TRA Board Welcomes Two New Members

The TRA Board of Trustees has two new active member board representatives after voters selected David Rondestvedt and Kathy Oellerich in the 2023 board election and were certified by the current board at the May 10 meeting.

Rondestvedt teaches special education at Robbinsdale Area Schools. Oellerich teaches science at South Washington County School District.

Voter turnout among active TRA members was 8.7 percent. TRA thanks everyone who participated.

TRA is managed by a board of eight trustees: five elected trustees (four active, one retired) and three statutory members representing the Minnesota School Boards Association, the Commissioner of Education and the Commissioner of Minnesota Management and Budget.

(Continued on page 2)
A First Step

Broadcaster Dan Rather once said, “If all difficulties were known at the outset of a long journey, most of us would never start out at all.” With the end of a whirlwind legislative session, there may not be a victory-- but there is a start.

To all the members who participated in TRA board meetings and the legislative process, we hear you, and we appreciate your engagement. Please remember only the legislature has the authority to make changes to the plan.

The TRA Board met numerous times in 2022 to consider inflation’s impact on retirees and the plan’s high normal retirement age on Tier II members.

The initial result of these challenging conversations was a comprehensive legislative proposal. It was both sustainable for the fund and beneficial to our active and retired members, and included:

- Full, unreduced retirement benefits for members who are at least age 60 with at least 30 years of service.
- A one-time, compounded 2.5 percent post-retirement adjustment on January 1, 2024, funded by the State.

With frustration, we accepted the offered payment to help pay down the fund’s liabilities and provide a modest one-time payment to retirees.

Then in the last days of the session, we were just as surprised to learn that a modest deal had been brokered by the Governor and leaders of the House and Senate for Tier II teachers.

With the addition to the tax bill lowering the retirement age to 65 in two years, our staff is now working diligently to implement the change and inform members as quickly as possible.

Significant pension reform is very expensive and we know the outcome of the 2023 legislative session is frustratingly minor for many members.

As LCPR Chair Rep. Kaohly Her said in her announcement of the deal, “It’s a starting point.” Now we have a start to what will be an ongoing process. We at TRA will continue to work with and educate the legislators and advocates to do what we can to improve the retirements of you, the educators, who have given so much to Minnesota and her students.
The employer contribution rate will increase by 0.75 percent, for a total rate of 9.5 percent.

The employee contribution rate will increase by 0.25 percent, for a total rate of 8.0 percent.

**FREQUENTLY ASKED QUESTIONS**

**If I terminate employment before July 1, 2025, will I be eligible for the new normal retirement age of 65?**

If you are a Tier II member who terminated TRA-covered employment on or before May 24, 2023, you must return to service and earn at least one-half year of service credit to be eligible for the 65 normal retirement age.

If you are a Tier II member who terminated service after May 24, 2023, you will qualify without additional service.

**What will my normal retirement age be if I retire before July 1, 2025?**

Tier II members who retire before July 1, 2025 have a normal retirement age of 66.

Beginning July 1, 2025, the normal retirement age for all eligible TRA members will be 65. The law change will not apply retroactively to benefits started before July 1, 2025.

**How will the normal retirement age change impact my pension contributions?**

The Tax Bill increased both the employee and employer contribution rates to provide funding for lowering the normal retirement age. The employer contribution rate increases will be offset by appropriations, either directly to the employer or through the pension revenue adjustment.

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**THE BUDGET BILL**

The Budget Bill provides a total of $176 million in direct funding to TRA. $31.1 million of that amount will fund a one-time, lump-sum payment for eligible benefit recipients in early 2024, which will be in addition to the 1.1 percent post-retirement adjustment that will be paid on January 1, 2024.

Eligible benefit recipients with Coordinated benefits will receive a 1.4 percent lump-sum payment and those with Basic benefits will receive a 2.9 percent lump-sum payment. The remaining $145 million will help reduce the fund’s unfunded liability.

**THE POLICY BILL**

The Policy Bill makes small, administrative adjustments to TRA’s statutes. The most notable change extends the minimum period of time TRA members have to purchase service credit for military leaves of absence from, one year to three years.

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**LEARN MORE ABOUT YOUR BENEFIT, REGISTER FOR AN UPCOMING WEBINAR!**

TRA is offering informational WebEx virtual group sessions (webinars) this summer and on October 19. To register, log into your myTRA account and select ‘Counseling.’ You can also register by calling 800.657.3669. All summer group webinars begin at 10:00 a.m.

**Summer Webinar Schedule**
- July 27
- Aug. 10
- Aug. 24

**MEA Webinar Schedule**
- Oct. 19
  - 10:00 a.m.
  - 3:30 p.m.
For use ONLY if you wish to report a name, address or email address change. Updates can be made online at www.minnesotatra.org. You also may call TRA Member Services at 651.296.2409 or 800.657.3669, or mail the form below to TRA. Be sure to include the above printed mailing address with your mailed request.

Please check all boxes that apply:

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**TRA IS HITTING THE ROAD**

TRA's group workshops are perfect for members five to ten years from retirement. Reserve your spot today. To register, log into your myTRA account and select ‘Counseling.’ You can also register by calling 800.657.3669.

**SUMMER SCHEDULE**

**DETROIT LAKES**
July 20 at 1:00 p.m.
Detroit Lakes Public Schools

**ROCHESTER**
July 20 at 10:00 a.m.
Rochester Community and Technical College

**DULUTH**
Oct. 19 at 9:00 a.m.
Duluth Public Schools District Office

**ROCHESTER**
Oct. 19 at 2:00 p.m.
Rochester Community and Technical College

**SAINT CLOUD**
Oct. 19 at 9:00 a.m.
Resource Training and Solutions

**WORTHINGTON**
Oct. 20 at 1:00 p.m.
Minn. West Community and Technical College

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