



Weekly Clips, August 18, 2017
Texas Pension Review Board
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PRB PLANS

Dallas Police-Fire Pension Board to take action against former administrators

August 10, 2017, By Fox4News.com Staff

After two tumultuous years, the current Dallas Police and Fire Pension Board held its final meeting Thursday.

One of the trustees' final actions was authorizing the director to take legal action against the people who got the pension into its financial crisis. Despite an FBI raid on the office of a pension fund advisor more than a year ago, there have been no criminal charges against anyone involved in creating the problems that threatened to sink the entire fund.

Fox 4 News

Texas Senate OKs \$563 million for schools, retired teachers

August 14, 2017, By Julie Chang

With two days left in the special legislative session, the Texas Senate early Tuesday morning approved 25-6 a bill to pump an extra \$351 million into the public education system over the next two years - a \$1.5 billion cut from what the House had proposed.

Tuesday morning's vote sends the watered-down version of House Bill 21 into conference committee where Senate and House members will continue negotiations that began over the weekend. Both chambers have been deeply divided on how much money should be spent on public schools and how to pay for it.

Statesman

Texas House OKs slimmed-down school finance bill, citing need to help retired teachers

August 15, 2017, By Robert T. Garrett

The Texas House on Tuesday accepted and sent to Gov. Greg Abbott a slimmed-down pair of bills to give more money to public schools.

Reluctant House leaders cited a need to reduce the costs for retired teachers in their health care system.

More money for schools became too entangled with a separate effort to quickly cushion retired educators who on Jan. 1 will be slammed with higher health insurance costs, House chiefs explained.

Dallas News

Commissioners approve employee retirement rate, elected official salaries

August 15, 2017, By Simone Jasper

Midland County commissioners' decisions on Tuesday centered around employees and elected officials. The court voted to increase the employer contribution and matching rate for the Texas County and District Retirement System and approved salaries for elected officials.

Commissioners voted 3-0 for 13.5 percent of payroll to go into the state's county retirement fund and a matching rate of 200 percent. The change goes into effect Jan. 1 and applies to current and future employees.

[MRT](#)

Houston, Dallas Pension Reforms Spur Police Retirements

August 16, 2017, By Michael Katz

The cities of Houston and Dallas have seen a surge in police retirements in 2017, a result of recent pension reforms for Texas retirement systems covering both cities' law enforcement that resulted in reduced benefits for participants.

The Houston Police Department has had 362 officers either retire or trigger the retirement process during the fiscal year that ended June 30, which is the highest annual total for which records are available, according to the *Houston Chronicle*. Another 52 officers left the department voluntarily without having accumulated the years of service necessary to draw a pension check. That total number of resignations is approximately twice the amount that has been typical over the last decade.

[Chief Investment Officer](#)

Public improvement bonds set for fall ballot

August 16, 2017, By Rebecca Elliott

November's ballot will feature \$495 million in public improvement bonds after City Council agreed Wednesday to send the package to Houston voters.

The general bonds, which would not require a tax hike, would fund improvements to libraries and parks, as well as items like new police and fire trucks. They will appear alongside \$1 billion in pension obligation bonds.

[Houston Chronicle](#)

TEXAS ECONOMIC INDICATORS

Texas Comptroller Kicks Off Tour of Texas Manufacturing Plants with Visits to Central Texas Cities

August 14, 2017

Texas Comptroller Glenn Hegar kicked off a tour of Texas manufacturing plants today with visits to Samsung in Austin and TECO-Westinghouse Motor Company in Round Rock. During his *Good for Texas Tour: Manufacturing Edition*, Hegar will tour facilities, meet with local officials and release the results of a study the Comptroller's office recently completed examining the economic impact of the manufacturing industry.

Texas has an extraordinary manufacturing economy,+ Hegar said. The state's resources make it a natural leader in petroleum and chemical manufacturing, our research institutions have fostered computer-related and other high-tech manufacturing, and our business-friendly environment and skilled labor force have helped create a dynamic automotive manufacturing sector.+

[Elgin Courier](#)

Strong economy to boost state revenues by \$196 million

August 15, 2017, By John C. Moritz, USA Today Network

In the closing days of the special legislative session, lawmakers received the welcome news from Comptroller Glenn Hegar that a more robust than expected Texas economy means that there will be nearly \$200 million more than was expected flowing into the treasury during the upcoming budget cycle.

The additional cash likely will help the House and Senate resolve their differences over how to beef up the underfunded health insurance program for retired teachers. The House had been pushing for siphoning money from the state's rainy day fund to bridge the \$212 million shortfall while the Senate's plan called taking money away from other programs.

[Times Record News](#)

International homebuyers contribute to Texas economy

August 16, 2017

Texas home sales from international buyers added \$18.66 billion to the Texas economy from April 2016 to March 2017, according to the Texas International Homebuyers Report released today by the Texas Association of REALTORS®. Attracting buyers from across the globe, Texas ranked second among U.S. states for international home sales volume.

This surge in international home sales activity underscores the growing reputation Texas has as a global destination for owning a home or investment property,+ said Vicki Fullerton, chairman of the Texas Association of REALTORS. The state's low unemployment, diverse industry base and world class higher education institutions are just some of the reasons why international residents seek to attend college, raise a family or do business in Texas.+

[Lubbock Online](#)

Texas goes to Wall Street for a short-term loan of \$5.4 billion

August 17, 2017, By Robert T. Garrett

Texas Comptroller Glenn Hegar on Thursday announced he's selling \$5.4 billion in short-term IOUs to help manage the state's cash flow in the next few months.

Hegar will be issuing "tax and revenue anticipation notes," known as TRANs, for the first time in three years.

The Republican comptroller's announcement of an Aug. 22 auction of the securities contained good and bad news, said one expert on the state's finances.

[Dallas News](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

Pension Sponsors Would Reap Savings on Longevity Table Delay

August 14, 2017, By David B. Brandolph

An IRS rule that would change life expectancy tables used by pension plan sponsors may be delayed, a prospect that could please many employers.

For plan sponsors, a delay could mean lower required plan contributions, reduced variable rate premiums owed to the federal Pension Benefit Guaranty Corporation, and an expanded opportunity to offer cheaper lump-sum payouts to employees. The new tables extend longevity projections for those participating in plans.

It's uncertain whether the tables will in fact be delayed from their original Jan 1, 2018, effective date. However, the odds that they will have increased after the federal Office of Management and Budget recently designated the IRS rule as economically significant.

[Bloomberg BNA](#)

For Workers Without Retirement Plans, States Step In

August 16, 2017, By Anne Tergesen

States are forging ahead with efforts to bring retirement-savings plans to residents who don't have access to one through work, as debate intensifies over government's role in ensuring people can support themselves in their later years.

Oregon this summer became the first state to start requiring employers that don't offer a retirement plan of their own to give employees access to a state-run plan, by automatically enrolling them in individual retirement accounts invested in mutual funds.

[The Wall Street Journal](#)

Attorney General Lori Swanson sues "Pension Advance" companies requiring veterans and seniors to sign over monthly pensions

August 16, 2017, By WDAY News

Attorney General Lori Swanson filed a lawsuit Wednesday, August 16 against Future Income Payments, LLC of Delaware and FIP, LLC of Nevada.

According to the news release, the lawsuit alleges that the companies violated State lending laws by issuing loans to Minnesota borrowers without being licensed as a lender. The lawsuit also asserts that the companies sought to evade state lending laws by falsely characterizing the transactions as purchase agreements of a pension, not a loan.

[WDAY News](#)

IPERS sues Wall Street banks for collusion

August 17, 2017, By Kevin Hardy

Iowa's biggest public employee pension plan is among three plaintiffs suing some of the nation's largest investment banks, claiming the Wall Street giants have colluded to maintain exclusive control of the \$1-trillion-plus stock loan market.

Together with the Orange County Employees Retirement System and the Sonoma County Employees Retirement Association, the Iowa Public Employees' Retirement System filed a federal class action suit Wednesday in the Southern District of New York.

[Des Moines Register](#)

Bevin launches pension site ahead of likely special session

August 17, 2017, By The Associated Press

Kentucky Gov. Matt Bevin's administration has launched a pension reform website ahead of a likely special session of the state legislature to address the state's struggling retirement system.

The state budget director's office launched KentuckyPensions.com on Thursday. In a news release, Bevin's office says the state is \$64 billion short of what it needs to pay retirement benefits over the next 30 years, a debt that amounts to \$15,000 for every Kentucky resident.

[LEX18](#)

Florida State Board passes resolution to prohibit Venezuela investments

August 17, 2017, By Rob Kozlowski

Florida State Board of Administration, Tallahassee, passed a resolution Wednesday to prohibit investments connected with Venezuela.

The resolution, signed by board members Florida Gov. Rick Scott, Attorney General Pam Bondi and Chief Financial Officer Jimmy Patronis, states, "The current government of Venezuela is intolerable to its people and continues to demonstrate the use of extreme violence and political persecution in the orchestrated suppression of human rights."

[Pensions & Investments](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Mayor Proposes Moving \$1M From City's Pension Fund

August 14, 2017, By The Associated Press

Hazleton City Council will consider the mayor's proposal to temporarily move \$1 million from the pension fund to meet payroll revenue and pay off bills.

The Hazelton Standard-Speaker reports (<http://bit.ly/2w3dDaa>) the council will consider the resolution Tuesday. Mayor Jeff Cusat says he's asking for the temporary transfusion, as the city's general fund faces a shortfall for the foreseeable future.

[US News](#)

Mississippi Public Employees logs 14.96% return for fiscal year

August 14, 2017, By Rob Kozlowski

Mississippi Public Employees' Retirement System, Jackson, returned a gross 14.96% in the fiscal year ended June 30, 110 basis points above its policy benchmark, said Shelley Powers, spokeswoman, in an email.

The \$26.9 billion pension fund's best-performing asset class was international equities, which returned a gross 22.3% in the 12 months, followed by global equities at 20.25%; private equity, 20.12%; domestic equities, 19.08%; real estate, 6.76%; and fixed income at 2.39%. Asset class benchmarks were not provided.

[Pensions & Investments](#)

N.J. lottery-pension plan "slightly positive," Wall Street ratings agency says

August 15, 2017, By Dustin Racioppi

Gov. Chris Christie's new law shifting lottery revenue from education and social-service programs to the troubled public employee pension funds is being viewed as a "slightly positive" move by a Wall Street ratings agency, but not one that will fully relieve the pressure on the state to meet its obligations to workers.

The report by Moody's Investors Service is the latest analysis by one of the three major ratings agencies that have collectively downgraded New Jersey's credit under Christie a record 11 times. They often cited the state's heavily underfunded pension system as the main driver of the downgrades.

[NorthJersey.com](#)

State retirees decry pension records request

August 16, 2017, By Justin A. Hinkley

Retired state workers have taken to social media to cry foul on an Illinois-based transparency group that has requested the names and pension amounts for government retirees.

In a memo last week, the state's Office of Retirement Services informed pensioners that American Transparency · a Burr Ridge, Ill. nonprofit with a data processing center in Boca Raton, Fla. · had used the state's Freedom of Information Act to seek the information. The agency assured retirees that no "sensitive information" such as Social Security numbers, dates of birth, contact information or medical records would be released.

[Lansing State Journal](#)

New Mexico Pension Managers Contemplate Benefit Reforms

August 17, 2017, By Morgan Lee

A recent surge in investment income at New Mexico's two major public pension funds will not be enough to address an accumulation of unfunded obligations to retirees, manager of the funds told a panel of lawmakers on Thursday.

Double-digit annual returns on stocks and other investments have boosted the pensions' assets to record levels and shortened the timeline somewhat for addressing billions of dollars in unfunded obligations to current and future retirees.

[US News](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

NZ Super shifts its 40% passive global equities allocation to low-carbon index

August 15, 2017, By Douglas Appell

The NZ\$35 billion (\$25.9 billion) New Zealand Superannuation Fund announced Tuesday it shifted its portfolio's 40% global equities passive allocation to a customized low-carbon index earlier this year.

The Auckland-based sovereign wealth fund said as of its June 30 fiscal year close, that shift effectively lowered the fund's "carbon emissions intensity" by 19.6% and its exposure to carbon reserves by 21.5%.

Pensions & Investments

Japan's MS&AD to take minority stake in Aussie manager Challenger

August 15, 2017, By Douglas Appell

MS&AD Insurance Group Holdings, a Tokyo-based insurer, will acquire a minority stake in listed Australian investment manager Challenger Ltd., extending a relationship that began eight months ago with the offer of Australian-dollar annuities in Japan.

MS&AD · formed by the 2010 merger of Mitsui Sumitomo Insurance Group, Aioi Insurance Co. and Nissay Dowa General Insurance Co. · will purchase A\$500 million (\$396 million) of newly issued Challenger shares for an initial 6.3% stake in the firm, an MS&AD Insurance news release said.

Pensions & Investments

'Meaningful' risk of no deal outcome to Brexit negotiations: survey

August 17, 2017, By Susanna Rust

There is a meaningful risk that Brexit negotiations will be unsuccessful, but pension schemes should be able to gauge this and react to the likely outcome, according to BMO Global Asset Management.

In the asset manager's latest quarterly liability-driven investment (LDI) survey it asked investment bank derivative traders for their views on the probability that the UK and the European Union would fail to reach a deal on the former's departure from the EU within the two year timeframe for negotiations.

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