

Written testimony in support of Educator Pension Reform being discussed as part of the Pension Omnibus Finance Bill

April 1, 2023

Dear LCPR Committee members,

Thank you for your work on the pension commission and taking time to read my testimony and the testimonies from other educators.

I have been an educator in Minnesota since 1990. Since I was hired after July 1, 1989 I will have to wait until age 66 for full retirement benefits. I have worked with many educators that were hired prior to July of 1989. They are able to retire with full benefits when they reach the Rule of 90. Since I was hired one year later than them; I have to work an additional ten+ years, contribute more money to TRA and have less years to receive my pension.

With the current situation, many educators are leaving mid-career because they don't feel that working to age 66 to receive their full pension is obtainable. I have heard that new educators are choosing to work in other states as they have much better benefits. Many people are choosing not to go into education due to the lower pay, increasing insurance costs, and poor pension. This needs to change. The pension needs reform.

As you know the pension has been underfunded for years. Despite a record surplus, the Governor continues to underfund pensions. Please continue to advocate for more funding to fix the pension plan. I support the pension reform bills as proposed and implore you to make changes that right the wrong for Tier 2 educators. The future of education in Minnesota is dependent on this.

Sincerely,

Vickie Penick