



PRESIDENT'S MESSAGE

by Leonard Krumm

New name, new website, new dues structure, and new members. It's been a pleasure leading MMRA throughout this past year of growth and

change. What hasn't changed in our organization's 100 years is our commitment to protecting your retirement security!

As we refreshed our brand and implemented new tools to inform and engage members, my most eye-opening moment came when I plugged my annual retirement benefit into MMRA's new pension calculator, now on our website. Developed by our actuaries at Aon Hewitt, the pension calculator showed me how different decisions at the State Capitol about my COLA can cost me thousands of dollars – or put money in my pocket.

MMRA has been leading the fight at the Capitol and at the PERA Board to raise the 1% cap on our COLA put in place in 2010 when lawmakers made sweeping changes to the public employee pension system. We made sure they understood the significant cost to families like ours when they

balance the state's pension fund on the backs of retirees. Now, our COLA will modestly increase with inflation, but we have more work to do.

Visit mymmra.org today and plug in your own retirement benefit. I think you'll clearly see the value of MMRA continuously pushing lawmakers to restore your COLA to 2.5%. That work is a big part of what your \$5.00 monthly membership dues pay for.

I'm also pleased to announce MMRA's first ever membership recruitment drive. Traditionally, our best source of new members has always been through good old-fashioned word of mouth. We encourage you to keep those leads coming, and we'll show our appreciation by sending you a \$25 gift card for every new member who joins because of you. We've enclosed two postcards to get you started, but don't hesitate to call or email our office if you need more.

Finally, I hope you'll join me and the rest of the board at the Annual Membership Meeting on October 26. The logistics are in this newsletter, and we'll be sending a reminder card later this summer.

Thank you for your continued support of MMRA. Together, we are a strong and effective voice protecting your pension and giving you the retirement you've earned.

The MMRA Guardian

Official Newsletter of the Minnesota Municipal Retirement Association

SUMMER 2019 EDITION

What's New at MMRA?

NEW NAME

Reflecting Our Statewide Focus

Attendees at the October 27, 2018, Annual Membership Meeting approved changing the organization's name to Minnesota Municipal Retirement Association. The organization was previously called the Minneapolis Municipal Retirement Association when only Minneapolis Employee Retirement Fund members were eligible to join. Our new name reflects the eligibility of all PERA-General retirees to join MMRA.



NEW MEMBERS

More Voices Make Us Stronger

MMRA's recruitment efforts continue to bring in new members...over 120 just in the first two months of 2019! Do you have family members or friends that collect a PERA-General pension benefit? Your leads can grow both MMRA's membership and your pocketbook. Simply pass along the postcards enclosed with this newsletter, and we'll send you a \$25 gift card for every member that joins because of you. Call or email the MMRA office if you need more postcards.

NEW WEBSITE:

Tools You Can Use

MMRA's website now includes a pension calculator that shows you how cost of living adjustments affect your pension over time. Visit MyMMRA.org and enter your annual pension benefit into the calculator. You'll see (cont'd p. 2)



Minnesota Municipal Retirement Association
Protecting Your Pension, Your Retirement, Your Future

NEW MEMBERSHIP DUES

Same Value, Less Cost to You

Effective January 1, 2019, MMRA membership dues dropped from \$120.00 per year to \$60.00 per year. The reduction came after MMRA members delivered a "vote of confidence" at the 2018 Annual Membership Meeting allowing MMRA's executive committee to review and lower our dues. MMRA's finances and cash reserves have stabilized enough to reverse the increase passed in previous years.



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312 Central Ave. SE, Suite 576
Minneapolis, MN 55414
(612) 379-4755 • info@mymmra.org
www.mymmra.org

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Your all-volunteer Officers and Directors do not receive compensation of any kind for their service.

ANNUAL MEETING NOTICE

Save the Date!

- Join MMRA's members, board and staff at the 2019 Membership meeting
- Share your ideas and feedback as we make decisions about our 2020 outreach and advocacy efforts
- Visit with former colleagues and old friends
- Meet other PERA-General retirees

Saturday, October 26, 2019, 9am
Minneapolis South High School
3131 South 19th Ave.
Minneapolis, MN 55407

("New Website" continued from p. 1)



what happens when state lawmakers don't increase your COLA (Cost of Living Adjustment) to keep up with inflation, and why it's so important for you to have a voice like MMRA at the Capitol.



CAPITOL UPDATE

The Latest From Our Lobbyist Dave Johnson

The 2019 Legislature was focused on enacting the state's biennial budget, which it was able to do with the help of a short special session. The Legislature also enacted an omnibus pension bill. Unlike the 2018 omnibus pension bill that contained a number of fund stabilization measures and cost-of-living adjustment (COLA) reforms, the 2019 bill was less comprehensive and less controversial, and there were no provisions impacting PERA-General members.

One provision in the final budget agreement related to the state's contribution to PERA-General for the unfunded MERF liability. When the Minneapolis Employee Retirement Fund consolidated with PERA in 2010, an agreement was reached that outlined the State's and City of Minneapolis's contributions to the unfunded liability. The 2015 Legislature adjusted the contribution levels to the detriment of the City.

Rep. Jamie Long (DFL-Minneapolis) and Sen. Kari Dziedzic (DFL-Minneapolis) introduced legislation that reinstated the original agreement, increasing the state's contribution to \$16 million, while the annual employer supplemental contribution was reduced from \$31 to \$21 million. After the House and Senate failed to reach agreement, Governor Tim Walz intervened in support of the bill, and it was included in the final budget.

Taxation of Retirement Benefits

There have been a number of proposals at the Legislature to reduce or eliminate the income taxes paid on Social Security benefits. These proposals can result in an inequity for those retirees who receive a basic plan benefit from PERA-General and Minnesota's other statewide plans. MMRA has worked on your behalf to address this inequity.

This session, bills authored by Rep. Diane Loeffler (DFL-Minneapolis) and Sen. Dziedzic allowed a Minnesota income tax subtraction for



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basic pension benefits received from PERA-General and Minnesota's other statewide plans. To qualify, the benefit recipient or recipient's survivor must not have received Social Security benefits, i.e. must be receiving a basic plan benefit as opposed to a coordinated benefit. The amount of the subtraction is either 100%, 50%, or 15% of the benefit, depending on the taxpayer's income.

While both bills received hearings, they were not included in the final budget agreement. MMRA will continue working with legislators to address inequities between the taxation of Social Security benefits and basic plan benefits.

COLA Study

Over the past several years, MMRA has worked extensively to improve annual COLA's for all PERA-General retirees. These efforts resulted in the 2018 Legislature approving a COLA increase from 1 percent to up to 1.5 percent, depending on the increase in Social Security benefits. In 2018, the Legislature also required the Legislative Commission on Pensions and Retirement to study post-retirement adjustments for all three

statewide plans and the St. Paul Teachers' Retirement Fund. This study is due in December 2020 for consideration during the 2021 Legislative session.

MMRA's actuaries have analyzed the 2018 COLA changes, concluding that even with the increase, members' pensions will continue to erode relative to the cost of living without further COLA improvements. Over the summer and fall, MMRA's team will continue sharing this information with other stakeholders, PERA Trustees and staff, LCPR staff, and key legislators as we continue to advocate for a better COLA for PERA-General retirees.

If you have any questions regarding this information please let us know. MMRA will continue to advocate for members' retirement security at PERA and the Capitol.

CHANGE OF ADDRESS REMINDER

Reminder...let us know if you've received this newsletter at your previous address or if you're moving soon. Call (612) 379-4755 or email us at info@mymmra.org. **PERA cannot give us your new address.**