

# Texas Retired Teachers Association

We represent the voices of over 300,000 Texas public education retirees.

We support funding the TRS pension fund and the vital TRS–Care health insurance program to protect the long–term sustainability of both programs.

For 60 years, we have been protecting the legacy of TRS.



## TRS Pension Fund

- TRTA supports the TRS exceptional request to increase the state contribution to 6.9% in 2014 and to 7.4% in 2015.
- In order for the state of Texas to comply with the statute wherein the state of Texas must contribute no less than active public education employees contribute to the pension fund, the state must contribute a minimum of 6.4%.
- Higher contribution rates are reasonable and appropriate given that 95% of the public school employees in Texas are not covered by Social Security.
- By not participating in Social Security, state and local taxpayers save billions of dollars that would otherwise be sent to Washington, D.C.
- Lower state contribution rates since 1995 have contributed to the fact that TRS retirees have not received a cost-of-living adjustment since 2001.
- Some type of benefit increase should be considered to assist retirees who are not able to meet their financial needs as the cost of goods and services continues to rise.
- TRS is a great value to its members and to Texas taxpayers. Maintaining a sound system benefits ALL Texans.

## TRS–Care Health Insurance Fund

- TRTA supports funding the statutory requirement of 1% in both years of the biennium for TRS–Care.
- Our retirees are concerned about the increasing costs of their health care.
- TRS members already are being asked to make changes by participating in the new TRS Medicare Advantage plan in order to save money and extend the life of TRS–Care.
- The expectation is that the state will honor its statutory commitment to extend the life of the fund by contributing 1% each year.
- Significant changes will need to be made to the retiree health care program to make it viable in the future. Absent additional funding sources in the future, our retirees will no longer be able to afford adequate health care.
- It is critical to address the long–term funding needs for TRS–Care NOW rather than waiting until the fund is out of money.
- TRTA is committed to working with the Legislature to devise long–term solutions for TRS–Care that are fair and equitable.