

FACTS ABOUT A STIPEND FOR RETIRED STATE EMPLOYEES

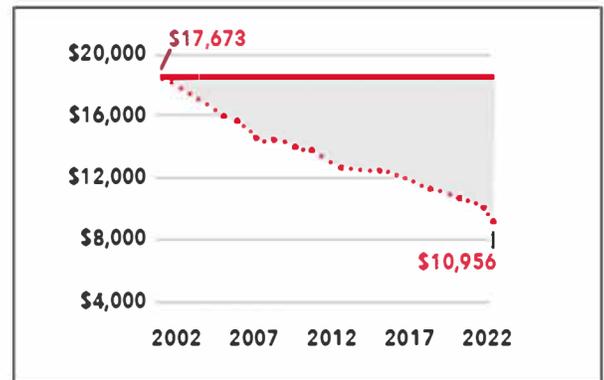
Retired State of Texas employees have not had any inflation relief since January 2001.
With rising prices and record inflation, it's difficult for retirees to live on fixed incomes as they age.

ERS Trust Fund Status

The Legislature strengthened up ERS' three retirement funds, ensuring their stability and reducing long-term debt by:

- Implementing legacy payments mandated by SB 321 (87th & 88th Legislatures) to reduce ERS' unfunded liability, saving the state \$5.5 billion in long-term debt.
- Reducing the unfunded liabilities in the retirement systems for law enforcement officers (LECOS) and judges (JRS-2). (88th)
- Adding a JRS 2 cash balance plan. (88th)
- Changing the ERS main and LECS plans to cash balance plans. (87th Legislature)

ANNUAL ERS ANNUITY AFTER INFLATION



23 years of lost purchasing power.

ERS estimates approximately 30% of retirees will get a small increase in January 2025

The "trigger COLA" that occurs under Texas law when ERS is actuarially sound only applies to retirees receiving ERS pensions for at least 20 years.

- Less than one-third of retirees would receive a benefit enhancement – and nearly 70 percent would get nothing.
- The COLA is capped at \$100 monthly or 3% of their annuity – whichever is less.

A STIPEND FOR RETIRED STATE EMPLOYEES would provide multiple advantages

A Retirement Stipend Could:

- Provide immediate inflation relief to retired state employees
- Be a one-time expenditure of funds without impacting ERS' actuarial soundness
- Be different amounts for different categories of ERS retirees (*i.e. higher amount for people over a certain age*)

124,504:

Retirees and beneficiaries receive pensions through ERS.

Under \$18,000:

Average annual annuity for a recipient who retired in 2001.

23 Years:

Since retirees received their last benefit increase.

**All data is based from 2022*

Retired State Employees dedicated their careers to public service. They protected public safety, served vulnerable children and older people, and built the public infrastructure that allowed our state to grow and prosper.

