



Regular Session Ends, A Special Session Begins...

What You Need to Know

The complete TRTA recap of the 82nd Regular Legislative Session will appear in *The VOICE* (the TRTA quarterly publication) next month. For now, here are key highlights about the end of the regular session and what you should know about the special session that starts today. TRTA has good news to report about your hard work paying off this regular session. However, we must remain vigilant that there are no “take-backs” from what we attained over the last 140 days during the special session.

TRS-Care Funding

TRS-Care participants were told very early that their health care premiums may increase as much as 80%. After months of intense grassroots lobbying by all TRTA members, your premiums for the coming biennium are safe and should NOT INCREASE AT ALL!

We still must work to safeguard your benefit structure and educate legislators on this important benefit. Even as we celebrate a victory today, we know that next session this issue will be back. The impact of lost TRS-Care contributions by a reduced active workforce, increased retirements and the loss of federal dollars in 2014 will put intense pressure on the health care program.

TRS Pension Fund

The TRS pension trust fund remains one of the best managed and well-funded plans in the world. TRTA worked to ensure that the Legislature did not regress completely to the minimum state contribution allowed under the Texas Constitution. This was a major victory and we are very pleased with the end result: an additional \$100 million in funding for the TRS trust fund that was not there at the start of the session.

The additional \$100 million will not make the system “actuarially sound,” but it does keep pressure on the Legislature to not lower their contribution when times are tough. By maintaining funding levels equal to what active employees contribute for at least one year of the biennium, the TRS trust fund will be on a path to actuarial soundness. This is a critical step in ensuring a true, permanent cost-of-living increase for all TRS retirees.

TRS Board Structure

TRTA won another victory with the passing of HB 2120. This bill creates an “open seat” on the TRS Board. Presently, the position is reserved for a higher education member. TRTA argued that it makes more sense to have an open seat for which any TRS member is eligible to run. The Legislature agreed, and the bill is now on its way to the Governor. We hope that Governor Perry will sign the bill into law.

No Supplemental Payment, No Pension Increase

TRTA is very disappointed that a bill by Representative Larry Gonzales (R-Round Rock) passed in the House but never received a hearing in the Senate. This bill would have made it possible for retirees to receive a supplemental payment based on several conditions. The conditional nature of the bill was designed to protect the system while providing a path for a payment to be issued. This was one of the most creative and unique ideas introduced to help TRS retirees this session. TRTA applauds Representative Gonzales for his innovation. We believe this is an idea that could be reintroduced easily next session.

Numerous other bills were introduced that would have provided retirees with a pension increase. These bills did not get very far due to the TRS fund's actuarial condition (even though the fund is over 81% funded, it is still not “actuarially sound” according to Texas statute). TRTA will advocate for a permanent cost-of-living increase for all retirees and will make every effort to enact another consumer price index (CPI) catch-up plan in future sessions.

As the 82nd Legislature adjourned their regular session yesterday, they guaranteed TRS retirees will endure a full decade of no cost-of-living increases. This is a travesty and we must press future legislatures to end this downward spiral.

Elimination of the Defined Benefit Retirement Plan

TRTA members defeated a growing movement to transition the TRS benefit structure from a traditional defined benefit plan to a privatized defined contribution plan. While we were successful this session, **the defined contribution advocates are well-financed, extremely motivated and are not going to give up.** These groups have targeted public schools, and public school and government employees. Their goal is to end these plans permanently. Think about this, TRTA is the largest organization for public education retirees in the country. We are the front line of defense against these highly financed, politically motivated organizations wanting to end traditional defined benefit plans for public school employees. Our strength is an educated, active, motivated, and large group of retired school employees WHO VOTE! This session's fight on defined benefit versus defined contribution was only a beginning. We must take the actions necessary to protect our defined benefit plan. Again, membership will make a critical difference on this issue, as well!

TRTA will fight any effort to transition TRS to a defined contribution plan every step of the way. We must make everyone aware of these privatization efforts in order to protect current retirees and active school employees alike.

Special Session

Now begins a 30 day special session. The major issues are school finance and statewide health care reforms. TRTA will work with legislators to protect what you fought so hard to achieve in the regular session.

TRTA will monitor every action taken, including SB 7 by Senator Jane Nelson. This legislation may impact TRS-Care and all health insurance programs statewide. We worked closely with Senator Nelson's staff during the regular session with a similar bill (SB 8) to protect your TRS-Care program. We will do the same during the special session.

THANK YOU

TRTA members made a profound difference this session. The reality is that the results could have been much worse for TRS retirees. If not for the thousands of members making calls, sending emails, travelling to Austin for our Day at the Capitol, and making personal visits to legislators in Austin and back home, there is no doubt that things would have been worse for TRS retirees. To each and every one of you, please accept my sincerest "Thank You!" Our membership really does make a difference.

I want to extend a personal thank you to the TRTA Board of Directors for their ongoing leadership, the State Legislative Committee for their tireless work, the District Presidents and Legislative chairs, our local leaders, all Inside Line subscribers, everyone who sent an email through our web site and the TRTA office staff for their dedication.

In addition, I want to thank my good friend and TRTA State Legislative Coordinator Mr. Bill Barnes and his wife, Janice. Bill spent many nights in Austin working on behalf of the TRTA membership. He is one of the most dedicated volunteers I have ever worked with!

I also want to thank our Legislative Consultant, the Honorable Barry Telford, for his expert advice and support.

We say goodbye to the regular session of the 82nd Legislature, knowing that our work is not done. We will remain strong and active during the special session and interim.

Please look for the complete wrap-up next month in the *The Voice*. If you are not a member but would like to join TRTA, please contact our office at 1.800.880.1650 and we will answer any questions you have.

THANK YOU!