

TEACHERS RETIREMENT INFORMATION BULLETIN

Retiree Edition ■ Summer 2022



2022 LEGISLATIVE SESSION



What you need to know

The regular 2022 legislative session concluded on May 23, 2022. The omnibus pension policy bill, SF3540 (Rosen) and HF4017 (Nelson, M.), passed both the House and Senate and was signed into law by Governor Walz on May 22, 2022. The bill included three provisions that impact TRA members:

APRNs MAY NOW RENDER DISABILITY REPORTS

When members apply for TRA disability benefits they must submit reports from a medical professional indicating that they are totally and permanently disabled. TRA requires two medical examination reports for disability applications. The new law authorizes a licensed Advanced Practice Registered Nurse (APRN) to provide a medical examination report determining whether a member is totally and permanently disabled.

TEMPORARY SUSPENSION OF EARNINGS LIMITATION

Normally when a retired member returns to work in a position covered by TRA they are subject to an earnings limitation of \$46,000. If the retiree earns more than the limitation amount in a fiscal year, then, the following calendar year, a portion of their pension is withheld and deposited into an Earnings Limitation Savings Account (ELSA).

The new law suspends the \$46,000 earnings limitation for retirees returning to Pre-K-12 positions for salary earned during fiscal years 2022, 2023,

and 2024. No amounts will be withheld from reemployed retiree benefits for Pre-K-12 positions and deposited in an ELSA for calendar years 2023, 2024, and 2025.

PLEASE NOTE

The temporary suspension of the earnings limitation does not apply to retirees returning to Minnesota State positions. Both the \$46,000 earnings limitation and the \$62,000 earnings limitation for members approved for the annuitant employment programs, will continue to be enforced.

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For up to date information, follow us on Facebook and Twitter at MinnesotaTRA



The TRIB is a publication of the Teachers Retirement Association (TRA) of Minnesota.

www.MinnesotaTRA.org

President's c o r n e r

Maitha Lee Jones
TRA Board



Long and Winding Road

Legislation can take a long and winding road. Session 2022 started slow for pension funds but eventually things began to happen. See the accompanying article herein that describes what did pass during the session. That bill, SF3540 / HF4017 contained non-controversial items that will be beneficial for TRA members.

A special note of thanks to Representative Julie Sandstede for her focus on the provision that now allows teachers to purchase service credit in TRA for the time they taught in a public or charter school in another State.

There was also an effort to do something larger. Midway through the session, TRA staff was invited to meetings with legislators where some ideas were considered. The ideas were modest benefit improvements that were meant to do something to attract and retain quality teachers. There was also interest in doing something for retirees who are experiencing a loss of purchasing power due to high rates of inflation.

It is important to note here that the TRA Board and staff have no independent authority to change benefits, post-retirement adjustments, or contribution rates. No changes can occur without legislation being passed and signed by the Governor. The TRA Board and staff become part of the discussion and are invited to participate but ultimately have no authority.

One package of changes was to increase the retiree post-retirement adjustment

from 1 percent to 1.5 percent immediately rather than to wait until the year 2028 to get there; decrease the employee contribution rate by 0.5 percent from 7.75 percent to 7.25 percent, and increase the employer contribution rate by 0.5 percent. Under the proposal, the cost of these changes, over \$30 million annually, would have been funded (paid for) by the State of Minnesota to keep the pension fund and the school districts whole. This proposal ultimately received widespread support from TRA stakeholder groups.

Another proposal would have provided for two lump-sum payments to retirees - one in January 2023 and another in January 2024, each payment equal to 2.5 percent of their TRA pension income in the previous year. The estimated cost of this separate proposal, approximately \$50 million in 2023 and again in 2024, would have been funded by the State of Minnesota. Each of the proposals above included a provision to lower the investment return assumption from 7.5 percent to 7 percent.

In the end, the winding road came to an end and neither of these proposals passed. There was hope right up to the end that there would be agreement and action would be taken, but the Legislature adjourned without passing several important bills, including the two above. Nevertheless, we thank Senator Julie Rosen and Representatives Michael Nelson and Mary Murphy for all their efforts. It was a long and winding road and for now it has ended.

TRA news briefs

REPORTING MAJOR LIFE EVENTS TO TRA

Whether it's divorce or death of a member, spouse, or other benefit recipient, major life events happen. All of these events should be reported to TRA because they might affect a benefit payment. It is also important for family members or personal representatives to report a member's death to prevent overpayment of benefits. Contact TRA Member Services at 651.296.2409 or 800.657.36691

STILL GETTING A PAPER CHECK?

Electronic direct deposit is convenient and provides protection against theft and the uncertainties of postal delivery. It also ensures safe, accurate and timely direct deposit of payments to your account on the first banking day of the month. Direct deposit may be made to an individual account or a joint account. You can elect your direct deposit designation any time by logging in to your MyTRA account or by requesting the form from TRA via secure messaging, chat, or phone.

PROTECT YOUR DATA

TRA takes its duty to protect your personal information seriously. You can help by using strong passwords with two-factor authentication to protect your account and by not sharing your TRA number. For more information about protecting your data, go to www.identitytheft.gov.

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PURCHASE OF OUT-OF-STATE SERVICE CREDIT

Allows active members to purchase up to five years of service credit for service performed as a Pre-K-12 teacher/administrator in a public or charter school in another state. The purchased service credit will be included in the member's TRA benefit calculation when the member retires.

Requirements:

- The member has at least three years of TRA allowable service credit.
- The member provides TRA with validation that the service occurred.
- The member has forfeited all rights to benefits for that same period of out-of-state employment.

- The member pays the full actuarial cost.
- The member must repay, in full, all refunds available to be reinstated with any Minnesota defined benefit public pension plan.

PLEASE NOTE

This provision is effective January 1, 2023, so it cannot be utilized until that time.

Changes coming to W-4 tax forms



Starting on October 1, 2022, we will be discontinuing the use of the TRA Federal and State Tax Withholding Certificate to comply with changes to the IRS and Minnesota Department of Revenue tax withholding requirements. You will no longer be able to submit online tax withholding elections through your myTRA online account.

If you wish to change your tax withholding elections after October 1, you will need to complete IRS Form W-4P to update your federal tax withholding election, and Form W-4MNP to update your Minnesota state tax withholding election. Prior tax withholding elections on file with TRA will remain in effect until a new election is made.

Links for IRS Form W-4P and Form W-4MNP will be available on our website, MinnesotaTRA.org, under Resources/Forms. You may submit your completed tax withholding forms to TRA by mail, or by securely uploading your completed forms using the Document Upload Portal through your myTRA online account.



Teachers Retirement Association

60 Empire Drive Suite 400
St Paul Minnesota 55103-4000
800.657.3669 | 651.296.2409

www.minnesotatra.org

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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: Name change Address change Email address addition/change

Present Last Name (Please Print)	First Name	Middle Name	Birth Name
Address			TRA Member Number
City, State and Zip Code		Email Address	



We at TRA congratulate all newly retired members and wish you the best of luck in whatever your next adventure is.

WHAT COMES NEXT

Once you and your employer provide TRA with the required forms and supporting information, you should receive your first pension check within 30 to 60 days of your effective date of retirement.

Due to the large number of educators who retire in June, summer retirement applications may take longer to process. If your effective date of retirement is in June or July, you can expect to receive your first retirement check during the first week of July, August or September and no later than the first week of October depending upon the timely receipt of your required documents.

Teachers Retirement Association
Jay Stoffel, Executive Director
jstoffel@minnesotatra.org

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

Board of Trustees, Statutory Members

Dr. Heather Mueller, Commissioner
Department of Education
Designee: Denise Anderson
denise.anderson@state.mn.us

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Minnesota Management & Budget
Designee: Laurena Schlottach-Ratcliff
laurena.schlottach-ratcliff@state.mn.us

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Minnesota School Boards Association
jstencel@minnesotatra.org

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Retiree Representative
mzins@minnesotatra.org

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Active Representative
lolson@minnesotatra.org

Julie Reno
Active Representative
jreno@minnesotatra.org

Kevin Lindstrom
Active Representative
klindstrom@minnesotatra.org

Wendy Drugge Wuensch
Active Representative
wdruggewuensch@minnesotatra.org