

Return-to-Work Agreement

You are eligible to enter into a return-to-work agreement if you:

- (1) Are at least age 62;
- (2) Enter into a written agreement with an employing unit to return to work; and
- (3) Submit a TRA retirement application and begin to receive a TRA benefit annuity.

Member Name	TRA Member Number	Date of Birth
Last day of required Minnesota public school teacher attendance for which salary is paid or the termination date of contract by official resignation, whichever is later.		Month/Day/Year
Reemployment date under the Return-to-Work Agreement. This date must be after the member's TRA retirement benefit effective date.*		Month/Day/Year

*The TRA retirement benefit effective date is:

- Established by TRA based upon your retirement application. (You must submit a retirement application before returning to work.)
- The day following your termination date by resignation or employer action.
- July 1 for all school principals and other administrators who receive a full annual contract salary during the fiscal year for performance of a full year's contract duties.
- A later date occurring within the six-month period immediately following the termination of teaching service.

Employer Unit Name	Employer Unit Number
Authorized Signature of Employer	Date
Signature of Employee	Date

A copy of a Return-to-Work Agreement must be included with the member's Retirement Annuity Application.

TRA Handbook of Benefits and Services

For all the stages

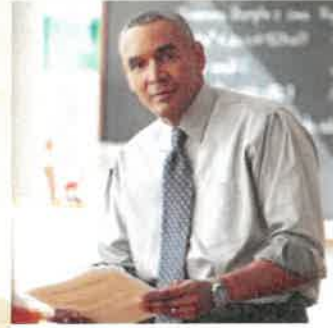
*Return-to-Work
Agreement
Pages 16+17*



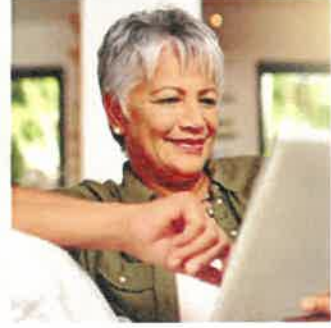
THE EARLY-CAREER TEACHER



THE MID-CAREER PROFESSIONAL



NEARING RETIREMENT



THE RETIRED EDUCATOR

of your life

3. **Rule of 90:** If your age plus allowable service equals 90 or more, you are eligible for early retirement under the Rule of 90 provision and will receive full benefits without any actuarial reduction.

Tier II (employed after June 30, 1989)

If you were first employed *after* June 30, 1989, your retirement benefit will be calculated under the Tier II service credit formula provision only.

Years up to June 30, 2006	1.7 percent per year
Years after June 30, 2006	1.9 percent per year

The service credit formula provision for former Duluth Teachers Retirement Fund Association (DTRFA) members is:

Years up to June 30, 2013	1.7 percent per year
Years after June 30, 2013	1.9 percent per year

Under the Tier II provision:

1. **Normal retirement age** is the retirement age for full Social Security retirement benefits, but not to exceed age 66.
2. If you **retire early**, a reduction will be applied for each year under normal retirement age.
3. Rule of 90 is not available under the Tier II formula.

High-five formula

When you apply for retirement benefits, your annuity is calculated based on a formula that is a percentage of your highest five successive years of TRA formula service credit and the salary associated with that service credit. For members who did not receive a full year of service credit during any portion of time during those five years, TRA will use service credit from previous years to reach a total of five years. If only a partial year of service credit is needed from the earliest year, the appropriate percentage will be used and an equivalent percentage of the salary associated with that portion of service.

One year of *formula* service credit is a full year of teaching service during which the maximum deductions are withheld. Formula service credit is measured each fiscal year (July 1 – June 30). You may not earn more than one year of formula service credit in a fiscal year. In years where you did not perform a full year of teaching service or did not pay the maximum deductions as prescribed by TRA law, the service credit is prorated.

Calculating a retirement benefit

Your benefit at retirement age is a calculated percentage of your salary. It's a lifetime benefit that grows the longer you work and the more you make.

For our average retiree, their TRA benefit replaces 40 percent to 45 percent of their pre-retirement salary.



Note: If you retire before your normal retirement age, there may be a reduction in your benefit.

Our retirement counselors will provide you with estimates and assist you with filling out the necessary forms. It is your responsibility, not that of your employer, to complete the retirement application and file it with our office. You may submit your application for retirement by logging in to your TRA online account, or by mailing or delivering your completed Retirement Annuity Application to TRA.

If we do not acknowledge receiving your application for retirement within four weeks, call us at 800.657.3669 or 651.296.2409.

Last day of employment

Your application for retirement may not be filed sooner than 180 days before your last day of employment.

Termination of teaching service means your withdrawal from active teaching by resignation or by the termination of your teaching contract by your employer. This is your last day of employment.

Date of retirement

→ May 26, 2023

Your effective date of retirement is the latest of:

- 1) the day following your last day of employment, or

- 2) the day of receipt of application if filed after the six-months immediately following termination of service, or
- 3) July 1 for all school principals and other administrators who receive a full annual contract salary for performance of a full year of contract duties, or
- 4) a later date occurring within the six-month period immediately following the last day of employment as specified by the member.

Your application must be on file and the effective date of retirement must occur for a retirement plan to take effect. If you die before this date, active member survivor benefits are payable, not the benefits provided by the retirement plan you selected.

Return-to-work agreement yes

If you are age 62 or older, you are allowed to begin receiving a retirement annuity from TRA even though you have entered into an agreement to return to teaching service. Such an agreement must be mutually agreed upon and signed by you and your employer, and include your termination and reemployment dates. A copy of the agreement must be filed with your TRA Retirement Annuity Application prior to your benefit effective date.

Members age 62 and older who return to work under this provision will not earn additional service credit with TRA. Earnings are still subject to the TRA reemployment earnings limit.

This return-to-work provision does not apply to members employed by the Minnesota State Universities system.

Refer to *Earnings limitation* on page 21 for details.

Deferred annuity

A deferred retirement annuity is payable if a vested member terminates teaching service and waits until a future date to apply for retirement benefits. Both Tier I and Tier II calculation methods can be deferred.

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
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	5.0 percent annually thereafter each year the benefit is deferred. After June 30, 2012: 2.0 percent
Members hired on or after July 1, 2006	Prior to July 1, 2012: 2.5 percent After June 30, 2012: 2.0 percent
Effective July 1, 2019, for all members	Reduced to 0%

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

Resuming employment in a TRA covered position, or any other public employment position, for even one day while deferring your retirement eliminates your eligibility for augmentation. If you are currently deferring your benefit payments and considering a return to public employment, please contact TRA to discuss the potential impact on your retirement benefit.

Retirement plan options

TRA offers six retirement plans that provide a monthly annuity that is payable for your lifetime. An annuity is a sum of money that is paid at regular intervals. The amount payable under each plan varies depending on the amount of beneficiary or survivor protection provided. Learn about TRA's six annuity plans by watching our short video at MinnesotaTRA.org/videos.

As you prepare for your retirement, choose the retirement plan that most effectively meets your needs, taking into consideration survivor coverage, your individual sources of income and the amount payable under each plan.

Members may choose any of the six annuity plans.

By law, a married member must choose a survivorship plan unless the spouse waives the selection of this type of plan. The spouse must also complete a waiver if the member chooses an optional joint annuitant (OJA) other than their spouse (see Survivorship Plans on page 18).

TRA is required by law to provide your spouse with the estimates of your monthly retirement benefit. Your

Post-Retirement Work and Your Pension

TRA retirees may return to work in a TRA-covered position and earn up to the earnings limitation of \$46,000 without reducing their TRA pension benefit. If you exceed the limit, your pension will later be redirected to your Earnings Limitation Savings Account, or ELSA.

- Any non-TRA covered employment is not subject to an earnings limitation.
- A return to work agreement is only needed if you have a written or oral agreement in place before retiring. You must be at least age 62 when retiring to have this agreement in place.
- If working in retirement, TRA contributions will not be withheld from your new paycheck.

Temporary Suspension of ELSA for Pre-K-12

The 2022 legislative session suspended the \$46,000 earnings limitation for retirees returning to Pre-K-12 positions for salary earned during fiscal years 2022, 2023 and 2024. No amounts will be withheld from reemployed retiree benefits for Pre-K-12 positions and deposited in an ELSA for calendar years 2023, 2024 and 2025.

The temporary suspension of the earnings limitation does not apply to retirees returning to Minnesota State positions. Both the \$62,000 earnings limitation for members approved for the Annuitant Employment Program and the general \$46,000 earnings limitation, whichever is applicable, will continue to be enforced for retirees returning to Minnesota State positions.

How is the earnings limitation calculated?

- The earnings limitation is applied to salary earned on a fiscal year basis (July 1 to June 30).
- If you are under normal retirement age for the entire fiscal year, as defined by the Social Security Administration, the earnings limitation is \$46,000.
- If you are under normal retirement age and are retired for only a portion of the year, the earnings limitation amount will be prorated ($\$46,000 \times \text{number of months retired during the fiscal year} \div 12$). The year you turn your Social Security normal retirement age, the limit is \$46,000 for the portion of the year you are under normal retirement age.