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Good Afternoon:

Support of Pension Reform for Tier II: HF3100 (Her); SF3162 (Frentz)

My name is Bill Schultz (age 56). I am a 33 year veteran educator with all my experience being in the state of Minnesota. I was hired in the Summer of 1990 (just missing the arbitrary June 30, 1989 cutoff for Tier I status). As a young teacher, I watched all of my colleagues (Tier I) retire with dignity and full benefits at ages ranging from 56-59 as they met the requirements of the Rule of 90. Without knowing any better, I thought that was something I had to look forward to as a career educator here in Minnesota. I trusted that we would be taken care of after decades of dedicated service to our communities and state. A lot of those former colleagues had the same years of service that I currently have and some had less, but were all able to retire early with full benefits. All of you know that if I chose to retire under the current Tier II structure, I would have to forfeit 61% of my pension for life at age 56/33 years of service, 57% of my pension at age 57/34 (Rule of 90), 53% of my pension at age 58/35, and 49% penalty at age 59/36! Not only is this unconscionable, from my perspective, it is borderline criminal! The inequity is obvious and blatant!

At this point in my career, I feel absolutely shackled and “trapped” in a pension system that is not working for the very members who fund it. A “defined benefit” has obvious upsides when compared to a “defined contribution” only when the “defined benefit” is structured to support its members. With the situation the state of Minnesota has created for TRA through neglect and underfunding, Minnesota ranks 46/50 states in employer contributions which is utterly embarrassing and shameful. It is a no brainer why our TRA pension program is in the basement when compared nationally!

This isn't working folks. We do not have young people entering the field of teaching and we have veterans fleeing due to the demands that are put on us daily (simply put, the current costs are greater than the benefit in our profession). The only thing that will “right the ship” and turn this trend around is by making teachers in our state a PRIORITY and committing the necessary funding toward enhanced salaries, benefits, and PENSIONS! We have a \$20 billion surplus in our state and the projections look the same for next year. We are sick and tired of lip service from our elected representatives! Show us that teachers are a priority by making available the necessary financial resources to adequately and equitably fund TRA for Tier II reform now! Teachers have been guilted into settling for less forever! No more, no more settling! Not this time!

Sincerely,

Bill Schultz  
PEM Schools, Plainview, MN

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Bill Schultz

## 9-12 Business Education PEM High School

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