

TRA POLICY UPDATE:

Mandatory break in service

Beginning January 1, 2027, retiring TRA members must have a 90-day break in service before returning to work in TRA-covered positions (*see exceptions on page 2*). The TRA Board of Trustees passed this policy update at its September 2025 meeting. The change brings TRA into alignment with other public pension funds as well as federal tax law.

90-DAY BREAK IN SERVICE DETERMINATION

TRA determines the 90-day break in service requirement using the 90 calendar days immediately following a member's last day of employment. The last day of employment is the last day a member worked and earned salary in a TRA-covered position, not the date the member received the salary.

For example:

LAST DAY	DAY 1	DAY 90	DAY 91
A member retires with a last day of employment of January 1, 2027.	January 2, 2027, is day 1 of the 90-day break in service.	April 1, 2027, is day 90 of the 90-day break in service.	April 2, 2027, is the earliest date the member can resume working in a TRA-covered position.

VIOLATIONS

If a member earns salary in a TRA-covered position during the 90 calendar days immediately following the reported last day of employment, TRA will take the following actions:

- » **Recalculate the 90-day break in service period** based on the member's new last day of employment.
- » **Stop the payment of the retirement benefit** and adjust the benefit to reflect the updated effective date.
- » **Invoice the member** for the full repayment of any benefit payments received or adjust the member's future benefit payment(s) to recoup the overpaid funds.

VIOLATION EXAMPLE:

- » A member retires with a last day of employment of January 1, 2027, and does not have a formal Return-to-Work Agreement or Annuitant Employment Program Agreement in place.
- » January 2, 2027, is day 1 of the 90-day break in service.
- » April 1, 2027, is day 90 of the 90-day break in service.
- » April 2, 2027, is day 91 of the 90-day break in service and the earliest date the member can resume working in a TRA-covered position.
- » The member works one day on January 5, 2027, and earns salary.
- » TRA receives the payroll for this new salary on February 15, 2027, after the member receives a benefit payment.
- » TRA revises the member's last day of employment to January 5, 2027, pauses future pension payments, and notifies the member. The member must have a 90-day break in service.



Violation example continues on page 2.

VIOLATION EXAMPLE (CONTINUED):

- » January 6, 2027, is day 1 of the new 90-day break in service.
- » April 6, 2027, is day 91 of the 90-day break in service and the date the member may resume working in a TRA-covered position.
- » TRA invoices the member for the benefit payment(s) the member was ineligible to receive. The member must repay the amount.

EXCEPTIONS FOR REEMPLOYMENT

For **PreK-12 employees**, the 90-day break in service requirement does not apply when they are at least 59 ½ years old and have a formal **Return-to-Work Agreement** with a

TRA-covered employer. Individuals must submit Return-to-Work Agreements with their Retirement Annuity Applications.

Alternatively, for **Minnesota State employees**, the 90-day break in service requirement does not apply when they are at least 59 ½ years old and a TRA-covered employer approves them for the Annuitant Employment Program. Individuals must submit **Annuitant Employment Program Agreements** with their Retirement Annuity Applications.

TRA members who have a reemployment agreement in place at the time of their retirement must not work in a TRA-covered position for at least one day immediately following their reported last day of employment or benefit effective date.



Read FAQs about this topic on minnesotatra.org.



Tax reminder

TRA members may change their federal and state tax withholdings using traditional documents or more efficiently in myTRA.

Basic steps for using myTRA:

1. Sign in to your TRA online account.
2. Select “My Account.”
3. Select either “Federal Tax Withholding” or “State Tax Withholding.”
4. Your current tax withholding summary displays. Select “Change Federal/State Tax Withholding” above the summary.
5. Make your adjustments, check the certification box on the bottom of the page, and select “Next.”
6. Review your changes, and select “Submit” to save your updates.

Tips for submitting traditional documents:

TRA members must use the following forms to make tax withholding updates for annuities:

- » Form W-4P IRS Withholding Certificate for Periodic Pension or Annuity Payments
- » Form W-4R IRS Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions
- » Form W-4MNP Minnesota Withholding Certificate for Retirement Account, Pension, or Commercial Annuity Payments

To obtain copies of these forms, go to minnesotatra.org and select “Taxes” under the “Retirees” menu. You must submit the applicable, completed form(s) to TRA by mail or using the Document Upload Portal in your myTRA account.

Schedule of benefit payments for 2027

Teachers Retirement Association benefit payments are deposited on the first business day of each month. If the first falls on a Saturday, Sunday, or holiday, deposits occur the next business day, though each financial institution has its own internal processes and timelines for posting deposits to members’ accounts.

The payment dates for calendar year 2027 are:

- » Monday, January 4
- » Monday, February 1
- » Monday, March 1
- » Thursday, April 1
- » Monday, May 3
- » Tuesday, June 1
- » Thursday, July 1
- » Monday, August 2
- » Wednesday, September 1
- » Friday, October 1
- » Monday, November 1
- » Wednesday, December 1

Remember: TRA staff are unable to provide tax advice. Consult with a professional tax advisor to assist you in completing your tax withholding selections.



PRESIDENT'S CORNER

Guiding TRA's future

This summer the Teachers Retirement Association (TRA) reached an impressive milestone — its 95th anniversary!

When the Minnesota Legislature established TRA on August 1, 1931, the day-to-day lives of Minnesota's public educators looked quite different than they do now. Yet, the advantages of TRA's defined benefit plan were as clear for Minnesotans during the Great Depression as they are for members today: to guarantee a lifetime income, simplify retirement planning, reduce risk, and leverage other key plan features and benefits.

Reflecting on TRA's long history energizes me for the objectives the board seeks to complete in the coming months. At our annual retreat this summer, we began to build momentum on the board's strategic development project. We are collaborating with an outside firm to utilize their expertise and efficiently develop new governance policies to guide the board's future decision-making. For entities like ours, funding policies and strategic planning provide an important framework for making tough choices and fulfilling our fiduciary duty to position the pension for long-term sustainability. As we progress on the project, TRA trustees will engage in important conversations during our upcoming board meetings. I invite you to listen in as we work toward our final deliverables and to take our online stakeholder engagement survey during October (see details on page 4).

While the board focuses on strategic planning this year, TRA staff will tackle several other initiatives. As mentioned on pages 1 and 2, a policy change will take

effect January 1, 2027, requiring most TRA members to have a 90-day break in service before returning to work in TRA-covered positions. Implementing a change like this requires careful planning and communication with members, employers, and others. I'm grateful for the hard work underway to facilitate this plan improvement, which brings TRA into alignment with federal tax law.

Also in the new year, TRA active members will have the opportunity to participate in an election to fill two trustee seats on the board. Candidates interested in serving in a trustee role must submit their applications by mid-December. I encourage you to stay informed on TRA's election news by visiting minnesotatra.org.

To conclude, I want to share some positive news. As you may know, TRA is funded through a combination of employer and employee contributions as well as investment earnings. TRA's fiscal year 2026 investment returns were strong, exceeding the annual benchmark that our fund assumes it must reach. The success of our investments contributes directly to the soundness of our plan, and I'm grateful for the financial strength that allows TRA to continue fulfilling its mission after 95 years.

And of course, thank you to the members, retirees, staff, trustees, and state leaders who have shaped TRA's history and continue to guide its future.

JOEL STENCEL

TRA Board of Trustees President



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YOUR PERSPECTIVE MATTERS

TAKE THE SURVEY



Complete a TRA retiree survey by October 30

At TRA, we're always striving to better serve you. Please take a few minutes to complete a retiree survey that will inform the TRA Board of Trustees' strategic planning initiative. Your responses will support TRA's long-term success.

surveymonkey.com/r/MN-TRA-Members



TRA Board of Trustees:

Election for active member representatives to occur in 2027

The election process commenced to fill two active member representative seats on the Teachers Retirement Association Board of Trustees. The board is accepting active member candidate applications through December 11, and then voting will occur after the new year.

The retiree seat on the board will not be up for election until 2029, thus only active members will vote in the current election cycle. TRA's elected trustee representatives serve four-year terms, and there are no term limits on board positions.

The TRA board meets approximately eight times each year to oversee the administration of the pension fund. Board meetings are open to the public and subject to the Minnesota Open Meeting Law. Some of the major board responsibilities are to establish rules, policies, and procedures for administering the

plan; approve an annual budget; assess the financial status of the plan in consultation with the plan's retained actuary; determine member appeals; and appoint TRA's executive director. The TRA board has no investment responsibility. The Minnesota State Board of Investment manages TRA assets.

Trustees are fiduciaries pursuant to Minnesota law. As fiduciaries, trustees owe duties to TRA participants and beneficiaries, Minnesota taxpayers, and the State of Minnesota. Trustees must act solely in those groups' best interests in exclusion of all other interests, including personal interests, and must impartially manage the plan for the exclusive purpose of providing authorized benefits and paying plan expenses.

Visit minnesotatra.org/about/board/election to learn more about the 2027 election process.