



Retired

ACTION

From the president



Julie Jagusch

Happy New Year! I hope you were able to spend some time with loved ones over the holidays and are also staying safe and well.

In November, we held our third annual Minnesota/Wisconsin Joint Retired Conference at the Holiday Inn in Lake Elmo, MN. Thanks to all the members who helped to make this a great success. We had several guest speakers, including Sarah Borgman, the president of NEA-Retired and John Stocks, former executive director of NEA. We also had breakout sessions on travel, NEA Benefits, Elder Voice, and more. We raised \$2,345 for the NEA Fund for Children and Public Education. This money will help to elect pro-public education candidates to many different offices. We also donated \$500 and 7 bags of food to Second Harvest. Wow, what generous retirees! View a few of the pictures from the conference on page 3.

Our Annual Meeting is coming up on April 22. We are in the process of looking at options for that meeting including will we meet in person or virtually. At this time, I can't answer those questions. However, please watch our monthly electronic newsletter for details to be announced soon. The Insider comes out on the first Wednesday of each month.

In August the governing board formed a new Racial Equity and Diversity Committee. That committee has planned Cultural Competency training for the board and will continue on the journey towards equity.

The delegates that you elect in our next election will represent you at the Education Minnesota Representative Convention in April and at the NEA-Retired Annual Meeting and the NEA Representative Assembly in June/July. At this time, we think that both of these events will be held in person, but of course, things can change.

Wishing you all the best in 2022 – especially good health!

What's inside

- NEA-Retired Executive Committee meeting 2
- Longtime Educator and Union Activist 2
- MN/WI Retired conference pictures 3
- PERA report 4
- TRA Update 5
- Retired Governing Board list 6
- Retired committees list 7
- NEA Board of Directors 8
- Precinct Caucus 8
- Assumed rate of returns for Minnesota pensions 9
- Assumed rate of returns for Minnesota pensions continued 10
- Identity Theft Recovery Plan for retirees 10
- PAC and foundation forms 11
- Calendar of events 12

NEA-Retired Executive Committee

By Bobbie Margo



- NEA-Retired Executive Council met virtually on Oct. 12-14.
- As of this writing, NEA-R membership has over 327,000 members.
- Special guest NEA President Becky Pringle, challenged us to think about what systems in education can and should be collaborative in practice. We have to think differently. We need to develop an “enterprise of leadership development.”
- Jack Kinnamon Fund has over \$131,116.00. Five scholarships of \$2,500 each were awarded this past year. Contributions to the Fund have suffered a bit because we have not met face-to-face.
- Sylvia Johnson gave the legislative report. Social Security Trustees report a surplus of 3 trillion. It is fully funded for approximately the next 10 years. As of this writing, there has been a 5.9% increase in Social Security benefits for a total of 64 million recipients, the largest increase in nearly 40 years.
- The NEA Retired Executive Council is working to provide resource packets to retired State organizations. Topics could include: legislative issues, membership, education of pre-retired members on pensions and social security.
- There will be vacancies in 2022 on the Retired Executive Council and the Retired positions on the NEA Board. Elections to fill these positions will occur at the NEA-Retired Annual Meeting on June 29-30 in Chicago. Positions include: Vice-President of the Retired Executive Council, 2 Executive Council positions, 2 NEA Board-representing Retired positions plus 1 alternate.

Longtime Educator and Union Activist passes away



Joseph Moren, age 91, of Hibbing passed away Thursday, November 11, 2021 at Bayshore Residence in Duluth, MN.

To say that Joe was involved in many education and union activities is an understatement. Some of his numerous organizational involvements include: Hibbing Federation of Teachers, Hibbing Education Association, Minnesota Education Association (MEA), Education Minnesota, Charter Member of the MN Board of Teaching. He was also extremely active in the DFL Party and in the 5th Senate District. The pinnacle of Joe’s political career was serving in the Electoral College representing the 8th Congressional District in 2012!

In retirement, Joe continued to be involved and extremely busy in a multitude of organizations including, but not limited to: AARP, MN Senior Federation, Iron Range Labor Assembly, Education Minnesota Retired, Retired Education Association of Minnesota, Retiree Council of AFL-CIO. He also created 2 retired organizations to exist alongside the active counterparts: Iron Range Service Unit Retired and Iron Range Labor Assembly Retired.

Rest In Peace, Joe.



**Education Minnesota Vice President
Bernie Burnham**



**Ed. MN Retired President Julie Jagusch, NEA-Retired President
Sarah Borgman and WEAC-Retired President Tom Zigan**



**WEAC President Peggy
Wirtz-Olsen**



**NEA Executive Council member
Duff Martin**



Former NEA Executive Director John Stocks gave the keynote speech.

PERA Update

By PERA Executive Director Doug Anderson



PERA Executive Director
Doug Anderson

The annual actuarial valuation reports for PERA were recently completed. As of June 30, 2021 the PERA General Employees Retirement Plan had a funding ratio of 97.9%. The Police & Fire Plan's funding ratio was 105.6% and the Local Government Correctional Service Plan was at 119.0%. All three plans recorded their highest funding ratio over the past 20 years.

Offsetting the good news of the large investment return is a recommendation from PERA's actuary that future investment return expectations should be more conservative. If the investment return assumption is lowered, the funding ratios will be reduced and future funding improvements will be expected to occur at a slower rate.

The investment return assumption is currently 7.5% and is set in statute. Only the Legislature can change the assumption. The Legislature will consider this issue during the 2022 legislative session and will seek input from the pension boards of the retirement systems and other stakeholders.

In December, the PERA board took a position to support and advocate to the Legislature an assumption within the range recommended by our actuary. Unless new evidence changes our actuary's recommendation, the PERA suggested rate will be 6.5% (the high end of their recommended range was 6.61%). Other funds may support a different rate since they may have either a different actuarial firm or a different board point of view. Reasonable people may disagree on what the assumption should be and the Legislature has a difficult task of making an informed decision.

Whatever the Legislature decides, the funds must use the statutory rate for their July 1, 2022 actuarial valuations. However, if the actuary for a fund deems the assumption unreasonable, they will place a disclaimer on the report noting their concern. Ideally, the Legislature will select a rate that the actuary considers reasonable. Unless the Legislature surprisingly selects a rate lower than anyone is advocating, the PERA funds are still expected to be better positioned than a year ago. The significant fiscal year investment return should more than offset a more conservative outlook.

TRA Update

By Marti Zins



TRA Board Chair
Marti Zins

This column is a response to many retiree concerns about the 1% COLA, especially in a year of over 30% investment earnings. With permission of TRA Executive Director Jay Stoffel, I am using some of the written responses to members to address the concerns.

Your comments regarding the rate of inflation, and the 1% COLA from TRA are of concern to all of us. When costs rise faster than the cost of living adjustment, retirees lose purchasing power. We are very sympathetic to those concerns. Remember, the TRA COLA is set in State law. Therefore, to change the COLA would require a bill to be passed by the legislature and signed into law by the Governor.

The current COLA structure for TRA was determined by the legislature in 2018. Changes were made then to address the concerns expressed by our actuarial consultants that the fund was heading in the wrong direction, so changes were necessary. The changes that were passed affected the three major stakeholder groups:

- TRA retirees – the COLA was reduced from 2% to 1% for five years and then would eventually increase to 1.5%.*
- TRA Active members – employee contribution rate will increase from 7.5% to 7.75%. These are the highest contribution rates in the history of TRA. Additionally, some benefits provisions were lowered for some active members.*
- Employers/State of MN/taxpayers – an additional \$70 million per year is contributed by the State to cover the higher employer contribution rates paid by the school districts.*

While the pension fund is on a much better path now after changes were made in 2018, the fund is not yet 100% funded. It could be argued that it is unwise and premature to reverse the changes made in 2018 and grant a higher COLA, when the fund is not yet fully funded. Those changes could put the fund back on a bad path, and make the fund unsustainable.

There have been no discussions at TRA Board meetings to make any changes to the COLA. Before making any changes, there should be consideration of the concerns expressed by other stakeholders. Retirees are falling behind inflation. That is a serious concern. Active teachers are working harder in a very difficult COVID environment while paying high contribution rates, and for some, getting lower benefits. Thus, the needs and concerns of all parties should be considered before making any changes to the pension plan, and the COLA when fashioning any legislation.

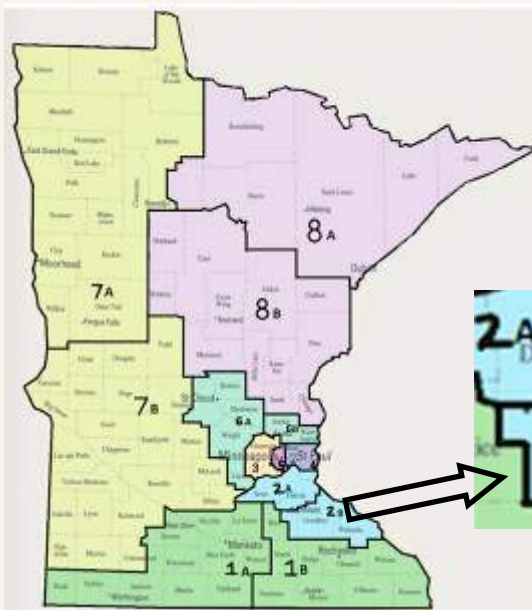
The TRA Board has certainly heard about your concerns and may at some point have discussions about the idea of changing the COLA. Other considerations in that discussion will be the financial condition of the fund, the concerns and needs of other TRA stakeholders, the increasing longevity of Minnesota public school educators (we are paying benefits for a longer period of time as our members continue to live longer), lower expectations about investment returns, potential lower numbers of public school teachers, and data from our upcoming experience study.

Retired Governing Board

Name	Position
Julie Jagusch*	President
Wes Tessman*	Vice President
Bob Millette*	Treasurer
Sharon Kjellberg*	Secretary
Cathy Stringfield	District 1a Director
Diane Larson	District 1b Director
Wes Hanna	District 2a Director
Vacant	District 2b Director
Dan Larson	District 3 Director
Elaine Rothman	District 3 Director
Joan Beaver	District 4 Director
Judy Rohde	District 4 Director
Myrna Doran	District 5 Director
Pixie Pixler	District 5 Director

Name	Position
Bob Nystrom	District 6a Director
Susan Witt	District 6b Director
Roger Josephson	District 7a Director
Jayne Schwalbach*	District 7b Director
Roberta Margo	District 8a Director
Jan Cummings	District 8b Director
Jeanne Brown-Kruesel	At Large
Walter Munsterman	At Large
John Lipke	At Large - ESP
Chuck Lyons	At Large - Higher Ed
Non-voting members	
Marti Zins	TRA Representative
Susan Witt	PAC Representative
Lori Nord	Webmaster
Lois Wendt	Chair - Program Committee

* Executive Committee



Board opening

Do you live in Education Minnesota Retired District 2b? We have an opening on our board for a 2b District Director. Please contact Stephanie Berg at Stephanie.berg@edmn.org.

Retired Committee List

Standing Committees

BYLAWS & CONSTITUTION	NOMINATIONS/ELECTIONS	EXECUTIVE COMMITTEE
*Walt Munsterman	*Jayne Schwalbach	*Julie Jagusch
Jody Anderson	Julie Jagusch	Sharon Kjellberg
Joan Beaver	Sharon Kjellberg	Bob Millette
Wes Hanna	Walt Munsterman	Jayne Schwalbach
Julie Jagusch	Elaine Rothman	Wes Tessman
Sharon Kjellberg	Wes Tessman	
John Lipke		

Special Committees

PROGRAM		LOCAL CHAPTERS	GRANT
Bob Nystrom	PROGRAM		
Barb Rice	*Lois Wendt		
Judy Rohde	Jan Cummings		
Wes Tessman	Myrna Doran	*Wes Hanna	*John Lipke
Lynette Wayne	Julie Jagusch	Jeanne Brown-Kruesel	Myrna Doran
	Sharon Kjellberg	Charles Hellie	Julie Jagusch
COMMUNICATIONS	Walt Munsterman	Julie Jagusch	Sharon Kjellberg
*Myrna Doran	Pixie Pixler	Jerry Klebs	Walt Munsterman
Lori Nord	Chris Rasmussen	Dan Larson	Lori Nord
Joan Beaver	Mary Sack	Walt Munsterman	Lois Wendt
Julie Jagusch	Cathy Stringfield	Wes Tessman	
Sharon Kjellberg	Jayne Schwalbach		RACIAL EQUITY/DIVERSITY
Jerry Klebs	Wes Tessman	REGIONAL MEETINGS	Joan Beaver*
John Lipke		*Sharon Kjellberg	Jody Anderson
Betty Mohs	LEGISLATIVE ACTION	Jeanne Brown-Kruesel	Julie Jagusch
Walt Munsterman	*Joan Beaver	Myrna Doran	Dan Larson
Jayne Schwalbach	Wes Hanna	Julie Jagusch	Diane Larson
Wes Tessman	Curt Hutchens	Walt Munsterman	Chuck Lyons
	Julie Jagusch	Chris Rasmussen	Kara Martinson
FINANCE	Dan Larson	Judy Rohde	Judy Rohde
*Bob Millette	Chuck Lyons	Cathy Stringfield	Elaine Rothman
Wes Hanna	Joe Moren	Wes Tessman	Vicky Swedenburg
Julie Jagusch	Walt Munsterman	Lois Wendt	Susan Witt
Sharon Kjellberg	Sandra Skaar	Lynette Wayne	
Jayne Schwalbach	Wes Tessman		
Wes Tessman	Lowell Ueland		
	Lois Wendt		
MEMBERSHIP			
*Judy Rohde	STATEMENTS OF PRINCIPLE		
Suzanne Anderson	*Wes Tessman		
Julie Jagusch	Joan Beaver		
Walt Munsterman	Julie Jagusch		
Lori Nord	Sharon Kjellberg		
Bob Nystrom	Walt Munsterman		
Mary Sack	Judy Rohde		
Frank Suppa			

If you are interested on serving on a committee, please contact Stephanie Berg at Stephanie.berg@edmn.org

* Committee chair

NEA Board of Directors

By Judy Rohde



NEA 2022 RA location has changed

In December the NEA Board of Directors took action to move the 2022 Representative Assembly (RA) from Dallas, Texas to **Chicago, Illinois**. In order to meet in-person, we must gather in a city where the 7000 delegates can practice social distancing and masking. Attendees must be confident they can attend this large-scale meeting and not risk the health of the students and families they serve or the health of their own families. The governor of Texas executive order prohibits all Texas employers and businesses from requiring vaccines and at this time, local governments in Texas are barred from mandating masks.

The NEA Board of Directors' action to move the 2022 RA from Dallas to **Chicago** was based on the organization's ongoing obligation to prioritize the health and safety of NEA members at all times. The 2022 NEA RA is July 3-6.

February NEA Board Meeting Planned to be In-Person

Since I was elected to the NEA Board of Directors (BOD) in June 2020, I've only attended virtual BOD meetings. As of this, writing NEA is planning the next BOD meeting Feb. 9-12 to be in-person in Washington, D.C. with a virtual option. I am so looking forward to meeting my fellow Board members in person.

NEA Supports Vaccines for Children

NEA strongly encourages the use of safe and effective COVID-19 vaccines for children from 5 to 11 and from 12 to 17. Vaccinating as many people as possible is one of the best ways to ensure that our schools remain safely open for in-person instructions.

Minnesota Precinct caucuses are on Feb. 1. Find your caucus location at www.sos.state.mn.us. Please review the Education Minnesota Retired email blast distributed Friday, Jan. 28 for possible resolutions to bring forward.

Don't
Forget

Assumed Rate of Return for Minnesota Pensions

By Joan Beaver

Directors of pensions make certain assumptions when calculating the sufficiency of the funds to pay benefits into the future. One of those critical assumptions is to predict a certain level of return on investments, the Assumed Rate of Return (ARR). In Minnesota the ARR is set by the Legislature, unlike in most states where fund directors set the assumption.

Administrators of PERA, TRA, SPTRFA and MSRS made presentations to the Legislative Commission on Pensions and Retirement (LCPR) on Jan. 5. At this meeting PERA and MSRS recommended lowering the ARR. The TRA Board recently voted to oppose a change to the ARR. You can view the presentation at www.lcpr.mn.gov. Education Minnesota Retired plans to testify against lowering the ARR at the Jan. 26 meeting.

When the ARR is lowered, the sufficiency of the funds appears to be less and vice versa. Therefore, a lower ARR puts a brake on benefit improvements, such as a COLA increase needed to offset inflation. At this time, the Legislature appears to be rushing to lower the ARRs of pension funds without adequate data that it will get when an experience study is completed next year. Education Minnesota Retired has been meeting with the Public Employee Pensions Coalition (PEPC), the coalition we worked with to gain passage of the 2018 pension bill, to organize actions to oppose any changes before the experience studies are completed and to seek funding to maintain the value of pension benefits against inflation. Education Minnesota is a member of this coalition as well. The coalition wrote a letter addressing our united concerns about a lower ARR and the impact of inflation, which was sent Jan. 3.

Education Minnesota Retired appreciates that the Education Minnesota Legislative Action Committee included the following position in its Legislative agenda for this year: "Ensure sustainable funding for teacher pensions, including opposing any deviation from the 2018 pension framework that does not address maintaining the purchasing power for retirees."

The PEPC letter is condensed here without changing the substance:

The purpose of this letter is to express our opposition to any proposals which lower the assumed rate of return for our pension funds without first doing comprehensive analysis and having up-to-date experience studies. The burden to keep pension funds stable with the 2018 pension bill fell disproportionately on workers and retirees, while employer contributions represented long-overdue funding increases. Minnesota ranked 47th in the nation for government contributions to pensions as a percentage of all state and local government direct general spending, according to the National Association of State Retirement Administrators (NASRA).

Continued on page 6

Three assumptions drove the changes in 2018:

- *The ARR were unsustainable [the rate was lowered in the 2018 bill]*
- *Life expectancy was increasing*
- *Inflation was modest and stable*

Contrary to these assumptions, the actual return on investments since the 2018 pension changes, has been more than 2.5 times the assumed rate; COVID has impacted life expectancy downward; and, although the average increase in the Consumer Price Index from 2013-2018 was 1.5 percent, estimates for the 2021 CPI show an increase of 4.8 percent.

The ceiling on the COLAs agreed to in 2018 [1 for TRA and 1-1.5 for PERA] no longer appropriately track with inflation and is eroding the purchasing power of retirees' pension benefits. The LCPR Principles of Pension Policy states, "Retirement benefits should be increased during the period of retirement to offset the impact of economic inflation over time in order to maintain a retirement benefit that was adequate at the time of retirement" and that "postretirement adjustments ... should not be added to the unfunded actuarial accrued liability of the defined benefit public pension plan." The Legislature should authorize additional spending on our public pensions to fulfill the promises to retirees. Addressing this problem should top the list for any changes to the 2018 pension agreement.

We encourage policymakers to proceed with extreme caution when considering any deviations to the assumed rate of return without the full 2022 experience study completed. The focus should be on the most pressing concern, additional state funding to address the lost purchasing power of retirees' pension benefits and keeping our promise of the dignified, fulfilling retirement.

**Education Minnesota ESI now
provides complimentary Identity
Theft Recover Program for all
Retired members!**

Register at
www.educationminnesota.securusid.com



**F O U N D A T I O N
C O N T R I B U T I O N**

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**

**P A C
C O N T R I B U T I O N**

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**



F O U N D A T I O N C O N T R I B U T I O N S

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

[OBJ]



P A C C O N T R I B U T I O N S

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

[OBJ]



Retired

NONPROFIT ORG
U.S. POSTAGE
PAID
TWIN CITIES, MN
PERMIT NO. 582

Winter 2022

Education Minnesota Retired
41 Sherburne Ave.
St. Paul, MN 55103
<http://retired.mn.aft.org>

Phone: 651-292-4877 / 800-642-4624
Fax: 651-292-4815
Email: stephanie.berg@edmn.org

CALENDAR OF EVENTS

- Jan. 29 Education Minnesota Political Conference- virtual
- Feb. 1 Precinct Caucus
- March 16-18 NEA Retired Organizing Conference
- April 22 Retired Annual Meeting - location TBD
- April 22-23 Education Minnesota Representative Convention - St. Paul RiverCentre
- June 29-30 NEA Retired Annual Meeting - Chicago, IL
- July 2-6 NEA Representative Assembly - Chicago, IL
- Sept. 12-14 Fall conference
- Nov. 15 Joint Minnesota/Wisconsin Conference

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



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