

# TRS-Care Facts

**TRS-Care has 262,000** participants enrolled in the program!



Retirees pay more in premiums and out-of-pocket costs for TRS-Care than the state contributes toward their health care coverage, about \$1.4 billion of the \$3.8 billion (35%) total cost of the program (the state's portion is \$321 million).

**\$1.088 billion shortfall**

The shortfall amount TRS-Care is projected for the next biennium (as of December 2016).

**\$40 million per year**

The TRS Board adopted changes to TRS-Care in 2016 that resulted in retirees paying an additional \$40 million per year towards the cost of the program, including increases in co-pays.

While those changes may seem incremental, they are huge to a retiree living on a fixed income.

**TRTA supports a funding plan for TRS-Care**

A plan with a focus on long-term sustainability for current and future retirees that provides quality health care at a reasonable cost for retired educators is needed! The bottom line is that TRS-Care will not survive if funding is not increased. Retirees will do their part to make TRS-Care sustainable, but cannot assume the entire burden.

**\$321 million annually**

The approximate amount the Legislature contributes to TRS-Care, a statutory amount that equals 1% of active educator payroll but is NOT related to the actual cost of health care.

**History of employer funding for TRS-Care**

During almost half of the 30-year history of TRS-Care, the State funded only 0.5% of payroll instead of the current 1%.



**\$540 million per year**

If no new revenue is provided for TRS-Care, retirees would be forced to pay an extra \$540 million more per year in premiums or higher out-of-pocket expenses, or have their benefits reduced drastically.

**150% or more increase**



The amount retiree premiums could increase! A retiree currently paying \$300 per month could have to pay as much as \$750 per month.

The average retiree may have to spend almost 40% of their annuity for health care! Annuitants who earn less than the average will not be able to afford health care at all!

**Additional funding above the 1% of payroll**

TRTA believes base funding should be tripled (3% of payroll) to make TRS-Care solvent. Future increases will be needed.