

AT A GLANCE

Who We Serve:

- 120,000 active/inactive teachers
- 59,000 benefit annuitants
- 591 employer units

Revenue sources:

- 74% investment income
- 12% member contributions
- 14% employer unit contributions

Direct Aid and Supplemental Employer Contributions:

- General Fund annual appropriation of approximately \$16.5 million for merger of Minneapolis Teachers Retirement Fund Association (MTRFA) in 2006.
- \$2.25 million from the City of Minneapolis and \$2.25 million from the Minneapolis School District in direct annual contributions related to the MTRFA merger.
- General Fund annual appropriation of \$14.4 million for the merger with the Duluth Teachers Retirement Fund Association on June 30, 2015.

Staff: 90 FTE

PURPOSE

Provide retirement, disability, and survivor benefits to Minnesota public educators, assisting them in achieving future income security.

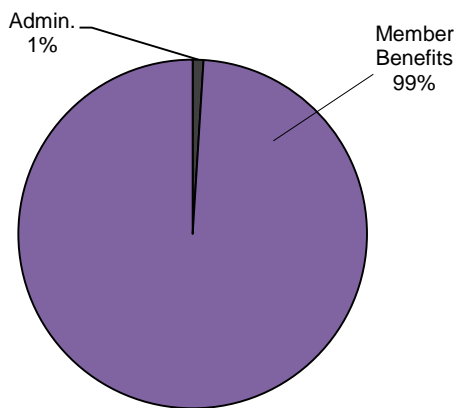
Strive to provide benefits that attract and retain competent teachers who serve communities throughout the state, building a stronger education system.

Commit to safeguarding the financial integrity of the fund and take pride in providing exceptional, innovative services to our members.

TRA contributes to the statewide outcome of: a thriving economy that encourages business growth and employment opportunities; Minnesotans have the education and skills needed to achieve their goals; and efficient and accountable government services.

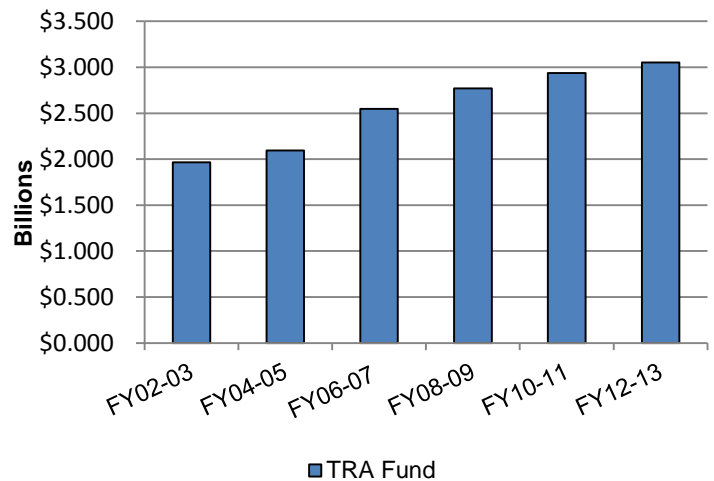
BUDGET

**Spending by Program
FY 13 Actual**



Source: TRA Comprehensive Annual Financial Reports (FY 2002-2013)

Historical Spending



TRA was established by the Minnesota legislature in 1931 and is largely governed by Minnesota Statutes Chapter 354 and 356. The Association is administered by an eight member board of trustees. TRA is funded through member contributions, employer

contributions, and investment earnings on fund assets. Over a long period of time, approximately 70 percent of fund revenues are expected by investment earnings. TRA members and their employers each contribute 7.5% of their covered salary to TRA.

The TRA expenditure budget consists largely (over 99%) of monthly retirement, survivor, and disability payments to members or other benefit recipients. In fiscal year 2016, TRA expects to pay \$145 million/month in benefits to nearly 60,000 individuals.

TRA's main office is in St. Paul. Satellite offices are located in Detroit Lakes, St. Cloud and Mankato. Effective June 30, 2015, the Duluth Teachers Retirement Fund Association (DTRFA) will be merged into TRA. TRA is expecting to maintain a satellite office in Duluth to serve the northeastern part of the state.

STRATEGIES

The TRA Management Team is committed to safeguarding the financial integrity of the fund requiring continual monitoring of actuarial funding reporting. Core operational functions include: collecting, recording and maintain the accounting of retirement contributions; collecting and managing member information; issuing benefit and refund payments; and educating members and employers about TRA plan features.

RESULTS

During fiscal year 2014, 4,864 members were served with individual pre-retirement counseling services. Another 1,781 members were served during group counseling and other ad-hoc presentations.

In fiscal year 2014, TRA generated 30,603 benefit estimates for members preparing for retirement. TRA members may also securely generate benefit estimates online. TRA members requested 64,269 benefit estimates online during fiscal year 2014.

The TRA Contact Center received 43,557 telephone calls and responded to 2,211 emails during fiscal year 2014.

Another performance measure is the funded ratio of the plan which is an indication of the ability to meet current and future benefit obligations. TRA's funded ratio has improved over the most recent three-year period.

<i>Type of Measure</i>	<i>Performance Measures</i>	<i>Previous 6/30/2011</i>	<i>Current 6/30/2014</i>
Quantity	TRA Plan Funding Ratio (Market Value)	78.0%	82.9%
Quantity	TRA Plan Contribution Deficiency (percent of covered payroll- Market Value)	- 3.61%	- 0.01%
Quantity	TRA Plan Unfunded Actuarial Liability (Market Value)	\$4.9 billion	\$4.2 billion