



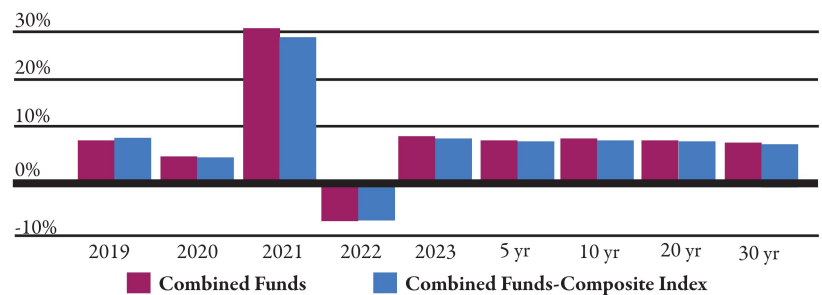
ANNUAL FINANCIAL REPORT RELEASED

TRA recently released its Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2023. The ACFR provides financial, investment, actuarial, statistical, and other related information about TRA. The PAFR is a summary of key measurements contained in the ACFR. Below are highlights from the two reports.

Under the management of the State Board of Investment, TRA experienced an 8.9 percent investment return for fiscal year 2023 (FY23), which exceeded the 7.0 percent statutory assumed rate of return. The high investment return produced net investment income of \$2.2 billion in FY23. Combined with total employee

(Continued on page 3)

TRA Investment Performance (Return Percentage)



	2019	2020	2021	2022	2023	5 yr	10 yr	20 yr	30 yr
Combined Funds	7.3%	4.2%	30.3%	-6.4%	8.9%	8.2%	8.8%	8.5%	8.4%
Combined Funds-Composite Index	7.6%	4.0%	28.8%	-6.3%	8.7%	8.0%	8.6%	8.3%	8.2%
Excess	-0.3%	0.2%	1.5%	-0.1%	0.2%	0.2%	0.2%	0.2%	0.2%

The Combined Funds' performance is evaluated relative to a composite of public market index and private market investment returns. Investment returns are prepared using a time-weighted rate of return methodology, based on market value, net of investment expense.

TRA Board appoints new Trustee



Mary Broderick

On January 2, 2024, the TRA Board of Trustees held a special meeting to consider eight applicants to fill the vacant retiree representative position. The board ultimately voted to appoint Mary Broderick to the position. Her term is effective January 2, 2024 and will expire June 30, 2025.

The appointment comes following the resignation of board president and retiree representative Martha Lee Zins this past Novem-

ber. According to Minnesota Statute, section 354.06, subdivision 1, any vacancy must be filled by appointment by the remainder of the board.

Broderick returns to the board having previously served 12 years, from 2007 to 2019, as an Active Representative. Ten of those years she served as vice president of the TRA Board as well as a member of the Internal Audit

(Continued on page 2)

WHAT COMES NEXT?



WHAT YOU AND YOUR LOVED ONES NEED TO KNOW ABOUT YOUR BENEFIT IN THE EVENT OF A DEATH

As a TRA retiree, you are receiving a monthly benefit that is payable for your lifetime. Depending on the plan you selected at the time of your retirement, continuing benefits may also be payable to a survivor or beneficiary in the event of your death. Therefore, TRA needs to be notified when you, or your survivor or beneficiary pass away to ensure that your benefit is paid appropriately.

Here are some items to consider if you or your survivor or beneficiary pass away:

- If you pass away, your monthly benefit will be discontinued the first of the month following your date of death. Therefore, it is very important that TRA is promptly notified to avoid an overpayment on your account, and so we can determine if benefits continue to a survivor or beneficiary. Upon notification, TRA will send a letter to your family, personal representative, survivor, or beneficiary to inform them of the specific information needed to close or administer your account.
- If you selected a 50%, 75%, or 100% survivorship plan at the time of your retirement, and your designated survivor passes away, your plan has a bounceback feature that changes your monthly benefit to the higher single life annuity following their death. It is important that you notify TRA of your survivor's passing, and send a certified copy of the death certificate as soon as it is available, as we are only authorized to make a retroactive change to your monthly benefit for up to one year prior to the date that we receive a copy of the certified death certificate.
- If you selected a no refund, guaranteed refund, or 15-years guaranteed plan at the time of your retirement, and your designated beneficiary passes away, you may wish to update your beneficiary designation to select a new beneficiary. If you do not have a living beneficiary designated at the time of your death, any remaining benefits would be paid to your estate. Contact TRA to request a post-retirement beneficiary designation form.

We understand how stressful and painful life changes can be. We wish to make sure no undue stress is placed upon your loved ones and to make this process as smooth as possible.

BOARD

(Continued from page 1)

Committee from 2009 to 2019.

She retired in 2018 with 41 years as a special education teacher with the Saint Cloud Public School District (ISD 742) from 1977 to 1996, and spent the years 1996 to 2018 on special assignment as a President of the Saint Cloud Education Association.

The TRA Board meets approximately eight times a 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 include: establish rules, policies and procedures for administering the plan; approve an annual budget; retain an actuary to assess the financial status of the plan; determine member appeals; and appoint the Executive Director. The TRA Board has no investment responsibility. TRA assets are managed by the State Board of Investment.

Board members are fiduciaries pursuant to Minnesota law and are also subject to state economic interest disclosures. As fiduciaries, board members owe duties to TRA participants and beneficiaries, Minnesota taxpayers, and the State of Minnesota. Therefore, they are required to act solely in the best interests of those groups and the TRA fund in exclusion of all other interests, including personal interests. Fiduciaries must impartially manage the plan for the exclusive purpose of providing authorized benefits and paying plan expenses.

Annual Comprehensive Financial Report for Fiscal Year 2023

(Continued from page 1)

and employer contributions of \$987 million, total net operating revenue was \$3.2 billion.

Benefit payments represent TRA's largest expense, and were \$2 billion in FY23, or \$168 million on a monthly basis. TRA paid refunds of \$17.5 million to former members who left teaching and elected to withdraw their member contributions plus interest. Total administrative expenses for the year were \$16.5 million.

The 2023 legislature enacted changes to TRA actuarial assumptions and plan provisions, which directly impacted TRA's funding status. The most significant change was the lowering of TRA's long-term investment return assumption from 7.5 percent to 7.0 percent. While the actuarial value of TRA assets increased from \$25.9 billion to \$26.9 billion on a year-over-year basis, the actuarial liabilities experienced a more significant increase from \$31.6 billion to \$35.0 billion, producing a funded ratio of 76.9 percent at the end of FY23, compared to 82.0 percent the year prior.

More detailed information is available in the ACFR and PAFR. These reports can be found on the TRA website under Financial/Annual Reports.

MEMBERSHIP



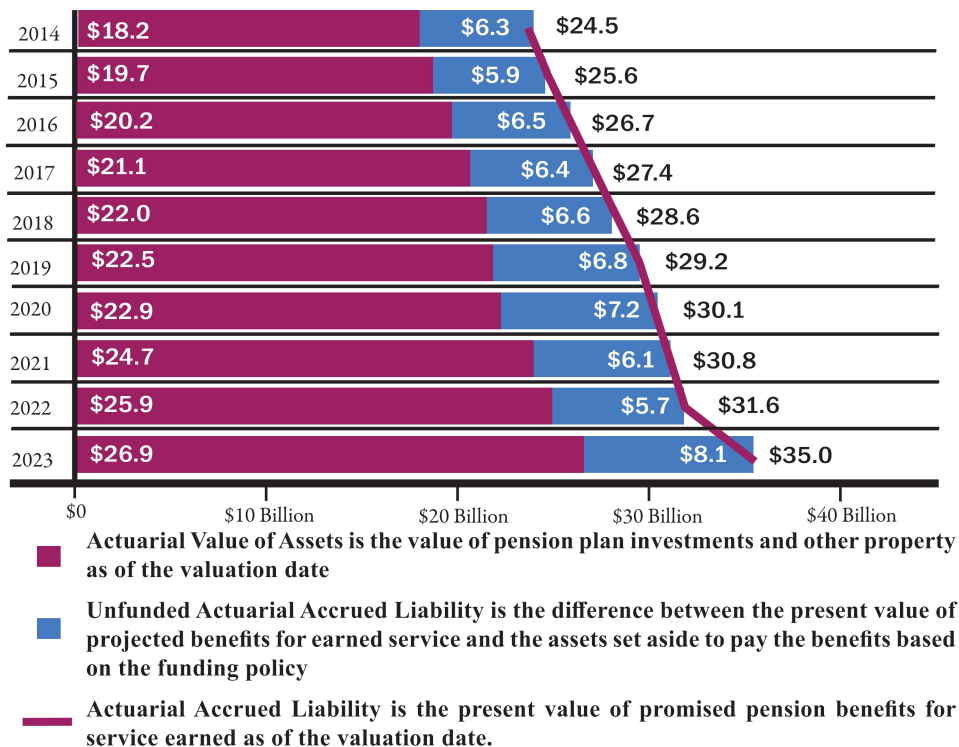
ACTIVE: 84,983

INACTIVE: 59,507

RETIREEES: 70,344

**AVERAGE MONTHLY
BENEFIT: \$2,435**

Assets compared to Actuarial Accrued Liability



The Unfunded Actuarial Accrued Liability (UAAL) on July 1, 2023 increased \$2.4 billion from July 1, 2022. Various factors impacted the UAAL within that year, but the most significant was lowering the assumed investment return rate. The UAAL will continue to be impacted from year to year by factors such as statutory contribution levels, actual versus expected experience, assumption changes, actual investment returns and benefit changes. These factors will continue to be monitored to ensure the current funding policy will meet the TRA's goals.

CHANGE IN FIDUCIARY NET POSITION

<i>*Dollars in Thousands</i>	2023	2022	CHANGE
ADDITIONS			
Employee Contributions	\$442,448	\$428,993	\$13,455
Employer Contributions	\$544,351	\$518,269	\$26,082
Net Investment Income	\$2,213,897	(\$1,710,746)	\$3,924,643
Other	\$1,966	\$3,531	(\$1,565)
TOTAL ADDITIONS	\$3,202,622	(\$759,593)	\$3,962,615
DEDUCTIONS			
Monthly Benefits	\$2,010,438	\$1,973,265	\$37,173
Refund of Contributions	\$17,531	\$16,529	\$1,002
Administrative Expenses	\$16,534	\$15,666	\$868
TOTAL DEDUCTIONS	\$2,044,503	\$2,005,460	\$39,043
Change in Fiduciary Net Position	\$1,158,159	(\$2,765,413)	\$3,923,572
ENDING NET POSITION	\$26,754,503	\$25,596,344	\$1,158,159



Teachers Retirement Association

60 Empire Drive Suite 400
St Paul Minnesota 55103-4000

800.657.3669 | 651.296.2409

www.minnesotatra.org

PRSRT STD
U.S. Postage
PAID
Permit No. 171
Twin Cities, MN

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	

CREATE your myTRA account!

MyTRA gives you instant on-line access to your account information anytime, anywhere.



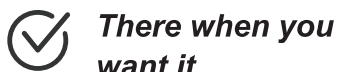
Safe



Secure



Up-to-date



There when you want it

Contact Us



ACCOUNT LOGIN

Retirees

Employ

VIEW

- Statement of pension benefits
- Account value letter
- Payment detail/history
- Earnings limitation statement
- 1099-R

CHANGE

- Address
- Direct deposit

PRINT

- Beneficiary designation form
- Earnings limitation documents
- Income verification

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

Board of Trustees, Statutory Members

Willie Jett, Commissioner
Department of Education
Designee: Patty Hand
patty.hand@state.mn.us

Erin Campbell, Commissioner
Minnesota Management & Budget
Designee: Thomas Carr
thomas.carr@state.mn.us

Joel Stencel, Vice President, Director of Finance
Minnesota School Boards Association
jstencel@minnesotatra.org

Board of Trustees, Elected Members

Mary Broderick
Retiree Representative
mbroderick@minnesotatra.org

David Rondestvedt
Active Representative
drondestvedt@minnesotatra.org

Julie Reno
Active Representative
jreno@minnesotatra.org

Kevin Lindstrom
Active Representative
klindstrom@minnesotatra.org

Kathy Oellerich
Active Representative
koellerich@minnesotatra.org

This publication was created and provided to you by the Teachers Retirement Association. It serves as a summary of the applicable state statutes in effect as of the date this publication was issued. In the event that there is a discrepancy between information in this publication and the governing laws and policies, the laws and policies shall apply. Plan provisions are subject to change. No information in this publication should be construed as tax, financial, or legal advice.

This document can be made available in alternative formats to individuals with disabilities by calling 651.296.2409 or 800.657.3669, or through the Minnesota Relay Service at 800.627.3529.