



Texas House Interim Charges Released, Includes TRS Review

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The Texas House Pensions, Investments, and Financial Services Committee (PIFS) has been charged with reviewing the long-term financial stability of the Teacher Retirement System of Texas (TRS). This charge comes from Texas House Speaker Dustin Burrows, who has directed the PIFS Committee to study TRS funding sources and evaluate the potential impact of benefit enhancements for retirees.

Why It Matters

The TRS pension fund is currently not actuarially sound under state statute. The current funding period to pay off TRS liabilities is 35 years, exceeding the statutory requirement of a funding period of less than 31 years for the Texas Legislature to consider benefit increases for TRS retirees.

TRTA research shows that even after the benefit increases enacted in 2023, the average TRS retiree still trails cumulative inflation by approximately 30%. In 2027, the Texas Retired Teachers Association (TRTA) will advocate for the Texas Legislature to address pension benefits and provide a benefit enhancement for all TRS retirees.

Key Takeaways

This charge invites the committee and the public to share data and ideas ahead of the next legislative session and to prepare legislation in advance.

The committee will receive testimony from TRS regarding the system's actuarial status and the changes needed to meet actuarial soundness standards.

Discussions will include identifying adequate contributions to the system in light of existing liabilities, as well as evaluating the potential impact of benefit enhancements.

TRTA and other public education stakeholders will have opportunities to engage directly with the committee through public meetings to share needs and propose solutions.

Next Steps

TRTA appreciates Speaker Burrows' inclusion of these charges for the PIFS Committee. This review will give the Legislature adequate time to consider TRS's current actuarial status and work with TRTA, TRS, and other stakeholders on viable solutions to strengthen and enhance the defined benefit system ahead of the 2027 legislative session.

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