



News Release

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TRS Trustees Vote to Authorize “13th Check” for Eligible Retirees and Beneficiaries 86th Legislative Session Brings other Significant Changes

AUSTIN – The Teacher Retirement System of Texas (TRS) Board voted unanimously today to authorize a one-time supplemental payment to most members who retired **on or before Dec. 31, 2018**. The retirees will receive a payment in either the amount of their monthly annuity or \$2,000, whichever is less. TRS expects the payments to be issued in early fall.

State law requires the pension fund to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment. Senate Bill 12 (SB 12) made the payment possible by providing for gradual contribution increases from the state, school districts, charter schools, regional education service centers, and active employees. These increases immediately made the pension fund actuarially sound.

Jarvis Hollingsworth, Chairman of the TRS Board of Trustees, commented that “The actions taken during the 86th Legislative Session put TRS on a solid trajectory towards actuarial soundness and sustained solvency.” He added, “It is my hope that these legislative changes, in tandem with recent board decisions, will help our teachers’ pension system remain healthy for today’s educators and encourage new entrants into the profession in our fast-growing state.”

“This is certainly a milestone in TRS’ history and speaks to the dedication of our lawmakers toward the retirement needs of educators across Texas. We all truly appreciate the steady hand and unwavering support of SB 12’s main sponsors, Senator Joan Huffman (R-Houston) and Representative Greg Bonnen (R-Friendswood), as well as other legislators in both chambers for making our members a priority in this year’s session,” said Brian Guthrie, TRS Executive Director.

Editor’s note: All of our members will be impacted as a result of the new legislation. Please note the following details and contact TRS if you have any questions.

Active Employees

Changes to Employee Contribution to TRS Pension Fund

SB 12 increases the TRS contribution rate for active employees beginning on Sept. 1, 2021. On that date, the rate will increase from the current 7.7 to 8 percent of salary. The active employee contribution rate will increase to 8.25 percent on Sept. 1, 2023. There are no changes to employees' benefit calculation.

Calendar Date	State	Public Education Employer*	Active Employee
<i>Current Rates</i>	<i>6.80%</i>	<i>1.50%</i>	<i>7.70%</i>
Sept. 1, 2019	7.50%	1.50%	7.70% (no change)
Sept. 1, 2020	7.50%	1.60%	7.70% (no change)
Sept. 1, 2021	7.75%	1.70%	8.00%
Sept. 1, 2022	8.00%	1.80%	8.00%
Sept. 1, 2023	8.25%	1.90%	8.25%
Sept. 1, 2024	8.25%	2.00%	8.25%

* Please note: SB 12 requires an increase in employer contributions by school districts, charter schools and regional education service centers to the TRS pension fund, regardless of whether the employer participates in Social Security. Prior to SB 12, all public schools, except higher education institutions, that did not contribute to Social Security were required to pay the 1.50 percent contribution. Beginning Sept. 1, 2019 **all** public schools, except higher education institutions, and regional education service centers, will contribute the 1.50 percent, with gradual increases as stated in the chart above.

Retirees

Who is eligible for the one-time supplemental payment?

Members who retired on or before Dec. 31, 2018 or beneficiaries of a retiree or active member who died on or before Dec. 31, 2018 and meet the criteria of the legislation, including being eligible to receive their annuity payment the month before TRS issues the one-time supplemental payment, will receive the one-time supplemental payment.

When will payments be issued?

TRS anticipates checks will be issued in early fall 2019. For updates, refer to the TRS website: www.trs.texas.gov or TRS Facebook page www.facebook.com/TRSofTexas

The following individuals will not receive a one-time supplemental payment:

- Retirees with an effective date of retirement on or after Jan. 1, 2019, or beneficiaries of a retiree or active member who died on or after Jan. 1, 2019;

- Disability retirees with less than 10 years of service credit;
- Beneficiaries receiving a fixed \$250 or \$350 annuity payment.

TRS-Care: Retiree Health Care

The legislature provided additional funding through HB 1 to sustain the retiree health care plan through 2021. **Retirees and dependents will not see a premium increase for TRS-Care in 2020.** TRS will hold in-person meetings across the state for retirees to learn more about how to make the most of their health benefits. Look for invitations later this summer.

TRS-ActiveCare

The legislature did not make any changes to TRS-ActiveCare.

For other legislative news, please refer to the upcoming *TRS News* which will be posted to the TRS website in August 2019.

The Teacher Retirement System of Texas is the largest public retirement system in Texas, serving over 1.6 million people. TRS improves the retirement security of Texas public education employees through our “best in class” investment management that oversees an approximately \$150 billion trust and delivers pension and health care benefits that make a positive difference in members’ lives.

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