

Major Concerns of TX Public School Retired Educators

85th Legislative Session/2016-2017

A. TRS-Care Funding is at a *Crisis Level!*

➤ **Problem:** Funding is 1 % of Active Teacher Payroll NOT Health Care costs

- State Contribution-1% 23% of cost
- Retiree Premiums-% based on their plan 38% of cost
- Active Employees- .65% 15% of cost
- Districts' Contributions- .55% 13% of cost

Escalating healthcare and drug costs have created a huge shortfall in funding. During the last Legislative Session, a smaller shortfall, (\$760+ million) was funded by the Legislature. This session, we are reporting a shortfall of **\$1.2 +Billion.** Even with the measures announced by TRS recently to reduce benefits starting Sept. 1, we face a huge crisis. A substantial premium increase, possible triple, is expected.

➤ ***Solution:*** TRS-Care Joint Committee working on it: Sen. Huffman, Sen. Nelson, Sen. Estes; Rep. Flynn, Rep. Ashby, Rep. Rodriguez. *Met twice but no consensus on a solution.*

➤ 250,000 TRS System members covered by TRS-Care.

B. TRS Defined Benefit Pension Will be Attacked this Session.

➤ ***Funding of Pension:***

Investments	63.8%
State and Employers	18.3%
Members	17.9%

Because of volatility of the Markets and underfunding by the State our fund is *not actuarially sound* at this time (80% funded now). Work to preserve our defined benefit pension for ALL educators. To change it to Defined Contribution would be more expensive for TX and for educators.

- 360 K Texas Public School Retirees: Average pension=\$1990/month
- 95% of Texas Retired Teachers receive NO Social Security Benefits