

Questions & Answers

Regarding a Stipend, 13th Check and Cost-of-Living Adjustment (COLA) for Retired State Employees

Stipend

What is a stipend?

A stipend is a fixed amount. A 13th check implies that retirees will get an amount that is equal to their current monthly retirement.

Why does TPEA talk about a stipend and a 13th check?

Two reasons: 1) the Legislature paid retired teachers a stipend last year and 2) a stipend can be designed to give different amounts to people either retired longer or who are older.

Why does that matter?

While TPEA appreciates the Legislature's actions in addressing the ERS fund, it is now time for ERS retirees to also be given a meaningful benefit enhancement.

How would a stipend that gives different amounts to people who either retired longer or older work?

Using TRS as an example, TRS gave retirees.

- Who were 75 years of age and older a \$7,500 one-time stipend
- Who were aged 70 to 74, a \$2,400 one-time stipend

The stipend was the same regardless of the TRS retiree's monthly annuity amount or their retirement date. In our case, we would be open to look at the number of years an ERS retiree has been retired versus the age of the retiree.

Cost-of-Living Adjustment (COLA)

Did ERS retirees get a COLA, 13th check, or stipend? It has been over 20 years!

ERS increased retirees who have been retired 20 years or more as of December 2024. Approximately 25% of ERS retirees got a 3% or \$100 maximum per month COLA beginning in January 2025.

Why don't all retirees get a COLA?

All benefit increases are paid for in two ways. 1) Either the ERS retirement fund must have enough money to pay for the increase or 2) the Legislature must give (appropriate) money to ERS to pay for the increase. Neither has happened.

What is TPEA doing to help ERS retirees get a stipend?

TPEA testifies at hearings, talks to lawmakers and their staff, and offers information to elected officials and reporters about increasing retiree benefits.


- [Facts About a Stipend for Retired State Employees](#)
- [Standing with Our Retired State Employees](#)
- [Live TV Interview with TPEA President Carroll Fuchs on KVUE Midday News](#)

Carroll Fuchs, retired from the Texas Department of Insurance, talks to KVUE about how it's time for our Legislators to step up and help retired state employees, too.

Why does TPEA explain the need for a retiree increase to reporters and newspapers?

Lawmakers are influenced by what the people who elect them want. The more we can educate legislative members about state retirees in their area, the more likely they are to support an increase in retiree benefits. [Click to see In the News.](#)

**“Retired State employees have not seen any relief in over 20 years,”
said Carroll Fuchs, TDI Retired State Employee.**



What are the differences between a COLA, a 13th check or stipend?

A COLA is a permanent increase in a monthly annuity (pension check).

A 13th check or stipend is a one-time additional payment. It is called a 13th check or stipend because the amount is in addition to the 12 regular monthly checks you get from ERS. It is another check—a 13th check or stipend.

Does that mean that if retirees get a 13th check or stipend, the check will be the same as our regular annuity check?

No. A COLA, 13th check or stipend can be created in various ways. For example, sometimes the Legislature approves a higher payment to retirees who have been retired the longest, or the payment can be flat (for example, all retirees receive \$5,000.)

Is getting a COLA, 13th check or stipend from the Legislature easier?

The Legislature prefers approving a 13th check or stipend because it is a **one-time payment**. A COLA is more expensive since it is a permanent annuity increase which to the Legislature is a long-term liability.

Don't ERS retirees deserve a meaningful increase?

Yes, ERS retirees deserve a COLA or other monetary stipend, especially considering the impact of inflation on retirees.

I heard that ERS is giving a COLA in January 2025.

State law directs ERS to give some retirees a 3 percent or \$100 maximum COLA to people who have been retired for **20 or more years** at such time as the ERS trust fund can afford to pay it.

How many retirees will get a COLA in January?

ERS estimates only about 30 percent of retirees would receive the COLA.

I have not been retired for 20 years. Does that mean I won't get a COLA?

Correct, you did not get a COLA under state law.

Can a state law be passed to include all retirees in the COLA?

Yes, but the Legislature would have to give ERS the money to pay for it.

So, how will TPEA help all the other retirees who don't qualify for the COLA?

TPEA is working hard on getting additional funding from the Legislature to pay for a COLA or stipend for all retirees.



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