

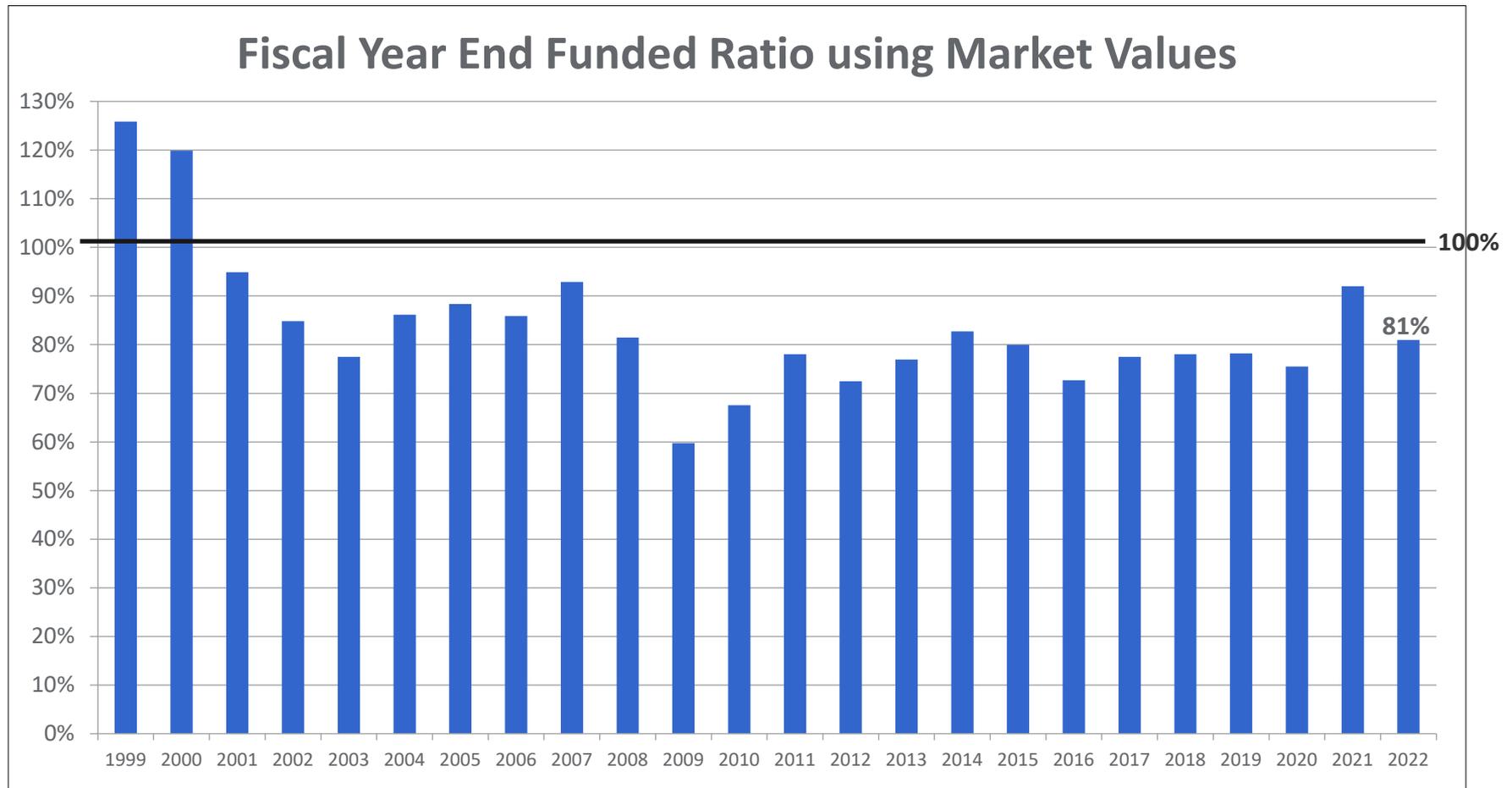
Membership includes public school educators (except for members of St. Paul Teachers Retirement Fund Association), all charter school educators, and some faculty of Minnesota State.

<b>Membership Totals</b>	<b>June 30, 2022</b>
Active, Contributing	84,308
Retirees & Survivors	69,464
Disability Retirements	427
Deferred	<u>56,715</u>
<b>Total Members</b>	<b>210,914</b>

**\$2,231** Average monthly benefit  
for new retirements in FY2022

## Funded Status, using Market Value of Assets

	<b>7.5% Assumption</b>	<b>7.0% Assumption</b>
Actuarial Accrued Liability	\$31.6 billion	\$33.6 billion
Asset Value	<u>\$25.6 billion</u>	<u>\$25.6 billion</u>
Unfunded Liability	\$ 6.0 billion	\$ 8.0 billion
<b>Funded Ratio (assets ÷ liabilities)</b>	<b>80.9%</b>	<b>76.2%</b>

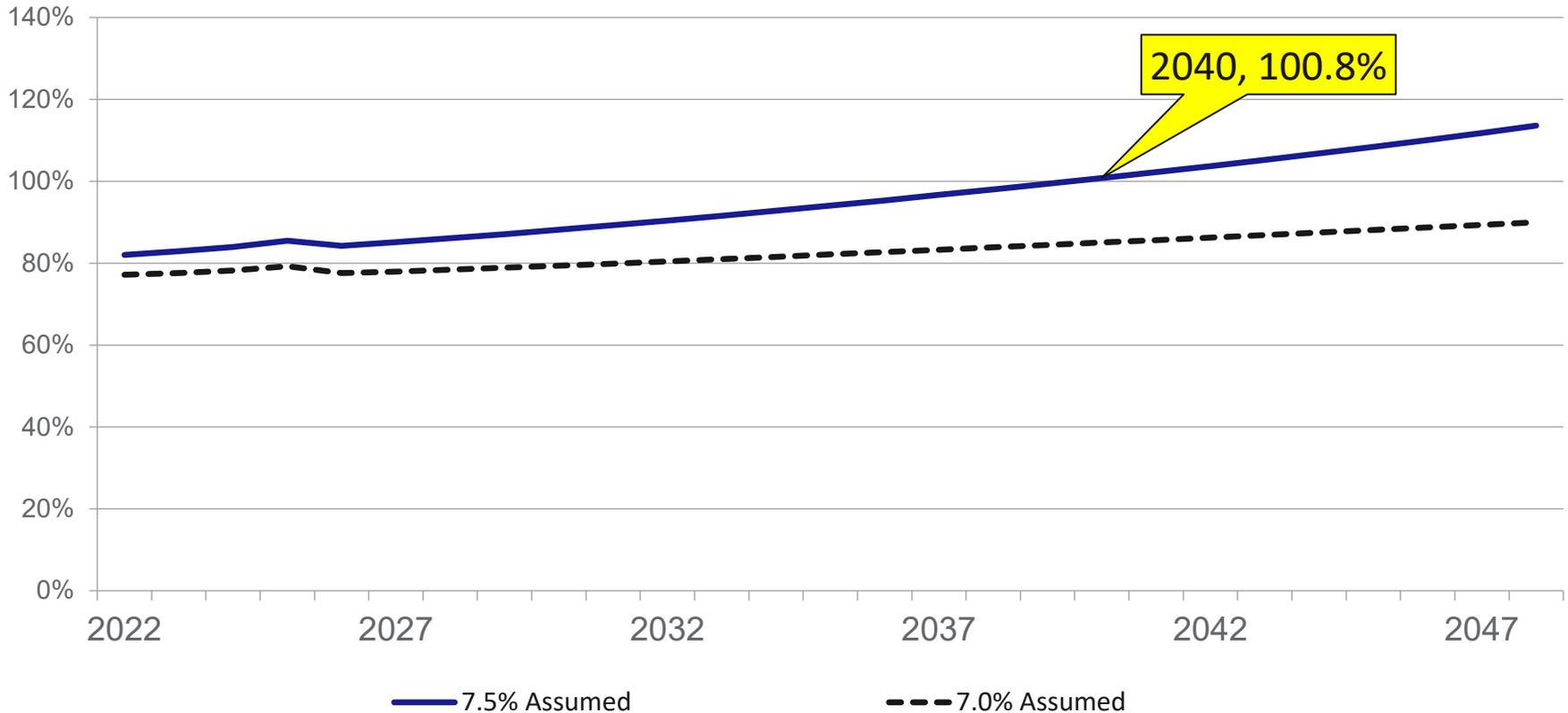


The average funded ratio for public pension funds at 6/30/21 was 75%

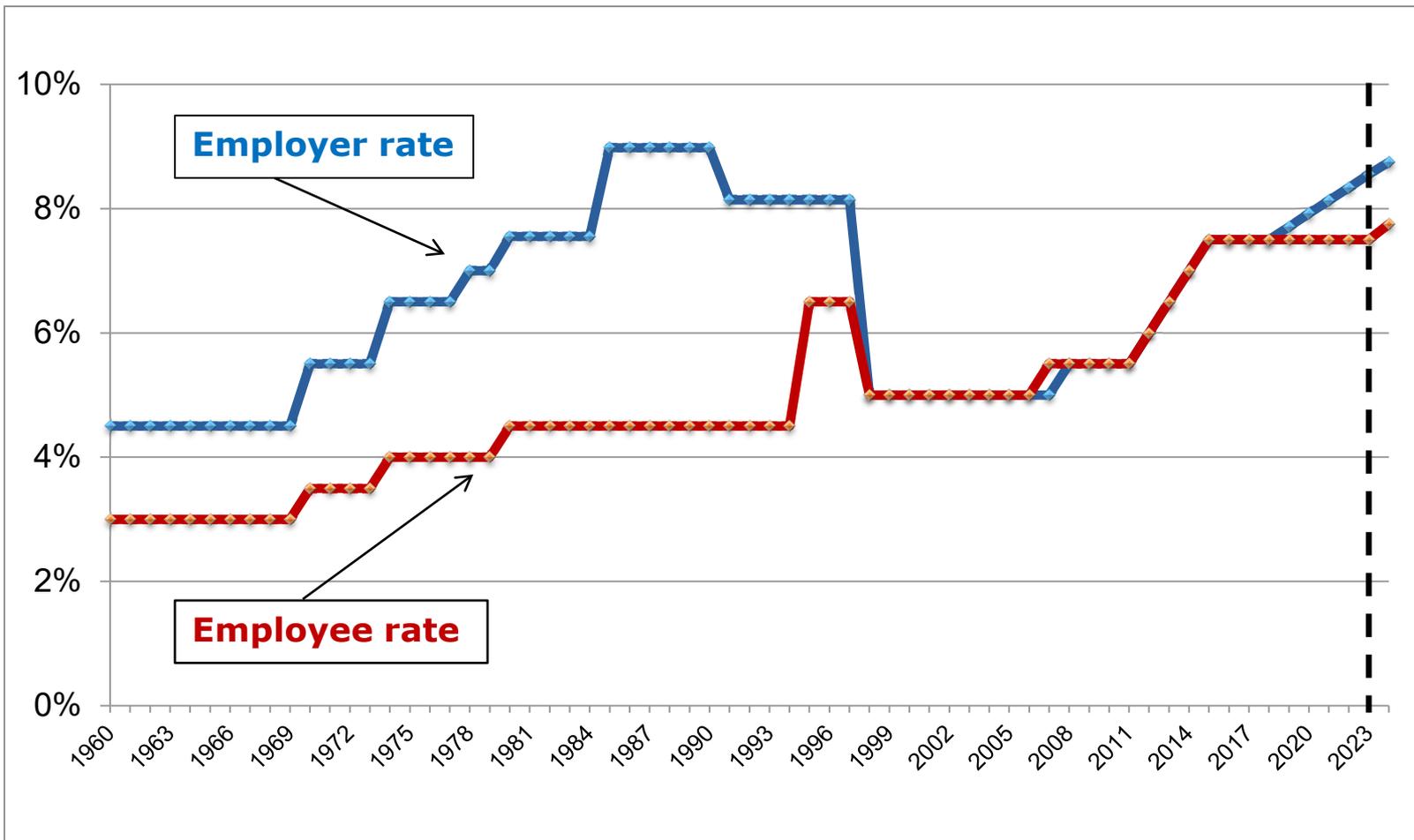
## Contribution Requirements, using Market Value of Assets

	<u>7.5% Assumption</u>	<u>7.0% Assumption</u>
Employee Contribution	7.50%	7.50%
Employer Contribution	8.73%	8.73%
Direct State Payments	<u>0.59%</u>	<u>0.59%</u>
<b>Total Statutory Contributions</b>	<b>16.82%</b>	<b>16.82%</b>
Normal Cost & Administrative Expense	9.51%	10.78%
Amortization of Unfunded Liability	<u>6.57%</u>	<u>8.31%</u>
<b>Total Required Contributions</b>	<b>16.08%</b>	<b>19.09%</b>
Contribution Sufficiency	0.74%	(2.27%)
<b>Sufficiency with Scheduled Increases*</b>	<b>1.19%*</b>	<b>(1.82%)*</b>

\*On July 1, 2023 contribution rates increase 0.45% in total: 0.20% for employers, 0.25% for employees.



**If all assumptions are met, using a return assumption of 7.5%, the TRA fund will reach full funding by June 2040. Using a return assumption of 7.0% the fund does not reach full funding until after 2048.**



For most of TRA history the employer rate is higher than the employee rate.

	Tier I, Hired Before July 1, 1989	Tier II, Hired after June 30, 1989
Employee contribution rate	7.5% (7.75% effective 7/1/2023)	
Employer contribution rate	8.55% (8.75% effective 7/1/2023)	
Normal retirement age	Age 65	Age 66
Rule of 90 (if age + years of service = 90 then eligible for full benefits, e.g. age 56, 34 years of service)	Yes	No

## Assumption Changes

- a. Objective – Respond prudently to capital market expectations.
  - **Solution: Lower the investment return assumption from 7.5% to 7.0%.**
  
- b. Objective – Align amortization period with funding of benefit and assumption changes.
  - **Solution: Extend the amortization date from 2048 to 2053.**

## Benefit Reforms

- a. Objective – for active teachers, a lower normal retirement age, currently set at age 66 for Tier II members (teachers hired after June 30, 1989).
  - **Solution: full, unreduced benefits for members who are at least age 60 and have at least 30 years of service credit.**
  
- b. Objective – for retirees, relief from the effects of high inflation.
  - **Solution: a one-time 2.5% COLA on 1/1/2024, compounded, then revert to 1.2% on 1/1/2025.**