**Tale of two pensions isn't happy ending for state teachers**

By Patricia Kilday Hart  
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Call it "The Tale of Two Pensions."

The Texas Legislature tentatively has adopted policies affecting the retirement plans of both state lawmakers and public school teachers. It was the best of times for state legislators; for Texas teachers? Not so much.

If approved, the new budget will increase the retirement pay of state legislators, while requiring Texas teachers to kick in more of their paychecks to keep the Teacher Retirement System solvent. By 2017, the average teacher will be paying $600 more a year to retirement.

According to the Texas Retirement System, a teacher with 16 to 20 years of service retires, on average, at a salary of $42,813 and receives a monthly retirement benefit of $1,292. The annual contribution to the retirement system is $2,740. That would rise to $3,296 under the budget proposal.

Meanwhile, a lawmaker with 20 years of service can retire with a monthly benefit of $4,791. Under the legislation heading for final approval, that monthly retirement check would swell to $5,366.
'Horribly dishonest'

Of course, lawmakers did not vote outright to increase their own pensions. It happens automatically under state law when they raise judicial salaries. Under budget agreements tentatively approved, the state pay of a district judge, not including local supplements, will rise from $125,000 to $140,000.

State lawmakers earn the notoriously low salary of $600 per month, but in 1975, a creative House member amended a bill concerning the Texas Employees Retirement System to hike lawmaker pensions every time state judges get a pay raise. Lawmakers also earn $150 per diem for every day of their biennial 140-day session, or $21,000 every other year.

"It is horribly dishonest," said fiscal hawk Michael Quinn Sullivan, president of Texans for Fiscal Responsibility. "Most taxpayers don't know this. Lawmakers talk a lot about the $600-a-month paycheck, but they fail to mention they earn $23,000 for life after serving eight years in the Legislature."

Sullivan, whose organization "scores" lawmakers on conservative votes, said the Legislature "should have to take an affirmative vote."

This session, Sen. Robert Duncan, R-Lubbock, proposed a bill that would have required lawmakers to do just that. At an April 15 hearing, he told his colleagues that "de-linking" judicial pay and legislative retirement would mean "we won't be holding our judicial pay raises hostage to those concerned about raising legislative benefits."

'Cost' of service

In a session where "transparency," has become a watchword, Duncan argued this bill was "a more transparent way to determine legislative retirement."

Committee members greeted the bill like a skunk at a garden party. Sen. Joan Huffman, R-Houston, said legislators earn their retirement through hard work and the hardships public service imposes on family and professional life.

"It is a cost to your personal and business life," she said. "There are those who work very hard at this."

The proposal died in committee.
Duncan agreed with Huffman that lawmakers earn their retirement: "Most people who come down here and serve at $600 a month are either wealthy or sacrificing putting together a retirement nest egg. Many operate businesses or bill by the hour. Their personal retirement suffers because they are not generating that kind of income."

However, Duncan - and the Judicial Compensation Commission - say judicial pay in Texas has suffered because of the tie to legislative retirement. The commission reported in 2010 that lawmakers "are and should be reluctant to embrace timely pay increases for judges because such a vote will be identified as self-serving on the part of the legislator."

Many judges reported to the commission that they retired from the bench out of financial concerns. A 2012 survey found that the average salary for first-year associates in 17 of the largest firms in Texas was $154,705 - well above the base salary of state district judges.

Meanwhile, Duncan, concerned about the long-term viability of the Teacher Retirement System, also proposed the bill that increased the contribution that teachers must make - from 6.4 percent to 7.7 percent by 2017

The bill also would require new teachers to work until they are 62 before they can retire.

'Benefit enhancements'

Teachers will benefit from the new proposal, Duncan said. Currently, the TRS is not able to provide cost-of-living increases or other supplemental benefits, he explained. By increasing teacher contributions, the Legislature would be able to approve cost-of-living increases.

"A robust retirement system will allow benefit enhancements," he said. "If we don't make these changes, the fund will never get there."

Teacher organizations agreed to support the changes after the lawmakers agreed to phase in the increased contributions.

Most teachers don't participate in the federal Social Security program. Most Texas school districts have declined participation in the federal program, and save about $1.5 billion annually as a result. Under the bill tentatively approved, those districts will be required to contribute to the TRS.
Pension comparison

1 Lawmaker with 20 years of service:

Now: annual retirement check of $57,500, or $4,791 monthly.

Under new budget: $64,400 annually, or $5,366 monthly.

Contribution: 8 percent of their $600 a month into the Employee Retirement System, or $576 a year.

1 Average teacher with 16-20 years service, retires with annual salary of $42,813; receives a monthly retirement benefit of $1,292.

Current contribution to TRS: 6.4 percent, or $2,740 a year.

New required contribution: 7.7 percent by 2017, or $3,296 a year. (based on average salary of 16-20-year teacher, according to TRS information.)
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