

Questions and Answers Regarding the 13th Check and the Cost-of-Living Adjustment (COLA) for State Retirees

TPEA is at the Capitol every day, testifying at hearings and talking to lawmakers about a retiree benefit increase.

What is TPEA doing to help ERS retirees get a benefit increase?

TPEA's Board of Directors legislative priorities include a Cost-of-Living increase (COLA), a 13th check, or both for retirees.

What are the differences between a COLA and a 13th check?

A COLA is a permanent increase in a monthly annuity.

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

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

No. A COLA or 13th check can be created in various ways. For example, sometimes the Legislature approves a higher payment to retirees that have been retired the longest, or the payment can be a flat amount (for example, all retirees receive \$2,000.)

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

The Legislature prefers approving 13th checks because a 13th check is a one-time payment.

A COLA is more expensive since they are a permanent increase in your annuity.

It's been over 20 years since the last COLA for ERS retirees, don't we deserve a COLA?

Yes, ERS retirees deserve a COLA or other significant benefit enhancement, especially considering the impact of inflation on retirees and the fact that TRS retirees have gotten 13th checks and one small COLA.

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** when the ERS fund can pay for all the promised benefits and has the money to pay for a COLA. ERS expects this to happen in January of 2025, and 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 will not get a COLA under state law.

Can't state law be changed to include all retirees in the COLA?

Yes, but if state law were changed to include all retirees in the COLA, the cost would substantially increase and push back when the COLA could be granted.

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

TPEA is working on getting additional funding from the Legislature to pay for a 13th check for all retirees.