

***We are THE VOICE for all Texas public education retirees.***

***We want to be a part of the solution!***

*TRTA has over 80,000 members and 63 years of proven advocacy success defending and protecting the retirement benefits of all Texas public education employees! Last year, our members contributed over 5.5 million volunteer hours with an estimated value of \$137 million to Texas communities and donated 139,637 books to Texas school children.*



## **OUR TOP PRIORITIES**

### **TRS-Care**

- 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 total cost of the program (the state's portion is approximately \$330 million).
- TRS-Care is facing a shortfall between \$1.2 and \$1.5 billion in the next biennium.
- If retirees were asked to fund the entire shortfall, their premiums would increase by 150% or more!
- The TRS Board recently adopted changes to TRS-Care 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 that focuses on the long-term sustainability of TRS-Care for both current and future retirees. A solution that does not drastically cut benefits, but provides quality health care at a reasonable cost.

### **TRS Defined Benefit Pension Plan**

- The TRS pension fund has over \$130 billion in assets set aside to pay for the retirement benefits of 1.3 million public education retirees and pre-retirees.
- TRS has more than 375,000 retirees with an average annuity of \$2000 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!
- The state pays about 20% of the cost of TRS pension benefits. Active educators contribute another 20%.
- Since the inception of TRS 80 years ago, investment income has accounted for 60% of the plan's funding.
- In 2014, TRS paid almost \$8.5 billion in retirement benefits. 95% of these benefit payments, over \$8 billion, went directly to retirees who live in and spend these dollars in Texas.
- These benefit payments serve as a significant source of economic stimulus for Texas, providing for 112,939 permanent jobs statewide.
- Retirement benefits generated an estimated \$892 million in state revenues and \$342 million in local government revenues in 2014.
- The rate of return on investments over the past 25 years is 8.6%.

### ***TRTA Supports:***

Maintaining the current defined benefit plan for all current and future TRS retirees, relying upon the tenets established in Senate Bill 1458 during the 83<sup>rd</sup> Legislative Session to ensure the fund's long-term solvency. To the extent possible, provide a cost-of-living increase or supplemental payment for current TRS retirees.