



TRTA

THE Voice for Education Retirees

State & Federal Legislative Priorities

Core Belief: Public education employees have been assured of a traditional defined benefit plan as a part of the Constitution of 1937. A traditional defined benefit retirement plan provides public employees a guaranteed pension that will last their entire lives. A privatized plan does not guarantee these public servants the retirement they need and deserve.

Therefore, TRTA strongly supports and will oppose any legislative action, such as a privatized plan to modify or eliminate the defined benefit retirement plan for educators as it was established in the Texas Constitution in 1937.

State Priorities

1. Pension Increase—TRTA will work to introduce legislation that provides a pension increase to retirees.

Rationale: Retirees have not received a permanent increase in their pension since 2001. This represents, at minimum, a 24% reduction in a retiree's buying power (3% rate of inflation multiplied by # of years) since last ad hoc pension increase. TRS annuitants need an increase in their pension benefits in order to meet the increasing financial demands of today's economy.

2. TRS Funding—TRTA will work to introduce legislation that increases the State contribution to the TRS pension fund.

Rationale: Legislation should be passed maintaining a State contribution rate that would keep the pension fund financially sound and provide a benefit increase to TRS retirees.

3. TRS–Care Permanent Health Care Fund—TRTA will work to introduce legislation that calls for the creation and funding of a new permanent TRS–Care health care trust fund.

Rationale: The creation and funding of a health care trust fund will help protect the TRS–Care program by prefunding future health care obligations for education retirees. The investment earnings generated by a permanent health care trust fund can be used as a future source of revenue to offset the costs of health insurance in the years to come.

4. TRS Board of Trustee Elections—TRTA will work to introduce legislation that allows TRS annuitants to directly elect their trustee to the TRS Board of Trustees.

Rationale: The TRS Board of Trustees has one dedicated position out of nine for an elected TRS annuitant. When the position is up for election every four years, TRS annuitant members vote for their preferred candidate in a TRS administered election. The names of the top three vote getters are then forwarded to the Governor for his/her selection. Only one of the three can be chosen and it may not necessarily be the candidate with the most votes. TRTA believes that having an election process approved by the Governor in many ways disenfranchises the voters who took the time to participate in the election. The matter can be remedied by simply allowing the highest vote getter to be the elected annuitant on the TRS board.

5. TRS Board of Trustee Composition—TRTA will work to introduce legislation that allows an additional dedicated retiree position on the Board.

Rationale: TRS annuitants have one dedicated trustee position on the TRS Board of Trustees. The number of retirees is increasing every year, and now is the time to add an additional annuitant on the TRS Board of Trustees to represent this growing population.

Federal Priorities

1. GPO/WEP—TRTA will work to repeal the two Social Security (SS) provisions known as the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP).

Rationale: The current GPO law discriminates against surviving spouses who are TRS annuitants by reducing or eliminating their SS benefits. The WEP law reduces SS benefits for two groups of TRS annuitants: (1) those who worked a portion of their careers in the military or the business world, and (2) those individuals who supplemented their school incomes by working part-time. The WEP law reduces a portion of an individual's SS earned from working outside of his/her public school employment. This unfairly penalizes retirees who earned their SS benefit.

2. Paying Health Care Premiums with Pre-Tax Dollars—TRTA will work to pass federal legislation allowing public education retirees to pay their health insurance premiums with pre-tax dollars.

Rationale: The United States Congress recently changed IRS provisions that now allow retired and disabled public safety officers to pay their health care premiums with pre-tax dollars. TRTA believes that this same provision should be extended to include public education retirees.

Texas Retired Teachers Association

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