

WHY A 13TH CHECK FOR RETIRED STATE WORKERS IS NEEDED NOW

Retired State of Texas employees have not had a 13th check from ERS since the 1990s or a Cost of Living Adjustment (COLA) since 2001. With rising prices and record inflation, it's become increasingly difficult for retirees to live on fixed incomes. This year, Texas' budget surplus gives lawmakers a historic opportunity to provide a needed 13th check right away.

WHAT IS IN THE BUDGET PROPOSALS?

House Bill 1 and Senate Bill 30 support the state's pension systems in several ways. These include:

- \$1 billion ERS legacy payment required under SB 321 from the 87th legislature
- \$1 billion in additional funds to pay down ERS' unfunded liability even sooner, saving the state \$5.5 billion in long-term debt
- \$855 million to reduce unfunded liabilities in the retirement systems for law enforcement officers (LECOS) and judges (JRS-2)

WHAT IS NOT IN THE BUDGET PROPOSALS?

Neither House Bill 1 nor Senate Bill 30 includes measures to directly support retired state workers, such as:

- A 13th check for State of Texas retirees
- A COLA that goes to all retirees and meaningfully impacts their lives
- Assistance that goes directly to retirees as they deal with rising prices

WON'T RETIREES AUTOMATICALLY GET A COLA SOON?

The "trigger COLA" that occurs under Texas law when ERS is defined as actuarially sound only applies to retirees who have been 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 would be capped at \$100 a month – not enough to have a meaningful impact for many retirees
- Low investment returns could prevent the COLA from being granted – and the earliest retirees would receive it is January 2025, still nearly two years away

A 13TH CHECK FOR RETIRED STATE WORKERS WOULD COST THE STATE ABOUT \$250 MILLION AND PROVIDE MULTIPLE ADVANTAGES AS WE WORK TOWARDS A LONG-TERM COLA:

A 13th check could:

- Go to all retired State of Texas employees
- Be funded today and distributed to retirees within months, without impacting ERS' actuarial soundness
- Be funded as an appropriation to ERS that is earmarked for retirees – just as has been done for retired teachers

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

122,000:

Retirees and beneficiaries receive pensions through ERS

Under \$18,000:

Average annual annuity for a recipient who retired in 2001

22 years:

Since retirees received their last benefit increase

FOR MORE INFORMATION, CONTACT ANN BISHOP, TEXAS PUBLIC EMPLOYEES ASSOCIATION, 512-423-0310;
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