

To: Lisa Diesslin
From: Steve Clouse
Date: May 2, 2023
Written Testimony for the May 4th LCPR committee hearing.

May 1, 2023

Dear LCPR board and committee members,

My name is Steve Clouse and I have been teaching Career and Technical Education classes for the past 31 years, of which twenty-eight were in Minnesota. I would like to thank you for introducing bill HF 3294 and SF 3314. This bill will help the TRA Tier II teachers by lowering the normal retirement age from 66 to 64. This is a step in the right direction for TRA Tier II pension reform, but it does not address all the penalties.

My concern is that it does not eliminate the penalties associated with early retirement compared to Tier I teachers who qualify for the rule of 90. When I am 60 years old, I will have 31.5 years of service credits in Minnesota. If I retire then, I will still have a 28% penalty, while a Tier I teacher would have 0% penalties.

This taken directly from the TRA website: On July 1, 2013, enacted legislation went into effect implementing a new early retirement provision, known as “62 and 30,” for Minnesota’s educators. This provision lowered the reduction factors used to calculate a benefit when a member retires early, i.e., before the normal retirement age of 66. To be eligible for the 62 and 30 provision, a member must meet both milestones in their career.

If this bill is signed into law, the new NRA would be 64. I ask that the penalties chart be adjusted by two years to reflect when a teacher reaches 60 years of age and 30 years of service the penalty is 14% not 28% penalty as the current EDMN chart shows.

I am asking that HF 3294 and SF 3314 be a companion bill to HF3181, a bill to modify the retirement annuity statutes to authorize an unreduced normal retirement annuity when age and service equal at least 90.

A Minnesota TRA Tier II teacher who has dedicated their entire career to teaching and has at least 30 years of service and at age 60 should not face any penalties when retiring.

Sincerely,

Steve Clouse
31-year career CTE teacher
Nashwauk-Keewatin ISD 319
Nashwauk, Minnesota 55769
sclouse@isd319.org
218-235-3609