

2025 legislative action prompts changes to TRA pensions

Each year, TRA works with legislators and related stakeholder groups to maintain the financial health of the plan and to shape legislation that positively influences members' pension benefits. The 2025 Omnibus Pension and Retirement Bill (Omnibus Pension Bill) was signed into law on May 23, 2025.

This legislation:

1. Extends TRA's 62-and-30 early retirement provision to younger eligible members and makes the corresponding reduction factors more favorable for members,
2. Expands the current post-retirement increase delay, and
3. Changes the plan's employer contribution rate.

1. CAREER RULE ENHANCEMENT

Defined-benefit pension plans like TRA and Social Security specify the age at which members may draw an unreduced monthly payment under the plan's benefit formula. For most active TRA members, this "Normal Retirement Age" ("NRA") is 65. Members can elect to retire before their NRA in exchange for a reduced monthly benefit amount. This calculation is done according to state law and aligning with actuarial principles that account for pension benefit payment periods that are longer in duration due to their earlier start date.

Since 2013, TRA's 62-and-30 early retirement provision has provided a more favorable benefit calculation structure for eligible members retiring under the Level formula at age 62 or older with at least 30 years of service. Under new legislation, this provision will include eligible members who retire on or after June 30, 2025 at **age 60** or older with at least 30 years of service.

Additionally, the Omnibus Pension Bill improved the reduction factors for this career rule from 6% with augmentation to 5% with augmentation. This means that all eligible members between the ages of 60 and 64 retiring under the updated 60-and-30 provision will receive a benefit improvement.

2. POST-RETIREMENT INCREASE DELAY

This year's Omnibus Pension Bill also standardized the timeframe in which post-retirement increases are made to retirees' monthly benefits payments. These increases are sometimes referred to as the "cost of living adjustment" or "COLA." Now, instead of granting post-retirement increases (or COLAs) to some retirees on a more expedited schedule than others, all retirees will have the same waiting period. Effective June 30, 2025, all **new** TRA retirees will be subject to a post-retirement increase delay until the January 1st following the year in which they reach NRA.

3. EMPLOYER CONTRIBUTION RATE INCREASE

Adjusting TRA's early-retirement reduction factors to make them more favorable for members costs the plan money. To fund the enhancement, TRA's employer contribution rate will increase from 8.75% to 9.81% effective July 1, 2025. Prior to the passage of the Omnibus Pension Bill, the contribution rate for employers was scheduled to increase to 9.50%. The law specifies that the additional 0.31% increase will be paid for by allocating approximately \$20 million per year in additional state dollars to employers.



Visit minnesotatra.org/legislation to learn more about these plan changes and how they may impact you.

Have questions?
We're here to help.



Call our member services team at 800.657.3669.



Message us securely via your myTRA account.

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PRESIDENT'S CORNER

Change at TRA

For TRA, 2025 has brought forth leadership changes, increased stakeholder engagement, and new legislation. With so much change already in motion, it's hard to believe that we're only halfway through the year.

At our May meeting, the TRA Board of Trustees discussed our annual review of performance. It included a question that asked trustees to "identify the greatest achievements of the board during the past year." More than half of the responses highlighted the completion of TRA's executive director search. This task is paramount among our board responsibilities, and I'm grateful to those who contributed to the search process. I'd like to welcome Tim Maurer to the executive director role and express my enthusiasm for our continued partnership in leading TRA.

Another leadership transition on the horizon relates to the composition of the board. I want to share my appreciation for the active members and retirees who cast their ballots in our recent trustee election and thank the candidates who were willing to serve TRA. I also want to thank outgoing trustee Julie Reno for her service and acknowledge Mary Broderick, Kevin Lindstrom, and Jim Olson who will start new terms on July 1.

When July begins, we'll also move into a new era for TRA benefits. As outlined in the TRIB's cover story, the 2025 Omnibus Pension and Retirement Bill enacted a benefit improvement for eligible members who are age 60 or older with 30 years of service. This change is funded, in part, through additional state dollars and a COLA delay for new retirees. Please read the full details in this publication and contact TRA if you have questions.

Legislation this session also prescribed a new method for TRA to assess its financial health. We'll begin using "layered amortization" to track TRA's unfunded liabilities. In short, layered amortization provides greater transparency on a year-by-year basis about what individual factors influence the fund and will be helpful for analysis and decision-making.

To close, I'd like to acknowledge the tremendous stakeholder engagement that's been ever-present in 2025. I commend members on your dedication and drive.

Joel Stencel
TRA Board of Trustees President

Let's stay in touch...

It's important to inform the Teachers Retirement Association about changes to your name, address, or email address. Having up-to-date demographic information enables TRA to properly and efficiently administer your benefit.

SIMPLE WAYS TO UPDATE YOUR INFORMATION

- » Call TRA Member Services at 800.657.3669.
- » Sign in to your myTRA account and select My Profile under the Settings menu.



TRA board election results

In April 2025, voting concluded for the most recent TRA board election. Yes-Elections, the election vendor, certified the board election results in May, and the TRA Board of Trustees voted to accept the certified results during the board meeting held June 11.

The TRA Board of Trustees welcomes one new trustee along with two returning trustees whose terms begin July 1, 2025:

- » **Mary Broderick**, returning retiree representative
- » **Kevin Lindstrom**, returning active member representative
- » **Jim Olson**, active member representative

Voter turnout among retired TRA members was 25.8% and among active members was 10.2%. We would like to thank our candidates and voters for their participation in the election process.

The TRA Board of Trustees consists of five elected trustees and three statutory members. Four of the five elected trustees are active members of TRA, and one is a TRA retiree. Elected trustees serve four-year terms. The statutory members are the Commissioner of Education, the Commissioner of Minnesota Management and Budget, and a representative of the Minnesota School Boards Association.

The TRA board meets approximately eight times each year to oversee the administration of the pension fund. Board meetings are open to the public and subject to the Minnesota Open Meeting Law. Major board responsibilities are to 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 TRA's executive director. To learn more, visit minnesotatra.org/board.



TRA announces new executive director

The Teachers Retirement Association (TRA) Board of Trustees has appointed Tim Maurer to serve as the organization's next executive director.

Maurer, who most recently served as TRA's interim executive director following the retirement of former executive director Jay Stoffel in October 2024, was selected following a nationwide search. Maurer officially assumed the executive director role on March 7, 2025.

Maurer has an extensive background in public pensions. He first joined TRA in 1998 as a retirement services specialist and was promoted to several managerial roles before becoming deputy executive director in 2021.

During his career, Maurer also served in a retirement services leadership role at the Public Employees Retirement Association (PERA) and worked in benefits and employee engagement with Dakota County in their Human Resources Division.



For more information on Maurer's appointment, visit the [TRA website](https://minnesotatra.org).

The Teachers Retirement Association is a state-managed, defined-benefit pension plan for Minnesota educators. This means during a member's career, the individual member and the member's employer(s) make mandatory contributions to TRA. These contributions are then pooled and managed by the Minnesota State Board of Investment (SBI) to pay an eventual benefit for the member.

For more information, visit minnesotatra.org.



Get to know TRA



A board of eight trustees oversees the administration of the TRA pension fund. Federal laws and state statutes govern both the TRA board and the fund; legislation sets the parameters by which the plan is administered.



TRA serves more than 85,000 active members and more than 70,000 retirees, survivors, beneficiaries, and disabilitants in total who receive monthly benefits.



TRA continually monitors the plan's financial health. TRA trustees abide by a fiduciary duty to ensure the plan's financial stability given its benefit structure and contribution rates. Fiduciaries must impartially manage the plan solely in the interest of participants and beneficiaries and for the exclusive purpose of providing benefits and paying plan expenses.



TRA has a robust, proactive, and comprehensive risk-management program. TRA monitors and responds to known and emerging risks to ensure the ongoing stability and viability of the plan.

Create your myTRA account

Registering for a myTRA online account gives you access to review and update your TRA account information anytime, anywhere. Verify your identity using ID.me to set up and use your myTRA account. [Get started at minnesotatra.org](https://minnesotatra.org).



- » Safe and secure
- » Up to date
- » There when you need it

VIEW

- » Account value letter
- » Payment details and history
- » Statement of pension benefits
- » 1099-R tax form

CHANGE

- » Address, email, and phone number
- » Direct deposit

Use ID.me to sign in to TRA online accounts

In February 2025, TRA implemented ID.me as a requirement to sign in to myTRA member accounts. More than 18,000 TRA stakeholders have already accessed their TRA online accounts using ID.me.

Using ID.me is beneficial because:

- » It provides a robust identity verification process to help prevent fraud and identity theft. This helps TRA ensure that the person signing in to your online account is really you and not someone pretending to be you.
- » The threat of cybercrime is ever-present, and it's crucial to protect your personal and financial data with cutting-edge tools.
- » You can use the same ID.me login to access services at several government agencies. The Social Security Administration is one example.



For helpful tips and answers to frequently asked questions, visit minnesotatra.org/news/id-me



How to use ID.me to access myTRA

- » If you already have an ID.me account, you'll sign in using your existing account and consent to share your information with TRA. Do not create a new ID.me account.
- » If you're using an ID.me account for the first time, you'll create a new account with your personal email address and follow the prompts to verify your identity.