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TRA allows no more than one year of service during any fiscal year. Service credit for part-time teaching, extracurricular pay, retro pay and summer pay is prorated. Minnesota State service credit is determined by the full-time equivalent as defined in the Minnesota State bargaining agreement. For example, if a Minnesota State employee works 0.5 FTE during the fiscal year, 0.5 (one half) year of service credit is earned.

HIGH-FIVE AVERAGE. Your annual retirement benefit is calculated using the average of your highest annual salary amounts over five consecutive years.

FORMULA. The formula is 1.9 percent for all years of service on or after July 1, 2006.

What is a TRA pension worth?

The average monthly TRA retiree benefit is about \$2,300. You would need between \$425,000 and \$525,000 in a 401(k) or 403(b) account to achieve a similar benefit.

Good to know

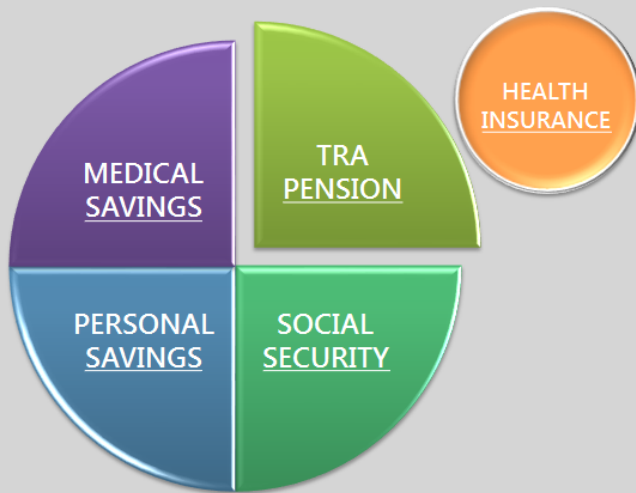
Full pension benefits are payable at age 65-66. Reduced benefits are available as early as age 55.

Your plan for life

PENSION BASICS FOR NEW TEACHERS



Healthy retirement



Teachers Retirement Association

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Pension basics for new teachers

TRA is a defined-benefit (“DB”) pension plan that provides retirement, survivor and disability benefits to over 180,000 current and former Minnesota educators—including about 80,000 active teachers and 64,000 retirees.

	DEFINED-BENEFIT PENSION	DEFINED-CONTRIBUTION SAVINGS PLAN: 401(k), 403(b)
Who bears the investment risk?	Plan bears investment risk.	You bear investment risk.
Who pays the investment fees?	Fees divided among members.	You pay investment fees.
Who manages my assets?	Minnesota State Board of Investment professionals manage assets.	You manage your assets.
Can I take it with me?	If you change careers, you may request a refund or leave your contributions with TRA until you're ready to retire.	If you leave the teaching profession, you take your account with you.
What determines my benefit amount?	Predictable benefit based on age, length of service and high-five average salary.	Balance at retirement determines payments. You might outlive your funds.

During your career

You and your employer make mandatory payroll contributions to TRA that are pooled into one large fund managed by the Minnesota State Board of Investment. Here's how we translate the statistics of your career into retirement income.

CONTRIBUTION RATES. During your teaching years, a percentage is deducted from every paycheck for your retirement. The current employee contribution rate is 7.5 percent. Your TRA contributions are pretax, reducing your current taxable income. Your TRA paycheck deductions are determined by Minnesota law and subject to change.

credit — enough to make you eligible for a monthly lifetime benefit, or pension, when you retire. You have access to leave purchase, disability and survivor benefits. If you die, your beneficiaries may get monthly income or a lump sum payment.

SERVICE CREDIT. Service credit affects eligibility for benefits and benefit amount. Paid sick leave, vacation days and required attendance days count toward service credit.

Pension math

VESTING. You are vested in TRA when you have earned at least three years of service



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