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1983

# Benefit Increases for Retired Members

- 1947** Increased retirement annuities to 1-½% of prior service.
- 1949** Increased retirement annuities to 2% of prior service.
- 1951** Increased retirement annuities to 3% of prior service.
- 1953** Increased retirement reserve by 1/3.
- 1956** Provided minimum annuities of \$100 at age 60 with 20 or more years of service or \$75 at age 65 with 10 to 20 years of service.  
Provided Survivor Benefits amounting to \$500 lump sum payment plus \$75 per month to an unmarried widow or widower.
- 1963** Increased minimum annuities for retired teachers with 25 or more years of service to \$50 per year for each year of service not to exceed \$150 per month.  
Extended Survivor Benefits to a certain group of beneficiaries not previously covered.  
Exempted Death and Survivor Benefits from state inheritance taxes.
- 1967** Increased annuities for retired teachers by \$1.50 per month for each year they had been retired.  
Extended Survivor Benefits to a certain group of beneficiaries not previously covered.
- 1969** Increased retirement annuities by 10%.
- 1971** Retired teachers received the greater of a 10% increase or a new minimum standard service retirement annuity of \$6.50 per month for each year of service. Approximately 11,000 retired teachers received increases greater than 10% when the new minimum was applied.
- 1975** Retired members received the following increases in benefits effective February 1, 1975:
- 18% for members who retired before March 31, 1969.
  - 12% for members who retired on or after March 31, 1969, and before May 31, 1971.
  - 5% for members who retired on or after May 31, 1971 and before September 1, 1973.
- Retired auxiliary members received either the percentage increase or a new minimum standard service retirement benefit of \$5 per month for each year of service, but no less than a \$60 per month minimum. The new minimum benefit was not added to the annuity being received by the auxiliary member. Also, the new minimum was actuarially reduced had the member selected a retirement option in lieu of the Standard Annuity or had retired at an early age.
- 1977** Monthly increases for retired members were based on a graduated rate of \$.75 per month per year of service plus \$.02 for each year since retirement. This rate applied to retired members who selected the Standard Annuity Retirement Plan and retired at normal age. Current actuarial reduction tables were applied to increases for members who retired early and/or selected one of the four retirement options in lieu of the Standard Annuity. Increases applied to members who retired before May 31, 1977.  
Legislation combining "teacher" and "auxiliary" classification of members into one classification of "member" enabled retired auxiliary members to receive an increase based on either the graduated rate or the higher minimum guaranteed Standard Annuity which had been provided to members classified as "teacher".
- 1979** Certain retired members received annuity increases effective in September, 1979 in the following amounts:
- 13% increase in annuities for members who retired before March 31, 1969.
  - 6% increase in annuities for members who retired on or after March 31, 1969 but before September 1, 1973.
  - No funds were appropriated to provide benefit increases to any member who retired after September 1, 1973.
- Survivor benefits were increased for the first time since 1957. Beneficiaries receiving the \$75 per month survivor benefit in August began receiving \$100 per month in September, 1979, and thereafter. Two other provisions took effect in September, 1980:
- The lump sum survivor benefit increased from \$500 to \$1,500, and
  - The provision that remarriage disqualifies a beneficiary from monthly survivor benefits was repealed.
- 1981** Emergency benefit increase of 5.1% was granted effective February, 1981, for annuitants receiving payment as a result of retirement or death that occurred before August 31, 1979, except those beneficiaries receiving monthly survivor benefits, and members retired on disability with less than 10 years of service.  
Beginning September 1, 1981, the following increases began:
- 21% for members who retired before September 1, 1963.
  - 16% for members who retired on or after September 1, 1963 but before May 31, 1971.
  - 14% for members who retired on or after May 31, 1971 but before May 31, 1977.
  - 2% for members who retired on or after May 31, 1977 but before August 31, 1979.
  - 7% for members who retired on August 31, 1979 and did not benefit from \$25,000 salary ceiling removal. (This group did not receive 5.1% increase in February.)
  - Or, if a greater annuity would result, the annuity would be recalculated under the retirement formula in effect on August 31, 1979 without benefit of any other increases which have been granted since date of retirement.

*Effects of Inflation on TRS Annuitants*

Study is based on a random sampling of retired "teacher" members who had 30-34 years of service and whose annuities appear to represent an average benefit level during each retirement year. The Consumer Price Index (CPI) is from the U.S. Department of Labor's Bureau of Labor Statistics report for the year ending December 31, 1982. Inconsistencies in the percentage increase for certain annuitants relate to the various formulas used to provide cost of living increases. The formulas have usually favored older retirees.

| <u>Retirement Date</u> | <u>Original Annuity</u> | <u>Present Annuity</u> | <u>Percentage Increase</u> | <u>CPI Avg. Increase</u> | <u>Needed to Equal CPI</u> |
|------------------------|-------------------------|------------------------|----------------------------|--------------------------|----------------------------|
| 1946                   | \$ 30.15                | \$ 402.71              | 1235.6%                    | 394.2%                   | (841.4)%                   |
| 1947                   | 13.42                   | 440.71                 | 3183.9                     | 332.1                    | (2851.8)                   |
| 1947                   | 46.48                   | 401.82                 | 764.5                      | 332.1                    | (432.4)                    |
| 1949                   | 20.43                   | 400.04                 | 1858.1                     | 304.9                    | (1553.2)                   |
| 1949                   | 77.92                   | 399.15                 | 412.2                      | 304.9                    | (107.3)                    |
| 1950                   | 33.63                   | 424.90                 | 1163.4                     | 301.0                    | (862.4)                    |
| 1951                   | 68.02                   | 423.95                 | 523.2                      | 271.6                    | (251.6)                    |
| 1951                   | 110.41                  | 436.80                 | 295.6                      | 271.6                    | (24.0)                     |
| 1952                   | 62.37                   | 435.83                 | 598.7                      | 263.6                    | (335.1)                    |
| 1952                   | 101.03                  | 423.00                 | 318.6                      | 263.6                    | (55.0)                     |
| 1953                   | 54.96                   | 434.85                 | 691.2                      | 260.9                    | (430.3)                    |
| 1953                   | 70.91                   | 422.06                 | 495.2                      | 260.9                    | (234.3)                    |
| 1954                   | 147.61                  | 433.87                 | 193.9                      | 259.1                    | 65.2                       |
| 1954                   | 72.78                   | 421.12                 | 478.6                      | 259.1                    | (219.5)                    |
| 1955                   | 77.24                   | 467.43                 | 505.1                      | 260.5                    | (244.6)                    |
| 1955                   | 103.49                  | 432.89                 | 318.2                      | 260.5                    | (57.7)                     |
| 1956                   | 81.76                   | 419.20                 | 412.7                      | 255.2                    | (157.5)                    |
| 1956                   | 175.09                  | 465.78                 | 166.0                      | 255.2                    | 89.2                       |
| 1957                   | 146.18                  | 430.93                 | 194.7                      | 242.9                    | 48.2                       |
| 1957                   | 138.31                  | 380.24                 | 174.9                      | 242.9                    | 68.0                       |
| 1958                   | 167.68                  | 425.34                 | 153.6                      | 233.8                    | 80.2                       |
| 1958                   | 136.28                  | 417.32                 | 206.2                      | 233.8                    | 27.6                       |
| 1959                   | 173.98                  | 435.84                 | 150.5                      | 231.2                    | 80.7                       |
| 1959                   | 162.20                  | 416.37                 | 156.7                      | 231.2                    | 74.5                       |
| 1960                   | 158.65                  | 402.82                 | 153.9                      | 225.9                    | 72.0                       |
| 1960                   | 189.66                  | 460.83                 | 142.9                      | 225.9                    | 83.0                       |
| 1961                   | 171.41                  | 427.03                 | 148.6                      | 222.7                    | 74.1                       |
| 1961                   | 184.13                  | 447.00                 | 142.7                      | 222.7                    | 80.0                       |
| 1962                   | 179.79                  | 434.08                 | 141.4                      | 219.1                    | 77.7                       |
| 1962                   | 189.72                  | 454.43                 | 139.5                      | 219.1                    | 79.6                       |
| 1963                   | 147.38                  | 425.07                 | 188.4                      | 215.3                    | 26.9                       |
| 1963                   | 187.79                  | 446.48                 | 137.7                      | 215.3                    | 77.6                       |
| 1964                   | 191.64                  | 427.56                 | 123.1                      | 211.2                    | 88.1                       |
| 1964                   | 187.46                  | 420.73                 | 124.4                      | 211.2                    | 86.8                       |
| 1965                   | 210.91                  | 461.68                 | 118.8                      | 205.9                    | 87.1                       |
| 1965                   | 197.60                  | 438.22                 | 121.7                      | 205.9                    | 84.2                       |
| 1966                   | 216.90                  | 471.02                 | 117.1                      | 197.4                    | 80.3                       |
| 1966                   | 200.23                  | 436.90                 | 118.1                      | 197.4                    | 79.3                       |
| 1967                   | 172.92                  | 378.57                 | 118.9                      | 189.1                    | 70.2                       |
| 1967                   | 166.55                  | 380.02                 | 128.1                      | 189.1                    | 61.0                       |
| 1968                   | 199.08                  | 430.04                 | 116.0                      | 177.4                    | 61.4                       |
| 1968                   | 176.77                  | 390.98                 | 121.1                      | 177.4                    | 56.3                       |
| 1969                   | 205.14                  | 361.89                 | 76.4                       | 163.3                    | 86.9                       |
| 1969                   | 241.85                  | 420.34                 | 73.8                       | 163.3                    | 89.5                       |
| 1970                   | 239.58                  | 415.94                 | 73.6                       | 148.6                    | 75.0                       |
| 1970                   | 259.96                  | 448.41                 | 72.4                       | 148.6                    | 76.2                       |
| 1971                   | 337.75                  | 483.54                 | 43.2                       | 138.3                    | 95.1                       |
| 1971                   | 307.52                  | 443.24                 | 44.1                       | 138.3                    | 94.2                       |
| 1972                   | 347.77                  | 496.15                 | 42.7                       | 130.7                    | 88.0                       |
| 1972                   | 374.02                  | 531.15                 | 42.0                       | 130.7                    | 88.7                       |
| 1973                   | 408.80                  | 576.77                 | 41.0                       | 117.2                    | 76.2                       |
| 1973                   | 385.57                  | 545.80                 | 41.5                       | 117.2                    | 75.7                       |
| 1974                   | 429.14                  | 543.29                 | 26.5                       | 95.7                     | 69.2                       |
| 1974                   | 452.77                  | 570.88                 | 26.0                       | 95.7                     | 69.7                       |
| 1975                   | 460.43                  | 580.05                 | 25.9                       | 79.3                     | 53.4                       |
| 1975                   | 455.66                  | 574.34                 | 26.0                       | 79.3                     | 53.3                       |
| 1976                   | 551.95                  | 688.99                 | 24.8                       | 69.6                     | 44.8                       |
| 1976                   | 477.88                  | 600.24                 | 25.6                       | 69.6                     | 44.0                       |
| 1977                   | 607.25                  | 650.98                 | 7.1                        | 59.3                     | 52.2                       |
| 1977                   | 624.65                  | 669.64                 | 7.1                        | 59.3                     | 52.2                       |
| 1978                   | 688.10                  | 737.65                 | 7.1                        | 48.0                     | 40.9                       |
| 1978                   | 754.95                  | 809.32                 | 7.1                        | 48.0                     | 40.9                       |
| 1979                   | 699.36                  | 749.78                 | 7.1                        | 33.0                     | 25.9                       |
| 1979                   | 763.75                  | 818.75                 | 7.1                        | 33.0                     | 25.9                       |
| 1980                   | 844.17                  | 844.17                 | 0.0                        | 17.1                     | 17.1                       |
| 1981                   | 863.10                  | 863.10                 | 0.0                        | 6.1                      | 6.1                        |