

Teachers Retirement Association of Minnesota  
A Pension Trust Fund of the State of Minnesota



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# Statistical Summary

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TRA complies with GASB Statement No. 44, Economic Condition Reporting: The Statistical Section, issued in May 2004. The pronouncement establishes and modifies requirements related to the supplementary information presented in this section of the report. This section of the report provides detailed information about TRA as a context for understanding what the information in the financial statement note disclosures and required supplementary information indicates about the Association's overall financial condition.

The schedules and graphs beginning on page 81 show trend information about the growth of TRA assets over the past 10 years. These schedules, and others, provide detailed information about the trends of key sources of additions and deductions to plan assets.

The Contribution Rate chart on page 81 provides historical information on the total member and employer contribution rates.

The schedule of Pension Assets Compared to Pension Liabilities, found on pages 82-83, show the funding progress of the plan for the past 10 years on accumulating assets to cover projected pension liabilities which will ultimately be due at retirement.

The schedules on pages 84-89 and 95-97 include detailed information regarding the number and type of benefit recipients, and information as to the benefit amount.

The chart on page 90 provides a profile of TRA active members on June 30, 2013, by age and service credit totals.

The chart on page 91 contains information on the total number of members by type.

The schedules on pages 92-94 detail the largest TRA employer units by covered employees and by types of employer.

All data is derived from TRA internal sources and the actuarial consultant.

The projected benefit payments (page 98) for the next 25 years have been supplied by TRA's actuarial advisor, Cavanaugh Macdonald Consulting.

## 10-Year History of Fiduciary Net Position

<b>June 30 Fiscal Year End</b>	<b>Fiduciary Net Position</b>	<b>% Change From Prior Year</b>
2004	\$15,095,803,651	15.6%
2005	\$15,928,603,867	5.5%
2006	\$17,764,526,441	11.5%
2007	\$19,938,881,872	12.2%
2008	\$18,106,965,760	-9.2%
2009	\$13,833,825,733	-23.6%
2010	\$14,939,539,780	8.0%
2011	\$17,303,575,561	15.8%
2012	\$16,689,940,629	-3.6%
2013	\$18,019,318,901	8.0%

## 10-Year History of Contribution Rates

<b>Fiscal Year</b>	<b>Basic Program Employee Contribution Rate</b>	<b>Basic Program Employer Contribution Rate</b>	<b>Basic Program Total Contribution Rate</b>	<b>Coordinated Employee Contribution Rate</b>	<b>Coordinated Employer Contribution Rate</b>	<b>Coordinated Total Contribution Rate</b>
2004	9.00%	9.00%	18.00%	5.00%	5.00%	10.00%
2005	9.00%	9.00%	18.00%	5.00%	5.00%	10.00%
2006	9.00%	9.00%	18.00%	5.00%	5.00%	10.00%
2007	9.00%	9.00%	18.00%	5.50%	5.00%	10.50%
2008	9.00%	9.50%	18.50%	5.50%	5.50%	11.00%
2009	9.00%	9.50%	18.50%	5.50%	5.50%	11.00%
2010	9.00%	9.50%	18.50%	5.50%	5.50%	11.00%
2011	9.00%	9.50%	18.50%	5.50%	5.50%	11.00%
2012	9.50%	10.00%	19.50%	6.00%	6.00%	12.00%
2013	10.00%	10.50%	20.50%	6.50%	6.50%	13.00%

# Teachers Retirement Association

## 10-Year History of Changes in Fiduciary Net Position

Fiscal Year	2004	2005	2006*	2007
<b>Additions</b>				
Member Contributions	\$ 159,139,548	\$ 160,982,004	\$ 177,084,906	\$ 199,868,969
Employer Contributions	151,028,911	157,693,090	200,285,886	209,219,130
Net Income (Loss) From Investing Activity	2,204,787,495	1,575,519,541	1,951,778,366	3,056,492,094
Other Income, Net	<u>7,266,004</u>	<u>6,295,759</u>	<u>11,412,062</u>	<u>7,901,279</u>
Total Additions to Fiduciary Net Position	<u>\$ 2,522,221,958</u>	<u>\$ 1,900,490,394</u>	<u>\$ 2,340,561,220</u>	<u>\$ 3,473,481,472</u>
<b>Deductions</b>				
Pension Benefits	\$ 1,008,410,471	\$ 1,048,440,525	\$ 1,224,212,024	\$ 1,273,093,384
Refunds	6,861,708	6,744,116	11,872,504	12,088,193
Administrative Expenses	12,179,212	10,883,151	11,912,701	10,635,365
Other	<u>573,379</u>	<u>1,622,386</u>	<u>1,856,275</u>	<u>3,309,099</u>
Total Deductions from Fiduciary Net Position	<u>\$ 1,028,024,770</u>	<u>\$ 1,067,690,178</u>	<u>\$ 1,249,853,504</u>	<u>\$ 1,299,126,041</u>
Net Increase (Decrease)	<u>\$ 1,494,197,188</u>	<u>\$ 832,800,216</u>	<u>\$ 1,090,707,716</u>	<u>\$ 2,174,355,431</u>
Net Position Held in Trust, Beginning of Year	<u>\$ 13,601,606,463</u>	<u>\$ 15,095,803,651</u>	<u>\$ 16,673,818,725</u>	<u>\$ 17,764,526,441</u>
<b>Net Position Held in Trust, End of Year</b>	<u>\$ 15,095,803,651</u>	<u>\$ 15,928,603,867</u>	<u>\$ 17,764,526,441</u>	<u>\$ 19,938,881,872</u>

\*"Net position held in trust, beginning of year" were restated to reflect \$745,214,858 of assets assumed as a result of merger with MTRFA.

## 10-Year History of Pension Assets vs. Pension Liabilities

Fiscal Year	2004	2005	2006	2007
Pension Assets (Actuarial Value)	\$ 17,519,909,000	\$ 17,752,917,000	\$ 19,035,612,000	\$ 18,794,389,076
Accrued Liabilities	<u>\$ 17,518,784,000</u>	<u>\$ 18,021,410,000</u>	<u>\$ 20,679,111,000</u>	<u>\$ 21,470,314,497</u>
Unfunded Liabilities (Sufficiency)	<u>\$ (1,125,000)</u>	<u>\$ 268,493,000</u>	<u>\$ 1,643,499,000</u>	<u>\$ 2,675,925,421</u>
Funded Ratio	100.00	98.5%	92.0%	87.5%

2008	2009	2010	2011	2012	2013
\$ 209,592,461	\$ 212,042,535	\$ 214,908,960	\$ 218,023,736	\$ 239,833,920	\$ 265,808,686
231,561,322	240,718,200	242,087,985	244,232,711	266,661,085	290,662,108
(926,044,140)	(3,318,368,290)	2,087,639,841	3,390,130,615	383,187,159	2,310,295,407
<u>7,529,753</u>	<u>6,526,400</u>	<u>4,850,206</u>	<u>5,562,374</u>	<u>4,929,201</u>	<u>5,474,846</u>
<u>\$ (477,360,604)</u>	<u>\$ (2,859,081,155)</u>	<u>\$ 2,549,486,992</u>	<u>\$ 3,857,949,436</u>	<u>\$ 894,611,365</u>	<u>\$ 2,872,241,047</u>
\$ 1,330,836,947	\$ 1,383,667,466	\$ 1,422,578,335	\$ 1,460,836,392	\$ 1,486,386,832	\$ 1,523,269,003
11,770,086	14,429,351	11,607,086	23,812,985	11,835,977	10,462,932
10,261,139	10,608,003	9,587,524	9,264,278	10,023,488	9,130,840
<u>1,687,335</u>	<u>5,354,052</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 1,354,555,508</u>	<u>\$ 1,414,058,872</u>	<u>\$ 1,443,772,945</u>	<u>\$ 1,493,913,655</u>	<u>\$ 1,508,246,297</u>	<u>\$ 1,542,862,775</u>
<u>\$ (1,831,916,112)</u>	<u>\$ (4,273,140,027)</u>	<u>\$ 1,105,714,047</u>	<u>\$ 2,364,035,781</u>	<u>\$ (613,634,932)</u>	<u>\$ 1,329,378,272</u>
<u>\$ 19,938,881,872</u>	<u>\$ 18,106,965,760</u>	<u>\$ 13,833,825,733</u>	<u>\$ 14,939,539,780</u>	<u>\$ 17,303,575,561</u>	<u>\$ 16,689,940,629</u>
<u>\$ 18,106,965,760</u>	<u>\$ 13,833,825,733</u>	<u>\$ 14,939,539,780</u>	<u>\$ 17,303,575,561</u>	<u>\$ 16,689,940,629</u>	<u>\$ 18,019,318,901</u>

2008	2009	2010	2011	2012	2013
\$ 18,226,985,000	\$ 17,882,408,000	\$ 17,323,146,000	\$ 17,132,383,000	\$ 16,805,077,000	\$ 16,774,626,000
<u>\$ 22,230,841,000</u>	<u>\$ 23,114,802,000</u>	<u>\$ 22,081,634,000</u>	<u>\$ 22,171,493,000</u>	<u>\$ 23,024,505,000</u>	<u>\$ 23,418,629,000</u>
<u>\$ (4,003,856,000)</u>	<u>\$ (5,232,394,000)</u>	<u>\$ (4,758,488,000)</u>	<u>\$ (5,039,110,000)</u>	<u>\$ (6,219,428,000)</u>	<u>\$ (6,644,003,000)</u>
82.0%	77.4%	78.5%	77.3%	73.0%	71.6%

## 10-Year History of Benefits and Refunds by Type

Fiscal Year Pension Benefits	2004	2005	2006	2007
Annuities	\$ 979,108,590	\$ 1,019,776,085	\$ 1,190,295,077	\$ 1,241,862,723
Disabilities	11,734,673	11,810,137	13,118,722	11,923,494
Survivor Benefits	<u>14,201,212</u>	<u>13,869,225</u>	<u>17,616,002</u>	<u>15,774,162</u>
Total Pension Benefits	<u>\$ 1,005,044,475</u>	<u>\$ 1,045,455,447</u>	<u>\$ 1,221,029,801</u>	<u>\$ 1,269,560,379</u>
Annuities Redirected to Earnings Limitation Savings Account (ELSA)	<u>\$ 3,365,997</u>	<u>\$ 2,985,078</u>	<u>\$ 3,182,223</u>	<u>\$ 3,533,005</u>
Member Refunds	6,628,150	6,468,919	9,766,474	10,217,919
ELSA Refunds	64,263	98,867	2,014,275	1,431,902
Employer Refunds	<u>169,294</u>	<u>176,330</u>	<u>91,755</u>	<u>438,372</u>
Total Refunds	<u>\$ 6,861,707</u>	<u>\$ 6,744,116</u>	<u>\$ 11,872,504</u>	<u>\$ 12,088,193</u>
Total Benefits and Refunds	<u>\$ 1,015,272,179</u>	<u>\$ 1,055,184,641</u>	<u>\$ 1,236,084,528</u>	<u>\$ 1,285,181,577</u>

## 10-Year History of Benefit Recipients by Category

As of June 30, 2013

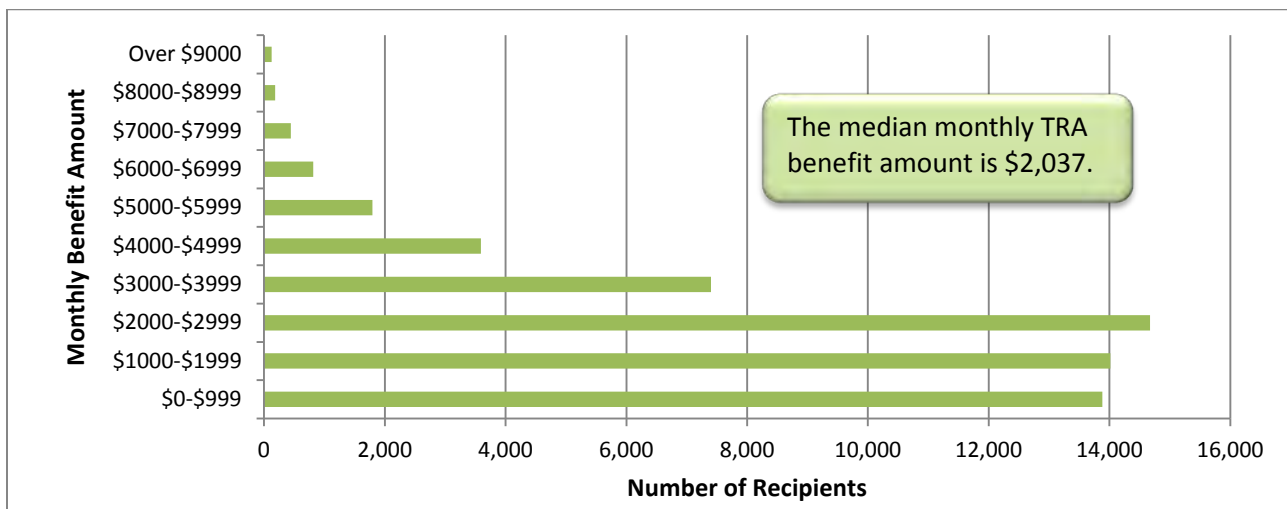
Year	Annuitants	Disabilitants	Survivors	Total
2004	34,581	589	2,479	37,649
2005	35,779	581	2,597	38,957
2006	40,973	630	3,080	44,683
2007	42,679	636	3,223	46,538
2008	43,041	641	3,299	46,981
2009	46,009	624	3,575	50,208
2010	47,556	615	3,682	51,853
2011	49,079	602	3,856	53,537
2012	50,780	591	4,054	55,425
2013	52,331	568	4,269	57,168

2008	2009	2010	2011	2012	2013
\$ 1,297,772,858	\$ 1,352,741,935	\$ 1,391,181,476	\$ 1,429,842,960	\$ 1,456,295,613	\$ 1,492,612,137
12,049,579	12,076,621	13,075,898	12,468,933	12,302,612	11,774,758
<u>17,460,466</u>	<u>16,547,705</u>	<u>17,124,339</u>	<u>17,237,783</u>	<u>16,929,195</u>	<u>17,089,958</u>
<u>\$ 1,327,282,903</u>	<u>\$ 1,381,366,261</u>	<u>\$ 1,421,381,713</u>	<u>\$ 1,459,549,676</u>	<u>\$ 1,485,527,420</u>	<u>\$ 1,521,476,853</u>
\$ 3,554,045	\$ 2,301,205	\$ 1,196,622	\$ 1,286,716	\$ 859,412	\$ 1,792,150
9,563,184	10,599,298	8,081,962	8,659,225	8,764,802	8,788,895
1,860,826	3,550,729	3,341,302	14,947,274	2,864,780	1,366,885
<u>346,076</u>	<u>279,324</u>	<u>183,822</u>	<u>206,486</u>	<u>206,395</u>	<u>307,152</u>
<u>\$ 11,770,086</u>	<u>\$ 14,429,351</u>	<u>\$ 11,607,086</u>	<u>\$ 23,812,985</u>	<u>\$ 11,835,977</u>	<u>\$ 10,462,932</u>
<u>\$ 1,342,607,034</u>	<u>\$ 1,398,096,817</u>	<u>\$ 1,434,185,421</u>	<u>\$ 1,484,649,377</u>	<u>\$ 1,498,222,809</u>	<u>\$ 1,533,731,935</u>

# Schedule of Benefit Amounts Paid

For Month of June 2013 – Payment Made June 1, 2013

Monthly Benefit Amount	Number of Recipients	Cumulative Total	Percent	Cumulative Percent
\$ 0 – 499	7,851	7,851	13.79%	13.79%
\$ 500 – 999	6,033	13,884	10.60%	24.39%
\$ 1,000 – 1,499	6,160	20,044	10.82%	35.21%
\$ 1,500 – 1,999	7,852	27,896	13.79%	49.00%
\$ 2,000 – 2,499	8,061	35,957	14.16%	63.16%
\$ 2,500 – 2,999	6,611	42,568	11.61%	74.77%
\$ 3,000 – 3,499	4,433	47,001	7.79%	82.56%
\$ 3,500 – 3,999	2,969	49,970	5.22%	87.78%
\$ 4,000 – 4,499	2,074	52,044	3.64%	91.42%
\$ 4,500 – 4,999	1,518	53,562	2.67%	94.09%
\$ 5,000 – 5,499	1,075	54,637	1.89%	95.98%
\$ 5,500 – 5,999	720	55,357	1.26%	97.24%
\$ 6,000 – 6,499	484	55,841	0.85%	98.09%
\$ 6,500 – 6,999	332	56,173	0.58%	98.67%
\$ 7,000 – 7,499	266	56,439	0.47%	99.14%
\$ 7,500 – 7,999	176	56,615	0.31%	99.45%
\$ 8,000 – 8,499	125	56,740	0.22%	99.67%
\$ 8,500 – 8,999	61	56,801	0.11%	99.78%
\$ 9,000 – 9,499	36	56,837	0.06%	99.84%
\$ 9,500 – 9,999	29	56,866	0.05%	99.89%
\$ 10,000 – 10,499	19	56,885	0.03%	99.92%
\$ 10,500 – 10,999	13	56,898	0.02%	99.94%
\$ 11,000 – 11,499	10	56,908	0.02%	99.96%
\$ 11,500 – 11,999	8	56,916	0.01%	99.97%
\$ 12,000 – 12,499	4	56,920	0.01%	99.98%
\$ 12,500 and over	6	56,926	0.01%	99.99%

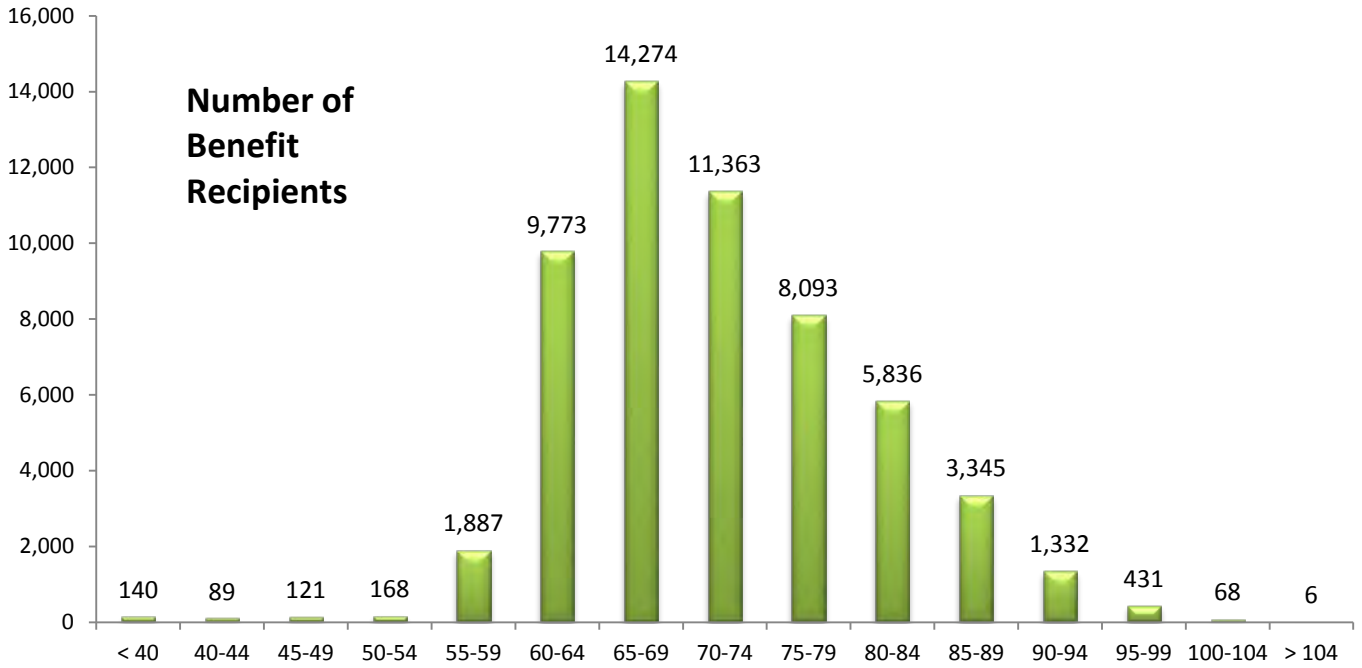




# Schedule of Benefit Recipients by Current Age

For Month of June 2013 – Payment Made June 1, 2013

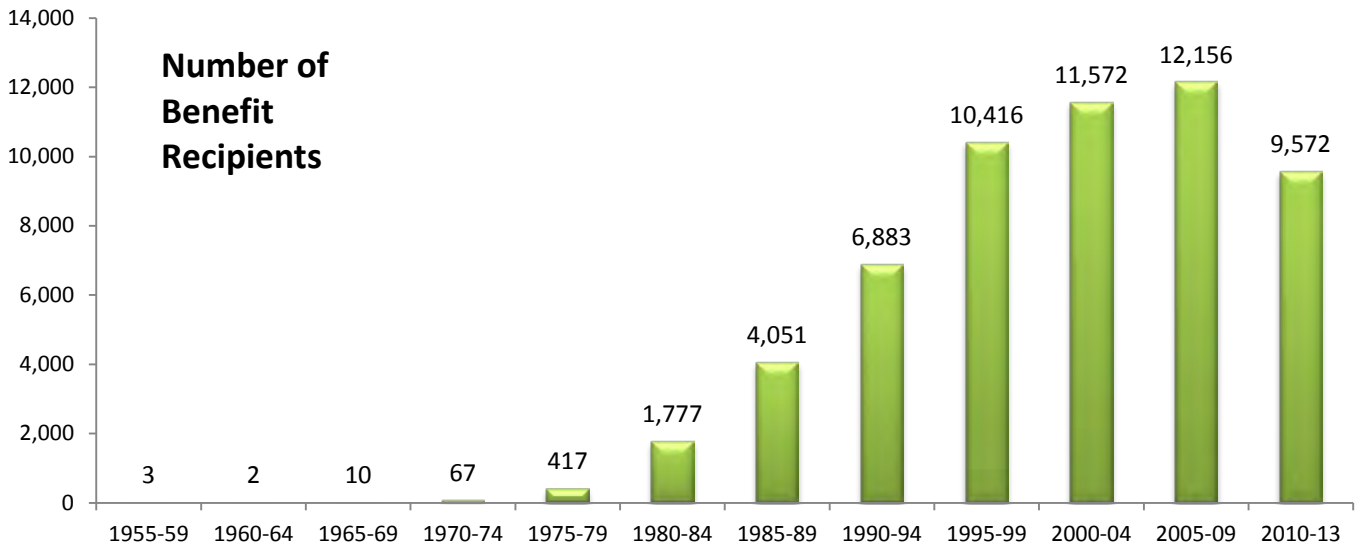
Total Recipients: 56,926



# Benefit Recipients by Effective Date of Retirement

For Month of June 2013 – Payment Made June 1, 2013

Total Recipients: 56,926



# Schedule of New Retirees and Initial Benefit Paid

For the Ten Fiscal Years Ending June 30, 2013

Fiscal Year	Years of Formula Service						Total	
	<10	10-15	16-20	21-25	26-30	>30 (FY 2000-2008) 31-35 (FY 2009) >35		
<b>2004</b>								
Avg. Monthly Benefit	\$260	\$738	\$1,155	\$1,832	\$2,393	\$3,227		\$2,324
Number of Retirees	258	162	119	158	157	1,102		1,956
<b>2005</b>								
Avg. Monthly Benefit	\$267	\$768	\$1,235	\$1,688	\$2,515	\$3,224		\$2,424
Final Average Salary	\$28,747	\$35,240	\$44,812	\$52,867	\$58,063	\$60,069		\$53,257
Number of Retirees	204	110	118	132	169	1,055		1,788
<b>2006</b>								
Avg. Monthly Benefit	\$239	\$843	\$1,349	\$1,820	\$2,523	\$3,320		\$2,422
Final Average Salary	\$21,194	\$37,339	\$50,455	\$36,045	\$58,519	\$62,537		\$54,018
Number of Retirees	230	144	170	151	207	1,094		1,996
<b>2007</b>								
Avg. Monthly Benefit	\$257	\$781	\$1,455	\$1,932	\$2,608	\$3,548		\$2,465
Final Average Salary	\$22,846	\$38,717	\$50,770	\$58,606	\$61,332	\$63,080		\$55,098
Number of Retirees	256	162	183	181	190	1,238		2,210
<b>2008</b>								
Avg. Monthly Benefit	\$284	\$917	\$1,471	\$1,943	\$2,663	\$3,474		\$2,524
Final Average Salary	\$23,542	\$42,298	\$52,288	\$58,998	\$62,353	\$65,360		\$56,822
Number of Retirees	252	147	150	216	237	1,107		2,109
<b>2009</b>								
Avg. Monthly Benefit	\$295	\$885	\$1,319	\$1,975	\$2,670	\$3,463	\$3,859	\$2,507
Final Average Salary	\$25,301	\$39,270	\$50,616	\$59,550	\$63,268	\$66,179	\$69,949	\$56,972
Number of Retirees	285	139	160	180	223	793	257	2,037
<b>2010</b>								
Avg. Monthly Benefit	\$299	\$919	\$1,497	\$1,911	\$2,636	\$3,447	\$3,884	\$2,441
Final Average Salary	\$24,488	\$43,105	\$54,513	\$60,302	\$64,611	\$67,443	\$70,941	\$57,729
Number of Retirees	326	162	205	224	276	733	323	2,249
<b>2011</b>								
Avg. Monthly Benefit	\$318	\$883	\$1,458	\$2,076	\$2,777	\$3,576	\$3,941	\$2,410
Final Average Salary	\$24,106	\$43,245	\$56,574	\$63,832	\$68,358	\$71,541	\$73,031	\$58,957
Number of Retirees	431	212	240	270	278	685	428	2,544
<b>2012</b>								
Avg. Monthly Benefit	\$388	\$935	\$1,485	\$2,011	\$2,747	\$3,592	\$4,004	\$2,301
Final Average Salary	\$28,337	\$44,368	\$55,772	\$63,085	\$68,043	\$70,400	\$74,259	\$58,233
Number of Retirees	518	254	253	337	345	668	371	2,746
<b>2013</b>								
Avg. Monthly Benefit	\$349	\$921	\$1,431	\$1,995	\$2,772	\$3,591	\$4,063	\$2,318
Final Average Salary	\$26,267	\$44,588	\$55,793	\$62,310	\$69,357	\$70,648	\$73,864	\$58,305
Number of Retirees	458	231	272	344	338	605	387	2,635

Note: Final Average Salary by years of service is unavailable for years prior to fiscal year 2005.

# Schedule of Benefit Recipients by Type

For Month of June 2013 – Payment Made June 1, 2013

Monthly Benefit Amount	Number of Recipients	Type of Retirement		
		Regular	Disability	Beneficiary
\$ 0 – 1,000	13,902	12,505	184	1,213
\$ 1,001 – 2,000	14,013	12,531	206	1,276
\$ 2,001 – 3,000	14,680	13,561	130	989
\$ 3,001 – 4,000	7,394	6,866	39	489
\$ 4,001 – 5,000	3,579	3,303	6	270
\$ 5,001 – 6,000	1,791	1,638	3	150
\$ 6,001 – 7,000	815	741	3	71
\$ 7,001 – 8,000	441	409	0	32
\$ 8,001 – 9,000	186	164	0	22
\$ 9,001 – 10,000	66	59	0	7
\$ 10,001 – 11,000	31	28	0	3
\$ 11,001 – 12,000	19	17	0	2
\$ 12,001 – 13,000	7	6	0	1
\$ 13,001 – 14,000	0	0	0	0
\$ 14,001 – 15,000	1	1	0	0
\$ 15,001 – 16,000	1	1	0	0
\$ 16,001 and over	0	0	0	0
Totals:	56,926	51,830	571	4,525

# Membership Data

June 30, 2013

Distribution of Active Members\*

Average Earnings in Dollars

Age	Years of Service as of June 30, 2013**										Total	
	<3**	3-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 +		
<b>&lt;25</b>	2,329	26										2,355
<b>Avg. Earnings</b>	\$ 23,240	\$ 39,627										\$ 23,421
<b>25-29</b>	4,464	2,392	1,644									8,500
<b>Avg. Earnings</b>	\$ 27,377	\$ 39,923	\$ 45,317									\$ 34,377
<b>30-34</b>	2,093	1,327	5,651	1,376								10,447
<b>Avg. Earnings</b>	\$ 24,953	\$ 38,433	\$ 48,343	\$ 58,557								\$ 43,743
<b>35-39</b>	1,404	693	2,466	4,657	1,095							10,315
<b>Avg. Earnings</b>	\$ 22,840	\$ 37,509	\$ 48,798	\$ 61,078	\$ 68,040							\$ 52,093
<b>40-44</b>	1,389	587	1,628	2,534	4,051	857						11,046
<b>Avg. Earnings</b>	\$ 21,267	\$ 37,326	\$ 46,461	\$ 59,570	\$ 67,831	\$ 72,516						\$ 55,673
<b>45-49</b>	1,118	442	1,230	1,530	2,164	2,810	581					9,875
<b>Avg. Earnings</b>	\$ 18,493	\$ 33,255	\$ 45,392	\$ 58,138	\$ 66,569	\$ 72,119	\$ 74,191					\$ 57,719
<b>50-54</b>	892	415	1,065	1,384	1,393	1,768	2,253	490				9,660
<b>Avg. Earnings</b>	\$ 17,326	\$ 31,364	\$ 44,000	\$ 56,590	\$ 63,530	\$ 70,135	\$ 72,783	\$ 72,125				\$ 58,537
<b>55-59</b>	703	285	691	924	1,260	1,294	1,374	1,605	382			8,518
<b>Avg. Earnings</b>	\$ 14,270	\$ 25,826	\$ 40,468	\$ 54,528	\$ 62,642	\$ 67,701	\$ 71,970	\$ 72,846	\$ 75,702			\$ 59,521
<b>60-64</b>	536	165	437	575	685	795	684	378	433	108		4,796
<b>Avg. Earnings</b>	\$ 7,713	\$ 20,900	\$ 37,078	\$ 53,076	\$ 60,468	\$ 67,538	\$ 72,715	\$ 77,348	\$ 78,902	\$ 74,755		\$ 56,428
<b>65-69</b>	293	58	100	89	106	108	77	60	36	52		979
<b>Avg. Earnings</b>	\$ 6,137	\$ 12,892	\$ 24,631	\$ 47,527	\$ 60,919	\$ 67,580	\$ 74,138	\$ 80,494	\$ 80,895	\$ 79,032		\$ 41,425
<b>70 +</b>	146	27	21	19	8	8	10	13	5	17		274
<b>Avg. Earnings</b>	\$ 5,119	\$ 12,876	\$ 20,217	\$ 53,297	\$ 56,407	\$ 72,530	\$ 75,736	\$ 68,835	\$ 75,421	\$ 87,038		\$ 25,813
<b>Total</b>	15,367	6,417	14,933	13,088	10,762	7,640	4,979	2,546	856	177		76,765
<b>Avg. Earnings</b>	\$ 22,321	\$ 36,629	\$ 46,435	\$ 58,785	\$ 65,889	\$ 70,416	\$ 72,740	\$ 73,535	\$ 77,538	\$ 77,191		\$ 51,030

\* Active members include 15 Basic and 76,750 Coordinated members.

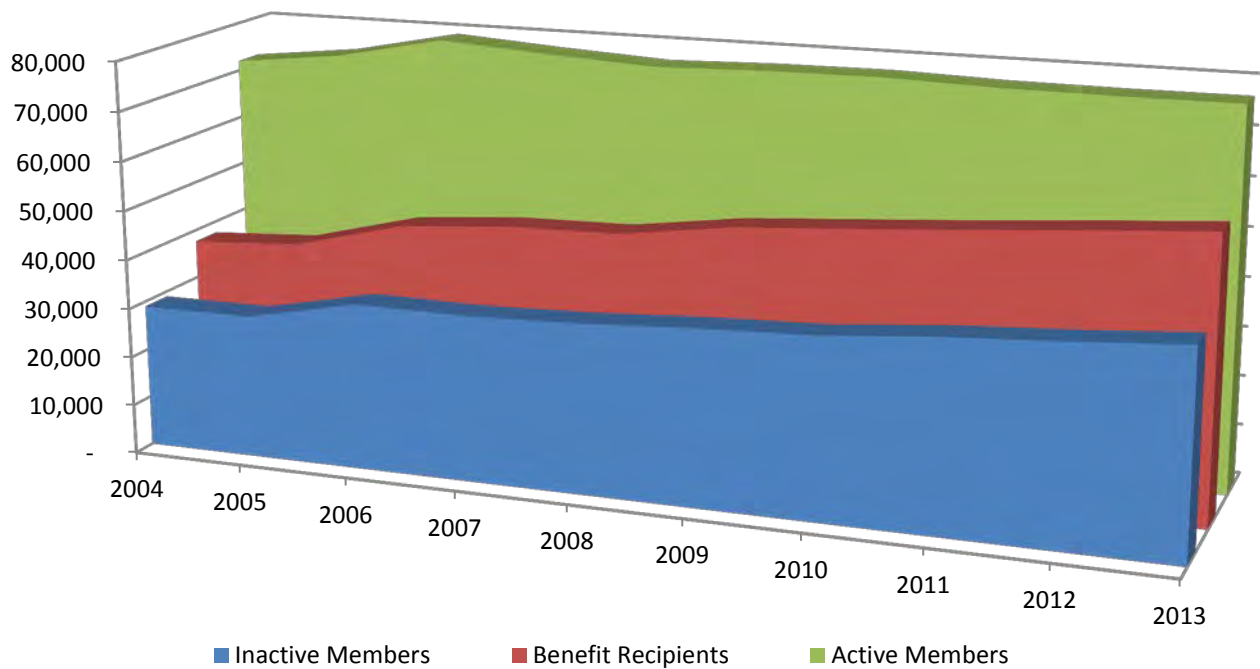
\*\* This exhibit does not reflect service earned in Combined Service Annuity benefits. It should not be relied upon as an indicator of non-vested status.

In each cell, the top number is the count of active members for the age/service combination and the bottom number is the amount of average annual earnings. Earnings shown in this exhibit are actual salaries earned during the fiscal year ending June 30, 2013, as reported by the Teachers Retirement Association of Minnesota.

# 10-Year Summary of Membership

Year Ended June 30	Active Members	Inactive Members	Benefit Recipients
2004	72,008	28,990	37,649
2005	74,552	29,031	38,957
2006	79,164	33,729	44,683
2007	77,694	35,550	46,538
2008	76,515	34,283	46,981
2009	77,162	35,563	50,208
2010	77,356	36,407	51,853
2011	76,755	38,433	53,537
2012	76,649	39,792	55,425
2013	76,765	41,495	57,168

# 10-Year Summary of Membership



# Principal Participating Employers

As of June 30, 2013

Employer Unit Name	2013			2012			2011			2010		
	Covered Employees	Rank	% of Active Membership	Covered Employees	Rank	% of Active Membership	Covered Employees	Rank	% of Active Membership	Covered Employees	Rank	% of Active Membership
Minneapolis - Special School District #1	3,861	1	5.04	4,088	1	5.29	3,757	1	4.89	3,772	1	4.87
Anoka-Hennepin - ISD #11	3,074	2	4.01	3,082	2	3.98	3,158	2	4.11	3,309	2	4.28
MnSCU (MN State Colleges & Universities)	2,720	3	3.55	2,708	3	3.50	2,757	3	3.59	2,876	3	3.72
Rosemount-Apple Valley-Eagan - ISD #196	2,444	4	3.19	2,472	4	3.20	2,554	4	3.33	2,711	4	3.50
Osseo - ISD #279	1,665	5	2.17	1,755	5	2.27	1,743	5	2.27	1,724	5	2.23
South Washington County - ISD #833	1,620	6	2.11	1,597	6	2.06	1,559	6	2.03	1,532	6	1.98
Rochester - ISD #535	1,462	7	1.91	1,446	7	1.87	1,434	7	1.87	1,435	7	1.86
Robbinsdale - ISD #281	1,072	8	1.40	1,095	8	1.42	1,057	8	1.38	1,101	8	1.42
Bloomington - ISD #271	1,039	9	1.36	1,025	9	1.32	1,041	9	1.36	1,030	9	1.33
St. Cloud - ISD #742	980	10	1.28	973	10	1.26	1,021	10	1.33	NA	NA	NA
Burnsville - ISD #191	NA	NA	NA	NA	NA	NA	NA	NA	NA	973	10	1.26
Lakeville - ISD #194	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
All Other	<u>56,681</u>	NA	<u>73.98</u>	<u>57,099</u>		<u>73.83</u>	<u>56,674</u>		<u>73.84</u>	<u>56,893</u>		<u>73.55</u>
<b>Total</b>	<u>76,618</u>		<u>100.00</u>	<u>77,340</u>		<u>100.00</u>	<u>76,755</u>		<u>100.00</u>	<u>77,356</u>		<u>100.00</u>

\*Information not available prior to 2007.

2009			2008			2007			Employer Unit Name
Covered Employees	Rank	% of Membership	Covered Employees	Rank	% of Active Membership	Covered Employees	Rank	% of Active Membership	
3,473	1	4.50	3,406	2	4.45	4,217	1	5.43	Minneapolis - Special School District #1
3,466	2	4.49	3,487	1	4.56	3,506	2	4.51	Anoka-Hennepin - ISD #11
3,019	3	3.91	3,146	3	4.11	3,253	3	4.19	MnSCU (MN State Colleges & Universities)
2,741	4	3.55	2,679	4	3.50	2,685	4	3.46	Rosemount-Apple Valley-Eagan - ISD #196
1,745	5	2.26	1,923	5	2.52	1,973	5	2.54	Osseo - ISD #279
1,476	7	1.91	1,461	6	1.91	1,454	6	1.87	South Washington County - ISD #833
1,483	6	1.92	1,457	7	1.91	1,412	7	1.81	Rochester - ISD #535
1,086	8	1.41	1,181	8	1.54	1,245	8	1.60	Robbinsdale - ISD #281
1,033	9	1.34	1,020	9	1.33	994	10	1.28	Bloomington - ISD #271
NA	NA	NA	967	10	1.26	NA	NA	NA	Burnsville - ISD #191
976	10	1.26	NA	NA	NA	NA	NA	NA	St. Cloud - ISD #742
NA	NA	NA	NA	NA	NA	1,078	9	1.39	Lakeville - ISD #194
<u>56,664</u>		<u>73.45</u>	<u>55,788</u>		<u>72.91</u>	<u>55,877</u>		<u>71.92</u>	All Other
<u>77,162</u>		<u>100.00</u>	<u>76,515</u>		<u>100.00</u>	<u>77,694</u>		<u>100.00</u>	<b>Total</b>

# Number of Employer Units

As of June 30, 2013

<b>Year</b>	<b>Independent School Districts</b>	<b>Joint Power Units</b>	<b>MN State Colleges and Universities (MnSCU)</b>	<b>Charter Schools</b>	<b>State Agencies</b>	<b>Others</b>	<b>Total</b>
2003	340	38	40	88	8	1	515
2004	345	37	39	110	6	1	538
2005	345	38	39	136	6	1	565
2006	348	37	39	142	6	1	573
2007	343	37	39	139	7	1	566
2008	344	33	39	157	5	2	580
2009	347	34	39	156	5	2	583
2010	342	37	39	154	4	2	578
2011	342	37	39	155	4	2	579
2012	344	34	39	158	4	6	585
2013	347	35	39	160	4	6	591



# Distribution of TRA Benefits Mailing Address of Benefit Recipient

February 1, 2013

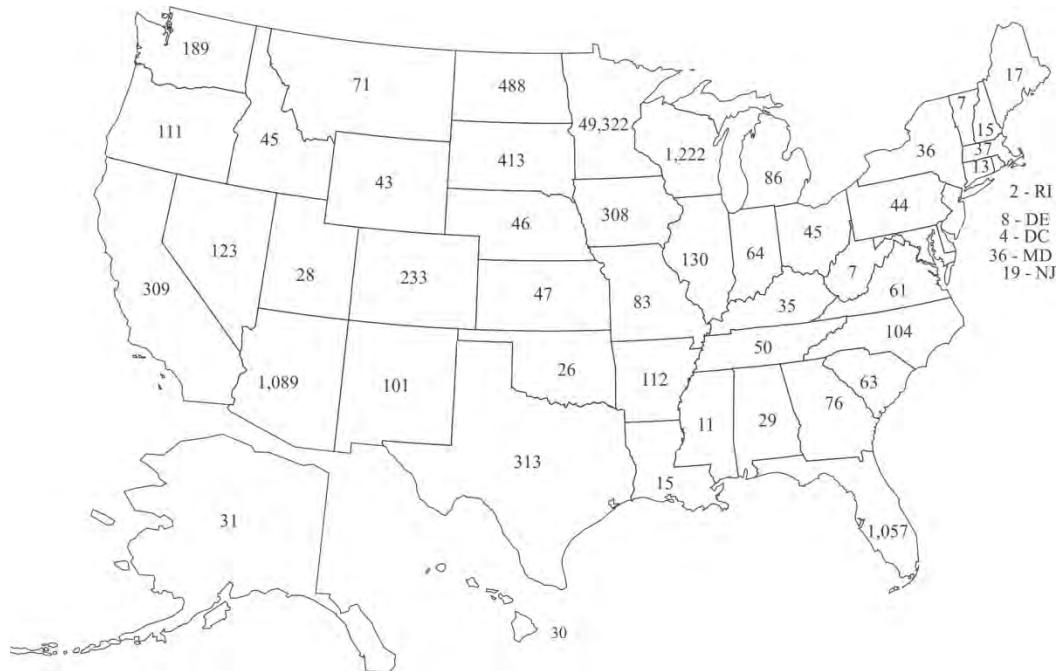


Total Recipients: 56,643

Note: 69 recipients reside outside the United States

Minnesota Recipients = 85.52 percent

June 1, 2013

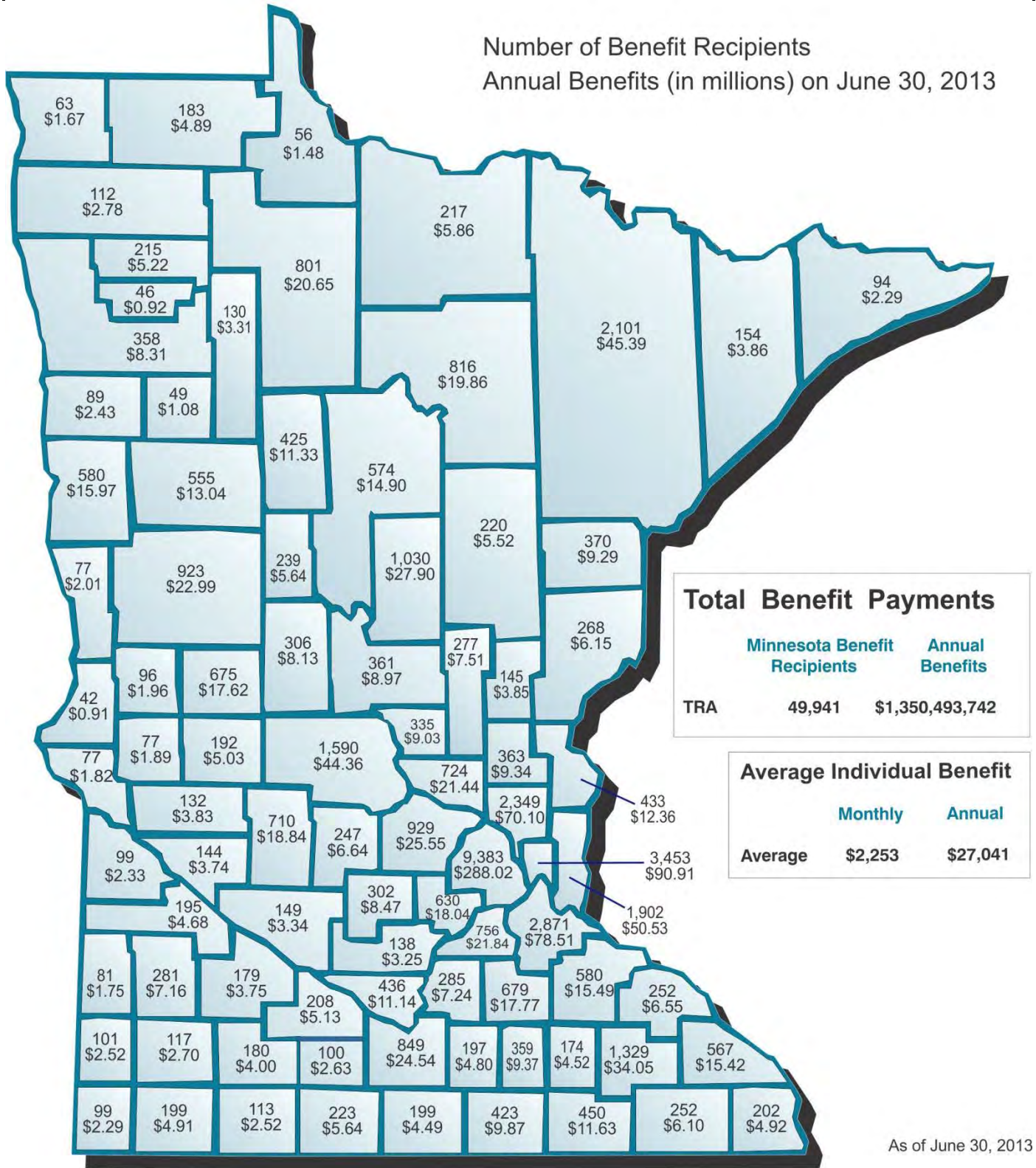


Total Recipients: 56,926

Note: 72 recipients reside outside the United States

Minnesota Recipients = 86.64 percent

# Annual Benefits for Minnesota Benefit Recipients by County



## Annual Benefits and Recipients by County for the Teachers Retirement Association (TRA)

As of June 30, 2013

County	Members	Annual Benefit	County	Members	Annual Benefit
Aitkin	220	\$ 5,520,481	Martin	223	\$ 5,639,174
Anoka	2,349	\$ 70,099,407	McLeod	302	\$ 8,468,979
Becker	555	\$ 13,040,900	Meeker	247	\$ 6,640,233
Beltrami	801	\$ 20,652,736	Mille Lacs	277	\$ 7,514,968
Benton	335	\$ 9,033,695	Morrison	361	\$ 8,965,409
Big Stone	77	\$ 1,820,483	Mower	450	\$ 11,626,517
Blue Earth	849	\$ 24,540,753	Murray	117	\$ 2,695,826
Brown	208	\$ 5,129,968	Nicollet	436	\$ 11,144,606
Carlton	370	\$ 9,285,619	Nobles	199	\$ 4,910,041
Carver	630	\$ 18,039,873	Norman	89	\$ 2,433,806
Cass	574	\$ 14,900,667	Olmsted	1,329	\$ 34,053,293
Chippewa	144	\$ 3,744,197	Otter Tail	923	\$ 22,991,176
Chisago	433	\$ 12,362,874	Pennington	215	\$ 5,219,880
Clay	580	\$ 15,970,498	Pine	268	\$ 6,146,675
Clearwater	130	\$ 3,306,632	Pipestone	101	\$ 2,523,552
Cook	94	\$ 2,286,217	Polk	358	\$ 8,314,981
Cottonwood	180	\$ 4,001,438	Pope	192	\$ 5,031,710
Crow Wing	1,030	\$ 27,901,407	Ramsey	3,453	\$ 90,910,454
Dakota	2,871	\$ 78,505,675	Red Lake	46	\$ 924,083
Dodge	174	\$ 4,516,484	Redwood	179	\$ 3,754,022
Douglas	675	\$ 17,615,567	Renville	149	\$ 3,342,836
Faribault	199	\$ 4,488,077	Rice	679	\$ 17,768,010
Fillmore	252	\$ 6,104,229	Rock	99	\$ 2,289,727
Freeborn	423	\$ 9,866,601	Roseau	183	\$ 4,885,110
Goodhue	580	\$ 15,486,879	Saint Louis	2,101	\$ 45,394,019
Grant	96	\$ 1,955,235	Scott	756	\$ 21,840,080
Hennepin	9,383	\$ 288,017,949	Sherburne	724	\$ 21,440,882
Houston	202	\$ 4,917,298	Sibley	138	\$ 3,245,453
Hubbard	425	\$ 11,328,448	Stearns	1,590	\$ 44,357,824
Isanti	363	\$ 9,340,372	Steele	359	\$ 9,370,212
Itasca	816	\$ 19,856,011	Stevens	77	\$ 1,887,703
Jackson	113	\$ 2,519,606	Swift	132	\$ 3,829,021
Kanabec	145	\$ 3,852,962	Todd	306	\$ 8,130,971
Kandiyohi	710	\$ 18,841,397	Traverse	42	\$ 905,655
Kittson	63	\$ 1,669,296	Wabasha	252	\$ 6,554,829
Koochiching	217	\$ 5,861,644	Wadena	239	\$ 5,637,397
Lac Qui Parle	99	\$ 2,330,403	Waseca	197	\$ 4,804,269
Lake	154	\$ 3,862,889	Washington	1,902	\$ 50,534,995
Lake of the Woods	56	\$ 1,477,184	Watonwan	100	\$ 2,634,957
Le Sueur	285	\$ 7,241,407	Wilkin	77	\$ 2,012,114
Lincoln	81	\$ 1,745,303	Winona	567	\$ 15,422,807
Lyon	281	\$ 7,158,222	Wright	929	\$ 25,550,640
Mahnomen	49	\$ 1,082,934	Yellow Medicine	195	\$ 4,683,138
Marshall	112	\$ 2,781,793	<b>Grand Total</b>	<b>49,941</b>	<b>\$ 1,350,493,744</b>

# Projected Benefit Payments

Fiscal Year Ended June 30, 2013

The table below shows estimated benefits expected to be paid over the next 25 years, based on the assumptions used in the valuation. The “Actives” column shows benefits expected to be paid to members currently active on July 1, 2013. The “Retirees” column shows benefits expected to be paid to all other members. This includes those who, as of July 1, 2013, are receiving benefit payments or who terminated employment and are entitled to a deferred benefit.

(dollars in thousands)

Year Ending June 30	Active	Retirees	Total
2014	\$ 110,613	\$ 1,521,173	\$ 1,631,786
2015	173,919	1,507,478	1,681,397
2016	237,488	1,492,841	1,730,329
2017	301,383	1,479,782	1,781,165
2018	367,207	1,467,870	1,835,077
2019	434,986	1,455,912	1,890,898
2020	503,001	1,442,695	1,945,696
2021	570,284	1,426,645	1,996,929
2022	636,880	1,409,428	2,046,308
2023	700,846	1,389,882	2,090,728
2024	763,739	1,368,278	2,132,017
2025	828,656	1,343,541	2,172,197
2026	898,067	1,316,213	2,214,280
2027	972,643	1,285,842	2,258,485
2028	1,053,405	1,253,310	2,306,715
2029	1,140,647	1,218,267	2,358,914
2030	1,234,998	1,180,793	2,415,791
2031	1,336,362	1,140,409	2,476,771
2032	1,444,460	1,097,484	2,541,944
2033	1,558,661	1,052,342	2,611,003
2034	1,679,666	1,006,155	2,685,821
2035	1,805,611	957,638	2,763,249
2036	1,936,606	907,651	2,844,257
2037	2,067,994	855,734	2,923,728
2038	2,196,656	801,645	2,998,301



# Plan Statement

# Plan Statement

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June 30, 2013

## Purpose

The Minnesota Teachers Retirement Association (TRA) was established on July 1, 1931, by the state legislature. Its purpose is to improve educational service and better compensate teachers in order to make the occupation of teaching in Minnesota more attractive to qualified persons by providing a retirement benefit schedule that rewards faithful and continued service.

## Administration

TRA is managed by eight trustees – three are statutorily appointed and five are elected. The statutory trustees are the Commissioner of Education, the Commissioner of the Minnesota Department of Management and Budget (MMB) and a representative of the Minnesota School Boards Association. Four of the five elected trustees are active members and one is a retiree. Administrative management of the fund is vested in an Executive Director who is appointed by the Board of Trustees. The Board also contracts with an actuary and uses legal counsel provided by the office of the Attorney General.

## Membership

All teachers employed in public elementary and secondary schools, joint powers, charter schools and all other educational institutions maintained by the State of Minnesota (except those teachers employed by the cities of St. Paul and Duluth, or by the University of Minnesota) are required to be members of TRA.

Teachers employed by Minnesota State Colleges and Universities (MnSCU) may elect TRA coverage within one year of their eligible employment. Newly-tenured MnSCU members also have a one-year period to elect TRA coverage. If electing TRA, the individual must pay for the past service covered by TRA, and the cost of past service is based on full actuarial cost. No Minnesota state college or university teacher is a member except for purposes of Social Security coverage if that teacher has coverage by the Defined Contribution Retirement Plan administered by the MnSCU Board.

## Retirement Service Credit

Service credit earned for benefit determination is based on a teacher's earned salary relative to an annual base salary established for an employer unit. Minnesota statute defines the base salary for each employer as the lowest salary paid to a full-time Bachelor of Arts (BA) base contract in the previous fiscal year. For example, a school district's annual base salary is determined to be \$40,000. A teacher with an earned salary of \$30,000 for that year will earn 0.75 year of service credit.

Service credit for MnSCU members is based on a full-time equivalence method.

No more than one year of service credit may be earned by any member during a fiscal year.

## Financing

Benefits are financed by employee contributions, employer contributions, investment earnings and turnover gains. Turnover gains are employer contributions retained by the fund when members take refunds of their employee contributions.

## Vesting

In a pension plan, vesting means a member has earned sufficient service credit to be eligible for a monthly benefit.

TRA members who have performed covered service after May 15, 1989, are vested after three years of teaching service. TRA members who last worked prior to May 16, 1989, require five years or, in some cases, ten years of service credit earned in order to be eligible for a monthly annuity benefit.

## Employee Contributions

TRA members pay a percentage of their gross annual salary as determined by their membership plan. Basic Plan members (without Social Security coverage) contribute 10.0 percent of their annual salary, while Coordinated Plan members (coordinated with Social Security coverage) contribute 6.5 percent of their annual salary.

On July 1, 2013, the employee contribution will be raised annually by 0.50 percent for two years. On July 1, 2014, the employee contribution rate for Coordinated members will be 7.5 percent.

Percent Contribution Rate on July 1		
Member Type	2013	2014
<b>Basic</b> (without Social Security coverage)	10.5	11.0
<b>Coordinated</b> (with Social Security coverage)	7.0	7.5

## Employer Contributions

Local school districts and other TRA-covered employer units provide contributions of 10.5 percent of total salary for members in the Basic Plan and 6.5 percent of total salary for members in the Coordinated Plan. For Coordinated Plan members the employer unit also makes the required matching contribution to the Social Security Administration.

Beginning July 1, 2013, the employer contribution will be raised annually by 0.50 percent for two years. On July 1, 2014, the employer contribution rate for Coordinated members will be 7.5 percent.

Percent Contribution Rate on July 1		
Member Type	2013	2014
<b>Basic</b> (without Social Security coverage)	11.0	11.5
<b>Coordinated</b> (with Social Security coverage)	7.0	7.5

Minneapolis Special School District #1 pays an employer additional contribution of 3.64 percent of annual salary for TRA members employed by that school district.

TRA also receives approximately \$20.5 million annually in state and local direct aid. The aid payments are designed to offset unfunded liabilities assumed with the 2006 merger of the Minnesota Teachers Retirement Fund Association (MTRFA).

## Retirement Benefit

The retirement benefit is determined by a formula based on the average of the member's highest five successive annual salaries, an accumulated percentage factor based on the

total years of service credit, and the member's age at retirement. The retirement benefits for members who were first hired before July 1, 1989, are different from the retirement benefits for members who were first hired after June 30, 1989.

### Coordinated Members First Hired *Before* July 1, 1989

For members first hired before July 1, 1989, the retirement benefits (with average salary defined as the average of the highest five successive annual salaries) are the greater of:

The sum of:

- 1.20 percent of average salary for the first 10 years of allowable service;
- 1.70 percent of average salary for each subsequent year prior to July 1, 2006; and
- 1.90 percent of average salary for each year of allowable service July 1, 2006 and after.
- No actuarial reduction if age plus years of service totals 90. Otherwise, reduction of 0.25 percent for each month the member is under age 65 (or age 62 if 30 years of allowable service) at the time of retirement.

or

The sum of:

- 1.70 percent of average salary for each year of allowable service prior to July 1, 2006; and
- 1.90 percent of average salary for each year of allowable service beginning July 1, 2006.
- Actuarial reduction (averaging 4.0 percent to 5.5 percent per year) applies if the member is under full Social Security benefit retirement age, but not to exceed age 65.

or

- For certain eligible members first hired prior to July 1, 1969, a money purchase annuity equal to the actuarial equivalent of 220.00 percent of the member's accumulated deductions plus interest thereon.

### Coordinated Members First Hired *After* June 30, 1989

For members first hired after June 30, 1989, the retirement benefits (with average salary defined as the average of the highest five successive annual salaries) are the sum of:

- 1.70 percent of average salary for each year of allowable service prior to July 1, 2006; and

- 1.90 percent of average salary for each year of allowable service beginning July 1, 2006.

Actuarial reduction (averaging 4.0 percent to 5.5 percent per year) applies if the member is under full Social Security benefit retirement age, but not to exceed age 66.

### Basic Members (Former MTRFA)

TRA has 37 active and inactive Basic members from the former Minneapolis Teachers Retirement Fund Association (MTRFA) who were transferred to TRA effective June 30, 2006. Under the merger legislation, this group of former MTRFA members retains eligibility for the benefit provisions as provided by the MTRFA Articles of Incorporation and by-laws as they existed on June 30, 2006.

The retirement benefits for these members (with average salary defined as the average of the highest five successive annual salaries) are:

- 2.50 percent of average salary for each year of teaching service.
- No actuarial reduction applies if the retiring member is age 60 or any age with 30 years of teaching service.

If the member is age 55 with less than 30 years of teaching service, the retirement benefit is the greater of:

- 2.25 percent of average salary for each year of teaching service with reduction of 0.25 percent for each month the member is under the age first eligible for a normal retirement benefit.

or

- 2.50 percent of average salary for each year of teaching service assuming augmentation to the age first eligible for a normal retirement benefit at 3.00 percent per year, and actuarial reduction for each month the member is under the age first eligible for a normal retirement benefit.

An alternative benefit is available to members who are at least age 50 and have seven years of teaching service. The benefit is based on the accumulation of the 6.50 percent "city deposits" to the Retirement Fund. Other benefits are also provided under this alternative benefit, depending on the member's age and teaching service.

### Basic Members (Non-MTRFA)

As of June 30, 2013, TRA had eight inactive members who retain eligibility for the Basic Plan and who do not have eligibility for the provisions for former MTRFA Basic

members. The retirement benefits (with average salary defined as the average of the highest five successive annual salaries) are the greater of:

- 2.20 percent of average salary for each of the first ten years of allowable service and 2.70 percent of average salary for each subsequent year with reduction of 0.25 percent for each month the member is under age 65 at time of retirement, or under age 62 if 30 years of allowable service. No reduction if age plus years of allowable service totals 90.
- 2.70 percent of average salary for each year of allowable service assuming augmentation to age 65 at 3.00 percent per year, and actuarial reduction for each month the member is under age 65.

or

- For eligible members, a money purchase annuity equal to the actuarial equivalent of 220.00 percent of the member's accumulated deductions plus interest thereon

All members in this group have reached normal retirement age and are no longer subject to early retirement penalties.

### Deferred Retirement

Members with three or more years of allowable service (ten or more years of allowable service if termination of teaching service occurs before July 1, 1987, and five or more years of allowable service if termination of teaching service occurs after June 30, 1987, but before May 16, 1989) who terminate teaching service in schools covered by the association may have their retirement benefit deferred until they attain age 55 or older.

Members who defer their benefits will receive a deferral increase as follows:

Members hired prior to July 1, 2006	Prior to July 1, 2012: 3.0 percent annually through December 31 of the year in which the member would have reached 55 and 5.0 percent annually thereafter each year the benefit is deferred After July 1, 2012: 2.0 percent
Members hired on or after July 1, 2006	Prior to July 1, 2012: 2.5 percent After July 1, 2012: 2.0 percent



The deferral period must be at least three months. If on a leave of absence, the member is not eligible for the deferral increase on a deferred annuity for any portion of time on leave.

## Annuity Plan Options

Six different annuity plan options are available to TRA members that provide monthly benefit payments for as long as the annuitant lives. The No Refund Plan provides the highest possible monthly benefit, but terminates upon the member's death. A member may choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans that have survivorship features.

A married member must choose one of the three survivorship plans (plans 4 through 6) listed below at retirement, unless the member's spouse waives the right to this type of annuity.

1. No Refund, For Life of Member
2. Guaranteed Refund
3. 15-Years Guaranteed
4. 100% Survivorship with Bounceback
5. 50% Survivorship with Bounceback
6. 75% Survivorship with Bounceback

## Annual Post-Retirement Increases

Once retired, each January, if specified by law, a post-retirement increase may be made to a member's monthly benefit.

Under current Minnesota statute, the annual post-retirement increases is 2.0 percent. Once the TRA Fund reaches a market value funding ratio of 90 percent, the annual post-retirement increase would be restored to 2.5 percent.

When an increase is granted, members who have been receiving a benefit for at least 18 months will receive the full increase. Members who have been receiving a benefit for at least 6 months, but less than 18 months, will receive a prorated increase.

## Combined Service Annuity

Any vested member having combined service credit with any two or more Minnesota public retirement funds that participates in the combined service annuity program, may elect to receive a combined service annuity upon compliance with eligibility requirements for retirement.

## Refunds

Upon termination of teaching service and application, TRA will issue a refund of a member's accumulated contributions plus 5 percent interest compounded annually if termination occurred before May 16, 1989, and 6 percent interest compounded annually if termination occurred on or after May 16, 1989. Since July 1, 2011, all account balances accrue interest at a rate of 4 percent annually, regardless of date of termination.

A refund will be issued only if the member has officially resigned from employment and the official refund application form is submitted no sooner than 30 days after termination of teaching service.

## Repayment of Refunds

Members who return to teaching service after previously withdrawing their contributions may repay these contributions upon completing two years of allowable service. The repayment must include interest of 8.5 percent, compounded annually from the date of the refund. If a member has more than two years of refunded service, they may repay a minimum portion, which is at least 1/3 of the total service credit period for all refunds previously taken.

## Disability Benefits

An active member who becomes disabled after at least three years of allowable service is eligible to apply for a total and permanent disability benefit provided at least two of the required three years of allowable service are performed after last becoming a member. State statute defines total and permanent disability as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to be of a long, continued and indefinite duration. An indefinite duration is a period of at least one year.

## Survivor Benefits of Members Prior to Retirement

Certain benefits are available to the survivor(s) of members who die before officially retiring with TRA. Beneficiary designation options vary for single members and married members.

## Single Members

### Non-Vested

- A lump-sum death benefit equal to a member's accumulated deductions plus interest to the date of death is payable to either the designated beneficiary or estate, whichever is applicable. Interest is compounded annually at 4 percent. Contributions made by the employer are not included in this benefit. A member may designate any person(s), trust, or organization(s) as a beneficiary.

### Vested

- For a member without a surviving spouse at the time of death, survivor benefits will *automatically* be paid for a period certain to all dependent children under the age of 20, *unless* the member has chosen the lifetime monthly benefit option explained in the next paragraph. These payments are made from the date of death to the date each dependent child attains age 20 if the child is under age 15 on the date of death. If the dependent child is 15 years or older on the date of death, payments will be made for five years. Payments for children under the age of 18 would be made to a custodial parent or court-appointed guardian. A dependent child is a biological or adopted child who is under 20 years of age and who is dependent on the member for more than one-half of his or her financial support.
- A member may designate payment of lifetime monthly benefits for *either* former spouse(s), *or* dependent and non-dependent, biological or adopted child(ren), *instead* of the above described surviving dependent child(ren) benefits being paid.
- For a member without a former spouse or dependent child(ren) at the time of death, either the designated beneficiary or estate, whichever is applicable, is entitled to a lump-sum death benefit equal to accumulated deductions plus interest to the date of death. Interest on account balances is compounded annually at 4 percent. Contributions made by the employer are not included in this benefit. A member may designate any person(s), trust, or organization(s) as a beneficiary.

## Married Members

A surviving spouse has precedence over any designated beneficiary.

### Non-Vested

- A member's spouse is entitled to a lump-sum death benefit equal to the accumulated deductions plus interest to the date of death. Interest on account balances is compounded annually at 4 percent. Contributions made by the employer are not included in this benefit.

### Vested

- A member's surviving spouse may elect to receive a lifetime annuity in lieu of a lump-sum benefit. The lifetime annuity is payable on a monthly basis for the lifetime of the spouse. Payments terminate upon the death of the spouse with no benefits remaining for other beneficiaries.
- Instead of a lifetime annuity, a member's spouse may elect to receive actuarially equivalent payments for a term certain annuity of 5, 10, 15 or 20 years. The amount of the annuity is based upon a formula, the member's age at the time of death and the age of the spouse when benefits begin to accrue, although monthly benefit payments cannot exceed 75 percent of the member's average High-5 monthly salary.
- A member and their spouse may *jointly* make a specification to waive the spouse's benefits so that designated beneficiary(ies) will receive a lifetime survivor annuity benefit. The designated beneficiary may be *either* the member's former spouse(s) *or* the member's biological or adopted child(ren). Under a joint specification, a designated beneficiary cannot elect a term certain annuity of 5, 10, 15 or 20 years. If a joint specification is not on file, the annuity is payable only to the surviving spouse.

### Non-Vested or Vested

- A member and their spouse may *jointly* make a specification to waive the spouse's benefits so that any person, trust or organization will receive a lump-sum death benefit equal to the accumulated deductions plus interest to the date of death.

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