



Weekly Clips, February 3, 2017

Texas Pension Review Board

P.O. Box 13498 · Austin, TX 78711-3498

www.prb.state.tx.us

PRB PLANS

New Coalition Formed To Help Fix Dallas Police And Fire Pension Fund

January 27, 2017, By Jack Fink

Three former Dallas Mayors and 10 business and civic groups are joining forces to help save the troubled Dallas Police and Fire Pension Fund.

They've formed Taxpayers For A Fair Pension, and they say the goal is to guarantee an equitable pension system for all firefighters and police officers and protect city taxpayers from big tax increases.

Former Mayors Tom Leppert, Laura Miller and Ron Kirk are co-chairs of the group, and members include: Dallas Citizens Council, Dallas Regional Chamber of Commerce, Dallas Black Chamber of Commerce, Greater Dallas Hispanic Chamber of Commerce, Greater Dallas Asian American Chamber of Commerce, North Dallas Chamber of Commerce, Oak Cliff Chamber of Commerce, Stemmons Corridor Business Association, MetroTex Association of Realtors, and The Real Estate Council.

CBS DFW

Expert: Dallas Police and Fire Fund one of the worst

January 30, 2017, By Brett Shipp

One of the top pension fund analysts in the country says the Dallas Police and Fire Pension Fund is in worse shape than officials have described.

Joe Nation is Project Director at the Stanford Institute for Economic Policy Research, a respected public policy expert, a professor at Stanford University and someone who has studied pension funds all over the country.

He says the situation is actually twice as bad as the public has been told, a financial hole so deep, the city may never be able to climb out.

WFAA

6 retired Dallas cops sue pension system in federal court, want access to lump-sum accounts restored

January 30, 2017, By Tristan Hallman

A group of retired Dallas police officers is asking a federal judge to restore access to their lump-sum pension accounts.

In a federal lawsuit filed Monday, the six retirees allege that their pension board violated their constitutional rights by restricting access to funds in the Deferred Retirement Option Plan, known as DROP.

Pension officials declined comment, and the plaintiffs' attorney did not immediately return requests for comment.

[Dallas News](#)

Ex-Cops File Federal Lawsuit Against Dallas Police and Fire Pension System

January 31, 2017, By Stephen Young

The hits, apparently, are going to keep on coming for Dallas' woebegone police and fire pension system. On Monday afternoon, a group of six former Dallas cops sued the system's board in U.S. District Court in Sherman, alleging that the trustees' decision to temporarily stop withdrawals from members' Deferred Retirement Option Program (DROP) accounts violates the retirees' rights. They cite the 14th Amendment and claim the refusal to withdraw money is depriving them of their property.

[Dallas Observer](#)

Dallas police officers sue pension fund for limiting DROP withdrawals

January 31, 2017, By Meaghan Kilroy

A group of retired Dallas police officers filed a lawsuit Monday against the board of trustees of the \$2.1 billion Dallas Police & Fire Pension System for limiting DROP withdrawals.

To protect its liquidity after a record \$523 million in withdrawals from its deferred retirement option plan between early August and December, the pension fund board voted Dec. 8 to temporarily suspend DROP withdrawals. On Dec. 29, the fund board lifted the suspension on monthly withdrawals, but not lump-sum withdrawals, and on Jan. 12 unveiled a new withdrawal policy for those with outstanding DROP balances.

[Pensions & Investments](#)

TEXAS ECONOMIC INDICATORS

Texas energy sector gets 'moment we've been waiting for' after two tough years

January 27, 2017, By Mitchell Schnurman

This week, President Donald Trump signed executive orders to revive two controversial oil pipelines. While the moves may help oil and gas producers in North Dakota and Canada, the energy sector in Texas has been plowing ahead on its own turnaround.

Texas already stands apart from most oil-producing states because it avoided a recession after oil prices plunged in late 2014. Now the beaten-down segment is showing renewed life.

[Dallas News](#)

Dallas Fed: Outlooks soar as Texas factories extend production growth

January 30, 2017, By Dan Zehr

Texas factory production expanded for a seventh consecutive month in January as stability in the Texas energy sector and optimism about business conditions under President Donald Trump mitigated concerns about a strong U.S. dollar and the potential of negative effects from trade deal renegotiations, according to a survey released Monday by the Federal Reserve Bank of Dallas.

The state production index, a key measure of factory activity, eased modestly to a reading of 11.9 in January from 14.8 the prior month, according to the monthly Texas Manufacturing Outlook Survey.

[myStatesman](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

In unprecedented move, pension plan cuts benefits promised to retirees

January 27, 2017, By Jonnelle Marte

A pension fund in Cleveland became the first plan to approve benefit cuts for current retirees — even though it is still years away from running out of cash. The move, some critics say, could open the door for other troubled pension plans to follow suit.

The financially strapped Iron Workers Local 17 Pension fund proposed a plan for extending its lifespan by reducing benefits for workers and retirees. Now that the plan has received final approval, roughly half of the 2,000 participants will see their pension benefits shrink on Feb. 1. Benefits will be cut by 20 percent on average, but some retirees are expecting their monthly payments to be slashed by as much as 60 percent.

[The Washington Post](#)

Feds Break Silence, Back Hospitals in Church Pension Battle

January 30, 2017, By Jacklyn Wille

Five federal agencies have asked the U.S. Supreme Court to rule that religiously affiliated hospitals can run pension plans exempt from federal law, a move that's been challenged in dozens of class actions by hospital employees around the country.

The Jan. 24 amicus brief is the first time the agencies involved in regulating pension plans have taken a public position on these cases, which directly attack the way the agencies have interpreted the Employee Retirement Income Security Act's "church plan" exemption.

[Bloomberg BNA](#)

Hogan proposes 401(k)-style retirement savings plan for Md. state employees

January 30, 2017, By Josh Hicks

Maryland Gov. Larry Hogan (R) on Monday proposed legislation to allow state employees to pay into a 401(k)-style retirement plan instead of the state's public-pension system, sparking immediate criticism from unions that represent the workers.

The plan would give future state employees the option of participating in a "defined contribution" program in which they and the state would each contribute an amount equal to 5 percent of pay toward individual retirement accounts.

[The Washington Post](#)

Legislature approves pension forfeiture measure

January 30, 2017, By Tom Precious

The state Legislature Monday gave the second and final passage of a measure permitting the forfeiture of pensions of top state and local government officials who are convicted of felonies related to their duties as public officers.

Voters statewide this fall will be given the final say whether the New York constitution should be amended to permit courts to reduce or revoke pensions of statewide officials, state lawmakers, judges, state agency heads and top local government officials.

[The Buffalo News](#)

New York Pension Scandal Prompts Firing of Second Employee

February 1, 2017, By Justin Baer

The day after federal prosecutors accused former New York state pension executive Navnoor Kang of taking bribes, the giant retirement system fired another employee in connection with the case, said people familiar with the matter.

The New York Common Retirement Fund escorted Philip Hanna from the pension's Albany offices on Dec. 22 without giving him a reason for his termination, these people said. Mr. Hanna reported to Mr. Kang, and the two were close friends, they said. The men were college classmates at the University of Texas' Arlington campus and later started their own spirits company called Secrets Vodka LLC, according to these people and state filings.

[The Wall Street Journal](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

States' Revenue Shortfalls Exacerbate Budget Crunch

January 29, 2017, By Jon Kamp

Faced with weak revenue, sluggish growth and possible federal funding cuts, many governors and state lawmakers face a tough budget season.

On the revenue front, states are dealing broadly with a mix of challenges, including low energy prices and tax collections that are forecast to continue to grow slowly into the next fiscal year. Meanwhile, states also face an uncertain menu of big changes, including Republicans' potential repeal of the Affordable Care Act and cuts to federal payrolls.

[The Wall Street Journal](#)

Four Milwaukee County retirees receive pension backdrops topping \$1 million

January 30, 2017, By Daniel Bice

They are Milwaukee's new million-dollar bonus babies.

Four Milwaukee County retirees walked away from their government jobs last year with a lump-sum check exceeding \$1 million along with their regular monthly pension — the first time this has ever happened. No other public workers in Wisconsin are eligible for these so-called backdrop payments.

[Journal Sentinel](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Global Pension Assets Rose to \$36.4 Trillion in 2016

January 30, 2017, By Michael S. Fischer

Global pension assets grew to an estimated \$36.4 trillion in 2016, an increase of 4.3% since the end of 2015, Willis Towers Wilson reported Monday.

The U.S. continues to be the largest market for pension assets, with 61.7% of the total, trailed by the U.K. with 7.9% and Japan with 7.7%. Together they account for 77.3% of total assets.

[Think Advisor](#)

Hanjin Parent Targeted for \$31 Million Pension Bill

January 30, 2017, By Andrew Scurria

A New York pension fund seeking \$31 million from Hanjin Shipping Co. asked court permission to investigate ties between the South Korean carrier and its parent entity, one of the so-called chaebol that dominate the nation's economy.

Monday's filing in U.S. Bankruptcy Court in New Jersey marks an attempt to draw the Hanjin Group conglomerate into the U.S. bankruptcy of Hanjin Shipping, which filed in August for receivership proceedings in Korea. The maritime carrier sought recognition of its insolvency in the U.S. days later by filing for chapter 15 protection, the section of the U.S. bankruptcy code covering foreign corporate debtors.

[The Wall Street Journal](#)

The information contained in the PRB Weekly Clips is for informational purposes only and does not represent the views, positions or opinions of the Texas Pension Review Board.