

TEXAS PENSION PLANS

In rare move, Houston council members call special meeting on firefighter pay

July 17, 2018, By Mike Morries

In a rare maneuver that sidesteps Mayor Sylvester Turner's authority, five City Council members have called a special meeting this week, hoping to force the issue of Houston firefighters' push for a referendum on pay "parity" with police.

The council members aim to secure their colleagues' support for a resolution calling on Turner to place an item on the council's July 24 agenda to schedule a November election on the petition, which seeks to grant firefighters the same pay as police officers of corresponding rank.

In Houston's strong-mayor form of government, the mayor generally has sole authority to decide what appears on the agenda for the weekly council meetings.

Turner on Tuesday said preliminary estimates put the cost of implementing the proposal at \$236 million over three years, an average of \$79 million a year, and noted that the firefighters had rejected a 9.5 percent pay raise over three years before taking the city to court over their contract. That case is ongoing. Houston faces projected deficits of more than \$100 million in each of the next five years.

Lancton disputed Turner's characterization of the contract talks and stressed that firefighters have seen their base pay increase by just 3 percent since 2011 while taking deep cuts to their pension benefits.

[Houston Chronicle](#)

TEXAS ECONOMIC INDICATORS

Texas set to pass Iraq, Iran as world's third largest oil producer

July 18, 2018, By John Bowden

Texas's oil industry is set to surpass Iraq and Iran to become the number 3 oil producing region in the world, behind only Russia and Saudi Arabia.

CNN Money reports that HSBC Bank predicted in a recent report that the state's explosive growth of oil production in the last two years could result in Texas passing the two OPEC countries as oil prices rise around the world.

The surge in Texas production comes just two years after the oil fields in Texas were seeing much lower production levels at the tail end of the Obama administration, according to CNN.

Production cutbacks in Russia and OPEC nations have also led to a rise in U.S. oil prices, a boon for the economy as companies in Texas struggle to find qualified workers and the infrastructure required to support the surge.

[The Hill](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

Thousands gather at Statehouse for rally to save pensions

July 12, 2018, By Owen Daugherty

The passion from the crowd of thousands who traveled from all over the country was palpable as union workers descended on the Statehouse Thursday to call on their elected representatives — both in Columbus and Washington — to save their dwindling pension funds.

The massive crowd gathered for a rally ahead of a Friday hearing at the Statehouse. The hearing will include both Ohio U.S. Sens. Sherrod Brown, a Democrat, and Rob Portman, a Republican, who will take part in a joint congressional committee tasked with solving the looming pension crisis that has put at risk the pensions of about 1.3 million retirees and active workers.

Without new legislation, the Pension Benefit Guaranty Corporation — the federal entity that insures pensions — could go under. Retired union workers and those planning for retirement called on Congress to pass legislation that would pump hundreds of millions of dollars into struggling pension funds. More than 300 multi-employer plans across the nation are in danger of failing.

The hearing at the Statehouse will be the fifth on the pension crisis, but the first outside of Washington, D.C. Ohio was chosen because it is among the states with the most pensions at risk, with nearly 60,000 workers in the Central States fund that is in severely declining status.

[The Columbus Dispatch](#)

Retirement Bills in Congress Could Alter 401(k) Plans

July 17, 2018, By Richard Rubin and Anne Tergesen

Lawmakers are working on the biggest changes to U.S. retirement savings in more than a decade, exploring several proposals that could make it easier for small companies to offer 401(k) plans and for workers to guarantee themselves an annual income after they retire.

The efforts start with a bipartisan Senate bill and House Republicans' plan to make retirement and savings a crucial part of their push for tax legislation this summer and fall.

Among the proposals Congress may consider are a new type of savings account that is more open-ended than current vehicles, ways to encourage savings that can be tapped in an emergency and the repeal of a provision that prevents people over age 70 ½ from contributing to traditional Individual Retirement Accounts.

Within 401(k)s, proposals include requiring plans to disclose to employees the monthly annuity income their savings would support. Other measures would encourage small employers to use automatic enrollment and make it easier for employers to automatically raise employees' savings rates beyond 10% of income—a cap that now applies to some plans.

The proposals could face obstacles in a divided Congress in an election year. Still, if passed, the measures would amount to the most significant alterations to 401(k) plans since 2006, when Congress made it easier for employers to enroll workers automatically and invest their money in funds that shift focus from stocks to bonds as people age.

[The Wall Street Journal](#)

Panelists argue about need to deal with insolvent public pension plans

July 17, 2018, By Brian Tumulty

Participants at the Brookings Municipal Finance Conference on Tuesday disagreed on the need for a program to be put in place to deal with insolvent public pension plans.

During a session on pensions, municipal bankruptcy expert James Spiotto, managing director of Chapman Strategic Advisors LLC, called for a four-prong approach that includes congressional legislation to create a new federal bankruptcy court that would handle only insolvent public pension systems.

Spiotto's plan assumes that a state or municipality has raised its taxes to the limit and all efforts at a consensual agreement with labor unions have been exhausted.

He also warns that communities face potential population loss if they raise taxes too high and are not able to maintain public service levels. Spiotto warned that pension underfunding needs to be dealt with before another recession arrives in the next two to five years.

"I am not convinced that the scope is terrifying at this point," Carol O'Cleireacain, former deputy mayor of Detroit for economic policy and planning, said, critiquing Spiotto's latest paper presenting the proposal.

O'Cleireacain said budgeting tools and economic development options that can improve a municipality or state's fiscal picture.

Deficits in state pension plans grew by \$295 billion in fiscal 2016 to \$1.4 trillion, Pew Charitable Trusts reported in April. Five state retirement systems – in Colorado, Connecticut, Illinois, Kentucky and New Jersey -- were under 50% funded

[Orlando Weekly](#)

Retirement savings proposals introduced in Senate, under discussion in the House

July 17, 2018, By Hazel Bradford

A bipartisan group of senators introduced a package of retirement savings bills on Tuesday that includes making it easier for small employers to join pooled employer plans and giving employers incentives to use automatic enrollment and automatic escalation features.

Some of the features of the four bills in the package mirror ideas advanced by the Senate Finance Committee in the proposed Retirement Enhancement and Savings Act of 2018. RESA, introduced in March, also would ease non-discrimination testing rules for plan sponsors, lift a 10% safe harbor cap on default contributions for automatic enrollment and escalation in defined contribution plans, and give cooperatives and small-employer charities smaller Pension Benefit Guaranty Corp. premiums. Its progress is considered stalled in the House, but some of its ideas could be included in House Republicans' plans for another round of tax reform later this year, retirement security advocates said.

Between the Senate actions and House Ways & Means Chairman Kevin Brady, R-Texas, and other Republicans now considering retirement ideas, "there seems to be significant momentum on something crossing the finish line this year. Retirement security is finally getting the attention it deserves," said Shai Akabas, director of economic policy at the Bipartisan Policy Center, in an interview.

[Pension & Investments](#)

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