



Weekly Clips, July 14, 2017
Texas Pension Review Board
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PRB PLANS

East Texas teachers take aim at legislators

July 8, 2017, By Meredith Shamburger

East Texas teachers and school officials are bracing for the Texas Legislature's upcoming special session and preparing to make their voices heard on a number of education issues Wednesday at a rally on the Gregg County Courthouse lawn.

The goal, organizers say, is to let legislators know teachers and other school employees are fed up with rising health care costs, jeopardized pension plans, decreases in school funding and a push for vouchers.

[Longview News-Journal](#)

Who's to blame for the Dallas pension disaster? Former administrator says not him

July 09, 2017, By Steve Thompson

As black-coated waiters hurried about, Richard Tettamant sat near the head of a long table inside the Park City Club, where Dallas elites gather to talk business.

The luncheon had drawn a couple of dozen consultants and money managers who, over plates of corned beef and roasted ham, heard about the real estate outlook for 2017. An executive of Ethika Investments, for whom Tettamant now worked as an adviser, gave the presentation.

[Dallas News](#)

Tettamant should apologize for his role in near-collapse of the pension fund he ran for more than 20 years

July 10, 2017

Richard Tettamant would like the world to know that he's not to blame for the tanking police and fire pension fund, which he led for more than 20 years and for which Dallas taxpayers will be on the hook for hundreds of millions of dollars in extra payments over the next couple of decades.

It's the pension board's fault, he has insisted, not his, because it was board members, not he, who picked the risky investments that had helped put the fund on a collision course with bankruptcy.

[Dallas News](#)

'Teacher voices' call on lawmakers to stop ignoring public education

July 12, 2017, By Meredith Shamburger

They came to the Gregg County Courthouse on Wednesday holding signs, wearing red and voicing indignation for state lawmakers who they said no longer seemed to respect public education.

The message that active and retired teachers and school staff sent during a Wednesday rally was one of caution: Take heed or ignore us at your peril.

[Longview News-Journal](#)

Lt. Gov. Dan Patrick proposes millions for teacher bonuses and retirement

July 13, 2017, By Aliyya Swaby

With less than a week before the start of a special session of the Texas Legislature, Lt. Gov. Dan Patrick laid out a proposal Thursday to give teachers bonuses and increase their retirement benefits, with plans to pay for both long-term using money from the Texas lottery.

Patrick called a press conference to roll out his own priorities for the next 30 days and tear down the House's plan for revamping a faulty school funding system as a "Ponzi scheme."

[Texas Tribune](#)

After reform, outlook for the Dallas Police and Fire Pension 'cautiously optimistic'

July 13, 2017, By Tristan Hallman

For the first time in the last four years of turmoil, the Dallas Police and Fire Pension System's funding picture is brighter than the year before.

The improvement is small compared to the system's funding ratio last year. And the outlook is still not pretty. But the future is officially not horrendous anymore.

Officials from the pension system and Segal Consulting presented a report Thursday that shows the fund's performance in 2016 and projections going forward. The projections showed the dramatic long-term financial impact of legislation, set to become law Sept. 1, that will save the fund from insolvency.

[Dallas News](#)

Texas Teachers taps next CIO

July 13, 2017, By Rob Kozlowski

Jerry Albright was named chief investment officer of Texas Teacher Retirement System, Austin, a news release said.

The \$139.7 billion pension fund's board approved the selection of Mr. Albright, the pension fund's deputy CIO, at its meeting on Thursday.

He replaces T. Britton Harris III, who was named president, CEO and chief investment officer of University of Texas Investment Management Co., Austin, which manages \$39.4 billion in assets from UT and Texas A&M, and will begin that position on Aug. 1.

[Pensions & Investments](#)

Dallas Police and Fire Pension on path to financial stability

July 13, 2017, By FoxNews.com Staff

The Dallas Police and Fire Pension Fund, which 10,000 police and firefighters depend on, is set to be fully funded by the year 2061.

While that is a long time from now, it is a huge change of course. Just nine months ago, fears about changes to retiree benefits fueled a run in the troubled pension fund that caused it to hemorrhage \$300 million in just six weeks.

Now, under new legislation that requires sacrifices from police and fire, retirees and taxpayers, the sinking ship is beginning to be righted.

[Foxs4News](#)

Texas County & District makes 2 more private equity commitments

July 13, 2017, By Christine Williamson

Texas County & District Retirement System, Austin, committed a total of \$105 million to two alternative investment funds, a transaction report showed.

The \$27 billion fund committed \$75 million to Onex Partners V, a private equity fund managed by Onex Corp. that will seek buyout opportunities among U.S. companies.

[Pensions & Investments](#)

TEXAS ECONOMIC INDICATORS

A Texas-size boom in technology: Gov. Abbott

July 11, 2017, By Greg Abbott

Economic liberty is why the Lone Star State leads in job creation and in population growth over the last 10 years and why personal incomes have risen almost twice as fast in Texas compared to New York and well ahead of California.

That's also why Texas was recently named by CNBC as the Top State of the Decade, the "Top of the Tops" for business.

Restrained government, lower taxes, smarter regulations, right-to-work laws and litigation reform - these are the pro-growth economic policies that help free enterprise flourish and that attract major employers to Texas every day.

[CNBC](#)

Private-sector hiring slowed in Texas in June

July 12, 2017, By David Hendricks

Private-sector employers in Texas slowed hiring in June somewhat, adding 23,800 jobs, according to new data from payroll processor Automatic Data Processing Inc.

That compares with 30,900 jobs in May and a six-month average of 28,550, ADP's monthly Regional Employment Report said Wednesday.

The state's job gains accounted for 15.1 percent of the U.S. private-sector job increase of 158,000 in June, the highest percentage for any state. The ADP report is based on private payroll data in addition to government data.

[My San Antonio](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

Trial Lawyers Want to Defend Fiduciary Rule in Court

July 7, 2017, By Jacklyn Wille

Industry groups that support the Labor Department's fiduciary rule came out swinging in new legal briefs, one of which offers to defend in court a key provision of the rule that the DOL is no longer defending (*Chamber of Commerce v. U.S. Dep't of Labor*, 5th Cir., No. 17-10238, amicus briefs filed 7/6/17).

The American Association of Justice, a nonprofit group representing plaintiffs' lawyers, fired back at the department's July 3 decision to drop its defense of the fiduciary rule's anti-arbitration condition, a condition aimed at preventing financial advisers from insulating themselves from class litigation. In its brief, the AAJ painted the anti-arbitration condition as a valid exercise of DOL authority that's in line with the Federal Arbitration Act. In addition, the group requested time during oral arguments to defend the condition before the U.S. Court of Appeals for the Fifth Circuit.

[Bloomberg BNA](#)

Luzerne County officials propose pension fund changes

July 9, 2017, By Jennifer Learn-Andes

Pennsylvania legislators should tackle county pension law changes that would reduce the burden on taxpayers down the road, officials said during a recent Luzerne County Retirement Board meeting.

Retirement board member John Evanchick Jr. raised the issue, pointing to the law's requirement to provide a pension to exiting workers over age 60, regardless of how long they've worked for the county.

Typically, employees must have five years of county employment to be vested, or eligible, to receive a pension.

[The Dallas Post](#)

Pension funds ask U.S. regulators to expand companies' workforce disclosures

July 10, 2017, By Sarah N. Lynch

A coalition that includes some of the largest U.S. pension funds want federal regulators to force big banks and other public companies to disclose details on how they manage, compensate and incentivize their employees.

In a rulemaking petition seen by Reuters, a coalition of 25 institutional investors including the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) has called on the U.S. Securities and Exchange Commission to craft regulations requiring public companies to provide details they see as material to investors.

[Reuters](#)

Fiduciary Rule Hearing in House Illustrates Deep Divide

July 13, 2017, By Kristen Ricaurte Knebel

Both opponents and a lone supporter of the Labor Department's fiduciary rule stuck to their expected arguments at a House Financial Services subcommittee hearing on the rule and draft legislation to gut it.

The discussion at the House Capital Markets, Securities, and Investment subcommittee meeting reflected the fissure that still remains about the Obama-era regulation. Republicans and many financial service industry representatives say the rule on financial adviser conflicts-of-interest actually hamstring advisers and will result in fewer choices for savers. Democrats and supporters of the rule, including some industry groups, say it protects savers by giving them access to unbiased advice.

[Bloomberg BNA](#)

Michigan governor signs pension reform bill

July 13, 2017, By Christine Williamson

Michigan Gov. Rick Snyder signed into law pension reforms for the state's public school employees on Thursday.

The law requires establishment of a new hybrid pension plan and new defined contribution plan for public school employees hired after Jan. 31, 2018.

The new plans will be part of the state's largest public pension system, the \$44.7 billion Michigan Public School Employees Retirement System.

[Pensions & Investments](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Illinois' financial challenges remain despite income tax increase

July 8, 2017, By Kim Geiger and Monique Garcia

A new Illinois income tax increase means workers soon will see 1.2 percent more taken out of their paychecks, but even that money isn't going to be enough to completely straighten out state government's finances.

The state still has unpaid bills hovering around \$15 billion, and that number could rise as more come in with the fog of the record-setting budget impasse lifting. There are cash flow issues that mean covering monthly expenses remains a challenge, at least for a while. And a whopping \$130 billion shortfall in government worker pension systems has not been addressed, with the options for doing so limited by the courts.

[Chicago Tribune](#)

Working Past 70: Americans Can't Seem to Retire

July 10, 2017, By Ben Steverman

More and more Americans are spending their golden years on the job.

Almost 19 percent of people 65 or older were working at least part-time in the second quarter of 2017, according to the U.S. jobs report released on Friday. The age group's employment/population ratio hasn't been higher in 55 years, before American retirees won better health care and Social Security benefits starting in the late 1960s.

[Bloomberg](#)

Nevada pension system perks cost taxpayers \$23M a year

July 10, 2017, By The Associated Press

Nevada governments are using the state pension system to boost the income of public employees, according to a newspaper investigation.

The practice, though legal, costs taxpayers at least \$23 million a year in pension and salary, the Las Vegas Review-Journal (<http://bit.ly/2slB2bH>) reported Friday.

Over the past few years, hundreds of Clark County School District staff drew pensions and salaries based on an exemption that allows the extra payments for workers who fill jobs that are certified as "critical" and lack applicants. But an investigation by the Las Vegas Review-Journal found after 143 of those authorizations expired, nearly half of the employees stayed in the jobs, despite losing the pension payments.

[Star-Telegram](#)

Kentucky Retirement Systems lowers assumed rate to 6.25% for 3 plans

July 13, 2017, By Meaghan Kilroy

Kentucky Retirement Systems, Frankfort, lowered the assumed rate of return for the Kentucky Employees Retirement System hazardous pension plan, County Employees Retirement System hazardous and non-hazardous pension plans, and five insurance plans to 6.25% from 7.5%, said David L. Eager, interim executive director of the \$16 billion retirement system.

The changes were approved by the KRS board on Wednesday. The board also voted Wednesday to lower the pension plans' payroll growth assumptions to zero from 4% for KERS hazardous and to 2% from 4% for CERS hazardous and non-hazardous.

[Pensions & Investments](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

UK regulator raises concerns over post-freedoms market

July 12, 2017, By Susanna Rust

The Financial Conduct Authority has expressed some concerns about the transition from membership of a defined contribution (DC) scheme to retirement following the introduction of pension freedoms in 2015.

Publishing its interim report on a review of how the retirement income market has changed since then, it said it had identified ~~emerging issues~~.

[IP&E](#)

Asset owners expect to increase risk, split on U.K. assets — Brexometer

July 13, 2017, By Sophie Baker

Asset owners expect to increase their level of investment risk over the next three to five years, with a split in appetite for U.K. assets in the near term, show data from State Street Corp. (STT)'s latest Brexometer index.

The index, which polls institutional investor sentiment about the U.K.'s departure from the European Union each quarter, showed 33% of respondents will increase investment risk. That is up from 27.8% of respondents in the previous poll.

Pensions & Investments

FCA fines compliance officer for pension transfer failings

July 14, 2017, By Kirsten Hastings

The UK watchdog has fined a compliance oversight officer after two companies he worked for gave unsuitable advice to around 500 customers who transferred £12.7m (\$16.4m, " 13.6m) out of their DB pension schemes.

David Watters first worked at Belfast-based FGS McClure Watters (FGS) and then Lanyon Astor Buller Ltd (LAB) after FGS ceased to be an authorised firm in 2008 and all of its business was transferred to LAB.

The Financial Conduct Authority found that he failed to take reasonable steps to ensure that the processes for giving advice on enhanced transfer value (ETV) pension transfer exercises were adequate and met regulatory standards.

International Adviser

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