



# *Retired* **STATE EMPLOYEES**

**WE NEED TO URGE OUR LEGISLATORS  
TO PASS A MEANINGFUL BENEFIT  
ENHANCEMENT TO TRULY SUPPORT  
OUR RETIREES.**

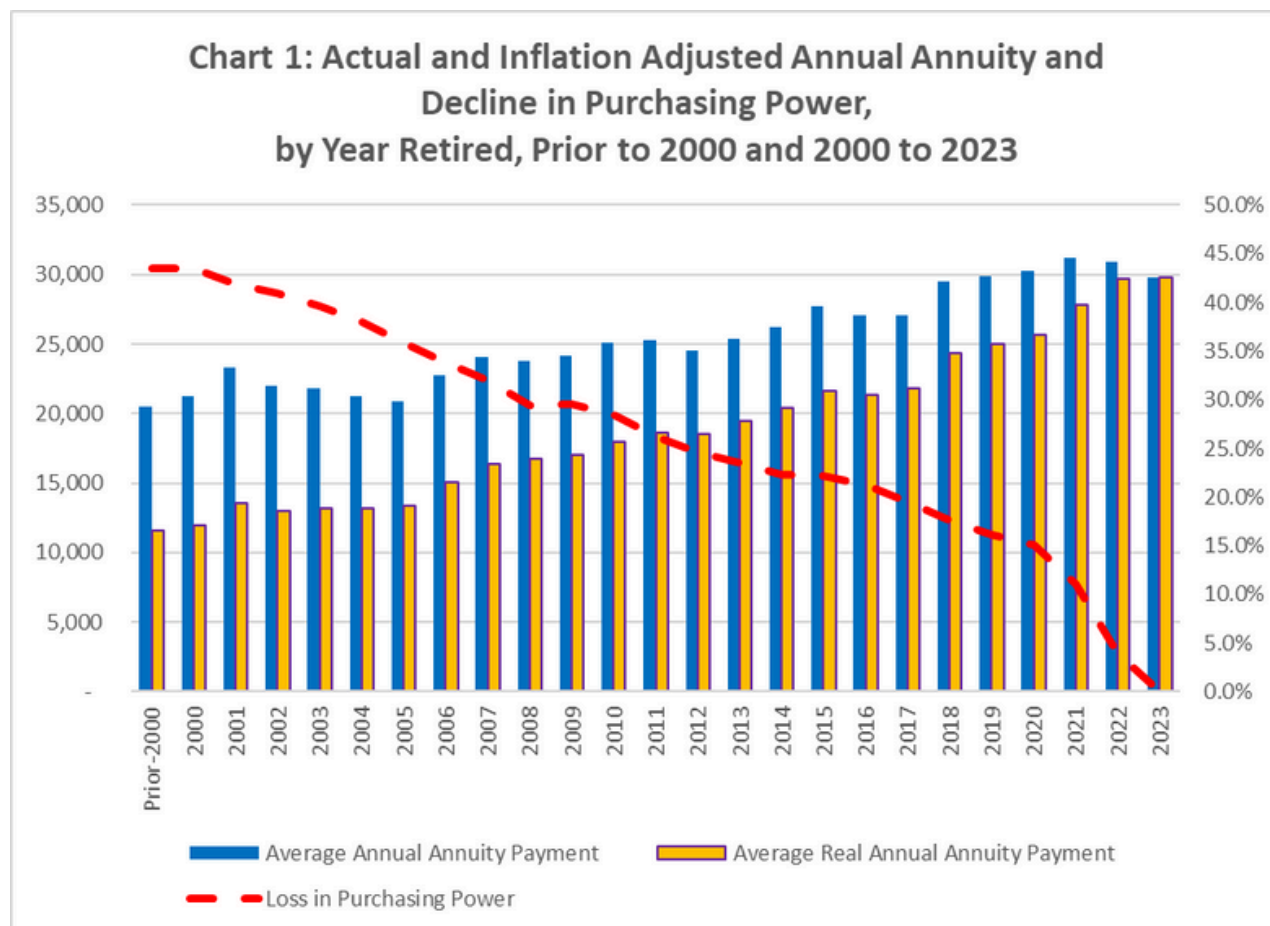
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We believe that every individual who contributes to the well-being and progress of our great state deserves to be able to retire in dignity. By advocating for these principles, we aim to create a more just and equitable system where the hard work and dedication of our state employees and retirees are truly valued and appreciated.

Join us in educating our Legislators and others to the needs of state employees and retirees.

The last time benefits were improved for retired state employees was in 2001. Over the last couple of decades, inflation has significantly eroded the purchasing power of these retirees.

As shown in Chart 1, employees who retired before 2005 have experienced a decline in purchasing power of 38.0 – 43.5 percent.



The upcoming cost-of-living adjustment (COLA), pending approval by the Employees Retirement System (ERS) board, is projected to benefit a mere 25% of retirees, offering a maximum \$100 per month increase in state employees who retired before 2005. However, the average benefit will be around \$55, reducing the decline in purchasing power by three percentage points for each group.

Retired state employees spent their careers providing services to citizens and businesses supporting the state's rapid growth. Texas' population grew by 40% this century, yet there was near zero growth in state government employees.



Comptroller Hegar's [press release](#) estimates a \$16.7 billion ending balance for this biennium, but with a 4.5% increase in General Revenue Related (GRR) receipts, the actual balance could be closer to \$25 billion. The increase in GRR should give the 89th Legislature enough funds for state expenditures, public education, and retired state employee supplements.

The most cost-effective method is to give retirees a 13th check (or stipend), with the amount varying based on their years of retirement. This supplement would require \$167.6 million\*\* to provide every state retiree with a supplement as listed in the chart below.

	<b># Total Retirements Per Year</b>	<b>**Cost of a 13th Check in Dollars</b>	<b>Cost of TRS-like Payment in Dollars</b>	<b>Cost of COLA of \$100/mo. in Dollars</b>
<b>TOTAL</b>	108,788	\$167,606,351	\$445,687,500	\$1.3 Billion

*(\*\*This estimate is using the formula where only those who have been retired 12 years or more would get a true 13th check. All other retirees would get a proportion based on years retired.)*

An alternative supplement plan for retired state employees would provide payments based on age, similar to [SB 10](#) (from the Teachers Retirement System (TRS)), where older teachers received checks. Retirees aged 60-64 would get \$1,000, and those over 75 would receive \$7,500. The above chart shows that this supplement would require an appropriation of \$445.7 million.

The option of providing \$100/month in annuity payment to each retired state employee would cost an estimated \$1.3 billion.

We hope this will help our Legislators explore different methods to offer a benefit enhancement to all retired state employees, a supplement to counteract the significant decrease in purchasing power they have faced in almost 25 years.

#### About TPEA:

TPEA was founded in 1946 by dedicated state employees to work with the Legislators on behalf of the workers. TPEA has been advocating for state employees and retirees for 78 years, working to enhance the salaries and quality benefits so Texas can continue to grow and prosper. Today, TPEA is one of the largest association for active and retired state employees, and also the only nonunion, not-for-profit, nonpartisan association serving state employees during and after their careers.

TPEA played a key role in establishing the ERS pension fund and in securing health insurance for state employees and retirees.

Without a strong advocate, there's no guarantee state benefits will remain intact. TPEA membership is an inexpensive way to secure a respected advocate at the Capitol, safeguarding state employees and retirees financial interests and benefits.

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