

The Teachers' Retirement Insurance Program (TRIP)

Issue: Since the creation of this health insurance program for retired teachers, the program has consistently had to deal with funding issues. Adjustments to the funding of the program have been made through the years to ensure the plans solvency. The most recent agreement was struck in 2004 and structured the funding of TRIP as we know it today. However, the four revenue streams are not keeping up with the actual costs of the health insurance plan and the day is nearing when an adjustment will need to be made to maintain the solvency of the plan.

How TRIP is Funded: Active members pay 1.12% of their salary, the state matches the active teacher contributions (\$110 million for FY17), school districts contribute 0.84% of their payroll, and retirees pay their health insurance premiums. The law allows for these funding streams to increase by an equal percentage but not more than 5% above the previous year. TRIP continues to operate with a deficit and will be in the red at the end of the current fiscal year by over \$100 million. TRIP is a \$500 million program.

What to Expect in the Next Few Months: In recent years, some legislative leaders have consistently tried to make the point that the state should not be providing health insurance for retired educators and we have seen proposals this year that would eliminate the state's contribution to the program. We have been successful in defeating similar proposals in the past. However, to maintain the program in to the future, TRIP will require some modifications and we must fight to ensure the continuation of the state's contribution of \$110 million.

What You Can Do: With the known fiscal issues that the program faces, encourage your lawmakers to prioritize funding for this program to ensure that it carries into the future and keeps the promise of a secure retirement for our retired members and for those moving closer to retirement. There are 74,000 retired teachers that depend on this insurance program and a majority do not receive Social Security.