TEACHER RETIREMENT SYSTEM OF TEXAS

The following are the Texas State Teachers Association's comments before the Texas House Pensions, Investments & Financial Services Committee on August 18th, 2026.

The Texas State Teachers Association appreciates the Texas legislature's attention towards maintaining the actuarial health of the TRS pension fund in order to protect the retirement of Texas public educators. We acknowledge the need to rectify the pension in response to the fund's actuarially unsound 35-year funding period as of the end of FY2025 and recommend that any contribution increase be shared among contributing entities such that education employees are not unduly burdened. The legislature should continue to increase state funding for public schools to combat overall rising costs and avoid making any changes to contribution rules among education employers that would result in the TRS pension fund receiving less contributions.

TSTA opposes any pension reform that would move TRS away from the defined benefit model. Defined benefit pensions are designed to provide a predictable and stable lifetime income for retirees. These pensions pool risk among large groups and ensure that employees are not alone laden with risks arising from market volatility. Unlike a 401(k), defined benefit plans don't fluctuate based on market swings at the time of retirement, one's investment choices, or one person's ability to guess how long they will live. The defined benefit pension also allows Texas educators to receive a diversified retirement savings that are managed by professionals at a low cost.

TSTA also appreciates the accomplishment of the 88th legislature in 2023 to pass SB 10 and HJR 2 and provide stipends and pension Cost-of-Living-Adjustment for retired Texas educators and their dependents, this act was affirmed by Texas voters who approved Proposition 9 on the statewide constitutional amendment ballot. SB 10 spent $5 billion to provide substantial stipends for over 280,000 TRS annuitants and a COLA for nearly 400,000 TRS annuitants.

When SB 10 was proposed, many retired educators, who have spent their careers putting millions of Texas children on the road to success as adults, had been struggling to make ends meet. None who retired since September 1, 2004, had ever had a COLA, and inflation has steadily eroded their purchasing power. Most Texas educators don't qualify for Social Security. So, for many, their TRS pensions are their only nest eggs, and unlike Social Security, TRS pensions don't have automatic COLAs that increase with inflation. Retired Texas educators rely on the legislature to initiate COLAs.

Post SB 10 COLA, Texas retired educators are still facing financial pressures. The average TRS annuitant eligible for a COLA received a $76 increase to their monthly check while the most recent retirees, those who retired between 2014 and 2020, received only a $46 average monthly increase. As of the end of FY2025, the average TRS annuity across all age ranges is $2,317. As inflation continues, TRS retirees are experiencing declining purchasing power with limited means for increasing their income.

James Hallamek, Government Relations Specialist, jamesh@tsta.org, 512-718-7236

TSTA urges the legislature to continue their support for Texas retired public educators and provide future TRS pension COLAs. Any pension contribution increase should be coupled with a benefit enhancement for retirees. The Texas legislature should work to mirror Social Security and provide an automatic COLA that is tied to inflation. The legislature should uphold their promise to Texas public educators and work to maintain a dignified retirement for those who devoted their career to teaching and caring for Texas students.

James Hallamek, Government Relations Specialist, jamesh@tsta.org, 512-718-7236