



Weekly Clips, April 20, 2018
Texas Pension Review Board
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PRB PLANS

Dallas Could Save Big on Pension Costs Because so Many Workers Have Left City Hall

April 14, 2018, By Tristan Hallman

Nearly two years ago, in the shadow of a growing Dallas Police and Fire Pension System debacle, officials with the civilian city employees' pension fund were preparing to ask for their own fix to prevent the possibility of insolvency.

They got what they wanted in November 2016 when voters approved complex ballot language that translated into benefit cuts for future employees. And now, Employees' Retirement Fund officials say it's already paying off.

A combination of good investment returns and higher-than-expected turnover has lowered the system's long-term costs and cut into its future funding gap.

Dallas News

Texas Teachers' Pay is Average. But Their Pensions are Among the Lowest in the Country.

April 20, 2018, By Alex Samuels

When it comes to retirement funding, a majority of states pay into both a pension plan and Social Security. Texas is in the minority of states that only pay into a pension fund and does not pay into Social Security for the majority of its teachers — which means most Texas teachers won't have access to Social Security benefits when they retire. Fewer than 50 of the state's districts participate in Social Security on their own.

Among states that only offer a pension plan for teachers, Texas is dead last when it comes to funding its pension programs — by a lot.

The Texas Tribune

TEXAS ECONOMIC INDICATORS

Texas Farmers Hit Hard by Chinese Sorghum Tariffs

April 18, 2018, by Lynn Brezosky

News China was slapping U.S. grain sorghum with tariffs of 179 percent immediately drove down prices and has Texas farmers scrambling for new markets.

Texas is the second largest U.S. sorghum producing state after Kansas, in 2017 growing 1.65 million acres. It's among the world's top cereal crops and is well suited to Texas because of its drought tolerance. Chinese

imports of U.S. sorghum have soared in recent years as livestock producers found it to be a good feed alternative to genetically modified U.S. corn. It is also used to make baijiu, a Chinese liquor.

[San Antonio Express News](#)

Former Maxwell House Coffee Plant to Close

April 19, 2018, by Paul Takahashi

Atlantic Coffee Solutions will shutter the former Maxwell House factory, one of the largest coffee manufacturing plants in the world.

About 279 employees will be affected by the closure. Layoffs will start on June 12, according to a letter the company sent to the Texas Workforce Commission.

[Houston Chronicle](#)

Oil Falls After Trump Says High Crude Prices “Will Not Be Accepted”

April 20, 2018, By Georgi Kanchev and Christopher Alessi

Oil prices turned lower Friday after President Donald Trump said high crude prices “will not be accepted,” soon after the world’s biggest producers recommitted themselves to output cuts that have helped the market rally.

On the New York Mercantile Exchange, West Texas Intermediate futures were trading down 0.7%, at \$67.87 a barrel.

[The Wall Street Journal](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

SEC Seeks to Require Brokers to Put Their Clients First

April 18, 2018, By Tara Siegel Bernard

In a long-expected move that would affect the roughly 43 million households with brokerage or retirement accounts, the Securities and Exchange Commission voted on Wednesday to propose rules that would require brokers to put their customers’ financial interests ahead of their own.

The S.E.C.’s proposal includes three parts. First, it would require brokers to put their customers’ interests first when making investment recommendations. Second, it would require registered brokers and registered investment advisers to provide a brief summary of their relationship with clients. And last, it would reaffirm and clarify the existing rules of conduct for investment advisers, who are held to a higher standard than brokers.

[The New York Times](#)

SEC's Fort Worth Chief: No Formal Grace Period Given to Cryptocurrency Exchanges

April 19, 2018, By Jon Prior

The Securities and Exchange Commission is not offering a formal registration grace period for a growing number of exchanges where cryptocurrencies like Bitcoin are traded in order to avoid enforcement actions, according to the director of the agency's Fort Worth office Shamoil Shipchandler.

The SEC issued a warning in March that many exchanges are duping investors and said such trading platforms are required to register with the agency in order to give officials a better look into their rules and the backgrounds of those operating them.

[The Business Journals](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Puerto Rico Board Comes Out for Pension Reform

April 16, 2018, By Hazel Bradford

A fiscal recovery plan for Puerto Rico that is scheduled to be certified April 20 by its oversight board is expected to bring pension cuts, reduced payments to bondholders and even more legal and political skirmishing that will test the board's mettle.

Taking heat from all sides are members of the federal Financial Oversight and Management Board, which was created in June 2016 under the Puerto Rico Oversight, Management and Economic Stability Act. PROMESA calls for fiscal reforms that would also improve access to capital markets after the commonwealth racked up as much as \$120 billion in outstanding debt, including \$50 billion or more in unfunded pension liability.

[Pensions & Investments](#)

1 million Americans are Counting on Congress to Save Their Pensions

April 17, 2018, By Katie Lobosco

More than 1 million workers and retirees could lose their pension benefits within 20 years.

Many of them were construction workers or truck drivers who belonged to a union and paid into pension funds set up to cover workers from multiple employers.

But about 100 of these pension plans are expected to run out of money in the next two decades, according to a report from the Center for Retirement Research at Boston College.

[CNNMoney](#)

IRS Website Crashes on Tax Day as Millions Tried to File Returns

April 17, 2018, By Alan Rapperport

Millions of taxpayers who waited until Tuesday to file their 2017 tax returns and make payments through the Internal Revenue Service's website were thwarted by a systemwide computer failure that advised last-minute filers to "come back on Dec. 31, 9999."

Treasury Secretary Steven Mnuchin, speaking to reporters at an event in New Hampshire where he was lauding the new tax law, called the malfunction a "high-volume technical issue" and said taxpayers would be able to get an extension, according to The Associated Press.

[The New York Times](#)

State-Sponsored Retirement Savings Program Enters Pilot Phase

April 19, 2018, By Jim Meadows

Under Secure Choice, Illinois employers with 25 or more workers must offer their own retirement savings program, or offer Secure Choice, which automatically channels five percent of workers' paychecks into a Roth IRA.

However, State Treasurer Mike Frerichs says employers always have the option of adjusting the amount of money they withhold, or the type of financial plan --- or they can opt out of the program entirely.

"This is not a state defined benefit program," said Frerichs. "This is not Social Security. This is getting people the tools they need to invest in themselves, so that they have a brighter retirement."

[Northern Public Radio](#)

Pension Benefits Are Critical Factor for Workers – Regardless of Age – in Deciding Whether to Accept

April 19, 2018, By Joe Dickie

Pension benefits are a major factor for most workers in North America when deciding whether to accept a job, according to results of an Accenture (NYSE: ACN) survey released today. The research found that millennial workers are the most interested in pension benefits and also identified a strong but underserved demand for retirement coaching and planning tools through digital channels.

"How pension benefits are shaped and how they are communicated to employees is very important to an organization's effectiveness, stability and outlook. Our survey findings point to several areas that employers should focus on to attract and retain their employees."

[Business Wire](#)

Why More Than a Million Teachers Can't Use Social Security

April 20, 2018, By Cody Turner

Teachers have staged protests in recent weeks in West Virginia, Oklahoma, Arizona, Kentucky and now Colorado. Some are fighting lawmakers who want to scale back their pensions.

More than a million teachers don't have Social Security to fall back on.

[National Public Radio](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

A Sovereign Wealth Fund will redistribute wealth and stimulate the economy

April 18, 2018, By Floyd Shivambu

South Africa must within the next 24 months establish a Sovereign Wealth Fund. These funds are a mechanism to save and redistribute wealth and to stimulate the economy and lead investments in infrastructure and other critical areas that the annual budget of a state cannot reach.

Sovereign Wealth Funds have been very dynamic, important instruments and mechanisms to save and redistribute wealth in resource rich countries like Norway, Saudi Arabia, and the Emirates kingdoms. The Sovereign Wealth Fund have also been used to stimulate economic activities in countries such as Singapore.

[Daily Maverick](#)

Norway pension fund gets PM invite to fund other sectors

April 18, 2018, By Press Trust of India

Prime Minister Narendra Modi has invited Norway's pension fund to invest in new sectors in India citing the complementarity of the economies of the two countries.

The Pension Fund had invested \$11.7 billion in India at the end of 2017, an increase of 2.5 billion from 2016.

[Deccan Herald](#)

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