



Hoping to Retire Some Day?

Texas Federation of Teachers wants you to know about the changes to the Teacher Retirement System.

***In June, Gov. Rick Perry signed into law SB 1691.
What does it mean to you?***

The new law, with an effective date of September 1, 2005, takes away \$1.5 billion dollars in future pension benefits from school employees, primarily by changing the "**final average salary**" formula on which your pension is based from a "**best three years**" average to a "**best five years**" average. That means less money in your retirement check each month.

Are you affected by this change? Take this simple test! As of August 31, 2005:

- 1) Were you 50 years old?
OR
- 2) Had you completed 25 years of service?
OR
- 3) Did you satisfy the "Rule of 70" (age + years of service = 70)?

If you can answer "YES" to any of the above 3 questions, you are "grandfathered" or protected from this change.

If you can't answer "YES" at least once, the "best five years" average is applied to your pension, and to that of two-thirds of Texas school employees, many who are in mid-career and who have counted on retiring under the more favorable existing rules. Thanks to the Texas legislature, you are out of luck when SB 1691 takes effect on September 1, 2005.

SB 1691 also makes other adverse changes in TRS benefits. For more information on changes enacted by the legislature to TRS and TRS-Care, or to see how your legislator voted, go to www.tft.org, or call TFT at 1-800-222-3827.

