



AFSCME Texas Retirees

1812 Centre Creek Drive, Suite 130 • Austin, Texas 78754-5132

1-800-221-9181 • 512-477-9181 • office@afscmetexasretirees.org

www.afscmetexasretirees.org •  AFSCME Texas Retirees Chapter 12

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My name is Luther Elmore and I am President of AFSCME, Texas State Retirees. I am submitting this statement on behalf of myself and the membership of AFSCME Texas Retirees.

The American Federation of State, County, and Municipal Employees, Texas State Retirees, is an organization of over 8,000 retired former employees of the State of Texas. We have members from all over the state who worked for many different state agencies, performing many different jobs for the citizens of this state.

During our years as employees of the State of Texas, most of us paid 6.5% of our salaries into retirement funds held by the Employees Retirement System. Now that we are retired, we receive a monthly annuity for our contributions to the fund. There are about 115,000 state retirees and their survivors that receive benefits. Currently, ERS has approximately \$29 billion in funds that it invests to solidify those funds. The average monthly annuity received by our retirees is about \$1,700 a month.

As late as the year 2001 the funds were actuarially sound. That is no longer the case. It is estimated that ERS is \$12 billion short of meeting its future obligations, is only 70% funded, and faces total depletion by 2075. To partially address this issue, in recent years the contribution rate paid by state employees has been steadily rising. In 2014 the rate went from 6.5% to 6.6%; in 2015 to 6.9%; and in 2016 to 9.5% for newly hired state employees. In addition, state retirees have not had a cost of living adjustment since 2001. This means that they have seen a reduction of the purchasing power of their annuity of approximately 30% over the last 20 years. Many retirees, especially those on the lower end of the income scale, are finding it increasingly difficult to make ends meet.

During the last Legislative Session in 2019, the Legislature addressed the dire situation faced by teachers in Texas with the promise that they would address state retirees in 2021. Please follow through with that commitment made two years ago and fund the plan. Do not turn your back on the individuals who throughout their working life worked for you and the other citizens of the great state of Texas.

Texas state retirees need your support and financial commitment as you honor their service to the state.

I implore you to fund the plan and do what is right for Texas state retirees so they can live out their remaining years with a dignified, secure retirement.

Thank you.

Luther Elmore
President, AFSCME Texas State Retirees