

Executive Summary of Commission Staff Materials

Affected Pension Plan(s): Teachers Retirement Association (TRA)
Relevant Provisions of Law: Minnesota Statutes, Chapters 354 and 354B
General Nature of Proposal: Addresses School Administrator Portability Problems by Authorizing an Interstate Combined Service Agreement and Allowing Future Individual Retirement Account Plan (IRAP) Coverage
Date of Summary: March 30, 2005

Specific Proposed Changes

- Allows TRA to enter into a combined service pension agreement with other teacher pension plans to provide interstate portability.
- Allows school administrators to elect defined contribution retirement plan coverage by the MnSCU IRAP plan rather than TRA to gain portability.

Policy Issues Raised by the Proposed Legislation

1. Actual need for Minnesota recruitment of out-of-state teaching personnel.
2. Appropriateness of an interstate combined service annuity solution.
3. Appropriateness of the optional defined contribution plan approach to portability problem.
4. Appropriateness of restricting the defined contribution plan coverage school administrators.
5. Appropriateness of restricting the defined contribution plan coverage option to TRA school districts.
6. Extent of interest in the interstate portability agreement by the Wisconsin Retirement System.
7. Appropriateness of service credit purchases as an alternative portability problem solution.

Potential Amendments

No technical or substantive amendments.