

# TEACHERS RETIREMENT INFORMATION BULLETIN

Retiree Edition ■ Fall 2020



## Osseo teacher named to board



Noel Raph has been appointed to an interim position on the Board of Trustees. Raph is an elementary and secondary special-education teacher in the Osseo district. He previously worked in the Bloomington school district and the Intermediate School District #287. His term expires June 30, 2021.

## Application period opens for retiree seat on TRA board

The TRA Board of Trustees is seeking candidates to fill one retired-member seat on the board. The term of retired teacher Martha Lee Zins expires June 30, 2021. The new four-year term for this position begins July 1, 2021. There are no term limits on board positions.

Trustees meet about six times a year to oversee the administration of the pension fund. Board members act as TRA fiduciaries in accordance with Minnesota law and are subject to state economic interest disclosures.

To request an application, call us at 651-296-2409 or 800-657-3669. The application must be received in our office by 4:30 p.m. on Fri., Dec. 18. Eligible members will receive ballots and candidate biographies in early spring. Only retired members are eligible to vote for retired-member board positions. Details about voting will be published in the winter edition of this newsletter.

Election results will be certified by the Board of Trustees in June 2021 and published on Minnesota-TRA.org. Results also will appear in the summer issue of the TRIB newsletter.

## Retirement counseling the way you want it

Our offices will be closed until at least January, but we want to continue to stay in touch with you. TRA is committed to being available as we all navigate changes, so we will continue to provide member service by phone, Webex, chat, and MyTRA secure messaging until further notice.

If you would like to make an appointment for a phone or Webex counseling session, call us at 651-296-2409 or 1-800-657-3669. The difference be-

tween the two is that one is simply a phone counseling session, while the other uses the Webex app, allowing you to speak with the counselor and view documents being shared on the screen. Documentation is sent in advance for both phone



and Webex sessions using our secure MyMessages portal.

We will continue to offer phone and Webex appointment options. You can get the Webex app at the App Store, Google Play, and [www.Webex.com](http://www.Webex.com).

Thank you to those of you who have shared your appreciation and feedback with us on how quickly TRA was able to transition from in-person to phone and Webex member services due to the pandemic. Stay well and stay safe.

# President's c o r n e r

*Maitha Lee Jones*  
TRA Board



## Are teachers running for the door? Our data so far say no

**T**RA has been fielding numerous press inquiries for months, as print and broadcast journalists seek the answer to a pressing and newsworthy question: Are teachers rushing to retire from the profession due to worries about the coronavirus and the pressures of teaching via Zoom?

Education Minnesota President Denise Specht told WCCO-TV that many teachers are at least considering early retirement, noting that teachers are well aware that they are working in buildings with improper ventilation.

Indeed, Minneapolis second-grade teacher Scott Devens, 59, told WCCO that aerosol transmission of the virus is his No. 1 concern—one he's willing to pay a hefty price to mitigate. So, after nearly 30 years in education, he said he was exploring early retirement options even though he knows TRA benefit amounts are reduced for every year a teacher retires before age 66.

It's possible that teachers are, in fact, exploring early retirement but rule it out once they learn of the potential costs versus working to full retirement age. Our data show that the Early Retirement web page is the sixth most-visited at MinnesotaTRA.org. That topic hasn't cracked the Top 10 before.

But TRA data also show that the number of teachers who retired in

summer 2020 was not measurably different from the number of summer retirees in 2019. TRA counselors have, however, noted an increase in inquiries from teachers regarding leaves of absence.

Still, as fall and winter march on with no easing of the pandemic in sight, things could change with TRA's numbers of new retirements. Although teacher retirements will vary wildly across the states, there are certainly alarm bells going off nationally.

According to a mid-August report in the online news website Axios, 2.9 million workers between 55 and 70 have left the workforce since March. That's far more than the 1.9 million workers who exited the workforce in the three months after the start of the Great Recession.

And some sectors will be hit harder than others by early retirements, according to Axios. For example, older workers are disproportionately represented in education. "I fear early retirement is going to create major shortages of teachers in certain parts of the country," Stanford economist Nicholas Bloom told Axios.

All of this speaks to the heart-wrenching decisions and anxieties faced by our educators right now. You're more than data points to us. Contact us with your questions during these difficult times. That's what we're here for.

## 1% COLA effective on Jan. 1

**A** post-retirement increase of 1 percent will take effect Jan. 1, 2021. Members who started receiving a benefit on or before July 1, 2019, will receive a 1 percent increase. Members who started receiving a benefit between July 2, 2019, and June 1, 2020, will receive a prorated increase.

If you are eligible for a post-retirement increase on Jan. 1, you will receive a letter detailing the increase to your monthly benefit.

Under a provision of the 2018 pension bill, retiree cost-of-living adjustments will be 1 percent through 2023. From 2024 to 2028, the COLA will increase by 0.1 percent per year until reaching 1.5 percent.





## Understanding the survivorship ‘bounceback’ provision

If you are among the retirees who chose one of TRA’s survivorship plans (100, 75 or 50 percent) providing coverage for a survivor after your death, you must contact TRA if your beneficiary predeceases you.

There is a “bounceback” provision that permits your monthly payment to be increased to the higher single life (No Refund) annuity amount.

TRA is only authorized to make a one-year retroactive change to the benefit from the date we receive the death certificate, so contact TRA as soon as possible so a benefit adjustment can be made.

## Benefit adjustments for new retirees

If you have recently retired, a preliminary estimate is used to determine your initial payment.

This estimate uses anticipated salary and service for the current year, normally assumed to be the same salary and service that you earned the previous year. After retirement, your

If you divorce, your annuity can be changed to the higher single life plan. This change requires that you and your former spouse go to court to revoke the beneficiary election.

In addition, your former spouse must waive all rights to a survivorship benefit. A member and non-spousal beneficiary may revoke the election and waive any rights to a survivorship annuity. Your TRA annuity plan then “bounces back” to the higher single-life amount.

Call TRA to revoke a designated beneficiary.

account will be reviewed to verify that all salary and service credit have been received, and a new calculation of benefits will be produced.

If an adjustment to your monthly payment is required, you will be notified and the adjustment will be made retroactive to your benefit effective date.

## TRA news briefs

### About power of attorney in Minnesota

If you ever reach a point where you feel you are no longer comfortable handling your own financial transactions, it may become necessary to execute a power of attorney. The person appointed as “attorney-in-fact” does not need to be a practicing attorney, but should be someone you trust to act in your best interest.

To designate a power of attorney, you must submit a Minnesota statutory short form to TRA. The form must be either the original or a certified copy of the original. The Minnesota statutory short form can be found at the state attorney general’s website: [www.ag.state.mn.us/consumer/Handbooks/Probate/PowerOfAtty.pdf](http://www.ag.state.mn.us/consumer/Handbooks/Probate/PowerOfAtty.pdf).

Properly executed Minnesota powers of attorney previously accepted by TRA remain in effect even if the short form was not used.

### 1099-R forms will be mailed in January

TRA mails 1099-R tax forms in late January. This form discloses the total amount and taxable portion of your annuity payments plus federal and state income tax withheld for 2020. You need this information for your tax returns.

To get an e-mail alert when the forms are available online, set up a MyTRA account. If you have moved or plan on moving, please update your address with TRA. The post office will not forward tax forms.

Call us at 651-296-2409 or 800-657-3669 or log in to MyTRA to update home and e-mail addresses.

## HELP US KEEP IN TOUCH WITH YOU

Moving? Changing email providers? Update your physical and email addresses by logging in to your MyTRA account at MinnesotaTRA.org or by calling Member Services at 651.296.2409 or 800.657.3669.



## Earnings limit adjustments begin Jan. 1

Retirees who return to work in a TRA-covered position might be subject to an annual earnings limitation. The earnings limitation applies to salary earned in a fiscal year (July 1 to June 30). Adjustments for fiscal year 2020 will be processed beginning in January.

If you exceed the limit, your annuity payment is reduced by \$1 for each \$2 above the limit. This is the “offset amount.” Beginning in January, your benefit payments stop or are reduced.

The offset amount is put into your Earnings Limitations Savings Account.

Retirees may return to work with a TRA-covered employer and earn up to \$46,000 without deferring part of their TRA benefit. Minnesota State retirees in the Annuity Employment Program have an earnings limitation of \$62,000.

The earnings limitation does not apply once you reach Social Security’s normal retirement age or work in a position not covered by TRA.

## Attention snowbirds!

Providing TRA with your temporary address will ensure that you receive important documents without delay. You may store both a permanent and temporary address on your record by calling us or entering it in your online account at [www.Minnesota-TRA.org](http://www.Minnesota-TRA.org).



### Teachers Retirement Association Jay Stoffel, Executive Director

*The TRIB is published three times a year. If differences develop between the information provided and the laws governing TRA, the laws prevail.*

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