



PRB PLANS

Fort Worth City Council Clears Way for Potential Changes to Employee Pension Fund

June 12, 2018, By Alice Barr

Fort Worth City Council cleared the way Tuesday night to allow some potentially major changes to the pension fund for city employees. The changes could even affect employees who have already retired.

There were no final decisions made. What the council did was essentially warn the board that oversees the city employees' retirement fund that change may be coming. They have to do that at least 90 days before voting on a plan.

A task force has been working with the city manager on recommendations to keep the pension fund solvent. Right now, it's expected to run out of money between 2040 and 2050.

[NBCDFW](#)

TEXAS ECONOMIC INDICATORS

Texas skills gap is stressing the South's economy, report finds

June 12, 2018, By Mark Collette

Texas and other southern states are at risk of being left behind in an accelerating economy if they don't create more ways to educate and train people of color, especially for jobs that require "middle skill" sets, a new report finds.

The Southern economy, once built on low-skill industries, now has a majority of job openings that require education and training beyond high school, but not a college degree, according to the report by the National Skills Coalition and the federal reserve banks of Atlanta and St. Louis.

[Houston Chronicle](#)

Airbnb provided \$15.3M in tax revenue to Texas

June 13, 2018, By Andrea Rumbaugh

Airbnb paid more than \$15.3 million in home sharing and short-term rental taxes during the first year of its tax agreement with the state of Texas, the home-sharing company said Wednesday.

On May 1, 2017, the home sharing platform began to automatically collect the 6 percent state hotel occupancy tax on behalf of its host community and remit the revenue directly to the state.

[Houston Chronicle](#)

Rep. Kay Granger: Tax reform is working for Texas

June 13, 2018, By U.S. Rep. Kay Granger

Six months ago, Congress passed the most sweeping, pro-growth tax reform since the 1980s. It's already producing results: higher salaries, more job opportunities, and faster economic growth.

Thanks to the new tax law, the economy is looking brighter. In the months since tax reform became a reality, the economy has added more than 600,000 jobs, and the unemployment rate currently sits at a 17-year low.

[Star-Telegram](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

Kentucky Politics Distilled: Pension Battle Goes To Court

June 11, 2018, By Ryland Barton

Early this year, Republicans advanced version of the pension bill that stalled after intense opposition from state workers, especially teachers. Republican leaders of the legislature repeatedly said that the pension proposal wasn't going to pass this year.

Then, on one of the final days of this year's legislative session, a new version of the bill materialized and swiftly passed out of committee and both chambers of the legislature in matter of hours.

[WEKU](#)

Another retirement fund dragged into Harvey, Illinois, pension fray

June 12, 2018, By Yvette Shields

CHICAGO — Harvey, Illinois' revenue bondholders will require that the cash-strapped city stay up to date on its Illinois Municipal Retirement Fund contributions as part of a global settlement on the future intercept of city revenues to cover overdue public safety pension contributions.

The trustee's position is based on a new development in the first case enforcing an intercept mechanism for overdue contributions in 2011 public safety pension funding legislation: the state comptroller has concluded that the intercept rules extend to the IMRF.

[The Bond Buyer](#)

Bevin files amended pension suit

June 14, 2018, By Ronnie Ellis

Attorneys for Gov. Matt Bevin filed an amended petition Wednesday in Attorney General Andy Beshear's legal challenge to a pension reform bill which is pending in Franklin Circuit Court.

Beshear claims Senate Bill 151 is unconstitutional because it was never given three readings after its contents were entirely changed from a waste water bill to a bill altering pension benefits. In his original complaint, Beshear also objected to Speaker Pro Tempore David Osborne's signing the legislation—rather than the Speaker of the House, an office vacant at the time of the bill's passage.

[Richmond Register](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Public pension fund CIO's moving to exit

June 11, 2018, By Robert Steyer

During two weeks in May, chief investment officers from three of the five largest U.S. public pension plans announced they were leaving. Each pension system reported that searches have begun.

The announced departures of CIOs from the No. 1-ranked California Public Employees' Retirement System, Sacramento; the No. 3-ranked New York State Common Retirement Fund, Albany; and the No. 4-ranked New York City Retirement Systems continue a string of public plan CIO departures in the past 12 months.

Pensions & Investments

Moody's: Pension buyout plan is credit positive, poses "modest budget risk"

June 11, 2018, By Moody's

"Illinois' pension buyout plan is credit positive, but reliance on savings poses modest budget risk." The new Illinois budget allows for an approximately \$440 million (or 5.2%) cut in pension contributions in the fiscal year starting July 1, largely by offering benefit buyouts to pension participants. The state's buyout offer is credit positive because it will generate significant pension liability savings to the extent that employees accept the offer.

Capitol Fax

U.S. Inflation Accelerates to Six-Year High, Eroding Wages

June 12, 2018, By Katia Dmitrieva

U.S. inflation accelerated in May to the fastest pace in more than six years, reinforcing the Federal Reserve's outlook for gradual interest-rate hikes while eroding wage gains that remain relatively tepid despite an 18-year low in unemployment.

The consumer price index rose 0.2 percent from the previous month and 2.8 percent from a year earlier, matching estimates, a Labor Department report showed Tuesday. The annual gain was the biggest since February 2012 and follows a 2.5 percent increase in April.

Bloomberg

Asset Managers: ESG or Bust

June 12, 2018, By Julie Segal

Two-thirds of respondents to Aon's first survey of global investors on responsible investing considered environmental, social, and governance factors to be important to their organizations; 40 percent have policies in place, and another 14 percent are in the process of implementing one.

Consulting firm Aon analyzed responses from 223 institutional investors, including endowments, foundations, and corporate and public pension plans.

Institutional Investor

Fed Raises Interest Rates and Signals 2 More Increases Are Coming

June 13, 2018, By Jim Tankersley and Neil Irwin

WASHINGTON — The Federal Reserve raised interest rates on Wednesday and signaled that two additional increases were on the way this year, as officials expressed confidence that the United States economy was strong enough for borrowing costs to rise without choking off economic growth.

Jerome H. Powell, the Fed chairman, speaking in unusually blunt terms at a news conference on Wednesday, said the economy had strengthened significantly since the 2008 financial crisis and was approaching a “normal” level that could allow the Fed to soon step back and play less of a hands-on role in encouraging economic activity.

[The New York Times](#)

The multiemployer pension crisis

June 13, 2018, By Aliya Wong

Defined benefit pension plans have long been favored for retirement because they promise a guaranteed level of income and don't require individuals to manage assets. It's a painless way for retirees to enjoy their golden years. That is, unless the plan goes bust.

Unfortunately, that's the condition a number of pension plans are close to being in, particularly so-called “multi-employer” defined benefit plans. These plans typically cover unionized workers who move from job to job throughout their careers. It is no exaggeration to say that these plans face a crisis. There is currently a shortfall of more than \$124 billion in these plans. Roughly 1,141 of these plans, covering 1.3 million workers, face more than \$36 billion in shortfalls and are likely to start going bankrupt in as little as five years.

[The Hill](#)

The numbers you need to know about the retirement crisis

June 13, 2018, By Gretchen Frazee

Americans need more money than ever before to live comfortably in retirement, but a large percentage of people have very little saved. Now several states are stepping in with initiatives aimed at helping their residents save more.

Oregon has created a state-facilitated retirement savings program that allows employees to set aside a portion of their paycheck — even if their employers do not offer a traditional retirement plan, like a 401(k).

[PBS News Hour](#)

What's really going on with wages in America

June 13, 2018, By Lydia DePillis

With unemployment near historic lows, there seems to be just one missing piece in the economic recovery: Wage growth.

Take-home pay picked up in 2015 and 2016, but it has since flattened out at annual growth rates that remain substantially below the 5% that workers enjoyed prior to the Great Recession.

There are lots of theories for why that's the case. But there are also lots of different ways of looking at wages themselves, and each data set can tell a different story.

[CNN Money](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

The World's Biggest Pension Fund Struggles With Sustainability

June 10, 2018, By Nathaniel Bullard and Miho Kurosaki

Japan's Government Pension Investment Fund has nearly \$1.5 trillion in assets and a legion of external asset managers running its portfolio. The GPIF sees itself as a "super-long-term investor" with the goal of a century or more of sustainable investment and outflows. Managing money for that long is a matter of stewardship, not just picking assets — and in the past few years, the GPIF has included environmental, social and governance factors as part of its stewardship responsibilities.

Bloomberg

Canada Pension Taps Green Bond Market to Fund Renewables

June 10, 2018, By Maciej Onoszko and Scott Deveau

Canada Pension Plan Investment Board plans to issue green bonds in Canadian dollars for the first time, joining a growing list of borrowers selling the debt to finance environmentally friendly investments.

"The issuance of green bonds is a logical next step to CPPIB's investment-focused approach to climate change, and we are pleased to be a pioneer among pension funds in this regard," Poul Winslow, senior managing director and global head of capital markets and factor investing, said in a statement Monday.

Bloomberg

U.K. government pledges support to expand impact investing

June 12, 2018, By Sophie Baker

The U.K. government will work with the financial services industry to help make impact investing easier, including potential changes to pension fund law.

The government published a response to an industry-led report released in November, which made five recommendations aimed at enabling investment to be better aligned with investor values.

Pensions & Investments

Blackstone closes 2 Asia funds with combined commitments of \$9.4 billion

June 12, 2018, By Douglas Appell

Blackstone Group announced the closing of two Asia-focused funds with combined commitments of \$9.4 billion.

Blackstone announced in a news release Wednesday the final close of Blackstone Real Estate Partners Asia II at its hard cap. Together with commitments from Blackstone and its affiliates, the fund has \$7.1 billion in commitments, a record for an Asia-focused real estate fund, the news release said.

Pensions & Investments

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