

TEXAS PENSION PLANS

Pension problems: Why retired teachers support recent filed legislation

December 13, 2018, 2018, By Ashley Portillo

Texas is one of the few states that only pays into a pension fund for public school teachers and not into social security. This means when most Texas teachers retire, they will not have access to social security benefits without being penalized.

However, State Representative Abel Herrero recently filed legislation that would give retired teachers the benefits they've earned.

Kina Pena, a former CCISD teacher, says the legislation would help teachers like her. She retired in 2010. What was supposed to be an exciting time, as she planned for her retirement, instead produced a shock. "I was stunned," said Pena. "I earned my 40 quarters so I can get my social security but I can't get all of it."

Because Texas and school districts like CCISD does not pay into social security for teachers, teachers pay into a teacher retirement plan through the Teacher Retirement System of Texas.

However Pena, like many other teachers, accumulated 40 quarters by working various side jobs throughout their career. Therefore, Pena believes she should earn social security benefits. But because of the law, she was penalized, and only receives a third of her benefits.

Less than 50 of the state's districts pay into social security for their teachers. CCISD is not one of them. KRIS 6 reached out to CCISD for comment, but we're still waiting for a response.

As for the legislation filed by State Representative Herrero, he hopes it will be discussed during the 86th regular legislative session, which begins on January 8, 2019.

[Corpus Christi and the Coastal Bend of Texas KRISTV](#)

Texas is being irresponsible with its \$12 billion rainy day fund. Here's a better plan

December 18, 2018, 2018, By Dallas Morning News Editorial

Anybody who remembers the 1980s and the end of the oil boom in Texas understands why the state decided in 1989 to set up a constitutionally mandated rainy day fund. We needed to make sure we could keep the lights on should another crash come calling.

What no one expected then was the incredible return of the Texas energy industry that has seen "dry" oil and gas fields reborn and with them the soaring collection of severance taxes from oil and gas production. Those taxes have filled the rainy day fund to brimming with billions of dollars' new revenue.

The fund's official name — the Economic Stabilization Fund — holds more than \$12 billion, and that's after billions have been carved off to go into the desperately underfunded state highway fund. Plenty of people, both in government and outside of it, have ideas for what Texas should do with the money it's stockpiling.

In the last legislative session, Hegar proposed a couple of ideas that just make plain financial sense and that the Legislature should take up this session.

First, the state can no longer justify keeping the entire rainy day fund earning returns that barely cover inflation. Certificates of Deposit at the local bank do better than the state of Texas does with its rainy day fund investment.

But the state would also enjoy an endowment that returned enough money to make a real difference in keeping Texas on strong financial footing going forward.

Which brings us to the second part of Hegar's proposal. He is recommending the Legislature dedicate returns from the endowment to address long-term drains on the balance sheet — specifically, the state's pension obligations. All of us in Dallas know how fast a pension system can spoil an entire economy. Dallas was on the brink of disaster before the Legislature passed a fix that helped the Dallas Police and Fire Pension System restructure its obligations to retirees.

We can't afford that sort of trouble on a statewide basis. So while it is tempting to look at the rainy day fund as a way to shore up any number of needs, including education and Child Protective Services, it's wiser to ensure the state can pay what it has promised through the pension systems. That makes it far easier to budget for other needs.

[Dallas Morning News](#)

TEXPERS' board hires new executive director

December 19, 2018, By Staff

TEXPERS has a new executive director. The board of directors recently hired Sally Velasquez to take over the position from Max Patterson, who is retiring from the association's top administrative job.

Velasquez starts Jan. 2. She brings a legislative background as a former chief of staff to several state legislators and as an independent governmental affairs consultant promoting cities and counties as a registered lobbyist. She has advocated for and participated in policy-making related to public employees and their retirement benefits.

An interview with the association's new executive director will be featured in the next edition of TEXPERS Pension Observer. The membership magazine will be mailed to members by Jan. 10. An electronic version of the magazine also will be emailed out to members.

TEXPERS' board of directors hired Velasquez during its meeting held Dec. 13 and 14 in Frisco, Texas, located in the Dallas/Fort Worth area and where the association's 2019 Summer Educational Forum will be held.

[TEXPERS](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

Eye-popping Los Angeles pensions have taxpayers scrambling to cover costs

December 17, 2018, By Jack Dolan

Numerous retired city workers in Los Angeles reportedly are collecting huge amounts of money in retirement pay that exceed Internal Revenue Service limits – leaving the city tapping taxpayer funds that could go to other services.

According to an investigation by the Los Angeles Times, the hefty pensions have prompted the city to start an "Excess Benefit Plan" to cover additional costs the pension system cannot legally assume. The plan has doled out \$14.6 million to 110 retired employees since 2010, according to an analysis by the newspaper.

Most of those on the plan are retired police officers and firefighters whose pension payouts from the program drove their incomes far above the \$200,000 annual limit set by the IRS for pension pay.

The Deferred Retirement Option Plan, or DROP, had already come under scrutiny from the Los Angeles Times.

The newspaper found that DROP, which pays the salary and pension of cops and firefighters simultaneously for up to the last five years of their careers, allowed the recipients to take injury leaves for things like bad backs and sore knees for up to one year.

While Alex Comisar, a spokesperson for Mayor Eric Garcetti, did not say whether the mayor thinks the Excess Benefit Plan is appropriate, he did say that reforms instituted earlier this decade should prevent people hired after 2011 from collecting such massive pension payouts.

[Los Angeles Times](#)

Kentucky's special session on pensions is over. Who are the winners and losers?

December 19, 2018, By Thomas Novelty

Gov. Matt Bevin's special session? Not so special, after all.

The special legislative session Bevin called Monday evening to address the state's pension crisis, one of his main campaign promises, ended barely 24 hours later with no action to fix the billions of dollars in debt.

Teachers cheered, Bevin jeered and lawmakers on both sides of the aisle expressed mutual frustration that their time and energy was wasted on a moment's notice where no meaningful debate or solution could even be discussed.

Speaker Pro Tem David Osborne, R-Prospect, said the more than \$43 billion in pension debt could not be fixed "within the confines of a five-day session."

While Kentucky's pension legislation will now be delayed until the start of the 2019 legislative session, there are a couple of people and groups that can claim victory from the debacle.

Winner: House Minority Leader Rocky Adkins

House Minority Leader Rocky Adkins, a Sandy Hook Democrat, has run an unnoticeable campaign to take the governor's office from Bevin in 2019.

But the rapid close of Tuesday's session may have just given him the energy he needed.

The pension reform law, which was ruled unconstitutional by the Kentucky Supreme Court last week because it was passed so rapidly that lawmakers didn't have time to properly consider or read the bill, was sneaked into an unrelated sewer bill last legislative session in an effort to replace teacher pensions with 401K-style plans.

[Courier Journal](#)

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