

From: [Jim Reed](#)
To: [Lisa Diesslin](#)
Subject: Re: Testimony 5/16 LCPR meeting
Date: Sunday, May 15, 2022 9:12:54 PM

My name is Jim Reed and my wife and I are Tier II educators who have spent more than 30 years serving our communities. I am testifying against lowering the assumption rate and against decreasing my contributions to TRA. It is critical to maintain this fund, not take measures which will deplete the it. Reducing the assumption rate by half of a percent will remove 500 million from the pension fund annually. Reducing this rate and providing COLA increases will place our fund in jeopardy.

My wife and I began our careers in education out of state. We proudly returned “home” to Minnesota, which had earned a nationwide reputation for excellence in education. We felt we were going to work and raise our children in a place that valued education and its educators. This message was offered freely and we believed it. Sadly, this message was empty. We learned that, as Tier II educators (hired after July 1, 1989) we would NOT be qualifying for retirement benefits that our parents, coworkers and many retiring now are receiving. Instead we will pay more in as we work longer and draw out far less.

Remarkably, Minnesota’s Tier II educators do not qualify for full benefits until age 66, which is as much as 12 years later than some of our neighboring states. This is, in fact, later than almost any other state in the nation, with severe penalties for early retirement compared to other states. We have learned that Minnesota is ranked 46th in the nation when it comes to state contributions to public pensions. Sadly, my wife and I are now stuck in a system that has made it impossible for us to move on and we feel wronged by a system that took our years of service and our money and has handed our generation of Minnesota’s educators the burden of this situation.

Education has not provided salaries comparable to many private sector jobs with similar education levels. The field, however, has offered decent benefits, including good health insurance and retirement options. Today the job is more stressful than ever and the removal of its “decent benefits” has resulted in many leaving the field and young people pursuing different paths. Sadly, our proud “educator family” will not continue since we just cannot encourage our kids to pursue this field. The reduced number of students graduating in the field of education in Minnesota have even more reason to give pause to seeking employment here. Any action to reduce our pension funding even further will push many of our diminished number of graduates elsewhere and make our state even less attractive for teacher recruitment.

I cannot emphasize enough the importance of this issue. The TRA board has already voted NO on the issue of lowering the assumption rate. Listen to the board and vote NO to lowering the assumption rate and vote NO on decreasing employee contributions to MN-TRA. Any action that would deplete our pension fund is a bad idea for Minnesota. Our

school districts deserve the benefits that come with a secure pension fund including potential opportunities to save money by turning over the workforce. Our Tier II educators deserve reasonable retirement options and our students deserve a system that attracts the very best into education in Minnesota.

Thank you for your time

Jim Reed

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