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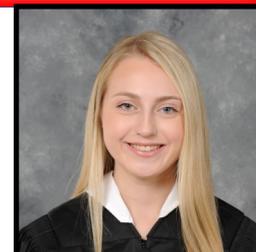
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MID-JEFFERSON COUNTY RETIRED SCHOOL PERSONNEL MAY 2020 NEWSLETTER



MEET THE 2020 MJCRSP SCHOLARSHIP RECIPIENTS

Jake Plante of Port Neches-Groves HS
Savannah Moore of Nederland HS



Continuing the struggle for a cost of living increase. . .

. . . A message from MJCRSP President Lynne James



Recently I ran across an article I had read in the mid-nineties, a little more than ten years prior to my retirement. At the time some of our Texas state legislators claimed the Teacher Retirement System (TRS) was **OVERFUNDED** and that the state should reduce its contribution from 7.31% to 6.0%. In fact TRS was (and still is) **UNDER BENEFITTED**, especially when compared to the State Employees Retirement System (ERS) to which elected state officials can belong. The article reported on the situation in **1994**:

ERS-1994	TRS-1994
1. Free hospitalization insurance	1. Comparable insurance cost TRS retiree about \$150 monthly
2. State paid 1/2 cost of spouse's insurance	2. No state money provided for spouse's coverage
3. State paid 7.65% of employee's salary for Social Security plus up to \$965 of the employee's annual share	3. State did not contribute similar amount into TRS fund each month to replace what would have been paid to Social Security.
4. Employee paid 6.0% to retirement fund.	4. TRS member paid 6.65% to retirement and hospitalization funds (10% more).
5. Retirement benefit multiplier of 2.25% .	5. Retirement benefit multiplier 2.0% .
6. In 1993 got 6% benefit increase plus Christmas bonus in 1993 and 1994.	6. Received 5% increase in 1993. All increases from 1980 up to that point came from TRS investment profits, not new state money.

As you can see, some things have changed but for the most part we are still the step-child of the Texas Legislature. Looking ahead to the next Legislative session in 2021, things do not look good. With oil prices in the tank (thus money the Legislature has to work with), the fight for funding will be a brawl and only the strong will survive. I say all this to remind you of the power in **numbers**. TRTA was on the brink of 100,000 members in 2019. We need to be way over that by January 2021. Let's join together to support Tim Lee and the TRTA Legislative Committee as they go to bat for sustaining our current benefits, providing affordable health care, and giving *all of us* a cost of living increase!

April Highlights

HOW SAFE IS OUR RETIREMENT FUND? On Friday, March 27, 2020, TRTA Executive Director Tim Lee hosted a Facebook live event, welcoming as his guest TRS Executive Director Brian Guthrie. The two discussed various topics pertaining to the TRS pension trust fund and current market fluctuations amid the COVID-19 pandemic. TRTA members who were unable to view the live broadcast can still do so. Go to TRTA's Facebook page and look for the video there.



 During the interview Director Guthrie said, "Fluctuations in the marketplace provide a lot of anxiety for our members ... but their annuities are safe." On March 27, after a volatile couple of weeks, the fund had a value of \$151 billion. To put that into context, the value of the fund at the start of the calendar year on January 1 was \$163 billion. The fund started the fiscal year in September 2019 at \$157 billion. "Our loss has been much less than what you will see in the broader market," said Guthrie. He said that the pension fund has a "diversified portfolio designed to withstand fluctuations."

According to Guthrie, it is too early to say how the current economic situation compares to 2008, but that "the dynamics were significantly different." The current downturn is a result of economic activity coming to a halt. Guthrie continued that "as a trust fund, we are large, long-term and liquid. . . . We have the opportunity to take advantage of fluctuations in the market as this persists." He said, "We don't have to react spontaneously to market fluctuations like we're seeing today . . . We're not overreacting." Guthrie also said that six of the nine trustees serving on the TRS Board of Trustees have an investment background. There are 180 investment professionals working for TRS, along with external partners "all working in lockstep." He emphasized that this team will do what's in the best interest for the pension fund for the long-term. Guthrie responded emphatically that retirees' annuities are safe. "They are not changing—at all," Guthrie said. "Your annuities are guaranteed, even if market is up or down, your annuity won't change, not like a 401k." He also stressed that although most TRS employees are now working remotely, annuities will be paid on time and "are not going to be delayed in any way." Annuities paid through direct deposit and with paper checks will remain on the same schedule as they were before the pandemic began. "Nothing will change," Guthrie said. TRS continues to process retirements for new retirees planning to retire this year. Guthrie stated that the amount new retirees are supposed to receive will not change due to changes in the market and encouraged those thinking about retiring to call TRS to set up a time meet with a counselor by phone. TRS counselors are answering phone calls and responding to requests by using special technology that enables them to answer calls from home during normal business hours. (Excerpted from Tim Lee's *Inside Line* in April 2020)

WHAT ABOUT A COLA? Guthrie emphasized that in order for COLAs to be approved by the Legislature, the pension fund must be actuarially sound. The system will perform an actuarial assessment on August 31, 2020, to determine its soundness. Guthrie said, "If the fund continues to trend down, TRS may not meet the threshold for soundness at that time." During session on either February 28 or March 31, TRS will reassess the fund to determine soundness. "The market will have impact on short-term ability to meet soundness," Guthrie said, but emphasized that due to the passage of Senate Bill 12 in 2019, "We believe we will be sound in the long-term." Generally, the possibility for receiving a COLA for retirees will depend on what the markets look like at the aforementioned points in time.

WHAT CAN YOU DO TO IMPROVE CHANCES OF A COLA? REMEMBER . . . NUMBERS COUNT! If you have not renewed your membership, do it now! If you have not joined TRTA in recent years—or not ever joined at all—do so now! Our team in Austin will be working throughout the pandemic to make sure that legislators feel our presence. We will also have some new legislators in January following the November election. TRTA will need all of us to educate the new legislators about our needs. Membership forms are included in this newsletter. Join and recruit!

HELEN'S HEALTH TIP: With COVID-19 cases at 25,297 and deaths at 663 in Texas on April 27 and showing a slight slow down, we must remain vigilant and follow the procedures we have been doing for the last month or more with the addition of wearing a mask any time you are not at home. Easy instructions that require no sewing, only folding, can be found on YouTube.

