

From: Katie Dickerson <katiedickerson@comcast.net>
Sent: Wednesday, February 7, 2024 5:19 PM
To: Lisa Diesslin
Subject: Testimony

Dear LCPR Committee,

My name is Katie Dickerson and I am 55 years old and have been teaching for 31 years. 28 teaching in Hopkins and 3 in NH. As I'm getting closer to retirement I realize the state never made improvements to our retirement system. Not only do we have a high contribution rate to TRA, but we don't have a rule and are forced to work many more years unless we are willing to be hit with huge penalties. This is not how I ever imagined educators would be treated.

Our daughter received her degree in elementary education and has decided not to teach and I don't blame her. Teaching used to be a profession that was valued and worth going into. Unfortunately this is no longer the case unless some major changes are made.

In my opinion the NRA does not need lowering. It is the penalties that need to be lowered along with adding a rule so teachers who have put in their years of service and no longer wish to teach, have a dignified way of leaving the profession feeling they made a difference, not run over by a Mack truck.

I ask you to please reduce the penalties by lowering the reduction factors - Minnesota Statute 354.44 subdivision 6(e) 2(i)(ii)

On a separate note, the information being given to you is skewed and not a true "apples to apples" comparison. Where are TRA's numbers coming from? Who are they using for the data being given to you? Please look closely at the chart enclosed as this chart shows more accurate data.

Thank you for your time.
Sincerely,
Katie Dickerson

RESTORING VALUE

30 days of pension comprehension & discussion points for MN educators

Reality Check

Comparing a MN pension to surrounding states' at Age 60 & 30 Years

State	Average Teacher Salary	Employee Contribution	Normal Retirement Eligibility w/o Reduction (Age + Yrs of Service)	Multiplier Used in Calculating High 5 At Age 60	Percent of High 5 Retained for Individuals Retiring at Age 60 and 30 Years	COLAS	Income Tax Rate (at retirement)	Annual Year 1 Benefit Based on Extrapolated High 5 (20% higher than Avg) including taxes and COLAs
IA (DBP)	\$59,581	6.29%	Rule of 88 Rule of 62/20	2.00	60.00%	None	- 0 -	\$42,898 <small>(60% of \$71,497 = \$42,898)</small>
MN (DBP – Deferred Benefit Plan)	\$64,184	7.75% (2023) 8.00% (2025)	Rule of 90 (Tier I) Age 66/3 (Tier II) (no career rule)	1.2 – 1.9* (Tier I) 1.7 – 1.9* 1.10 (2024) 1.24 (2025) (Tier II) <small>*Varies w/ hire date & age</small>	48.60% (Tier I) 33.00% (Tier II NRA 66) 37.05% (Tier II NRA 65)	1.1% ('24) 1.2% ('25) 1.3% ('26) 1.4% ('27) 1.5% ('28-'47) (Tier I) None until 66 then 1.5% (Tier II)	5.35% (0-\$31,690) 6.80% (\$31,691-\$104,090)	\$35,298 (Tier I) <small>(48.06% of \$77,021 = \$37,432 @ 6.8% tax rate & 1.1% COLA)</small> \$24,057 (Tier II – '24) <small>(33% of \$77,021 = \$25,417 @ 5.35% tax rate)</small> \$27,009 (Tier II – '25) <small>(37.05% of \$77,021 = \$28,536 @ 5.35% tax rate)</small>
ND (DBP)	\$55,666	11.75%* <small>Districts pay all or a portion of the employee contribution & contribution is reduced to 7.75% when fully funded</small>	Rule of 85 (member prior to 7/1/08) Rule of 90 @ age 60 (member after 6/30/08)	2.00	60.00%	None	0% if single and < \$44,725 1.95% (\$44,725 - \$225,975)	\$39,298 <small>(60% of \$66,799 = \$40,079 @ 1.95% tax rate)</small>
SD (Hybrid Plan w/ pension and 401K)	\$50,592	6.00%	Rule of 85 (Tier I - member prior to 7/1/08) 67/3 (Tier II - member after 7/1/17) (no career rule)	1.80	48.60% (Tier I)	2.10% (for 2023, but varies with inflation up to 3.5)	- 0 -	\$30,125* <small>(48.6% of \$60,710 = \$29,505 @ 2.10% COLA not including 401K)</small> <small>*Tier I only because Tier II applies only to people hired after 7/1/2017 & would include few 2024 retirees</small>
WI (DBP)	\$60,724	6.90% (2024)	57/30	1.60	48.00%	3.1 % (9 year avg)	5.30%	\$34,150 <small>(48% of \$72,869 = \$40,079 @ 5.3% tax rate & 3.1% COLA)</small>

Thank you to Bob Laine, Jim Olson, and Paul Peterson for sharing their expertise