

***We are THE VOICE for all Texas public education retirees.  
We want to be a part of the solution!***

*TRTA has more than 80,000 members and 64 years of proven advocacy success defending and protecting the retirement benefits of all Texas public education employees! Last year, our members contributed more than 5.5 million volunteer hours with an estimated value of \$137 million to Texas communities and donated 139,637 books to Texas school children.*



## **TRS-Care Fact Sheet**

### **TRS-Care Key Facts**

- TRS-Care has 259,950 participants.
- 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).
- The Legislature contributes approximately 8% to TRS-Care (\$321 million) annually, a statutory amount that equals 1% of active educator payroll but is NOT related to the actual cost of health care.
- During almost half of the 30-year history of TRS-Care, the State funded only 0.5% and the school districts contributed nothing.
- As of December 2016, TRS-Care is projected to face a shortfall of \$1.088 billion for the next biennium.
- 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.

### **The Retiree Reality**

- TRS has more than 375,000 retirees with an average annuity of \$1995 per month, while 105,000 retirees receive \$1000 or LESS per month.
- 95% of public school employees do not pay into Social Security and the vast majority of retirees do not receive ANY SS benefits due to the GPO and WEP. TRS is their sole form of retirement security!
- 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.
- Retiree premiums would increase by 150% or more!
- 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!

### **A Unified Partnership and a True Solution**

- TRTA supports a funding plan for TRS-Care with a focus on long-term sustainability for current and future retirees and that provides quality health care at a reasonable cost for retired educators.
- Retirees are currently paying a disproportionate share of the total cost of their health care.
- Retirees will do their part to make TRS-Care sustainable, but cannot assume the entire burden.
- Additional state funding above the 1% of payroll contribution rate will be needed to sustain TRS-Care for the future and make it affordable for retired educators on a fixed income.
- In the past, when TRS-Care faced significant funding shortfalls, the state, school districts, and retirees worked together to share the pain of increased contributions.
- **TRTA believes the employer contribution rate (combined state and district) should be 3% or more to honor the promise of a reasonable and affordable health care plan for retired educators.**