Retirement (LCPR). This enables TRA to use a more custom assumption if recommended by our actuary and approved by the LCPR.



Visit minnesotatra.org to learn more about these updates.

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PRESIDENT'S CORNER

Goals and initiatives at TRA

For many of us, the spring and summer seasons are times of renewal. Daily schedules may have a different rhythm, the longer days can offer a natural boost of energy, and spending more time outdoors often feels rejuvenating.

At TRA, these months are marked by several important, energizing initiatives—each enhancing how the fund serves its members and fulfills its mission.

As you will read on page 1, the 2026 Omnibus Pension and Retirement Bill became law in May. This year's legislative updates were multifaceted, improving the process for active members to apply for disability benefits, extending the earnings limitation suspension for PreK–12 educators, and lowering the minimum age for members to enter return-to-work agreements with their employers, among other changes. I would like to express my gratitude to the TRA staff who worked diligently to adjust the fund's processes and documentation to align with new legislative requirements. Their swift action ensures that TRA administers the pension plan with precision.

TRA is also in the midst of preparing for operational changes prompted by the board of trustees' decision to require a 90-day break in service for TRA retirees seeking to return to a TRA-eligible position after their formal retirement. This change will bring TRA into better compliance with federal tax law and will be effective January 1, 2027. TRA is engaged in informing both members and their employers about the forthcoming requirement to facilitate a smooth transition.

Also looking to the future, the board of trustees will continue its strategic planning initiative this summer and beyond. The board discussed the early phases of a strategic plan project several times recently and then at our June board meeting heard presentations from consulting firms that partner with public entities like TRA on governance and goal setting.

We anticipate that pairing an outside perspective with the insights of trustees and TRA's executive leadership team will facilitate a plan with an enduring positive influence.

To close, I want to highlight areas of innovation that are underway for the fund. TRA launched a redesigned website this April. While there is an overview of the site's enhancements on page 4, I encourage you to visit minnesotatra.org for yourself to find a number of new resources, see its contemporary branding, and review its revised content. In several different capacities, TRA is updating its tools and communications to meet or exceed accessibility standards and to better support our stakeholders. As always, TRA and its leadership remain committed to delivering a high quality experience for all of our members.



JOEL STENCEL
TRA Board of Trustees President



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EARNINGS LIMITATION SUSPENSION EXTENDED

TRA retirees who return to work or transition into retirement under a return-to-work agreement generally are subject to a \$46,000 earnings limitation until they reach their Social Security normal retirement age. In 2022, the Minnesota

Legislature initially suspended this limitation for TRA-covered employment in PreK–12 schools for two years and extended it in 2024.

In 2025, the TRA Board of Trustees evaluated data and policy options related to retiree reemployment and supported extending the earnings limitation

suspension through fiscal year 2030. The omnibus pension bill made this change, and the suspension now applies to salary earned through June 30, 2030.

Retired TRA members employed by Minnesota State under the Annuitant Employment Program remain subject to a \$62,000 annual earnings limitation.

Create personal retirement benefit estimates using myTRA

As a TRA member, you can use the online benefit estimate calculator in myTRA to produce unofficial estimates of your future retirement benefit at any time.

The calculator tool enables you to generate retirement benefit estimates under all annuity plans. These estimates are not the official calculation of benefits provided by TRA when you

retire but rather resources to assist with your retirement planning. Your service credit and your salary history are pulled from your account for the calculations. You can generate estimates for as many retirement scenarios as you need, and all estimates are stored in your account for future reference.

Learn about your retirement benefit at an online info session

TRA offers small group events year-round to assist members at all stages of their careers. Use the events calendar on minnesotatra.org to find an upcoming TRA pension benefit presentation that's right for you.

TO GET STARTED:

1. Sign in to myTRA.
2. Click **Estimates** and then **Estimate Calculator** on the main page.
3. Click the **Generate a retirement estimate** button.
4. Follow the online prompts and input applicable information.

Start by attending:



**TRA
PENSION
BASICS**

These sessions are open to all TRA members and offer an overview of the defined benefit plan.



90-day break in service requirement takes effect in 2027

Beginning January 1, 2027, retiring TRA members will be required to have a 90-day break in service before returning to work in a TRA-covered position.

This policy update was passed by the TRA Board of Trustees at its September 2025 meeting. The change brings TRA into better alignment with the other public pension funds as well as federal tax law.

The 90-day break in service does not apply to members who have formal return-to-work agreements signed with their school districts.



Visit minnesotatra.org to learn more.

When you are five years from retirement, attend:



**PREPARING
FOR
RETIREMENT**

These events are tailored to members planning to retire within the next five years and offer helpful information about navigating the retirement process.



Let's stay in touch...

It's important to inform the Teachers Retirement Association about changes to your name, address, or email address. Having up-to-date demographic information enables TRA to properly and efficiently administer your pension benefit.

SIMPLE WAYS TO UPDATE YOUR CONTACT INFO:

- » Sign in to your myTRA account and select **My Profile** under the **Settings** menu.
- » Call TRA Member Services at 800-657-3669.

GET TO KNOW TRA IN FIVE QUICK FACTS

This April, TRA launched a redesigned website built to better serve members and stakeholders. The new website features meaningful improvements to accessibility, navigation, and the ways individuals connect with TRA online. Enhancements to minnesotatra.org include:

1 A brand new events calendar displays TRA's member education sessions, board meetings, and holiday closures in a dedicated space.



2 A clearer website structure makes locating information easier, whether you're a new member just getting started or a longtime member looking for a specific resource.



3 Accessibility improvements better support website visitors who navigate the site with keyboards, use screen readers, or rely on other assistive technology.



4 The search function is now distinctly displayed to help users find specific resources.



5 The button to sign in to myTRA is displayed more prominently. The member portal did not change — same sign-in process, same experience.

