

TRS RETIREES NEED A RAISE!

TRTA supports a substantial and meaningful cost-of-living adjustment (COLA) for TRS retirees as a priority item in the 88th Texas Legislature.



Inflation is a Pay Cut for TRS Retirees

- **Inflation is the highest it has been in 40 years and many retirees are desperate for an increase in their retirement benefits.**
- The 2022 average monthly TRS annuity is just \$2,174.
- TRS retirees can't afford to pay their bills and are making difficult choices about food and medicine.
- All TRS retirees are suffering from inflation; longer-term retirees are hit hardest.
- Most TRS retirees do not receive Social Security and depend solely on their TRS retirement.
- Meanwhile, Social Security recipients received a 5.9% raise in 2022 and an increase of 8.7% in 2023.

ONLY the Texas Legislature Can Authorize a COLA for TRS Retirees

- The Texas Comptroller reports the state has a \$32.7 billion surplus this session.
- TRS retirees have helped add to this surplus through inflation-driven tax revenues that they cannot afford!
- Retirees are hurt disproportionately by these increases because they live on fixed incomes that have not changed in ten to twenty years.
- Most TRS retirees have never received a cost-of-living adjustment (COLA).
- **It is critical that retirees be at the top of the state's priorities when spending the additional revenue.**
- A record budget surplus and healthy economic stabilization fund balance present the unique opportunity to help retirees fight back against inflation by providing a substantial COLA this session.

Retirees are Desperate

- **TRS retirees need a raise! NOW is the time for a meaningful and substantial COLA.**
- Inflationary pressure on seniors is at its highest in more than 40 years. TRS retirees need the Legislature to act now!
- Retirees have been told to wait for a COLA until the timing is right. Since 2005, the Texas Legislature has increased funding to TRS, eliminated costly retirement loopholes, helped make TRS actuarially sound, and provided three supplemental checks to TRS retirees. TRTA and its members have supported and appreciated these efforts.
- TRTA values our partnership and will continue to work in good faith to do the right thing for retirees.

**Only the Texas Legislature can approve a COLA for TRS retirees.
Now is the time for a meaningful and substantial COLA.**



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Investing in Retired Texas Educators is Also Investing in the State's Economy

- Every \$1 in benefits paid by TRS generates \$2.35 in economic activity.
- Pension benefits received by retirees are spent in the local community. This spending ripples through the economy, as one person's spending becomes another person's income, creating a multiplier effect.
- **TRS retirees add value to our economy!**
- In fiscal year 2022, TRS annuitants received a total of \$12.1 billion in their monthly checks, **94% of which were spent at Texas businesses by those living within the state.**

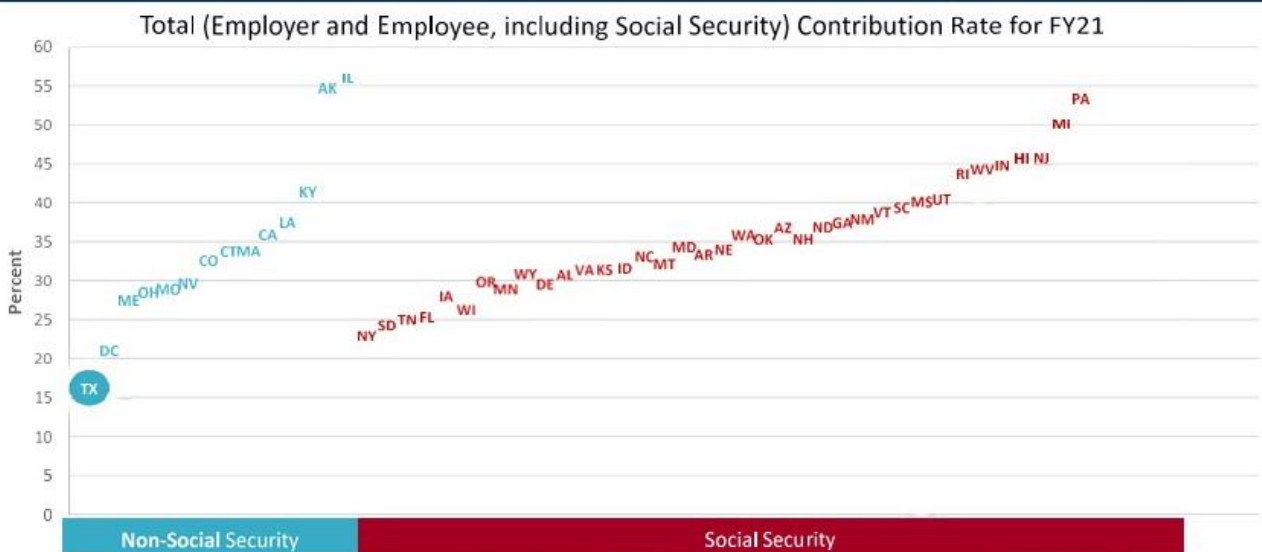
TRS Retirees Added to the Surplus, Generating a Return on Investment to the State

- **TRS benefit payments generated over \$1.89 billion in state and local revenues in 2022.**
- A COLA for the more than 471,000 participants and their beneficiaries would generate significant economic activity for the state, in addition to helping the people impacted by the recent drastic increases in inflation.

TRS Contribution Rates Lower Than Other States

- Contributions to Texas TRS are the lowest when compared with teacher pension plans in other states.
- In Texas, there is a constitutional minimum imposed on contributions to the TRS pension fund.
- The chart below illustrates that comparison (provided by Gabriel, Roeder, and Smith, the actuary firm for TRS). The states listed in red all participate in Social Security. The states in red have an inflation-adjusted COLA as a part of their retirement system.
- All the states listed in blue, except one, do not pay into Social Security but include an automatic or inflationary trigger for a COLA. Texas is the exception!
- **Texas doesn't have any inflationary triggers for a COLA.** Texas relies upon the Legislature to make ad-hoc adjustments. The Legislature has not addressed pension increases for TRS retirees since 2013.

Peer Contribution Rates by State: Teachers Plans



Light blue states shown above do not participate in Social Security, maroon states shown do participate.



NASRA Public Funds Survey