

March 19, 2026

Members of the Legislative Commission on Pensions and Retirement:

We are writing in support of legislation (HF4069/SE4410) to exempt J-1-visa-holding teachers and their employing school districts from the requirement to make contributions to the Teachers Retirement Association.

The J-1 Teacher Exchange Program brings qualified educators to Minnesota schools for up to five years to teach through a cultural exchange program through the US Department of State. Participants must demonstrate English language mastery, hold a relevant university degree, and have more than two years of K-12 teaching experience. In Minnesota, these educators are most commonly licensed as Tier 3 or Tier 4 teachers, our highest licensure tiers.

Why This Change Matters:

- Immediate financial relief for teachers: Retaining the 8.0% employee contribution directly increases take-home pay. J-1 teachers typically arrive with \$4,000–\$6,000 in upfront relocation costs including housing, licensing fees, transportation, and the challenge of establishing credit in a new country. Additional take-home pay provides critical stability during this transition.
- Investing in J-1 teacher success: Districts invest significantly in preparing J-1 teachers to succeed, including onboarding, mentorship, cultural orientation, and ongoing professional support. Redirecting employer pension contributions toward these support services makes programs more sustainable and improves outcomes for students and teachers alike.
- TRA is not designed for short-term service: TRA is structured to reward long careers, often requiring 30 or more years of service before the pension's value exceeds the value of a teacher's own contributions. J-1 teachers are limited to working in the United States under the no more than five years by federal law. Because of that they are unable to realize any meaningful benefit. Upon returning home, they generally face U.S. tax withholding of at least 30% on any distribution plus a potential early withdrawal penalty and possible double taxation in their home country.

J-1 teachers are a valuable and carefully vetted part of our educator workforce. We urge the Legislature to enact this exemption and help us continue building diverse, well-supported classrooms for Minnesota's students.

Respectfully,



Bill Holmgren
Executive Director of Business Services
Lakeville Area Schools