



Texas Retired Teachers Association

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The Voice For All Public Education Retirees

www.trta.org

The Texas Retired Teachers Association (TRTA) was formed in 1953 to protect and strengthen the Teacher Retirement System of Texas (TRS) for all educators. Today, TRTA is almost 90,000 members strong and represents the only united Texas voice dedicated exclusively to advocating for retired educator pension and health care benefits at the state and national level. We work in coalition with all major statewide education groups and the Texas education community to improve the quality of life for Texas students and educators.

TRTA has more than 250 local units across Texas who serve local retirees, schools, and communities and hold public officials accountable. In addition, these groups volunteer over 5 million hours of time every year to serve local communities and schools.

TRTA's goal is to remind Texas public school employees that all 1.5 million active and retired educators are united as contributors and beneficiaries of our retirement system. The Texas Legislature controls funding and benefit levels for our schools and retirement system. We must all use our united voice to secure the future for students and educators.

TRTA Issues and Goals

Increase the educator voice by increasing TRTA membership and encouraging all educators to vote.

- *Rationale: Our power is in our numbers. Educators must all become registered voters and **must be encouraged to vote** for candidates who support our issues and goals.*

Relevant facts:

1. There are 1.5 million educators who belong to the TRS system - **a voting bloc with the potential to win any election in Texas** – by paying attention and communicating our message without letting political forces destroy our unity.
2. Coalitions like Texas Educators Vote (www.texaseducatorsvote.com), Texas Parent PAC (www.txparentpac.com), and Texans for Public Education (www.texansforpubliceducation.com) are working to inform and increase the educator vote. Spread the word!

Protect Defined Benefits and funding for the TRS pension plan.

- *Rationale: There must be a plan for **increasing permanent** state funding to ensure defined benefits, retirement security, and a strong pension fund.*

Relevant Facts:

1. The average retiree receives \$2,035 per month from TRS with no Social Security income.
2. The Texas Legislature governs all TRS benefits, structure, funding, and cost-of-living increases.
3. The 85th Legislative Session witnessed attempts to eliminate the defined benefit pension formula and replace it with a defined contribution (401k) structure. This change would adversely affect retirement security for current and future retirees, as well as recruitment and retention of the education workforce.
4. Payroll contributions from the state to the pension system will need to increase by at least \$1.6 billion in the 86th Legislative Session to meet the statutory definition of actuarially sound. Currently, it would take 86 years to pay off the system's liabilities. We must be below 31 years to meet the state's definition of actuarially sound.

Affordable and accessible health care for all Texas education retirees:

- *Rationale: There is no long-term funding plan to sustain TRS-Care. Retirees are willing to pay their share, but current premiums are no longer affordable for many of our retirees. The two-year supplemental cycle is not a solution to our health-care funding issue.*

Relevant Facts:

1. The 85th Legislative Session made drastic changes to the retiree health care program, TRS-Care, eliminating choices and raising premiums for retirees. More than 37,000 participants left TRS-Care in 2017 and 2018.
2. The state funding mechanism for TRS-Care is not indexed to health care costs and is inadequate to provide retirement security for retirees living on fixed incomes with no cost-of-living increases tied to inflation.
3. The TRS-Care program needs \$200 to \$400 million in additional state appropriations in 2020-2021 to stay solvent.
4. The TRSActive-Care program for active employees is unaffordable for many educators and state funding has never increased for the plan since its inception in 2002.

Promote an annuity increase for all retirees:

- *Rationale: The cost of living continues to go up, but annuities remain relatively stagnant.*

Relevant Facts:

1. Annuities are based on a fixed formula, and cost-of-living increases are granted on an ad-hoc basis by the Legislature when the system is defined as actuarially sound by statute and extra funding is appropriated.
2. Due to changes in actuarial assumptions that measure the health of the TRS System, biennial payroll contribution funding increases totaling at least \$1.6 billion are needed to define the system as actuarially sound. Additional funding is required above that to grant an annuity increase.
3. In 2007, the Legislature granted a one-time supplemental annuity check (or 13th check) to retirees, capped at \$2400. A similar 13th check during the 86th Legislative Session would cost more than \$800 million, depending upon the cap or other boundaries applied to the increase.
4. The last percentage-based cost-of-living pension increase (3%) occurred in 2013, but only applied to those who retired before September 1, 2004. In effect, there has not been a pension increase in 14 years. Health care and other costs have increased exponentially during that time.

Support reform at the national level for Social Security offsets, the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO):

- *Rationale: Retired Texas teachers are penalized in that the formula for calculating payments for those who qualify for Social Security is arbitrary and treats retired teachers differently than the rest of the population.*

Relevant Facts:

1. Ninety-five percent of Texas education retirees did not pay into Social Security during their careers, and those who do receive a Social Security benefit because of jobs outside of education are often harmed by these federal provisions.
2. The WEP reduces earned Social Security benefits for educators who paid into the system through work inside or outside of the school district, and the GPO reduces or eliminates spousal or survivor benefits for retirees with a TRS pension.