

2027 Legislative Priorities

Protecting the future of Texas education retirees

The Texas Retired Teachers Association (TRTA) is an ardent defender of the traditional Teacher Retirement System of Texas (TRS) defined benefit plan. Since 1953, TRTA's founding and fundamental position has been that the most cost-effective and reliable form of retirement security for our retired educators is the defined benefit plan. TRTA stands firmly behind this belief and will oppose any efforts to close, convert, or weaken the TRS defined benefit plan.

Our Priorities

1 Restore TRS to Actuarial Soundness

HB 2 salary increases in 2025 created \$5 billion in TRS unfunded liabilities, pushing the actuarial funding period to 35 years. TRTA supported the educator pay raises, but the Legislature did not fund the actuarial impact. Without this fix, the fund's long-term health is at risk and permanent cost-of-living adjustments (COLA) remain out of reach. When the system's funding is out of alignment, it is the TRS retiree who pays by suffering from inflation.

2 Deliver a Meaningful Benefit Enhancement

Texas education retirees manage their retirement security on very modest fixed pensions that inflation is quietly destroying. The 2023 enhancements were a powerful statement of respect. On average, TRS retirees are 30% behind inflation. We must take another step forward. This session the Legislature needs to pass a state-funded stipend, COLA, or 13th check. All options on the table for decision-makers!

3 Fund TRS-Care

More than 215,000 retirees depend on TRS-Care for their health coverage. TRTA supports full biennial funding at statutory rates, affordable premiums, and a focus on using health care dollars effectively to benefit TRS-Care participants and provide consistent, high quality health care, including rehabilitation services.

A digital copy of this document is available at: www.trta.org/legislative-priorities

TEXAS RETIRED TEACHERS ASSOCIATION

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**OUR PRIORITIES.
OUR PROMISE.**

*A better future for
all TRS retirees.*



PRIORITY ONE

Restore TRS to Actuarial Soundness

THE ISSUE:

HB 2 (2025) raised teacher salaries and TRTA supported that investment in active educators. But the Legislature added \$5 billion in new unfunded TRS liability with zero dollars to offset it. The actuarial funding period jumped from 28 to 35 years overnight.

THE ASK:

Adopt a strategy that restores the actuarial soundness affected by HB 2 and the 2025 teacher pay raise. The Legislature should work with stakeholders to ensure that TRS's unfunded liability period is reduced to 31 years or less. The strategy should also support providing retirees with a benefit enhancement during this legislative session.

35 yrs

Funding period up from 28

\$5B

New liability from HB 2 — unfunded

- Unless the Texas Legislature fully funds a benefit increase, TRS's 35-year unfunded liability prevents retirees from receiving additional relief. State law requires the funding period be 31 years or less before the TRS fund balance can be used to amortize any benefit increase, cost-of-living adjustment, or 13th check.
- Texas has the **lowest teacher pension contribution rates** of any state in the nation. The majority of Texas educators don't get Social Security.
- The unfunded liability is projected to **keep growing until 2038** before it begins to decline due to negative amortization. Increasing contributions now by at least 1.5% prevents negative amortization and will save the state, employers, and educators billions of dollars.
- Higher education institutions' employer costs for TRS are lower than Texas K–12 school districts, but higher ed retirees get the same pension benefit creating higher liabilities to TRS. Higher ed employers should contribute the same as K-12 school districts to ensure fair funding for all.

What restoring soundness requires:

MINIMUM — RESTORE COLA ELIGIBILITY

+0.4%

Meets the 31-year statutory threshold

REAL FIX — A HEALTHY FUND

+1.5%

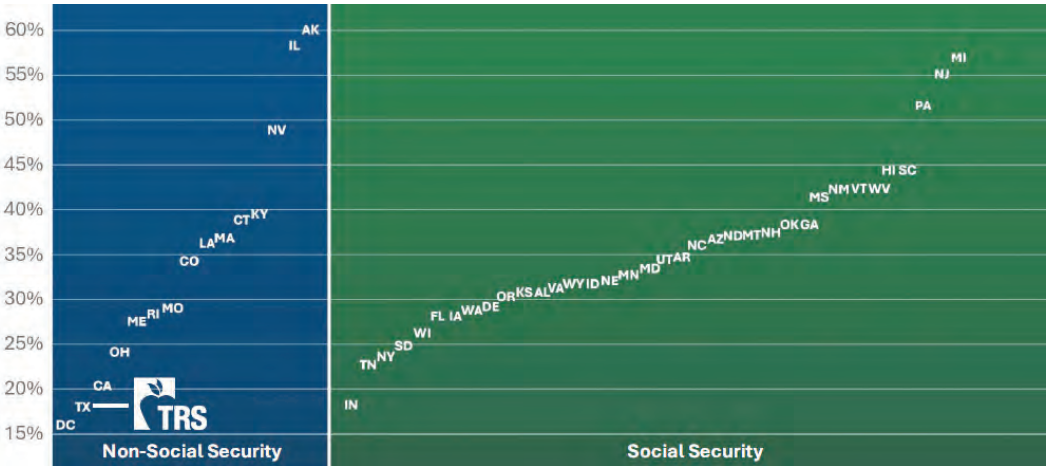
Reduces funding period to 15–20 years

"When the system's funding is out of alignment, it is the TRS retiree who pays by suffering from inflation." — Frana Patterson, TRTA State President

TRS STATE CONTRIBUTION RATES RANK AMONG THE LOWEST IN THE NATION

State, Member, and Employer Contributions with/without Social Security

Source: NASRA 2024



Deliver a Meaningful Benefit Enhancement

PRIORITY THREE

Fund TRS-Care

THE ISSUE:

For most Texas education retirees, TRS-Care is not one option among many. It is the only option. When the state underfunds retiree health care, the cost does not disappear— it lands directly on retirees with no room to absorb it.

THE ASK:

Biennial funding for TRS-Care at the statutory rates. Affordable premiums. Health care dollars working for participants — not shifted onto the people who can least afford it.

- 217,076 retirees depend on TRS-Care. For most, there is no other option.
- TRS-Care paid \$2 billion in claims in FY2025 — 97 cents of every dollar went to patient care, not administration.
- When the state underfunds TRS-Care, premiums rise on retirees living on an average pension of \$2,317/month. There is no cushion. There is no alternative.
- 638,000 combined members in TRS health plans give TRS negotiating leverage no individual retiree could access alone. Underfunding hurts everyone in the pool.

"Health coverage is not a luxury for a retiree on a fixed income. It is the difference between managing and choosing between medicine and groceries." — Ella Gauthier, TRTA Immediate Past President

TRTA's Call to Action — Will You Help Protect TRS Retirement Security?

Half a million Texans gave their careers to Texas schools. They showed up every day — teaching, coaching, mentoring, and serving the communities that depend on them. Their retirement security is not a political issue. It is a promise this state made to the people who built it. And it is a promise that inflation is quietly breaking, dollar by dollar, every single month.

No other authority in Texas has the power to change that. Only the Legislature can restore actuarial soundness, deliver meaningful relief, and fully fund TRS-Care. The tools are there. The surplus is there. TRTA and its members are ready to help — so let’s find a way to help those TRS retirees who live, and volunteer, and vote in every community across this great state.

The work continues. So does our commitment.

Contact Us

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