1.1 .... moves to amend H.F. No. 2201 as follows:

1.2 Page 4, delete section 7

1.3 Page 5, delete section 8 and insert:

1.4 "Sec. 7. **[124D.965] TEACHER RETIREMENT ADJUSTMENT.**

1.5 Subdivision 1. **Account established.** An account is established in the special revenue

1.6 fund known as the teacher retirement aid account.

1.7 Subd. 2. **Funds deposited in account.** Funds appropriated for teacher retirement aid

1.8 must be transferred to the teacher retirement aid account in the special revenue fund.

1.9 Subd. 3. **Money appropriated** Subject to the availability of funds, money in the account

1.10 is annually appropriated to the commissioner of education for payment to the Teachers

1.11 Retirement Association of Minnesota.

1.12 Subd. 4. **Payment to teacher retirements funds.** Each year, the commissioner of

1.13 education must distribute to the Teachers Retirement Association of Minnesota the amounts

1.14 in the account established in subdivision 1.

1.15 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1.16 Sec. 8. Minnesota Statutes 2024, section 354.44, subdivision 6, is amended to read:

1.17 Subd. 6. **Computation of formula program retirement annuity.** (a) The formula

1.18 retirement annuity must be computed in accordance with the applicable provisions of the

1.19 formulas stated in paragraph (b) or (d) on the basis of each member's average salary under

1.20 section 354.05, subdivision 13a, for the period of the member's formula service credit.

1.21 (b) This paragraph, in conjunction with paragraph (c), applies to a person who first

1.22 became a member of the association or a member of a pension fund listed in section 356.30,

2.1   subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with paragraph (e),

2.2   produces a higher annuity amount, in which case paragraph (d) applies. The average salary

2.3   as defined in section 354.05, subdivision 13a, multiplied by the following percentages per

2.4   year of formula service credit shall determine the amount of the annuity to which the member

2.5   qualifying therefor is entitled for service rendered before July 1, 2006:

Period	Coordinated Member	Basic Member
Each year of service during first ten	1.2 percent per year	2.2 percent per year
Each year of service thereafter	1.7 percent per year	2.7 percent per year

2.11   For service rendered on or after July 1, 2006, by a member other than a member who

2.12   was a member of the former Duluth Teachers Retirement Fund Association between January

2.13   1, 2006, and June 30, 2015, and for service rendered on or after July 1, 2013, by a member

2.14   who was a member of the former Duluth Teachers Retirement Fund Association between

2.15   January 1, 2013, and June 30, 2015, the average salary as defined in section 354.05,

2.16   subdivision 13a, multiplied by the following percentages per year of service credit, determines

2.17   the amount the annuity to which the member qualifying therefor is entitled:

Period	Coordinated Member	Basic Member
Each year of service during first ten	1.4 percent per year	2.2 percent per year
Each year of service after ten years of service	1.9 percent per year	2.7 percent per year

2.23   (c)(1) This paragraph applies only to a person who first became a member of the

2.24   association or a member of a pension fund listed in section 356.30, subdivision 3, before

2.25   July 1, 1989, and whose annuity is higher when calculated under paragraph (b), in conjunction

2.26   with this paragraph than when calculated under paragraph (d), in conjunction with paragraph

2.27   (e).

2.28   (2) Where any member retires prior to normal retirement age under a formula annuity,

2.29   the member shall be paid a retirement annuity in an amount equal to the normal annuity

2.30   provided in paragraph (b) reduced by one-quarter of one percent for each month that the

2.31   member is under normal retirement age at the time of retirement except that for any member

2.32   who has 30 or more years of allowable service credit, the reduction shall be applied only

2.33   for each month that the member is under age 62.

2.34   (3) Any member whose attained age plus credited allowable service totals 90 years is

2.35   entitled, upon application, to a retirement annuity in an amount equal to the normal annuity

2.36   provided in paragraph (b), without any reduction by reason of early retirement.

3.1   (d) This paragraph applies to a member who has become at least 55 years old and first

3.2   became a member of the association after June 30, 1989, and to any other member who has

3.3   become at least 55 years old and whose annuity amount when calculated under this paragraph

3.4   and in conjunction with paragraph (e), is higher than it is when calculated under paragraph

3.5   (b), in conjunction with paragraph (c).

3.6   (1) For a basic member, the average salary, as defined in section 354.05, subdivision

3.7   13a, multiplied by 2.7 percent for each year of service for a basic member determines the

3.8   amount of the retirement annuity to which the basic member is entitled. The annuity of a

3.9   basic member who was a member of the former Minneapolis Teachers Retirement Fund

3.10   Association as of June 30, 2006, must be determined according to the annuity formula under

3.11   the articles of incorporation of the former Minneapolis Teachers Retirement Fund Association

3.12   in effect as of that date.

3.13   (2) For a coordinated member, the average salary, as defined in section 354.05,

3.14   subdivision 13a, multiplied by 1.7 percent for each year of service rendered before July 1,

3.15   2006, and by 1.9 percent for each year of service rendered on or after July 1, 2006, for a

3.16   member other than a member who was a member of the former Duluth Teachers Retirement

3.17   Fund Association between January 1, 2006, and June 30, 2015, and by 1.9 percent for each

3.18   year of service rendered on or after July 1, 2013, for a member of the former Duluth Teachers

3.19   Retirement Fund Association between January 1, 2013, and June 30, 2015, determines the

3.20   amount of the retirement annuity to which the coordinated member is entitled.

3.21   (e) This paragraph applies to a person who has become at least 55 years old and first

3.22   becomes a member of the association after June 30, 1989, and to any other member who

3.23   has become at least 55 years old and whose annuity is higher when calculated under

3.24   paragraph (d) in conjunction with this paragraph than when calculated under paragraph (b)

3.25   in conjunction with paragraph (c). An employee who retires under the formula annuity

3.26   before the normal retirement age is entitled to receive the normal annuity provided in

3.27   paragraph (d), ~~reduced~~ as described in clause (1) or (2), as applicable.

3.28   (1) For a member who is at least age 62 and has at least 30 years of service, the annuity

3.29   ~~shall be reduced by an early reduction factor of six percent for each year that the member's~~

3.30   ~~age of retirement precedes the normal retirement age. The resulting reduced annuity shall~~

3.31   ~~be further adjusted to take into account the increase in the monthly amount that would have~~

3.32   ~~occurred had the member retired early and deferred receipt of the annuity until normal~~

3.33   ~~retirement age and the annuity was augmented during the deferral period at 2.5 percent, if~~

3.34   ~~the member commenced employment after June 30, 2006, or at three percent, if the member~~

4.1   ~~commenced employment before July 1, 2006, compounded annually~~ is the normal annuity

4.2   provided in paragraph (d), without any reduction by reason of early retirement.

4.3   (2) For a member who has not attained age 62 or has fewer than 30 years of service, the

4.4   annuity shall be reduced for each year that the member's age of retirement precedes normal

4.5   retirement age by the following early reduction factors:

4.6   (i) for the period during which the member is age 55 through age 58, the factor is four

4.7   percent; and

4.8   (ii) for the period during which the member is at least age 59 but not yet normal retirement

4.9   age, the factor is seven percent.

4.10   The resulting annuity shall be further adjusted to take into account the increase in the

4.11   monthly amount that would have occurred had the member retired early and deferred receipt

4.12   of the annuity until normal retirement age and the annuity was augmented during the deferral

4.13   period at the applicable annual rate, compounded annually. The applicable annual rate is

4.14   the rate in effect for the month that includes the member's effective date of retirement and

4.15   shall be considered as fixed for the member for the period until the member reaches normal

4.16   retirement age. The applicable annual rate for June 2019 is 2.5 percent, if the member

4.17   commenced employment after June 30, 2006, or three percent, if the member commenced

4.18   employment before July 1, 2006, compounded annually, and decreases each month beginning

4.19   July 2019 in equal monthly increments over the five-year period that begins July 1, 2019,

4.20   and ends June 30, 2024, to zero percent effective for July 2024 and thereafter.

4.21   After June 30, 2024, the reduced annuity commencing before normal retirement age

4.22   under this clause shall not take into account any augmentation.

4.23   (f) No retirement annuity is payable to a former employee with a salary that exceeds 95

4.24   percent of the governor's salary unless and until the salary figures used in computing the

4.25   highest five successive years average salary under paragraph (a) have been audited by the

4.26   Teachers Retirement Association and determined by the executive director to comply with

4.27   the requirements and limitations of section 354.05, subdivisions 35 and 35a.

4.28   **EFFECTIVE DATE.** This section is effective July 1, 2025."

4.29   Page 6, delete subdivision 2 and insert:

4.30   "Subd. 2. **Teacher retirement aid.** For transfer to the teacher retirement aid special

4.31   account established under Minnesota Statutes, section 124D.965:

4.32 $ 85,000,000   2026

4.33 $ 85,000,000   .....   2027"

5.1   Amend the title accordingly