

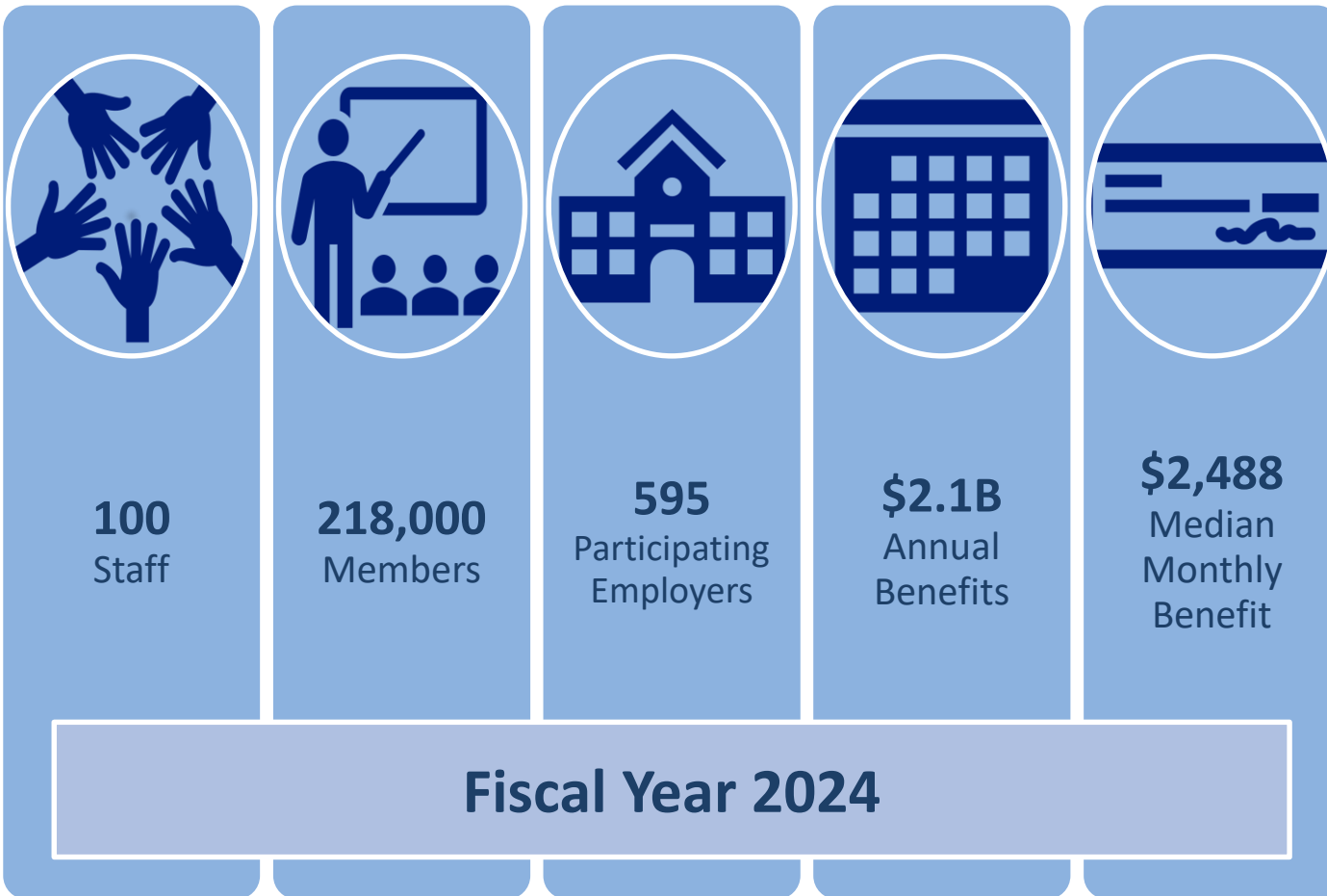
# Teachers Retirement Association Update to the LCPR



Executive Director, Tim Maurer  
Legislative Liaison, Holly Dayton  
March 11, 2025



# Agency Overview



- TRA membership includes:
  - Educators, administrators, nurses, counselors, and others in public and charter schools (except for members of the St. Paul Teachers Retirement Fund Association);
  - TRA staff; and
  - Certain faculty of Minnesota State.

Membership Totals	June 30, 2024
Active, Contributing	85,962
Retirees	63,128
Survivors	6,920
Disabilitants	432
Deferred	62,082
<b>Total Members</b>	<b>218,524</b>

# Organizational Structure

State and Federal  
Laws

**Governing Rules**

- Minnesota Statutes §354 and §356
- Federal plan qualification rules
- Government Finance Officers Association and Governmental Accounting Standards Board principles

8-Member Board  
of Trustees

**Fund Fiduciaries**

- 5 trustees elected by the membership:
  - 4 active members;
  - 1 retired member
- 3 appointed trustees:
  - Commissioner of Education;
  - Commissioner of MMB;
  - A representative of the MN School Boards Association

Executive  
Director

**Fiduciary and Manager**

- Hired by the Board of Trustees
- Oversees agency operations
- Like the board trustees, is a fiduciary under law

# Funded Ratio June 30, 2024

## Market Value

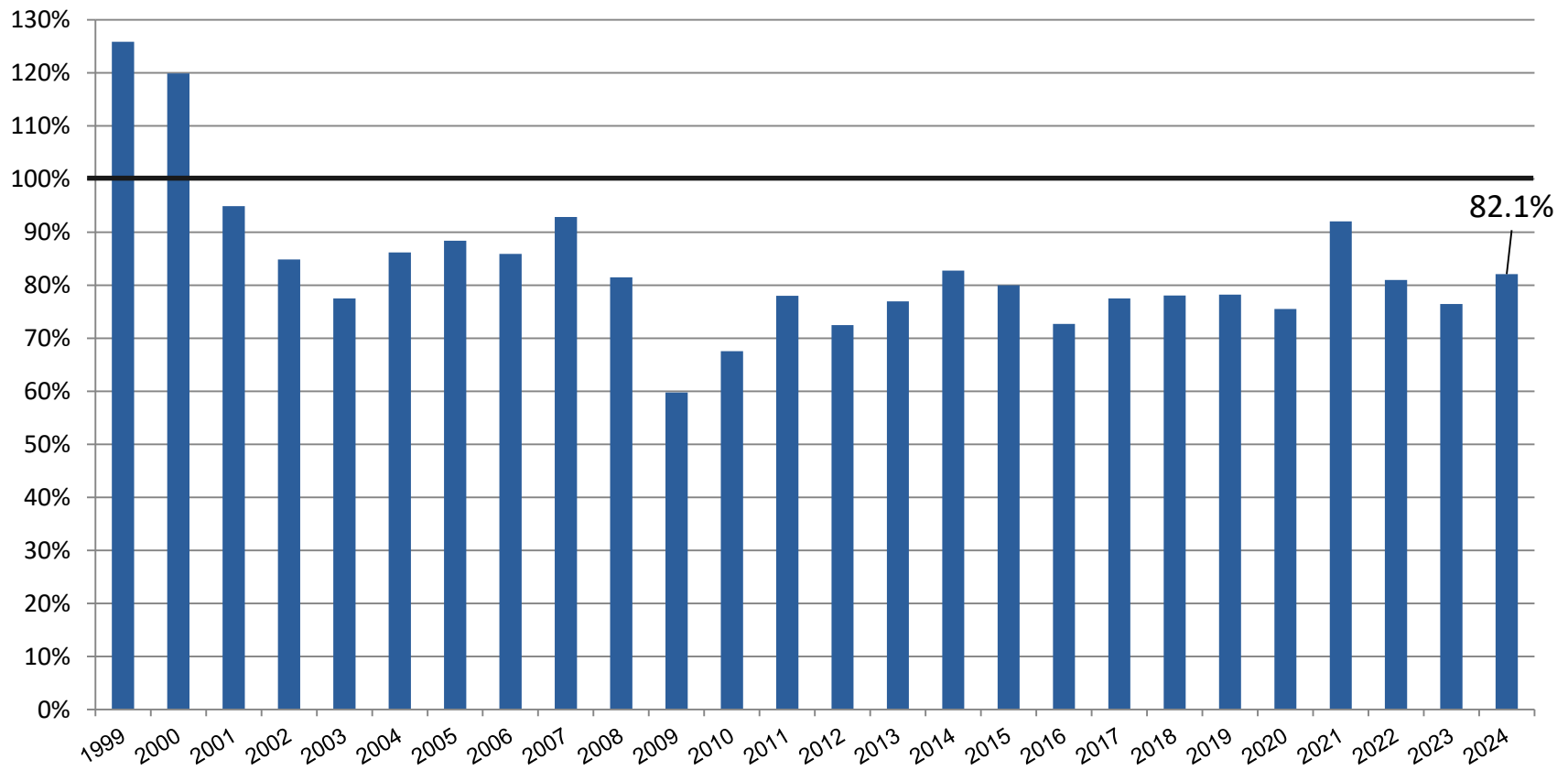
\$ in Billions Note: numbers may not add due to rounding		June 30, 2023	June 30, 2024
Actuarial Accrued Liability		\$35.0	\$35.4
Asset Value		<u>\$26.8</u>	<u>\$29.1</u>
Unfunded Liability		\$ 8.3	\$ 6.4
<b>Funded Ratio (assets ÷ liabilities)</b>		<b>76.4%</b>	<b>82.1%</b>

# Funded Ratio June 30, 2024

## Actuarial Value

\$ in Billions Note: numbers may not add due to rounding		June 30, 2023	June 30, 2024
Actuarial Accrued Liability		\$35.0	\$35.4
Asset Value		<u>\$26.9</u>	<u>\$28.3</u>
Unfunded Liability		\$ 8.1	\$ 7.1
<b>Funded Ratio (assets ÷ liabilities)</b>		<b>76.9%</b>	<b>79.9%</b>

## Fiscal Year-End Funded Ratio using Market Values



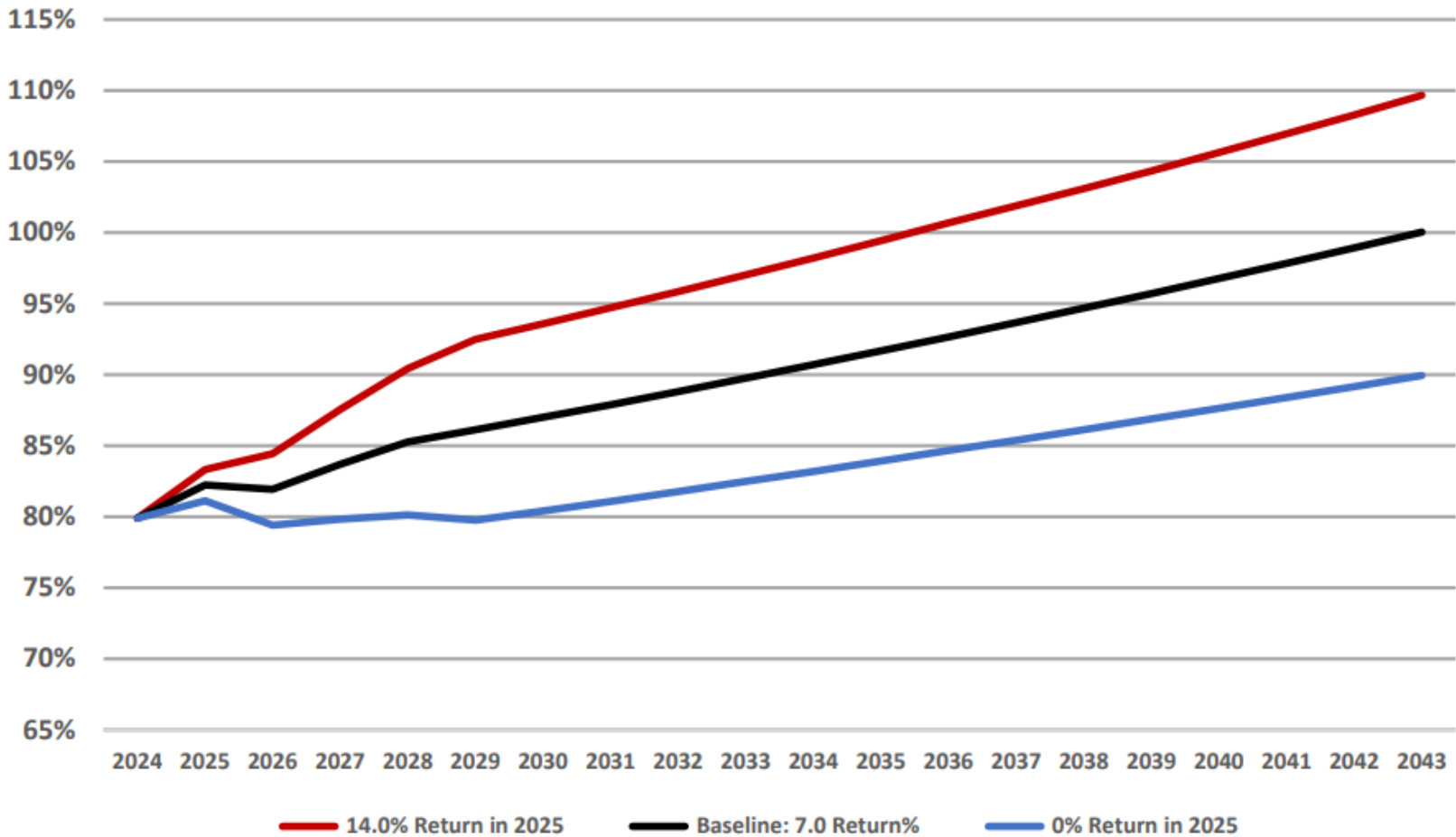
### Contribution Requirements, using Market Value of Assets

Employee Contribution	7.75%
Employer Contribution	8.91%
Direct State Payments	<u>0.55%</u>
<b>Total Statutory Contributions</b>	<b>17.21%</b>

Normal Cost and Administrative Expenses	11.37%
Amortization of Unfunded Liability	<u>6.33%</u>
<b>Total Required Contributions</b>	<b>17.70%</b>
<b>Contribution Sufficiency/(Deficiency)</b>	<b>(0.49)%</b>
<b>Contribution Sufficiency/(Deficiency) Reflecting Future Scheduled Increases</b>	<b>0.51%</b>



# Funding Projections



Assuming all assumptions are met, the TRA fund is projected to be fully funded by 2043.

The TRA Board supports moving to layered amortization if using a 20-year amortization schedule for active benefit improvements.

# Thank you!