



Budget Damage for Retirees

Act Now!

Less State Aid for TRS-Care Would Mean Premium Hikes for Retirees

The draft version of the state budget in both House and Senate would cut in half the state's contribution to the TRS-Care health plan for retirees. The state currently contributes the equivalent of 1 percent of active employees' payroll. (Active employees themselves contribute 0.65 percent, their employers 0.55 percent.) Cutting the state's share to half of 1 percent would have serious ramifications for TRS retirees.

By Texas AFT's estimate, the potential cost to TRS retirees, on average, would be about \$800 per retiree per year for the 2012-2013 biennium. On January 28, 2011, at a meeting of the TRS Retiree Advisory Committee, TRS officials presented a scenario that showed TRS retiree premiums rising sharply in the fiscal year starting September 1. A low-end estimate of those increases is 19.3 percent for the coming fiscal year, if the state goes through with cutting its contribution in half.

TRS retirees have not seen a cost-of-living increase in the past ten years. During that decade, they also have absorbed a significant increase in their premiums and out-of-pocket costs for TRS-Care health benefits. The draft state budget would cut not only the state's TRS-Care share but also the state contribution rate to the TRS pension fund, rendering any cost-of-living adjustment an even more distant prospect than it is now.

Retirees need to act now! Call your legislators at 1-888-836-8368 (give your state senator's or representative's name, and ask to be connected).

Or... Write your senator at P.O. Box 12068, Austin, Texas 78711. Write your representative at P.O. Box 12428, Austin, Texas 78768.

If you don't know the name of your senator or representative, go to www.capitol.state.tx.us and click on "Who Represents Me" section.



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