



## TRS 86<sup>TH</sup> TEXAS LEGISLATURE WRAP UP

### TEACHER RETIREMENT SYSTEM

The major legislation passed this session impacting TRS, SB 12, is intended to stabilize the pension fund for retirees going forward, and includes a one-time 13th check not to exceed \$2,000 to be issued by September 2020 to eligible retirees (those retired on or before December 31, 2018).

The stabilization will be funded in two stages; the first phase is with appropriations in SB 500, the state's supplemental appropriations act, and the second phase will be through district and employee increased contribution rates through 2024. The future obligation for which the state is passing on to active employees requires employees to jump to 8.0% in 2022 and 8.25% in 2024 in employee contribution rates.

These efforts combined are intended to reduce unfunded liabilities from 87 years to 29 years, and to eventually allow for a cost of living increase in future bienniums.

Unfortunately, nothing was done to combat the increasing costs associated with health care at the active employee or retiree levels. Retirees will not see a rate increase this biennium, however active employees participating in TRS Care will see a three to eight percent increase in premiums.

### TRS Bills Passed

HB 1612 allows TRS to invest up to 10% in hedge funds (was 5%).

HB 2629 clarifies deadlines for appealing administrative decisions.

HB 2820 transfers authority over 403(b) products to the Texas Department of Insurance.

SB 619 requires TRS undergo a sunset advisory commission review before 2021 legislative session, but will not be subject to abolishment.

SB 1682 allows TRS to request appropriations to maintain a 60-day contingency fund for TRS-Care.

### TRS Bills Not Passing

HB 2227 would have loosened back to work restrictions for retirees.

HB 953 would have required charter schools to pay TRS contribution rates over the minimum salary schedule for employees similar to districts.

**UPDATE: TRS of Texas anticipates that retirees' 13th check will be paid out mid-September, pending funding from the Comptroller. The check amount is capped at \$2K. Checks will be direct deposited or sent by mail for those who receive paper checks.**