



LEGISLATIVE BUDGET BOARD

Teacher Retirement System

**PRESENTED TO HOUSE COMMITTEE ON APPROPRIATIONS
LEGISLATIVE BUDGET BOARD STAFF**

FEBRUARY 2021

TRS Overview

TRS administers three discrete benefit plans, each of which uses its own fund, receives revenue from its own sources, and employs different funding mechanisms. The three trust funds are legally separate and not comingled.

1. The **Pension Trust Fund** provides defined contribution retirement benefits to employees of K-12 and institutions of higher education. It is funded by payroll contributions from the state, employers, and members, combined with investment income of the Fund.
2. The **TRS-Care Trust Fund** provides health care benefits to retired employees of K-12 education. The TRS-Care Fund receives payroll contributions from the state, active members, and school districts, combined with investment income earned by the Fund and retiree premiums paid by participating retirees.
3. The **TRS-ActiveCare Trust Fund** provides health care benefits to active public education employees in participating districts statewide. ActiveCare is funded by contributions from the state of \$75 per member per month, distributed as part of the Foundation School Program; and a minimum contribution of \$150 per member per month from school districts. The remainder of plan costs are covered by member premiums or additional employer contributions.

Pension Trust Fund Contribution Rates by Fiscal Year

Fiscal Year	State	Employer	Active Employees
2019	6.8%	1.5%	7.7%
2020	7.5%	1.5%	7.7%
2021	7.5%	1.6%	7.7%
2022	7.75%	1.7%	8.0%
2023	8.0%	1.8%	8.0%

Senate Bill 12 increased contributions to the TRS Trust Fund in order to make the fund actuarially sound

House Recommendations: TRS

Method of Finance	2020-21 Base	2022-23
General Revenue	\$5,076,318,357	\$5,914,382,833
GR-Dedicated	\$48,757,629	\$52,362,051
Other Funds	\$805,434,755	\$297,491,135
Total	\$5,930,510,741	\$6,264,236,019
Appropriation by Strategy		
Public Education Retirement	\$4,069,648,472	\$4,534,427,989
Higher Education Retirement	\$494,021,631	\$544,184,045
Pension Administration	\$272,494,976	\$288,052,507
TRS-Care Statutory Contribution	\$858,068,348	\$897,571,478
TRS-Care Additional Funding	\$236,277,314	\$0
Total	\$5,930,510,741	\$6,264,236,019



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Contact the LBB

Legislative Budget Board

www.lbb.state.tx.us

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