

## An Update to Our Members:

### 2023 Legislative Momentum

During the 2023 legislative session, Governor Walz ratified [HF3100](#), [HF2950](#) and [HF1938](#). These three bills improved benefits for SPTRFA members in the following ways:

- Allows unreduced early retirements at age 62 with 30 years of retirement service credit. This provision applies only to SPTRFA members and goes into effect July 1, 2023.
- Reduces normal retirement age to 65 for all Minnesota educators. This change goes into effect July 1, 2025.
- Provides one-time 1.5% COLA for all retirees, in addition to the 1.0% annual increase, for a 2.5% total COLA for 2024.
- Provides an additional one-time 1.5% COLA for Basic Plan retirees, for a 4.0% total COLA for 2024. Basic Plan members started prior to July 1, 1978, and don't receive Social Security.
- Reduces taxes for Basic Plan pensions and Social Security.
- Secures additional funding to improve pension plan security.
- Grants retirees joint and survivor benefit option for qualifying same sex marriages.
- Extends military service buyback period.
- Adopts conservative rate of return assumptions to safeguard the long-term fiscal stability of your pension plan.

The comprehensive package of pension benefit improvements is funded through one-time aid totaling \$15.7 million, and payroll contribution increases starting July 1, 2025, of 0.75% for Saint Paul Public Schools and 1.25% for SPTRFA members. The base contribution rate as of July 1, 2025, will be 9.75% for Saint Paul Public Schools and 9.00% for SPTRFA members.

**For more information about these new benefits, a FAQ is available online at [www.sptrfa.org](http://www.sptrfa.org).**

Additionally, the reduced retirement age options will be included in the Member Annual Statement (MAS) that is provided each year in the Fall. The MAS includes a matrix of retirement estimates for common retirement scenarios.

**For individual questions, please contact the SPTRFA office at [info@sptrfa.org](mailto:info@sptrfa.org) or 651-642-2550.**

### DIRECTOR'S CORNER



A record budget surplus and DFL triumvirate set the stage for an historic 2023 legislative session. This provided an opportunity for meaningful pension improvements but also presented the challenge of competing against other legislative priorities.

At the outset, three priorities were identified:

1. Reduce the retirement age for career teachers.
2. Provide inflation relief for retirees.
3. Decrease investment risk by lowering the assumed rate of return for the plan.

We spent extensive time educating legislators about the importance of these priorities and identifying policies to address each priority.

The session's midway point delivered the budget target for pensions, \$485.9M to be split proportionately amongst all pension plans, with SPTRFA receiving \$15.7M.

Having established the budgetary constraints, it took great creativity to address all three priorities in a meaningful way. A lump sum COLA payment, paired with tax relief, improves the purchasing power of retirees. The reductions in normal retirement age brings the finish line closer for active teachers, especially for those with decades of experience. A more conservative investment target improves the security of the plan for past, current, and future members of SPTRFA.

I'm proud of our accomplishments in my inaugural legislative session and believe we've met our objectives with meaningful results.

*- Phillip Tencick*

## Member Notification Requirements When Changing Your Bank Institution or Bank Account Number

Retirement annuity payments are electronically deposited on the first business day of the month to your financial institution. Electronic direct deposit is convenient and provides protection against theft and the uncertainties of U.S. postal delivery. This also ensures safe, accurate and timely direct deposit of payments to your account.

If you need to make a change to your direct deposit designation, please contact our office in advance to request the appropriate change form.

As an additional security measure, SPTRFA will verify the banking change with the member using the contact information on file.

**It is critical to notify SPTRFA of any account changes before the 20<sup>th</sup> of the month to ensure changes can be processed for the next month's payment.**

## Is that a new face on the cover of the newsletter? Yes, it is!

The St. Paul Teachers' Retirement Fund Association welcomes Phill Tencick selected by the Board of Trustees to be the new Executive Director and Chief Investment Officer (CIO) for the Fund. Mr. Tencick was previously Retirement Director and CIO for the Spokane Employees' Retirement System.

Mr. Tencick has a Bachelor of Science degree in Business Administration from Washington University, a Master of Business Administration degree from Southern Methodist University and holds a Chartered Financial Analyst (CFA) designation. He has also served in several finance and leadership roles for the Army and Air Force Exchange Service and private corporations.

## Did you know? Out-of-State Service Credit Purchases

Starting January 1, 2023, active SPTRFA members are allowed to purchase up to five years of service credit for service performed as a PreK through 12<sup>th</sup> Grade teacher or administrator in a public or charter school in another state. The purchased service credit will be included in your SPTRFA benefit calculation when you retire.

### To purchase out of state service credit, the following criteria must be met:

- A minimum of three years of SPTRFA service credit.
- Verification of out-of-state service earned.
- Forfeit all rights to benefits for that same period of out-of-state employment.
- Pay the full actuarial cost for service credit.
- Repay in full any refunded service available to be reinstated with any Minnesota defined benefit public pension plan.

Contact SPTRFA at [info@sptrfa.org](mailto:info@sptrfa.org) to have an Out-of-State Service Credit Purchase application sent to you.

## New Tax Withholding Requirements

Federal and Minnesota tax withholding requirements changed in 2023. The prior method of using a marital status and number of allowances has been replaced by a calculation method that can more accurately estimate required withholdings.

It's not necessary to fill out a new Form W-4P or W-4MNP. However, if you've married, divorced, had children, changed jobs, or added a job, it's important to ensure your withholding is correct. SPTRFA staff are unable to provide tax advice. Please reach out to a professional tax advisor to assist in completing tax withholding forms.

To obtain new forms go to [www.sptrfa.org/forms](http://www.sptrfa.org/forms), click on "Federal W-4P" and "Minnesota W-4MNP". Complete and submit forms to SPTRFA by mail, fax, or secure electronic submission. SPTRFA will only accept the new forms for tax withholding changes.

## Our Team and Office

In-person, virtual, and telephone appointments are currently being scheduled. To make an appointment contact us at [info@sptrfa.org](mailto:info@sptrfa.org) or 651-642-2550. SPTRFA office hours are Monday-Friday 8AM to 4PM.

Sending an email to our [info@sptrfa.org](mailto:info@sptrfa.org) email address is a highly effective way to communicate with us – it's closely monitored by our team who strive to respond within 24 hours.

### Life happens...let us know about it!

Many life changes can affect your pension benefit. Let us know about them to make sure there are no surprises. Have you changed any of the following recently?

- **Address** – Active members can update their contact information in SPPS Employee Self-Service
- **Beneficiary** – SPTRFA must be notified if you want to change your pension beneficiary.
- **Bank Account** – Bank account changes can delay your benefit payment. Additional verification of bank account changes is used to prevent fraud. Changes must be received by the 20<sup>th</sup> of the month.
- **Tax Withholding** – Federal and state tax withholding requirements changed in 2023. Your withholding may need to change to get a refund next year.
- **Name Change** – Keep your records up to date any time you change your name.
- **Power of Attorney** – A power of attorney gives one or more persons the power to act on your behalf as your agent.

Forms are available at [www.sptrfa.org/forms](http://www.sptrfa.org/forms) or contact the SPTRFA office. Return completed forms by mail, secure electronic submission, or fax to 651-642-2553.

### Request for your Assistance!

Help us stay in touch – send your personal email address to us at [info@sptrfa.org](mailto:info@sptrfa.org).

Please include your full name and a phone number where we may reach you.

## St. Paul Teachers' Pension PAC Your Voice in the Legislature

The St. Paul Teachers Pension Political Action Committee works on behalf of St. Paul's 12,000 active, retired, and former teachers to protect teachers' retirement benefits. We operate solely on your behalf to work with and educate Democratic and Republican Legislators and the Governor on issues that are critically important to your retirement security. One of the most effective tools is our Legislative Counsel, Brian Rice. Brian has been a positive force for us – consistently representing our issues at the Capitol. His efforts, alongside the PAC, have resulted in many major successes for St. Paul Teachers.

To learn more or contribute, contact Lori Borgeson at [lori.borgeson@spps.org](mailto:lori.borgeson@spps.org)

**We are your nonpartisan voice for retirement security.**

## St. Paul Retired Teachers Inc. Reconnect with Former Colleagues

The St. Paul Retired Teachers, Inc., began in February 1944 when a group of retired women teachers organized the L.O.L., alternatively known as Lazy Old Ladies or Ladies of Leisure. In 1955, the organization was incorporated as the St. Paul Retired Teachers, Inc. (SPRTI). Originally, primarily a social organization, it has also become a fund-raising organization with philanthropic pursuits. The Scholarship Fund provides \$3,000 grants to teachers for graduate studies. SPRTI also holds school supply, food, and holiday gift drives throughout the year to help the less fortunate.

Meetings are held monthly, except for January, July, and August, and include lunch and an educational program.

**Please contact [sprti@hotmail.com](mailto:sprti@hotmail.com) to join.**

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## St. Paul Teachers' Retirement Fund Association

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## Connect with Us



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Online: [www.sptrfa.org](http://www.sptrfa.org)

Twitter: [@SPTRFA](https://twitter.com/SPTRFA)

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*Serving the retirement needs of St. Paul teachers since 1909.*

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## BOARD DIRECTORY

The Board of Trustees administers SPTRFA. The board consists of ten members, composed of nine elected trustees and one ex-officio member from the St. Paul Public Schools Board of Education.

Board members are elected at the Annual Meeting of the Members. Each Board member serves a term of three years.

**Mike McCollor, President**

**Lori Borgeson, Vice-President**

**Thomas Koreltz, Secretary**

**Michael McKay, Treasurer**

**Matthew Bogenschultz, Trustee**

**Zuki Ellis, Ex-Officio**

**John Horton, Trustee**

**Karen A. Odegard, Trustee**

**Stephanie J. Pignato, Trustee**

**Margaret Schiller, Trustee**

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**SPTRFA News is published by the St. Paul Teachers' Retirement Fund Association (SPTRFA).**

Its purpose is to provide relevant and accurate information to SPTRFA members about their retirement system and related topics.

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