



Weekly Clips, July 15, 2016
Texas Pension Review Board
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PRB PLANS

What Dallas Needs to Do for Its Police

July 13, 2016, By Charles Chieppo

It's probably impossible for a civilian to fully comprehend what Dallas police officers who saw five brother officers gunned down in a spasm of senseless violence last week are feeling. But that tragedy was the latest blow for a department that, despite the community-policing reforms that have won it accolades, has continued to suffer from serious morale, staffing, compensation and other issues that urgently cry to be addressed.

After 12 years of falling crime rates, violent crime is on the rise in Dallas, as is the time it takes for the Dallas Police Department (DPD) to respond to calls. Morale, on the other hand, is in free fall. In a 2014 Dallas Police Association survey of 1,279 members, 80 percent rated morale either "low" or the "lowest it's ever been." More than a quarter of the respondents said they're looking for jobs elsewhere.

Governing

TEXAS ECONOMIC INDICATORS

The oil crash won't mess with Texas economy: Gov. Abbott

July 12, 2016, By Texas Gov. Greg Abbott

Texas is the best state to do business in. For 12 years in a row, that's been the finding of *Chief Executive Magazine's* annual survey of the nation's top CEOs. The Lone Star State is also the top-performing state for capital investments and home to the second-most Fortune 500 companies. Despite volatility in oil prices, the Texas economy, the 10th-largest in the world, is continuing to expand.

The Dallas Fed's Texas Leading Index shows broad-based gains, and economists predict continuing positive job growth - a testament to the diversity of our state's economy.

CNBC

Texas' job market: The long and short of it

July 14, 2016, By Bill Hethcock

Texas posted relatively strong job growth in June, and the state's economy seems well-positioned for the long haul, according to two economic reports released Tuesday.

Texas added 10,700 private sector jobs in June, according to a survey by payroll processor ADP. The jobs gain was a decent showing for the Lone Star State, but fell far short of the 26,900 private-sector jobs added in California and the 14,600 added in Florida.

Dallas Business Journal

LEGAL PROCEEDINGS, LAWS & REGULATIONS

Agencies Propose Modernized Forms for Benefit Plan Reporting

July 11, 2016, By Sean Forbes

Modernizing and improving the annual reporting forms filed by private-sector employee benefit plans is the goal behind proposed revisions issued by the three federal agencies that regulate benefit plans.

The Department of Labor, the Internal Revenue Service and the Pension Benefit Guaranty Corporation in a 777-page proposed rule (RIN:120-AB63) issued July 11 said the revisions are necessary because the annual return/report forms known as Form 5500 haven't kept pace with market developments and changes to employee benefit laws.

[Bloomberg BNA](#)

Delta pilots case against PBGC advances

July 12, 2016, By Hazel Bradford

A lawsuit brought by a group of former Delta Air Lines Inc. pilots against the Pension Benefit Guaranty Corp. can move forward, a U.S. District Court in Washington has ruled.

At this early stage in the case, the court deems these allegations sufficient to state a plausible claim of fiduciary breach, Judge Reggie Walton said in his July 6 order denying the agency's motion to dismiss. Mr. Walton also denied the plaintiffs' bid for a jury trial and attorney fees.

After Delta filed for bankruptcy in 2005, the Delta Air Lines Pilots Retirement Plan was terminated and the PBGC became trustee in December 2006. At the time, the plan's assets were valued at \$1.99 billion, court filings state.

[Pensions & Investments](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

DOD Gives Phased Retirement Program Green Light, Ends Lengthy Delay

July 8, 2016, By Nathaline Richardson

Civilian Department of Defense workers, who may be interested in phasing into retirement, can breathe a sigh of relief, as a long-awaited phased retirement program has become a reality, under a directive-type DOD memorandum, released June 21.

In August 2014, about two years after President Barack Obama signed a measure calling on federal agencies to offer a phased retirement program, the Office of Personnel Management issued a final rule establishing the federal government phased retirement program.

[Bloomberg BNA](#)

Women More Likely Than Men to Face Poverty During Retirement

July 10, 2016, By The Associated Press

During their working years, women tend to earn less than men, and when they retire, they're more likely to live in poverty.

These are women who raised children and cared for sick and elderly family members, often taking what savings and income they do have and spending it on things besides their own retirement security.

The National Institute on Retirement Security, a nonprofit research center, reports that women are 80 percent more likely than men to be impoverished at age 65 and older. Women age 75 to 79 are three times more likely.

[The New York Times](#)

Can We Ignore the Alarm Bells the Bond Market Is Ringing?

July 11, 2016, By Neil Irwin

The financial media tend to report breathlessly about what the stock market did yesterday. But savvy economic analysts have always known the bond market is the place to look for a real sense of where the economy is going, or at least where the smart money thinks it is going.

And right now, if the bond market is correctly predicting the economic path ahead, we should all be terrified.

But, please, read on before panicking. There's a lot more to the story.

[The New York Times](#)

In Minnesota, a commitment to intergenerational fairness

July 11, 2016

Pensions & Investments' June 27 editorial, "Intergenerational fairness," said pension fund boards "must begin to act to embrace their responsibilities to serve future generations, not only the immediate generation." Indeed, intergenerational equity is at the very heart of our governing philosophy at the Minnesota retirement systems.

Our retirement system boards historically have embraced this philosophy by consistently abiding by the concept of shared sacrifice when fiduciary duty requires financial course corrections for the plans. Minnesota was one of the first states to lower retiree cost-of-living adjustments and increase contributions to handle the funding issues caused by the Great Recession.

[Pensions & Investments](#)

New York City Pension Fund to Divest Itself of Gun Retailer Stock

July 14, 2016, By Liz Moyer

New York City's employee pension fund will sell all its holdings of three American retailers because they sell guns, and will continue to press ahead in its efforts to get Walmart and a division of the supermarket chain Kroger to remove guns from their store shelves.

The \$59 billion New York City Employees Retirement System voted to divest itself of the shares on Thursday at its board of trustees meeting. The fund is selling shares in Dick's Sporting Goods, Cabela's and Big 5 Sporting Goods. The holdings, worth \$10.5 million as of mid-June, are about 0.02 percent of the pension's portfolio, according to a letter to the board of trustees from the city's public advocate that was reviewed by The New York Times.

[The New York Times](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Brexit Adds to Pension Funds' Pain

July 10, 2016, By Timothy W. Martin, Vipal Monga and Heather Gillers

The retirement savings of tens of millions of people have come under new threat since the surprise U.K. vote to leave the European Union, thanks to a plunge in global interest rates.

A post-Brexit scramble for safer bonds pulled yields lower and upended global markets just as many public pension funds wrapped up their fiscal year on June 30, eating into any annual gains and widening already-large deficits. Many public pensions that were already having a bad year are expected this month to report their worst annual performances since the last financial crisis in 2008-09.

"We could see some pretty ugly 2016 financial statements," said Matt Fabian, a partner at research firm Municipal Market Analytics.

[The Wall Street Journal](#)

Chinese Stocks Rally to Three-Month High Amid State-Support Bets

July 11, 2016, By Kana Nishizawa and Fox Hu

China's benchmark stock index rose to a three-month high amid speculation state-backed institutions intervened in both the share and currency markets, and as the nation's pension funds prepared to invest in equities.

The Shanghai Composite Index closed 1.8 percent higher, with most of its gains coming in late afternoon trading. A measure of energy companies climbed the most in four months as China Coal Energy Co. paced gains after saying it expects a return to profit. Casino shares boosted Hong Kong equities following a note from brokerage Telsey Advisory Group saying that Macau gaming revenues are likely to halt two years of declines in July.

[Bloomberg](#)

U.K. Hedge Funds Look to European Watchdog to Ease Brexit Fears

July 11, 2016, By Luca Casiraghi

The future of London as the hedge-fund capital of Europe, along with the 700 billion pounds (\$906 billion) of assets money managers control, may be determined by a market watchdog this month.

The Paris-based European Securities and Markets Authority will recommend this month whether hedge funds, private equity and real-estate funds based in some countries outside of the European Union should

be able to continue selling products within the 28-nation bloc. The opinion will be closely scrutinized by London-based fund managers because it could become a template for when Britain exits the EU.

[Bloomberg](#)

More than a half of UK savers cashing in pensions, says FCA

July 15, 2016, By Monira Matin

Over half of UK savers are cashing in their savings following the introduction of pension freedoms last year, research from the UK's Financial Conduct Authority (FCA) suggests

The findings, published on Thursday in the regulator's Retirement Outcomes Review, show that in the last quarter of 2015, 52% of consumers taking full encashment or making high rates of cash withdrawals from their pension savings via Uncrystallised Fund Pension Lump Sum (UFPLS), flexi-access drawdown or small pot lump sum payments. Around 11% of consumers aged 55-59 withdrew 10% or more of their pension pot (after the deduction of tax-free cash for drawdown and/or pre-UFPLS payments) in the quarterly period October to December 2015

[International Adviser](#)

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