



Retired

ACTION

From the president



Julie Jagusch

Happy New Year! I hope you had a safe holiday season.

When we began cancelling meetings and going to virtual gatherings last March, I did not imagine that we would still be doing that now. But there is hope! With the vaccine becoming available, we should be able to get enough people with immunity to make a return to normal times. However, I am not sure I remember what normal means anymore or what it will look like in the future. But I do have hope for things to get better.

For now, we will continue life in the virtual setting. We will hold our Annual Meeting on April 23. It will likely be on Zoom or some other platform, with the ability to call in on phones if members don't have computer access. As of today, I don't know exactly what that will look like, but we will be working on the format over the next couple of months and will give you plenty of advance notice on how to participate. I appreciate all of you who participated on the phone for last year's annual meeting and I hope even more members will join us this coming April. We will update you with details as soon as they are available.

In November, we held a great virtual conference with the Wisconsin retirees. We heard from NEA President Becky Pringle and from NEA-Retired President Sarah Borgman. We also learned more about the pandemic from a member of the Wisconsin Department of Health. I am hoping that we will be able to have another in-person conference with Wisconsin next fall! Of course, everything is still up in the air until we see what's next with the pandemic!

We have learned that the NEA-Retired Annual Meeting and the NEA Representative Assembly which were to be held in Denver in July will be held virtually. The delegates that you elect will still attend but from the comfort of their own homes.

Stay safe, stay healthy, stay strong!

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Cost of Living Adjustment Study

By Joan Beaver

Education Minnesota Retired Legislative Action Committee carefully monitors the Legislative Commission on Pensions and Retirement (LCPR). The LCPR has 14 members, half from each house of the Minnesota Legislature. The chair of the commission alternates every two years between the House and Senate. The 2021-22 members have not been appointed yet but we know the chair will be a senator.

This year we will monitor the study on the Cost of Living Adjustments (COLA), which was required by the 2018 public pension legislation. The bill mandated the study to:

- Take into account the purpose of post-retirement adjustments and whether governing statutes are consistent with the purpose of post-retirement adjustments.
- Consider alternative methodologies for determining post-retirement adjustments.
- Evaluate PERA's new method for determining the post-retirement adjustment rate.

The LCPR staff researched and wrote the report in consultation with staff from all Minnesota public pension programs. They issued a draft in November followed by written and oral public comments. The lengthy report is filled with data for the LCPR to consider but does not include recommendations for action.

Ideally, the rate of the COLA would be the same as the rate of inflation in order to maintain the original purchasing power of the benefit level. Education Minnesota Retired supported the 2018 bill which set the annual TRA COLA at 1 percent for five years and then increase 0.1 percent each year for five years. The PERA COLA is tied to the Social Security rate with a minimum of 1 and a maximum of 1.5 percent.

The study makes clear the degree of sacrifice accepted by retired educators in the 2018 bill to assure the stability of the pension funds. We welcome the LCPR examination of the effectiveness of COLA rates for maintaining the value of pension benefits. You can find a copy of the study at www.lcpr.leg.mn.

Upcoming TRA Board Election



The election for TRA Board of Directors is coming up with ballots scheduled to be mailed in March and due by April 23. Visit www.minnesotatra.org to read about the candidates. There are six candidates for the active positions and two for the retired position. The Education Minnesota Retired board is recommending support for Marti Zins for the retired position. Marti has been on the TRA Board representing retired teachers for many years. She attends all of our Retired board meetings, provides TRA updates and answers all of our questions. She also writes an informational article on TRA for our newsletters.

Two Minnesota Women Union Leader

By Bobbie Margo



This article is the conclusion in a series featuring strong union women in public education. Therefore, it is only fitting that this final segment focuses on two women from Minnesota.

Denise Specht was elected Education Minnesota president in 2013. She began in the office of president on July 1, 2013 and was re-elected in 2016 and 2019 and currently represents over 80,000 Education Minnesota members. Prior to that she served six years as Education Minnesota's Secretary-Treasurer. She is a fourth

generation educator following in the footsteps of her great-grandparents, grandparents and parents. Specht was also a longtime local leader including five years as Centennial Education Association President. She has extensive leadership experience in her school district, her community and the union. In addition, Specht serves as a Vice-President of the American Federation of Teachers (AFT) and is especially interested in building relationships which provide support for innovative solutions to the challenges in public education.

Julie Jagusch is another women who has worked tirelessly for public education. She taught elementary and middle school math in the Anoka-Hennepin School District for 36 years. After she retired in 2008, she wanted to continue to be involved in the union and stay connected to public education. She joined Education Minnesota Retired and never looked back. Jagusch was elected Education Minnesota Retired president in April 2016 and is currently serving her second term. She works to promote the retired union in order to increase involvement from retirees all over Minnesota. More than ever, we need retirees to be advocates for public school educators and students. Now because of her union work and as Education Minnesota Retired president, she is much more aware of what is going on politically and how it affects herself and members in public education. Jagusch attends as many Minnesota pension commission meetings as possible in order to keep members informed, especially if collective action is needed. "Your pension is one of the most valuable things in your life," states Jagusch. "That pension allows you the freedom to make decisions for the good of your family, friends and community!"

As education union leaders, both Specht and Jagusch have the leadership qualities to make a difference for students and educators, to foster awareness of issues that affect members and fight social and racial injustice!

PERA Update

By PERA Executive Director Doug Anderson



PERA Executive Director
Doug Anderson

As of July 1, 2020, the PERA General Employees Retirement Plan (the “Plan”) had a funding ratio of 79.1%. Collectively, the statewide funds in Minnesota including those administered by PERA, MSRS and TRA have a funding ratio of 80.6%. The national average for pension plans is about 73.8%. Rankings of state pension funding ratios in 2018 showed Minnesota as the 15th best funded state. Only about a half dozen states are currently above 90% funding.

The funding ratio is a measure of the market value of plan assets divided by the actuarial accrued liability. Actuarial accrued liability is the standard used by pension plans to measure the present value of benefits that are attributable to a member’s past service. A plan is considered “fully funded” when the funding ratio is 100%. Anything less than 100% indicates that previously accrued member benefits have not yet been appropriately funded.

The plan had a small setback from the 80.2% funding ratio of the previous year. The setback was primarily due to the actual investment return of 4.2% being less than the assumed return of 7.5%. Despite that setback, the plan is still on a path to reach full funding in a reasonable period of time. Projections provided in late 2019 from PERA’s actuary indicate that the plan is expected to reach full funding in 2037 if all assumptions are met. That translates to an expected funding ratio improvement of about 1% per year. New projections in January will refine that result, but a significant change is unlikely. We still anticipate full funding to be reached within 20 years.

Simply put, the plan is relatively well funded and on a path to be fully funded within a reasonable period of time. In fact, considering the positive returns so far in fiscal year 2021, the plan is reaching its highest funding levels since the very early 2000’s. Despite all of the turmoil over the past year, the plan has proven to be resilient on its path towards improved sustainability. Together with the other statewide plans, we expect to climb in the rankings of states with the best funded pensions.



Education Minnesota Retired and Retired Educators Association of Minnesota (REAM) alternate hosting a political and legislative conference for retired educators. This year REAM will plan the 2021 conference, which will certainly be virtual. We will notify members as soon as we have the details. It is always a pleasure to meet up with members in person, but on the other hand, perhaps a virtual conference will allow more members to attend.

TRA Update

By Marti Zins



TRA Board Chair
Marti Zins

When educators hear the word pension, it engenders retirement security after a lifetime commitment to educating students. Unfortunately for many non-educators, it causes anger that educators feed off the public trough. They want to know why educators have pensions while almost no one but public employees have these. Pension envy is another way to describe this phenomenon.

At our national conference on pensions, held virtually in October, this very issue was discussed. There is a clear lack of understanding about why there are pensions. Furthermore the word is often used to create negativity towards educators.

A retirement pension is part of the total economic package for educators. In the absence of a guaranteed retirement package (defined benefit), more money would be needed upfront to compensate educators. By creating a pension fund and investing money on a regular basis is the best for all parties involved. The educator has money they can count on when they retire, the employer and state can invest smaller sums of money regularly and the investment, managed carefully by the state through the State Board of Investments (SBI), can grow over time. This allows all parties to contribute but not pay it upfront. In addition, the investment has time to grow. This is what we talk about when we define who pays what for each pension dollar. The investment portion has represented about 70-74% over the years.

Further, in Minnesota statute, every educator is mandated to pay a required percentage of their salary in addition to their employer. The money the educators and the district contribute are transmitted to TRA who in turn transmits it to the SBI. They are responsible for investing the money on behalf of educators for the purpose of future pensions. This is not a “feeding from the public trough,” but an earned benefit after a lifelong commitment by educators to compensate them for their years of service

The SBI executive director, with the advice of an eleven-member advisory board, invests the money based upon policy guidelines formulated by the Minnesota constitutional officers. They use a well formulated policy, knowledge of investment procedures, an investment strategy and professional investment managers to generate the best returns. Since they manage billions of dollars, the risk, reward and investment fees are shared by all members of state pensions. When you retired, you will receive a specific sum of money (benefit) each month based on salary, years of service, and the plan option you selected. This is known as a defined benefit plan.

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TRA Update continued

By Marti Zins

Investing in this manner provide significant benefits including professional expertise, management and fee structures. Because of the monthly amount collected, the state can generate more money for the actual pension fund than individuals investing on their own. Individual investing is costlier and you take the risk of your investments leaving your monthly income at the mercy of the public marketplace (defined contribution).

As an aside, I have been asked by members if they could send TRA more money and have it invested by the state since they generate a greater return than individual efforts have produced. The answer is no, but it does suggest that there is recognition of the benefit of TRA investing!

The next time you hear the negative comments about educator pensions, take time and explain how the money comes to be, your contributions to the system and the cost-effective benefit to the state, employers, educators and students. This is an earned benefit.

Sarah Says

By Sarah Borgman, NEA Retired President



I'm not a great one for New Year's Resolutions. Trust me, I'm no different than you and these "gonna do's" are usually broken, forgotten and discarded before I turn the January calendar page! How many diets I've started and dumped, is pretty obvious, but I know I am a great organizer so here we go for 2021. Starting with my six closets they will get the old college try in organizing, but that's just the beginning. As your NEA Retired President there's

organizing to be done for the March virtual conference, for membership work, for being a voice for Retired and for the upcoming NEA Retired Annual Meeting this summer via a different platform. I've tried to cast aside a negativity which first prevailed nearly a year ago when we were first quarantined and to move forward in our work. In spite of the necessary Zoom era, I am grateful to be able to continue with the work our retired members are so capable of doing! How about you? If you resolve anything, I urge you to put the work of NEA Retired on the front burner. Together we can continue to make a difference within the association whether local, state or national. Happy New Year and may you revel in the new possibilities.

November Elections and Legislative Agenda

By Joan Beaver

A number of retired members participated in Education Minnesota campaign work. They made thousands of phone calls to members of Education Minnesota and AFL-CIO to support endorsed candidates and encourage voting. While the work was instrumental in the successful election of many public education supporters to the Minnesota House and Senate, we fell short of our goal of electing a majority in the Senate who are committed supporters of public education.

The 2020 Legislature will have begun its budget setting session by the time you read this. Besides advocating for the stability of our deferred compensation system (pensions), Education Minnesota Retired will support the Education Minnesota legislative agenda priorities, including full, equitable funding for public schools and an Education Support Professional Bill of Rights. Minnesota's share of funding for public school districts hasn't kept pace with inflation and is now 11.8 percent less than in 2003 in real dollars. It's time for the Legislature to find the resources to invest in our children.

Trip Savvy has a list of great virtual vacations. You can virtually visit the Guggenheim Museum in New York, Sistine Chapel in Italy, Grand Canyon and more.



Check it out at:

<https://www.tripsavvy.com/best-virtual-vacations-around-the-world-4799910>

Joint Education Minnesota Retired and WEAC Retired Conference

By Bobbie Margo

The second joint conference of Education Minnesota Retired and Wisconsin Education Association Council Retired was held virtually on Nov. 18. There were over 130 attendees including Education Minnesota Retired President Julie Jagusch, Wisconsin Education Association Council Retired President Ginny Bosse and NEA Retired President Sarah Borgman. Borgman represents the 321,000+ members of NEA-Retired. She informed us that members donated \$100,000.00 more than the previous year to NEA PAC! Way to go, retirees! Borgman also stressed that 23% of NEA-R Committee membership is made up of people of color. We work as a team so we continue to be mindful of donating as much as we can along with racial inclusion and racial justice.

NEA President Becky Pringle also joined us. She said that in the most recent federal election, 1 in every 28 voters was an NEA member! Pringle reminded conference participants that this most recent political win was for our democracy! NEA has sought to reclaim public education as a common good and the involvement of retirees was a significant part of that. In moving forward, one of Pringle's goals is to build a stronger relationship with other labor leaders. Unions remain the backbone of our country. We WILL build a stronger labor movement together!

The conference keynote speaker was Traci DeSalvo, Director of Communicable Diseases in Madison, WI. DeSalvo reminded us that the COVID-19 pandemic can be very stressful causing fear, anxiety, loneliness and isolation. The vaccines have been developed and are being distributed but will be a long road to making it available to all who want it. It makes me think of the polio vaccine in the 1950s. The polio vaccine was given to all children in school. I remember being lined up class by class to go to the auditorium. Each student was given a very small paper cup with a white sugar cube. I put the cube in my mouth, it melted and I swallowed the liquid. That was it! The COVID-19 vaccine is not going to work with a sugar cube. However, regardless of the delivery method, we can look toward the vaccine as a hopeful start to rebuilding the economy and to rebuilding our lives.

At the end of the conference, Jagusch thanked the organizers, conference speakers and attendees. While this was a wonderful conference, Jagusch said she hopes the third annual conference will be face to face. I hope you will join us!



Retired



Education Minnesota Retired 2021 Election Results

Positions will commence following the Retired Annual Meeting on April 27. The meeting will be virtual, watch for more information via email, the Retired Facebook page or the Retired website at <http://retired.mn.aft.org>

UNCONTESTED BOARD RESULTS

According to the Education Minnesota Retired Election Guidelines, if there are no additional candidates running for the position(s) listed, the candidate(s) will be declared elected.

The following candidates have therefore been elected for these positions:

Secretary: Sharon Kjellberg

District 1a Director: Cathy Stringfield

District 3 Directors: Dan Larson and Elaine Rothman

District 5 Director: Myrna Doran

District 7b Director: Jayne Schwalbach

CONTESTED BOARD RESULTS

District 1b Director: Diane Larson

***At-Large Director:** Sandra Skaar

*After the ballot was mailed out, both candidates withdrew from this election. This seat on the Retired Governing Board remains open. Watch for further information if you are interested in this seat.

Education Minnesota Retired 2021 Election Results continued

Positions will commence following the Retired Annual Meeting on April 27. The meeting will be virtual. Watch for more information via email, the Retired Facebook page or the Retired website at <http://retired.mn.aft.org>

CONTESTED DELEGATE RESULTS

NEA Education Minnesota Representative Convention Delegates:

Wes Tessman
Julie Jagusch
Walt Munsterman
Sharon Kjellberg
Jayne Schwalbach (1st alternate)
Adele Munsterman (2nd alternate)

NEA Retired Annual Meeting / NEA Representative Assembly Delegates:

Julie Jagusch
Bobbie Margo
Wes Tessman
Walt Munsterman
Dan Larson
Jayne Schwalbach
Sharon Kjellberg
Diane Larson
Judy Rohde
Myrna Doran (1st alternate)
Adele Munsterman (2nd alternate)
Jeanne Brown-Kruesel (3rd alternate)
Arlyce Anderson (4th alternate)

FOUNDATION CONTRIBUTION

Education Minnesota has established a nonprofit, charitable organization whose purpose is to provide grant funds to members and certain other nonprofit groups. The Education Minnesota Foundation for Excellence in Teaching and Learning is governed by a Board of Trustees who are members of Education Minnesota.

Since its inception, the foundation has funded 868 projects and awarded more than \$2.4 million in grants. If you have any questions, please contact Education Minnesota Foundation Director, Dayonna Knutson at 800-652-9073
Mail contributions to:

**Education Minnesota Foundation
41 Sherburne Ave.
St. Paul, MN 55103**

PAC CONTRIBUTION

Through affiliation with Education Minnesota, Education Minnesota Retired retains access to political action and resources essential in electing friends of education and the lobbying efforts essential to maintain and improve Minnesota teacher retirement programs. Concurrently, retired educators also remain vitally active and interested in educational programs critical to quality education in Minnesota.

To support these efforts, the Education Minnesota Retired Governing Board encourages retirees to contribute at least \$20 to Education Minnesota PAC.

Education Minnesota Retired members who contribute are eligible to participate on screening teams that interview candidates and recommend endorsements of friends of education. If you have questions, please contact Education Minnesota Public Affairs Dept. at 800-652-9073

Mail contributions to:
**Education Minnesota PAC
41 Sherburne Ave.
St. Paul, MN 55103**



FOUNDATION CONTRIBUTIONS

Contributions to Education Minnesota Foundation
from Education Minnesota Retired Members

Name(s): _____

Address: _____

City/State/ZIP: _____

Home Phone: _____ Work Phone: _____

Email Address: _____

Enclosed is a check payable to Education Minnesota
Foundation in the amount of \$ _____

All donations to the Education Minnesota Foundation are tax deductible!

Mail contributions to: 41 Sherburne Ave., St. Paul, MN 55103

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PAC CONTRIBUTIONS

Contributions to Education Minnesota PAC
from Education Minnesota Retired Members

Name(s): _____

Address: _____

City/State/ZIP: _____

Home Phone: _____ Work Phone: _____

Email Address: _____

Enclosed is a check payable to Education Minnesota
PAC in the amount of \$ _____

*Education Minnesota Retired members can participate on screening teams if they contribute to Education Minnesota PAC.

Mail contributions to: 41 Sherburne Ave., St. Paul, MN 55103

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C A L E N D A R O F E V E N T S

- | | |
|-------------|---|
| March 12-14 | NEA Leadership Summit - virtual |
| March 14-16 | NEA-Retired Post Summit conference - virtual |
| April 23 | Retired Annual Meeting - virtual |
| April 24 | Education Minnesota Representative Convention - virtual |
| June 29-30 | NEA Retired Annual Meeting - virtual |
| July 2-6 | NEA Representative Assembly - virtual |

See "Calendar" on www.educationminnesota.org for additional Education Minnesota, NEA and AFT meetings, events and other information.



<http://retired.mn.aft.org>