



STANDING WITH OUR RETIRED STATE WORKERS IN THE 88TH LEGISLATURE

The **Texas Public Employees Association (TPEA)** has worked to protect the financial security of current and former state workers for more than 76 years.

This year, as we work to secure a pay raise for all of today's employees, we are also standing with the 122,000-plus retirees and their beneficiaries who receive pensions through the Employees Retirement System (ERS).

These retired Texans dedicated their careers to public service and protected public safety. They served vulnerable children and the elderly and built the public infrastructure that allowed our state to grow and prosper.

Their work improved the lives of fellow Texans every day by keeping our water clean, our roads and parks open, and regulating and investigating complaints in the financial, medical, and other industries.

But it's become increasingly difficult for them to live on their fixed incomes.

Texas' budget surplus gives lawmakers an overdue opportunity to support our former state workers and retirees.

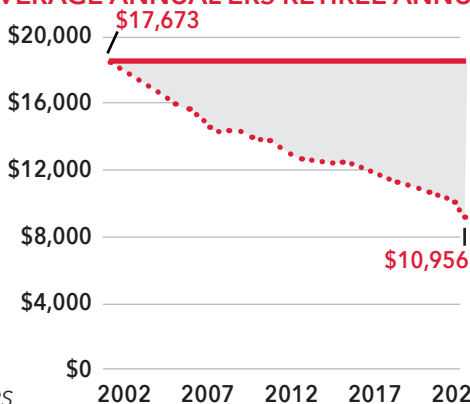
WHAT RETIREES FACE:

State of Texas Retirees Face Multiple Financial Challenges:

- No Cost-of-Living Adjustment (COLA) since 2000
- Record inflation and higher prices make basic necessities more expensive
- No 13th check from ERS in more than 22 years, while lawmakers have given three of these checks to retired teachers during the same period

Inflation has Reduced Retirees' Purchasing Power by Nearly 40 Percent

AVERAGE ANNUAL ERS RETIREE ANNUITY



Source: ERS

RECENT LEGISLATIVE ACTION:

Lawmakers showed their commitment to retirees last session when they modernized the state's retirement plan and began to pay down ERS's debt through **Senate Bill 321**. We thank them for that crucial step and are pleased to see the Legislature following through on the long-term funding that is needed to make ERS financially sound.

WHAT RETIREES NEED:

State retirees still need your help. We ask that you leverage the state's \$33 billion budget surplus this year to:

- Support the first COLA for retired state workers in two decades
- Provide a 13th check or other benefit enhancement to state retirees





LEARN THE FACTS ABOUT OUR RETIRED STATE WORKERS

122,000:

Retirees and beneficiaries receive pensions through ERS

Under \$18,000:

Average annual annuity for a retiree who left state service in 2001

69.9 years old:

Average age of an ERS retiree

74.7 years old:

Average age of an ERS beneficiary

22 years:

Time since retirees received their last COLA or 13th check

FAQs

The Legislature already approved SB 321 two years ago. Didn't that address retired state workers' needs?

SB 321 was an essential step towards stabilizing ERS so it can provide additional support for our retirees moving forward. It laid the groundwork for the future but, by itself, did not increase the monthly annuities or yearly incomes for retired state workers or their beneficiaries.

State retirees receive Social Security, and many teachers don't. So why should retirees get a 13th check similar to the one retired teachers have received?

TPEA has always supported 13th checks for retired teachers. We also know that state retirees paid into Social Security while they were working. Their net paychecks were less because of it, and the monthly Social Security checks they receive today are a return on the money they already contributed to the system. Additionally, some school districts participate in Social Security.

State employees knew they had a defined benefit plan when they worked and retired. So why should the state increase the annuities now?

ERS granted 13th checks and COLAs in the 1990s, and many Texans worked for and retired from state government with the expectation that would continue. Also, a defined benefit plan is based on retirees' salaries. It is impossible to forecast what a present-day salary will be worth - or what prices will look like - years into retirement. That's why periodic adjustments or benefit enhancements are crucial.



Since the 1940s, TPEA has worked at the Capitol to establish ERS, secure fair wages, and protect public employee insurance benefits. In 2023, we are just as committed to helping retired state workers overcome the financial hardships they face.