

LCPR Duluth October 30, 2023

Good evening,

My name is Dan Larson. As a member of Education Minnesota-Retired, I presently serve on the Governing Board.

First, I would be remiss if I did not thank the members of the committee for travelling to Duluth to hear the concerns of citizens. It says something that you all are willing to take the time and make the effort to come and hear from folks in northern Minnesota. I would also like to thank you for the efforts the committee made to improve pensions in this past year.

It is nice to see so many familiar faces from the many early Monday morning committee meetings from last spring at the capitol. I know you have an increasing understanding of issues involving retirement and that it is much more complex than just pensions. For example, when I reached and passed the Rule of 90 in the early 2010's, I resembled Minnesota teachers as a group. The average age of retirement in the state increased from age 57 when I first qualified for Rule of 90, to age 62 one year at a time for five years, until I finally retired at a fictitious "Rule of 100". The biggest reason for most teachers was the increasing cost of medical insurance.

The main point I wish to emphasize is the importance of cost-of-living adjustments. COLA's for TRA recipients and other retirees will help all who are retired and all who will retire. COLA's help all the state retirees, those who will retire and their families. They also help the communities where they live. They contribute to the local economies with their stable incomes, especially when there are downturns in the economy.

COLA's are especially important going forward because the state retirees agreed to limit their COLA increases in 2018 to stabilize the retirement funds. The maximum for TRA only reaches 1.5% in 2028. It was stated and understood by the committee and others that this would need to be looked at again if conditions changed. The very low inflation rates at that time certainly changed. The improved state budgets certainly changed. It is now appropriate for the COLAs to be increased.

Thank you again for having this hearing. Thank you for your willingness to hear testimony and to work citizens to improve pensions and other factors involved in retirement of Minnesota's public workers.