

Retired Teachers Urged to Become Educators for Candidates, Legislators and Active Teachers

Tim Lee, *Inside Line*, 11-5-13

TRTA must start its campaign to educate candidates and future legislators NOW.

As former educators, we must embrace the opportunity to teach candidates about what makes Texas TRS different from pension plans in some other states. Texas TRS currently is actuarially sound. Its retirees have an average monthly income of \$1800 and most do not have Social Security benefits. The plan is modest and absolutely necessary for the retirement security of more than 300,000 retirees and 800,000 pre-retirees.

It is also important that we talk to current public education employees about TRS.

Many are unaware of the two federal provisions that drastically reduce or completely eliminate any Social Security benefits they may be eligible for (even spousal benefits) and that TRS is their sole source of retirement security! We must work together to protect and sustain the TRS pension plan for our own generation and the generations to come.

Social Security Eyeing TRS COLA with GPO in Mind

Tim Lee, *Inside Line*, 10-16-13

TRTA members are not the only people happy to see the Texas Legislature provide an increase to Teacher Retirement System of Texas. The Social Security Administration (SSA) has also learned of this news and is preparing to reduce TRS retirees' Social Security checks that are impacted by the **Government Pension Offset (GPO)**.

It is vital that we all know what SSA benefits are being impacted in this most recent attempt by the

federal government to take money from our TRS retirees. As many of you know, there are two Social Security provisions that reduce or eliminate a TRS retiree's annuity.

One of these provisions is called the **Windfall Elimination Provision (WEP)**. This provision reduces the Social Security income of an individual based on his or her OWN work history. An example is a TRS employee who worked during or after her school employment (during which she did not pay into Social Security) in a new position where she did pay into Social Security. This work history results in 40 or more "earned quarters," at which point the retiree becomes eligible for a Social Security benefit. The **WEP** is applied to this person's Social Security income because she receives a pension. The WEP reduces her Social Security benefit by up to two-thirds. The WEP does not eliminate the Social Security benefit completely.

While many TRS retirees are impacted by this provision, the recent increase in TRS annuity amounts will NOT have ANY impact on a retiree's personally earned Social Security benefit. The other Social Security provision, the one that the SSA is using to target TRS retirees, is the Government Pension Offset (GPO). The GPO reduces the Social Security benefit that a TRS retiree may qualify for based on their spouse's work history. If a TRS retiree qualifies for a spousal benefit (this could also be a widow's/widower's benefit, or auxiliary benefit), the SSA implements a formula to reduce or eliminate the Social Security amount. For example, when Jane receives a TRS benefit of \$1,800 per month from her work with an ISD that did not pay into Social Security and her husband passes away, she is eligible to receive a portion of his Social Security benefit. Normally, the spousal benefit she is eligible to receive based on her spouse's work history is \$1,500. However, Social Security knows Jane receives a pension. The GPO formula therefore is used by the SSA to offset her spousal benefit. Her Social Security benefit will be reduced by two-thirds the amount of her pension.

In our example, the offset looks like this:

$\$1,800$ (Jane's TRS) \times $2/3 = \$1,200$ (this is the offset amount)

$\$1,500$ (Jane's eligible spousal benefit) - $\$1,200$ (calculated offset) = $\$300$ /month Social Security (what Jane actually receives)

As you can see, Jane's Social Security was not completely offset in this example, but in MOST

cases the GPO does eliminate a retiree's eligible spousal benefit completely.

Those fortunate enough to still qualify for their spousal benefit are told that future cost-of-living increases in states that have annual COLAs will continue to reduce the remaining spousal benefit. The SSA counts on these state COLAs to increase their revenue projections. If the SSA stopped this practice, it would reduce their budgeted revenues for the year. Texas TRS annuitants are not promised cost-of-living increases. It would be impossible for the SSA to budget an increase in their "revenue" for the year based on the Texas Legislature authorizing the increase that was just implemented for TRS retirees on October 1, 2013. However, this is not stopping the SSA from taking the opportunity to realize a "windfall" of its own.

TRTA has learned that many of our members who qualify for a reduced Social Security spousal benefit are now receiving letters from the SSA asking what their new annuity amount is with the 3% increase. There can be no doubt that this information is being requested to further reduce retirees' Social Security spousal benefits. While this is our belief, we have reached out to the SSA for an official comment. TRTA anticipated that SSA would attempt to reduce our retirees' Social Security benefits. For over a month, TRTA officials have made multiple trips to Washington, D.C. to ask our Congressional members to intervene.

TRTA Official Position: Repeal WEP/GPO

Tim Lee, Inside Line, 10-16-13

TRTA believes the GPO and the WEP should be repealed. This is a hotly debated issue in Congress and it has gained little traction for many reasons, but mostly because the SSA and Congress rely on GPO and WEP to bolster the financially troubled Social Security program. Some members of Congress are working hard to implement an even more devastating provision known as "mandatory Social Security," which has the potential to destroy the state funding for our Texas TRS pension trust fund.

This is an outrage that EVERY member of the Texas Congressional Delegation should rise up against! TRTA is calling on Congress to put a stop to allowing the SSA to further harm our TRS retirees who already are impacted by the GPO. In lieu of a complete repeal of the GPO, there must be an immediate freeze on any further reductions of Social Security benefits that already have been reduced by the GPO.

TRTA believes that Congress must impose a "one-and-done" strategy to protect our TRS retirees right now! The SSA never counted on these revenues in their budget projections; therefore, there is no cost to the federal government!

TRTA also calls on Congress to have a real conversation about the elimination or modification of the GPO and WEP. These two reductions harm retirees who are on fixed incomes and are detrimental to attracting the best and brightest educators to our classrooms.

TRTA has met with numerous Congressional members including Representatives Sam Johnson, Kevin Brady and Lloyd Doggett as well as the staff members of numerous other Congressmen, all of whom have responded favorably to working on a solution to this immediate threat to our TRS annuitants....

TRTA members are watching, and we are prepared to go to the polls and cast our votes for those who get things done. Let's send Congress a real wake-up call and let them know that real Texans, vulnerable retirees who are on fixed incomes, are about to be hit right in their pocket books if Congress does not intervene against the Social Security Administration.

November is Special for the Texas Retired Teachers Foundation

Tim Lee, Inside Line, 11-5-13

November has been designated by the Texas Retired Teachers Association (TRTA) as a time to raise awareness of the good deeds of its charitable partner organization, the Texas Retired Teachers Foundation (TRTF). The Foundation also wants to express its gratitude to all TRTA members and our friends. Due to your generosity, TRTF has changed many lives by providing financial assistance to retirees in need through the "A Helping Hand" program, Student Scholarships and Classroom Assistance Grants. The Foundation's educational program, known as the Legacy Campaign, continues to promote a positive image of public education in Texas.

You should have received the Foundation's annual appeal letter in your mailbox recently. The letter stresses how we as former educators are leaving a legacy of helping our own. A TRTA member from Laredo immediately responded to the letter with a \$500 donation. She is celebrating her 100th birthday on November 5th! Another member donated one dollar. Both members understand the importance of

our “A Helping Hand” program and have offered their heartfelt support.

Though not everyone can respond with a donation, there are many ways you can help share the good deeds of the Foundation this month! Sharing our newest Legacy educational video, “Preserving the Legacy: Actives and Retirees Working Together,” (<http://www.youtube.com/watch?v=qPXobFBLr5A>) is a great way to get involved. Telling retirees who may need financial help about “A Helping Hand” is another way to help our own! Just this week, the Foundation received a call from a retiree who has no extra money to repair a flat tire. When thinking of your family and friends this holiday season, please consider your TRTA family.

For more information about how you can participate, contact Beth Unite at 1.800.880.1650 or help@trtf.org. If you wish to make a donation online, please visit the Foundation web page www.trtf.org.

Public Pensions “as divisive as ever” across the Country

Tim Lee, Inside Line, 11-5-13

Although TRTA and its members had a successful legislative session in 2013, protecting and improving the Teacher Retirement System of Texas (TRS) pension plan, the debate about public pension plans is as divisive as ever.

Many of our members have heard of **the Laura and John Arnold Foundation** and the organization’s opposition to traditional defined benefit pension plans (the type Texas retired and active education employees rely upon for their own retirement security). In 2013, The Arnold Foundation partnered with the Pew Research Center. Together, both organizations hosted a conference in October of this year entitled “Summit on Sustainable State and Local Retirement Systems: Responsible Stewardship of Public Funds and Fairness for Employees.”

The conference featured the opposing viewpoints of many legislative officials and experts, with some claiming that defined benefit plans are not sustainable for the long-term and are unfair to future generations and others asserting the failure of 401(k)-style plans (defined contribution plans) and support of DB plans. The conference presented data that most Americans support DB plans for public sector workers, such as teachers and public safety employees.

While normally any conference presented by the Arnold Foundation might be skewed towards complete opposition of DB plans, the presence of

many state officials and public sector organizations made for a more balanced event. The National Council on Teacher Retirement (NCTR) summarized the event with the following words of advice: “no one should be under the impression that this particular challenge is over or abating.” A conference attendee reiterated that sentiment by saying “I think the DB opponents sense an opportunity to strike.”

It is important to note that Texas was not represented at this conference. The bipartisan, sensible changes made to TRS in 2013 through Senate Bill 1458 would make for a very informative panel discussion. Though Texas is truly a model for what a sustainable pension plan can be, we are still at risk of attack from DB opponents.

Yet another conference held recently, “Save Our Cities: Reforming Public Pensions to Protect Public Services,” was not as fair in its discussion of DB plans. Joshua Rauh, a professor from Stanford, proclaimed that “there is really no state or local government across the U.S. that sponsors any kind of DB pension plan that has really run a balanced budget.” Former Los Angeles Mayor Richard Riordan, who supports converting DB plans to DC plans, stated that “in the next several years, you are going to see city after city, state after state, go bankrupt.”

This is exactly the type of rhetoric that our own legislators hear when they attend conferences. Our members should remain focused on communicating with candidates for office and talk to them about the value Texas TRS brings to its 1,000,000+ members. In the 84th Legislative Session that begins in 2015, the Texas Legislature will have several new elected officials, including Representatives, Senators and even a new Governor. More than half of the Texas Legislature will have two years or less experience in office.

November 5 Vote Smoother Than Expected

November 5th marked the first statewide election in which voters had to show a photo ID to cast their ballots, and though elections officials say the process went smoothly, some worry that could change in future elections with increased voter turnout. Still, because of the new law, thousands of voters were

required to sign affidavits affirming their identity before voting. The voter turnout statewide was about usual at 8.51% but county to county it greatly varied. Travis County saw over 13.4% turnout but 20% had to sign an affidavit because of ID problems. In Harris County with multiple issues on the ballot over 12% voted but in Galveston County it was just over 5% who turned out.

Many prominent citizens had affidavit problems too. Texas Attorney General Greg Abbott, state Sen. Wendy Davis, and Democratic State Chairman Gilberto Hinojosa were among those thousands as well. Abbott and Hinojosa both carried a photo ID that included a middle name, and Davis' photo ID had her maiden name. During the very first week of early voting Harris County Clerk Stan Stanart, who is responsible for polling stations and ballots, had to confirm that "Stan" and "Stanley" were the same person. Under the new law names on your ID need to reasonably match what was listed in the voter registry as Stanart explained, "We've turned away zero people because of this issue in early voting. Zero." He added that **poll workers offer a card to those without exactly matching credentials so that they can update their voter registration information.**

The ID law especially affected women, who often change their names after marriage or divorce but minorities fall in a voters trap as well. State Democratic Chair Hinojosa said that it was especially difficult to get Hispanics to vote. "The process is often intimidating and unfamiliar to minority voters. When you add another obstacle, it makes it even more difficult and further discourages people from voting."

And then there is a disability exemption, which permits certain people to vote without providing one of the approved voter IDs. Under the Texas Election Code, disabled individuals can request a permanent exemption in their county of residence to presenting anything in addition to the voter registration card. The exemption is available to those who provide documentation of disability from the U.S. Social Security Administration or evidence of at least a 50% disability rating from the U.S. Department of Veterans Affairs.

Galveston County on the Low End of Voter Turnout this Time

In Galveston County almost 5½% of the registered voters (4075 early and 6152 on election day) cast ballots in the Nov. 5 election. Because of four local bond issues Friendswood cast one-third of the total. Early voter turnout in Friendswood was more than 1,500, in Dickinson 219, Bacliff 151 and League City 656. As for provisional ballots a few were required. And in general few problems have been reported with the new voter ID law and all nine of the state constitutional amendment easily passed with the same result holding true all over the state. Fearing some voter reluctance because of the new Voter ID law Galveston County Clerk Dwight Sullivan had predicted only a 3% turnout. But it went much smoother than anticipated with more than 5% turning out. There's no doubt that constitutional amendment elections draw few Texas voters. Every two years we are asked to make such decisions on our most basic law. In Galveston County in 2011 only 4% voted and in the previous two Texas Constitutional elections ('07 and '09) just 7% turned out. Statewide over the last twenty years with ten constitutional votes only in 2005 did the turnout go over 10% (13.8%) but the gay marriage issue was on that ballot.

Contact Your Legislators

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