



St. Paul Teachers' Retirement Fund Association
Retirement Planning Seminar
December 16, 2013



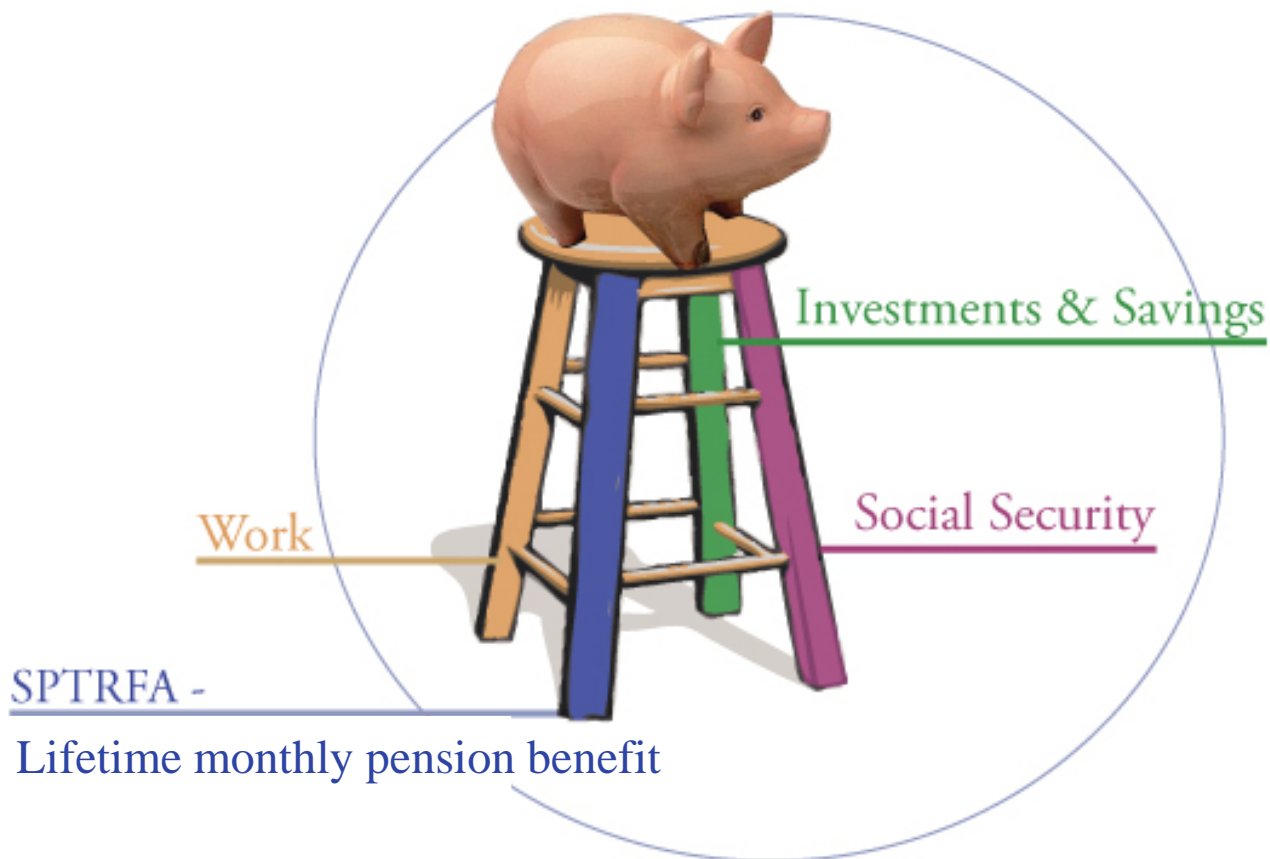
SPTRFA - Lifetime, monthly benefit

[Make online appointments
please visit www.sptrfa.org](http://www.sptrfa.org)

Sources of Retirement Income

The “Four-Legged Stool”

1. **SPTRFA - Lifetime monthly pension benefit**
2. **Social Security**
3. **Investments & Savings**
4. **Work**





SPTRFA Retirement Plans

- **Basic Plan –**

- Members hired prior to July 1, 1978
- Do not contribute to Social Security

- **Coordinated Plan –**

- Members hired or re-hired on or after July 1, 1978
- Contribute to Social Security in addition to SPTRFA
- Prior Basic members who elected the Plan



SPTRFA Retirement Plans

Tier 1 and Tier II Calculations

- Tier 1 members hired prior to July 1, 1989
 - Receive whichever benefit is larger
- Tier II members hired after July 1, 1989
 - Only eligible for Tier II.



SPTRFA Retirement Plans

Benefit Details

- Survivor Option
 - Must be elected at the time that they retire
 - Will cause a reduction in member benefit
- Eligible survivors
 - Spouse to whom the member is married
 - Must be married at the time of retirement
- Final Average Salary
 - Highest of five successive salaries
- Vesting
 - Requires three years of service

Combined Service Annuity

- Combined Service Annuity (CSA) Law:
 - Special form of portability for individuals having allowable retirement service credit with more than one covered Minnesota defined benefit public pension fund.
- Requires vesting and at least one-half year of allowable retirement service credit in the other Minnesota defined benefit public pension funds to qualify for CSA.
- Qualified Plans
 - Duluth Teachers' Retirement Fund Association
 - Minnesota Teachers Retirement Association
 - (Includes *Minneapolis Teachers Retirement*)
 - Public Employees' Retirement Association
 - (Includes *Minneapolis Employees Retirement Fund*)
 - Minnesota State Retirement System
- At retirement
 - CSA eligible members will apply for and receive a benefit from each separate fund in which a benefit has been earned.

SPTRFA Pension Estimates

- Mailed annually in late December to
 - Vested members over the age of 40 (by the June 30th of the previous fiscal year)
 - Currently employed by SPPS at least 40% time.
- Estimate Details Include:
 - Your gross estimated SPTRFA monthly benefit
 - Future July 1st retirement dates
- Assumptions:
 - Annual salary growth = 1.0% presently.
 - Member continues to work at the same FTE status until retirement.
 - No changes in pension benefit laws that will affect pension calculations.

Amy Member

General Member Information Through June 30, 2012

| | |
|-----------------------------|-------------|
| SPTRFA # | 12000 |
| Birth Date: | 8/10/1958 |
| First Employment Date: | 11/8/1981 |
| Earnings Reported | \$80,250.74 |
| Contributions: | \$27,576.48 |
| Purchased Service Payments: | \$0.00 |

SPTRFA Retirement Service Credit Through June 30, 2012

| | |
|--|----------------|
| Coordinated Plan: | 6.84118 |
| Basic Plan: | 0.00000 |
| Purchased Service: | 0.00000 |
| Total SPTRFA Retirement Service Credit: | 6.84118 |

MN Public Funds Service Credit Through June 30, 2012

| | |
|---|---------|
| Service Credit in Other MN Public Funds: | 0.00000 |
| (If you have retirement service credit in another MN Public Retirement Fund that is not listed, please notify us in the Changes/Updates section below.) | |

Survivor / Beneficiary Information

Spousal Survivor:
Bob Spouse - DOB 8/23/1960

Beneficiary(ies):
None Listed

Assumptions: Salary Growth / Pension Benefit Laws / Future Employment

- Your salary grows at approximately 1.0% each year.
- No changes in pension benefit laws affecting retirement calculation.
- You continue to work at the same full-time equivalency status you worked during the 2011 - 2012 school year, with no changes in retirement benefit laws affecting your pension calculation.

SPTRFA Estimated Lifetime Monthly Benefit Assuming Retirement on July 1st of the Years Listed

Your employment in a position covered by a Minnesota public retirement fund prior to July 1, 1989 allows you to receive the larger of the benefits in Tier 1 (where the Rule of 90 allows you to retire without an early retirement reduction) or Tier 2 (which pays a larger base benefit, but is reduced for early retirement). Amounts shown include applicable reductions.

Options C1 - C5 are described on the reverse of this estimate.

Amounts shown below are for July 1st of the years listed with your corresponding age for that date.

| | Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---------------------------------------|--------|-------|-------|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Age | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 |
| C1 - Member Life Only | Tier 1 | \$684 | \$694 | \$704 | \$714 | \$724 | \$734 | \$744 | \$754 | \$764 | \$774 | \$784 | \$794 | \$804 | \$814 |
| | Tier 2 | \$709 | \$726 | \$745 | \$764 | \$783 | \$802 | \$821 | \$840 | \$859 | \$878 | \$897 | \$916 | \$935 | \$954 |
| C2 - Guaranteed Refund | Tier 1 | \$690 | \$694 | \$704 | \$712 | \$720 | \$728 | \$736 | \$744 | \$752 | \$760 | \$768 | \$776 | \$784 | \$792 |
| | Tier 2 | \$709 | \$728 | \$745 | \$764 | \$783 | \$802 | \$821 | \$840 | \$859 | \$878 | \$897 | \$916 | \$935 | \$954 |
| C3 - Life with 15 Year Certain | Tier 1 | \$666 | \$676 | \$687 | \$698 | \$709 | \$720 | \$731 | \$742 | \$753 | \$764 | \$775 | \$786 | \$797 | \$808 |
| | Tier 2 | \$682 | \$694 | \$707 | \$720 | \$733 | \$746 | \$759 | \$772 | \$785 | \$798 | \$811 | \$824 | \$837 | \$850 |
| C4 - 100% Joint & Survivor | Tier 1 | \$638 | \$643 | \$648 | \$653 | \$658 | \$663 | \$668 | \$673 | \$678 | \$683 | \$688 | \$693 | \$698 | \$703 |
| | Tier 2 | \$659 | \$709 | \$762 | \$817 | \$873 | \$930 | \$987 | \$1,044 | \$1,101 | \$1,158 | \$1,215 | \$1,272 | \$1,329 | \$1,386 |
| C5 - 50% Joint & Survivor | Tier 1 | \$669 | \$667 | \$788 | \$813 | \$836 | \$859 | \$882 | \$905 | \$928 | \$951 | \$974 | \$997 | \$1,020 | \$1,043 |
| | Tier 2 | \$683 | \$796 | \$817 | \$1,053 | \$1,202 | \$1,366 | \$1,547 | \$1,748 | \$1,970 | \$2,208 | \$2,364 | \$2,500 | \$2,637 | \$2,775 |

Estimated Monthly Disability Benefit: \$757 (If you are eligible and qualify as totally disabled during the 2012 - 2013 school year)

All pension information summaries are representations of Articles, Bylaws, and Laws of Minnesota. If an error, misrepresentation, or omission is made by SPTRFA, the applicable Articles, Bylaws, or Laws will govern. SPTRFA reserves the right to correct your record at any time.

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Changes/Updates for: Amy Member

SPTRFA Number: 12000

2012

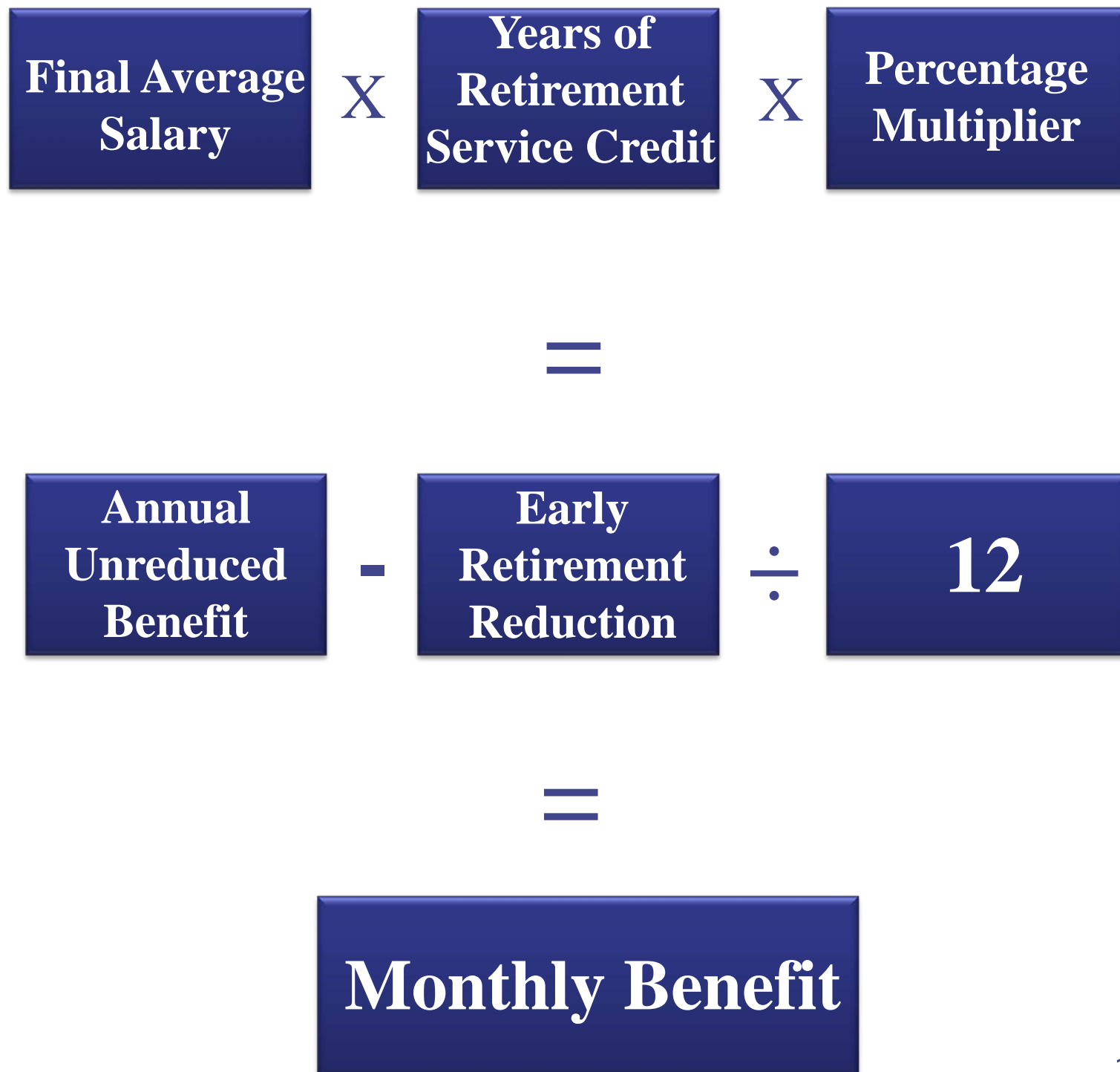
Coordinated Plan Annuity Options

ALL options are LIFETIME benefits to the member

- C-1 Member Life Only:** Monthly benefit which stops after your death.
- C-2 Guaranteed Refund:** If your death occurs before you recover your total SPTRFA contributions in monthly benefit payments, your designated beneficiary (or if none, your estate) receives a refund of any contribution balance.
- C-3 15 Year Certain:** If your death occurs before the end of 15 years of payments, an equivalent benefit is paid to your designated beneficiary (or if none, your estate) for the remainder of the 15 years not received by the member.
- C-4 100% Joint & Survivor *:** Upon your death, your spouse will receive a lifetime monthly benefit equal to 100% of your benefit.
- C-5 50% Joint & Survivor *:** Upon your death, your spouse will receive a lifetime benefit equal to 50% of your benefit.
- * If your spouse predeceases you, your benefit then increases to the C-1 Member Life Only amount for the remainder of your life.

Monthly Benefit (for vested members)

Benefit Formula Outline



SPTRFA Benefit Counseling

What is the process for drawing my SPTRFA pension benefit. I am planning on retiring...

- **Within four to twelve months of retirement:**
 - Make an appointment for final one-on-one pension counseling.
 - We will provide you with all the forms necessary to begin receiving your SPTRFA pension benefit.
- **Bring to your appointment, photocopies of:**
 - Your birth certificate or valid passport
 - Your spouse's birth certificate or valid passport (if applicable)
 - Your marriage certificate (if applicable)
 - Divorce Decree
 - If divorced during or after your SPPS employment
 - a full court signed copy of your final domestic relations order (divorce decree.)
- **General counseling issues addressed include:**
 - Retirement Checklist
 - Coordinated Plan Lifetime Annuity Options

Retirement Checklist

- ✓ Resignation Date
 - At least one day prior to pension date
- ✓ Federal & Minnesota Tax withholding forms
 - Federal withholding is mandatory and MN tax is voluntary
- ✓ Direct Deposit forms
 - Benefit payments are only payable via direct deposit
- ✓ Retirement Period of Separation
 - May not work with SPPS for 90 days from resignation date
- ✓ Earnings Limitation
 - Re-employed by SPPS under age 65 – **\$46,000** earnings limitation
 - **For every \$3 over the limit SPTRFA will remove \$1**
- ✓ First Payment
 - First payment varies dependent upon completion of paperwork
 - **All required documents must be received prior to processing**
- ✓ COLA Increase
 - Annual Cost of living adjustment – pro rated for new retirees
- ✓ Certificates
 - Copies of birth certificate or valid passport, marriage certificates
 - Divorce Decree
- ✓ Application
 - Notarized applications are required

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

Lifetime Options for Jill Member - Retirement Date: June 16, 2013

| | | Estimated Monthly Benefit | | | Prepared: 2/25/13 |
|------------|----------------------------------|--|--------------------------------|-------------------------------|-------------------|
| | | Normal | Accelerated (before Age 65) | Decelerated (after Age 65) | |
| C-1 | Member Life Only | 1,225.98 | 1,765.41 | 735.59 | |
| C-2 | Guaranteed Refund | 1,225.86 | 1,765.23 | 735.51 | |
| C-3 | 15 Year Certain | 1,189.45 | 1,712.80 | 713.67 | |
| C-4 | 100% Joint & Survivor | Member: 1,089.04 Survivor: 1,089.04 | 1,568.21 1,089.04 | 653.42 1,089.04 | |
| C-5 | 50% Joint & Survivor | Member: 1,153.40 Survivor: 576.70 | 1,660.90 576.70 | 692.04 576.70 | |

Acceleration/Deceleration: A Coordinated member under age 65 may elect to receive an accelerated monthly annuity in lieu of the member's regular lifetime monthly retirement annuity. This lifetime benefit provides a greater annuity before age 65, but is reduced to the decelerated amount beginning the month after the month the member is age 65. This option attempts to provide a level lifetime SPTRFA and Social Security retirement income before and after age 65. The survivor benefit neither accelerates nor decelerates.

Prepared: February 25, 2013

Decision Time

Choosing a pension benefit date:

- ▶ Eligible SPTRFA pension dates are:
 - 1st and 16th of each month
 - Following your official SPPS resignation date

Contact

SPTRFA Retirement Benefit

- Call (651)642-2550
- E-mail: info@sptrfa.org
- Online www.sptrfa.org

SPPS Benefits

- Contact SPPS Benefits Department at (651)767-8227
 - SPPS Benefits Department
 - Resignation Date
 - Provided post-retirement benefits
 - Health/dental/life insurance coverage
 - Sick leave conversion to severance pay
 - Early notification bonus.

Office Location

St. Paul Teachers' Retirement Fund Association
1619 Dayton Avenue, Room 309
St. Paul, MN 55104

