



FOR IMMEDIATE RELEASE: November 8, 2023

Teacher Retirement System to Issue COLA to Eligible Annuitants Voter Approval Means Increased Annuities Will Go Out in January

AUSTIN — Eligible annuitants of the Teacher Retirement System of Texas (TRS) will begin receiving a permanent cost-of-living adjustment (COLA) to their monthly annuity payments beginning in January 2024. Voters approved a constitutional amendment on November 7 allowing TRS to issue the COLA. TRS will notify eligible annuitants about their annuity percentage increase.

“As always, the team at TRS is committed to improving retirement security and ensuring our members receive legislatively approved benefit enhancements as efficiently as possible,” said **TRS Executive Director Brian Guthrie**. “Texas voters decided it was time for eligible TRS annuitants to enjoy an increase in their spending power and we are ready to administer this adjustment for them. On behalf of our Board of Trustees, we thank the Texas Legislature for providing \$5 billion in funding for benefit enhancements, including the COLA, to protect the health of the TRS pension trust fund.”

Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 passed during the 88th Regular Legislative Session to provide two types of benefit enhancements to eligible TRS annuitants (certain retirees, beneficiaries, and alternate payees who are receiving a monthly annuity from TRS).

TRS began issuing the first enhancement, one-time stipends, in September 2023.

The second enhancement, the COLA, will be applied to eligible annuitants’ payments beginning with their January 2024 payment due the last business day of the month. **The COLA is a permanent one-time increase to annuities as follows:**

	2% COLA	4% COLA	6% COLA
Retirees*	Retirement dates from 9/1/2013 through 8/31/2020	Retirement dates from 9/1/2001 through 8/31/2013	Retirement dates on or before 8/31/2001
Beneficiaries of Retirees*^	Retirement dates from 9/1/2013 through 8/31/2020	Retirement dates from 9/1/2001 through 8/31/2013	Retirement dates on or before 8/31/2001
Beneficiaries of Active Members*+	Deaths from 9/1/2013 through 8/31/2020	Deaths from 9/1/2001 through 8/31/2013	Deaths on or before 8/31/2001
Section 804.005 Alternate Payees*	Section 804.005 election effective dates from 9/1/2013 through 8/31/2020	Section 804.005 election effective dates from 9/1/2001 through 8/31/2013	Section 804.005 elections on or before 8/31/2001
NOTES	<p>* In addition to meeting the applicable eligibility dates above, all eligible retirees, beneficiaries, and alternate payees must be living on the effective date of the adjustment in order to be eligible for the COLA.</p> <p>^ The COLA does not apply to a beneficiary that is receiving only the \$250/month or \$350/month retiree survivor benefit.</p> <p>+ In addition to meeting the effective dates above, only certain active member death beneficiaries are eligible for the COLA. This includes those on the Guaranteed Period Annuity Option 3 (60 monthly payments) plan and those on the Joint and Survivor Annuity Option 1 (lifetime annuity) plan.</p>		

[View SB10 COLA Amount Table](#)

The legislature passed House Bill (HB) 1 which provides \$5 billion to fully pay for the benefit enhancements:

- \$3.35 billion for COLAs
- \$1.64 billion for stipends

Guthrie pointed out any benefit enhancement will benefit other Texans as well. That is because most TRS annuitants remain in Texas and spend their retirement dollars across the state. Read more on [TRS' Value to all Texans here](#).

Need more background? Visit the [2023 TRS Retiree Benefit Enhancements](#) webpage.

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About TRS — The Teacher Retirement System of Texas (TRS) is one of the largest retirement systems in the nation. The system's core mission is to make a positive difference in the lives of more than 1.9 million active and retired Texas educators by prudently investing and managing trust assets and delivering member benefits. As of August 31, 2023, the TRS pension fund had a market value of \$186.6 billion.

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