

**From:** [Lisa Jepson](#)  
**To:** [Lisa Diesslin](#)  
**Subject:** Written Testimony Submission for LCPR Meeting on April 3rd  
**Date:** Thursday, March 30, 2023 8:15:05 PM

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*Please accept this written testimony to be presented to the members of the LCPR Board regarding MN Tier II Teachers' Pension.*

Members of the LCPR,

With an unprecedented budget surplus, it is time to right the wrongs created in 1989 when a two tier system was put in place for MN educators. The amount that the governor allocated to pensions, albeit, a good amount of money, does close to nothing to enact the kind of reform needed to achieve equity between tier I and II.

Although well deserved, this one-time money seems to be geared at providing colas for tier I members or toward paying down the funded ratio, which will end up being appropriated to pay colas for the retirees also. That leaves tier II educators, who will need to work on average 10 years longer until age 66 compared to their tier I counterparts and paying a higher percentage of their paychecks, receiving close to nothing this legislative session. It seems like tier II teachers are bearing the burden of ALL the mistakes and underfunding by the legislature over the last three decades and this session just is another example of piling on more inequities. When will it stop?

As a fellow educator suggested - Can tier II teachers pay the cost for an actual 60/32 rule with no reductions? I know it seems like a lot for a younger teacher to bear - but we can always hope that the legislators will be **true to their word** and make changes in the coming years. It didn't stop the TRA and the legislature from putting the burden on me as a young teacher and it continues on to today. Another possibility would be to have the school district pay more (the state of MN), by allowing the most expensive teachers to retire at 60, rather than at 66, and save hundreds of thousands of dollars, which also could be used to ease the burden of the younger teachers.

As a last cry for help, I ask you to consider one last option - that will not cost the STATE ANYTHING. (This is an idea from a fellow educator and not my own.) It is an option that gives ME, the teacher, the right to make decisions for myself and my family based on **how and when** I would like to draw my **nearly self-funded pension dollars**.

- Allow current tier 2 members to OPT into a tier 1 pension themselves with all of the allocated benefits provided to current tier 1 teachers (rule of 90, NRA 65/NRA 62 with 30 years and 3% protected reductions).
- If the tier 2 teachers opts into tier 1, she will then be charged the contribution

rate required to make the benefit change and the actuarial cost/difference of prior contribution deficiency either through a lump sum, additional payroll deductions, or if close to retirement, a third option of a TEMPORARY reduction in benefits until they have paid the missing actuarial cost.

- Members that do not opt in will not be impacted and remain tier 2.

THIS WOULD BE OF NO COST TO THE STATE AT THIS TIME. Please allow me to make decisions that are best for me and my family and offer tier 2 a sliver of HOPE this session.

Respectfully,

Lisa Jepson  
28 years in education  
Moorhead Area Schools