



# MINNESOTA STATE

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## Mandatory and Voluntary Retirement Plans

Human Resources  
January 13, 2025

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## Introduction

As employees of the colleges and universities of Minnesota State, you are a respected and important resource. Each year, you provide our students with outstanding academic preparation and career education, student support, financial services, and technology and facilities support and management.

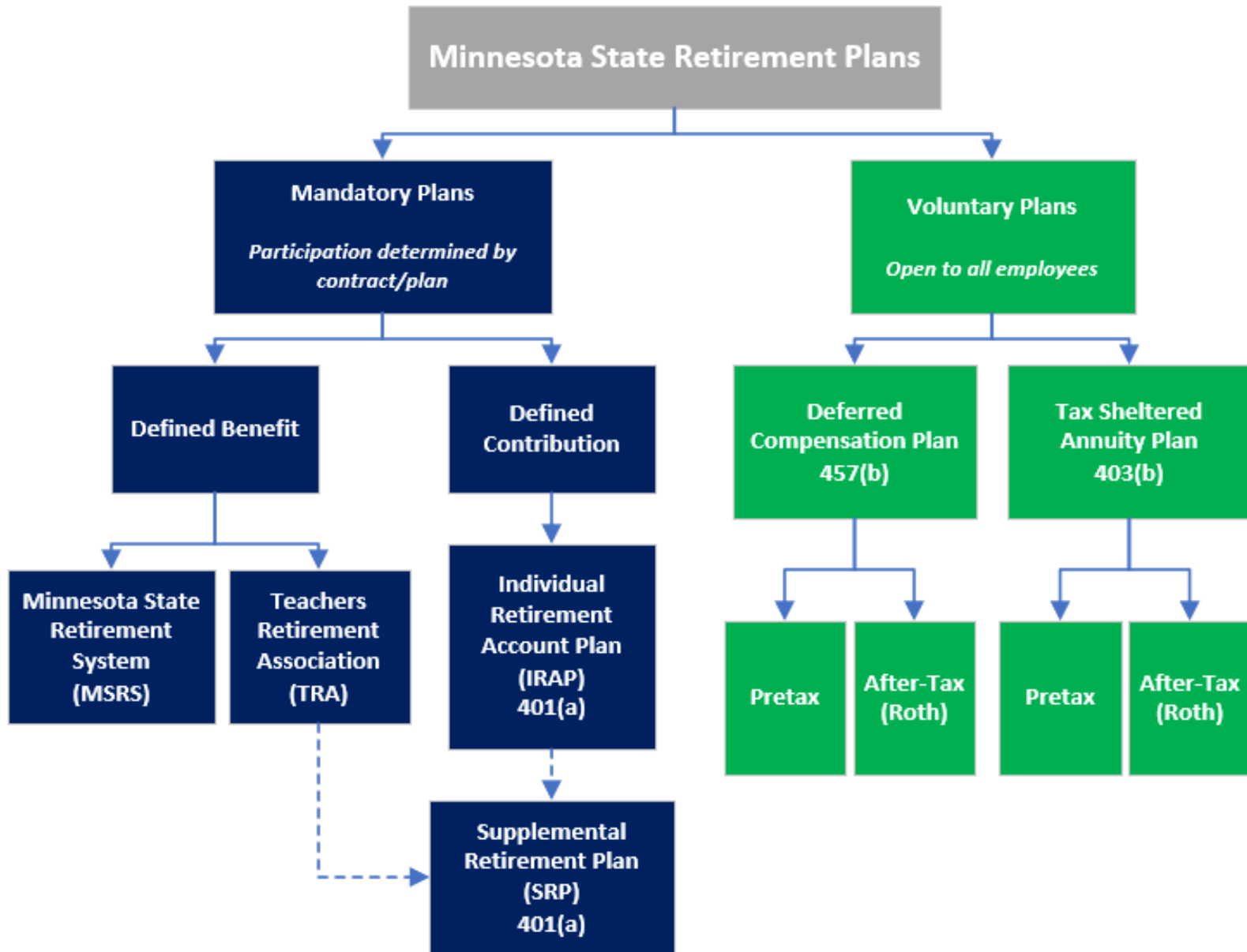
This document gives you an overview of the retirement benefits for which you are eligible. We are committed to providing benefits to help employees build an income for their future retirement years. Whether you are a new employee or a current member of the staff, we encourage you to review the full array of benefits and to become actively involved in planning for your future retirement income.

The system offers a mix of mandatory and voluntary retirement plans. All mandatory contributions are invested on a pre-tax basis. The charts within this brochure provide an overview, including employee eligibility and employer matching contributions in these plans, with additional information on the following pages. All employees may participate in the voluntary plans.

We want you to know how highly we value your public service, particularly in the fast-paced and continually changing educational environment in which we work. We are proud of your achievements in delivering high-quality, innovative public higher education for the citizens of Minnesota.

## Retirement Plans

Our goal is to provide the tools for all employees to learn more about the features, rules and investments in the mandatory and voluntary plans. Additional information is available in HR Connect/Retirement. Links to the investment options, plan comparisons and enrollment materials are provided on the website.



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## Defined Contribution Plan

In a Defined Contribution Plan, the amount of your benefit is based on the dollar amount in your account at retirement. Your account, which includes your contributions, employer contributions and investment earnings, is yours beginning on the date of your first contribution. You make all the investment decisions, and you can change the investment funds as often as allowed by the fund managers. The Investment Committee of Minnesota State has selected funds ranging from conservative to aggressive investment styles. Employee and employer contribution rates for the Defined Contribution Plan are established by state statute. The entire account balance is portable as you change employment or retire. You can transfer the total balance to another qualified plan (with approval) or to your personal IRA upon termination of employment. There are no tax consequences for this type of transfer.

**The Defined Contribution Plan has two components:**

### Individual Retirement Account Plan (IRAP)

IRAP is the mandatory retirement plan for faculty, system administrators and unclassified members of MAPE and MMA. An employee becomes eligible to contribute to the plan if he or she works twenty-five (25) percent or more of a full-time position. Once an employee meets the eligibility requirement, enrollment in the Individual Retirement Account Plan is automatic.

Note: Individuals who have prior service in one of the State's defined benefit plans will automatically be enrolled in the Teachers Retirement Association plan rather than the Individual Retirement Account Plan upon initial eligibility.

### Supplemental Retirement Plan (SRP)

SRP is the mandatory plan for all faculty and unclassified employees with two (2) years of full-time service. Employee contribution limits are established by language in applicable bargaining agreements and personnel plans. The employer contribution is equal to the employee contribution amount.

## Defined Benefit Plans

Defined Benefit Plans are sometimes called pension plans. This type of plan provides a retirement benefit based on a formula that considers your years of service, your highest average salary earned during any five consecutive years of service and your age at retirement. If you have service with other Minnesota state retirement plans, you may apply for a combined service annuity with each plan at retirement. As with the Defined Contribution Retirement Plan, the employee and employer contribution rates to the various defined benefit plans are established by state statute. The State of Minnesota's Board of Investment invests all the contributions to the Defined Benefit Plans.

### **The system participates in two Defined Benefit Plans:**

#### **Minnesota State Retirement System (MSRS)**

MSRS is the plan for members of AFSCME, classified MAPE and MMA, MNA, MGEC, Managerial, and Commissioner's plans.

#### **Teachers Retirement Association (TRA)**

TRA is an option for faculty, administrators, and unclassified MMA and MAPE members who wish to participate in a Defined Benefit Plan in lieu of the Individual Retirement Account Plan. Eligible employees have one (1) year from the date they become eligible to participate in a retirement plan to make an irrevocable election to participate in the Teachers Retirement Association, rather than the Individual Retirement Account Plan. Participation in the Teachers Retirement Association is effective from the date of election. Any contributions made to the Individual Retirement Account Plan prior to the election remain in that plan until the employee retires or terminates service with the system. Individuals who are automatically enrolled in the Teachers Retirement Association upon initial eligibility will also have up to one (1) year after eligibility to elect coverage under the Individual Retirement Account Plan in lieu of Teachers Retirement Association coverage.

Faculty defaulted to and remain in the Individual Retirement Account Plan, who initially attain tenure or its equivalent, will have another opportunity to elect TRA within one (1) year of attaining such status. Further information about this election will be emailed to eligible faculty by Minnesota State.

## Mandatory Plans Table

Name	Type	Eligible Employees	Contribution Amount for Fiscal Year 2025	Eligibility for State Matching Contribution	Vesting
<b>Minnesota State Retirement System (MSRS)</b>	Defined Benefit	AFSCME, Classified MAPE, Classified MMA, Managerial Plan, Commissioner's Plan, MGEC, MNA	Employee: 5.50% Employer: 6.25%	N/A	<a href="#">MSRS Vesting</a>
<b>Teachers Retirement Association (TRA)</b>	Defined Benefit	System Administrators, MSCF, IFO, MSUAASF, Unclassified MAPE, Unclassified MMA	Employee: 7.75% Employer: 8.75%	N/A	<a href="#">TRA Vesting</a>
<b>Individual Retirement Account Plan (IRAP)</b>  Plan administered by TIAA	Defined Contribution  401(a)	System Administrators, MSCF, IFO, MSUAASF, Unclassified MAPE, Unclassified MMA	Employee: 7.75% Employer: 8.75%	N/A	100% vested immediately
<b>Supplemental Retirement Plan (SRP)</b>  Plan administered by TIAA	Defined Contribution  401(a)	Unclassified employees with two (2) or more years of full-time service	Employee contribution equals 5% on gross compensation over \$6,000 limited to maximum set by bargaining unit/personnel plan  Employer contribution equals 100% of employee contribution	N/A	100% vested immediately

## Voluntary Retirement Plans

Minnesota State provides two voluntary retirement plans. As a state employee in an educational institution, you may participate in the 403(b) Tax Sheltered Annuity Plan and the 457(b) State of Minnesota's Deferred Compensation Plan. For maximum flexibility both programs offer pretax and after-tax Roth options.

No matter which mandatory retirement plan you have, or even if you do not have one, you are eligible for these voluntary retirement plans. A Minnesota State employee may contribute to and max out both the 457(b) Deferred Compensation and 403(b) Tax Sheltered Annuity plans within a calendar year.

Minnesota State employees manage their voluntary retirement plans through the State of Minnesota Self Service site by navigating to the "Benefits" section and selecting "Deferred Compensation."

### These plans offer:

#### Lower taxes through payroll contributions

These plans are an easy, automatic way to save for retirement through payroll deduction. They allow you to set aside a portion of your income on a tax-deferred basis. That means less of your salary is subject to current income taxes, and your savings accumulate tax deferred until you begin distribution at retirement. These plans are voluntary, and you may enroll at any time.

#### Control of your savings account and investment options

You decide how much you will save out of each paycheck, subject to Internal Revenue Service limitations. You select your own investments. You can change your contribution amount or transfer your investments within the plans at any time. It is your money. You control it.

#### Professional investment management

You have professional investment managers working on your behalf. The plans offer the flexibility to invest in a wide variety of investment options. The Investment Committee of Minnesota State regularly reviews the funds in the 403(b) Plan. The Minnesota State Retirement System (MSRS) administers the 457(b) Plan. The State of Minnesota's Board of Investment and its staff regularly review all investment options in the 457(b) program.



## Voluntary Plans Table

Name	Type	Eligible Employees	Contribution Amount for Calendar Year 2025	Eligibility for State Matching Contribution	Vesting
<b>Deferred Compensation Plan (MNDCP)</b>  Plan administered by MSRS	Defined Contribution (Pretax and after-tax Roth options)	All employees	100% of taxable income not to exceed \$23,500  Under age 50 - \$23,500 max Age 50-59 - \$31,000 max Age 60-63 - \$34,750 max Age 64 & over - \$31,000 max Catch-up - \$47,000 max  (For age 50 and over)*	AFSCME, MAPE, MMA, Managerial Plan, Commissioner's Plan, MGEC, MNA	100% vested immediately
<b>Tax Sheltered Annuity Plan (TSA)</b>  Plan administered by TIAA	Defined Contribution (Pretax and after-tax Roth options)	All employees	100% of taxable income not to exceed \$23,500  Under age 50 - \$23,500 max Age 50-59 - \$31,000 max Age 60-63 - \$34,750 max Age 64 & over - \$31,000 max	N/A	100% vested immediately

\*Note that the [457\(b\) catch-up provision](#) may allow you to contribute up to twice the standard contribution limit if you are within three (3) years of your normal retirement age (the age at which you are eligible for an unreduced pension benefit). For more information or to apply for the Catch-Up Provision, call MSRS at 1-800-657-5757, option 3.

## Contact Information

### MSRS: Minnesota State Retirement System

[www.msrs.state.mn.us](http://www.msrs.state.mn.us)

(800) 657-5757

### TRA: Teachers Retirement Association

[www.minnesotatra.org](http://www.minnesotatra.org)

(800) 657-3669

### PERA: Minnesota Public Employees Retirement Association

[www.mnpera.org](http://www.mnpera.org)

(800) 652-9026

### TIAA Retirement Service Call Center

[www.tiaa.org/public/tcm/minnesotastate](http://www.tiaa.org/public/tcm/minnesotastate)

(800) 682-8969



## MINNESOTA STATE

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