



## Unclassified Retirement Plans Comparison – July 29, 2025

Question	Teachers Retirement Association (TRA)	Individual Retirement Account Plan (IRAP)
What type of plan is it?	Defined benefit pension plan	401(a) Defined contribution plan
How is the benefit determined?	Calculation based on age, length of service, and high-five average salary	Account balance based on total contributions and investment performance
What are the contribution percentages?	8.00% employee & 9.81% employer	8.00% employee & 8.75% employer
Are contributions pretax or roth?	Pretax	Pretax
When am I vested?	At least three years of service credit	Immediately
Who bears the investment risk?	TRA	Employee
Who pays the investment fees?	Divided among members	Employee
Who manages my assets?	The State Board of Investment	Employee with choice to select their level of involvement
What happens if I change jobs?	<ul style="list-style-type: none"><li>Request a refund (which consists solely of your employee contributions plus interest), or</li><li>leave your service credit with TRA until you are ready to retire</li></ul>	<ul style="list-style-type: none"><li>Request a withdrawal (which consists of your entire account balance), or</li><li>leave your contributions in your IRAP account, allowing you to continue investing until you retire</li></ul>

Question	Teachers Retirement Association (TRA)	Individual Retirement Account Plan (IRAP)
When can I take a distribution?	You can apply for a pension when you are at least 55 years old and vested in the retirement system. However, benefits may be reduced if you retire before your normal retirement age in addition to ordinary income taxes.	Immediately upon separation from Minnesota State employment. However, withdrawals prior to age 59.5 may be subject to an early-withdrawal IRS penalty in addition to ordinary income taxes.
What are my payout options?	Lifetime annuity	Lifetime annuity, lump sum withdrawals, systematic withdrawals, interest-only payments, and required minimum distributions
Does the Combined Service Annuity apply?	Yes, if you are covered by multiple Minnesota public retirement plans (TRA/PERA/MSRS), the service credit earned from all plans can be combined to qualify for a retirement or disability benefit	No
What are the pre-retirement survivor benefits?	<a href="https://minnesotatra.org/members/benefits/pre-retirement-survivor-benefits/">https://minnesotatra.org/members/benefits/pre-retirement-survivor-benefits/</a>	All accumulations in your account would be payable to your named beneficiaries. Options vary based on spouse vs. non-spouse beneficiary, but they generally can take the benefits all at once or spread the payments over time.
Can I take a loan?	No	No
Where can I find more information?	<a href="https://minnesotatra.org/">https://minnesotatra.org/</a> 800-657-3669 weekdays from 7:30 a.m. - 4:30 p.m.	<a href="https://www.tiaa.org/public/tcm/minnesotastate">https://www.tiaa.org/public/tcm/minnesotastate</a>  <a href="#">Request an appointment with an advisor online</a> , or if you need help scheduling a meeting call 800-732-8353 weekdays from 7 a.m. - 7 p.m.

Minnesota State is an affirmative action, equal opportunity employer and educator.