

TEXAS PENSION PLANS

Texas County & District Reduced Assumed Rate of Return to 7.5%

March 12, 2021 By Pensions & Investments Staff

Texas County & District Retirement System's board of trustees approved lowering the long-term assumed rate of return for the \$35.7 billion system to 7.5% from 8% during a meeting Thursday.

"'TCDRS' long-term outlook anticipates rates and returns (will) remain below historic norms. Expectations of returns have decreased across all asset classes ... due largely to rate cuts and unprecedented stimulus resulting from the pandemic,' a news release from the system said Thursday."

[Pensions & Investments](#)

Texas Weighs Punishing Companies that Divest from Fossil Fuels

March 17, 2021, By James Comtois

"The Texas Senate is considering a bill that would punish companies that divest from fossil-fuel companies by requiring the state's pension plans and investment funds to divest from those companies.

"Senate Bill 13, introduced Thursday by lead sponsor Republican state Sen. Brian Birdwell, would require state pension plans and investment funds to stop investing in companies that 'boycott energy companies.'"

[Pensions & Investments](#)

ERS of Texas Lifts Fiscal 2021 Real Estate Investment Target

March 17, 2021, By Jon Peterson

"Employees Retirement System (ERS) of Texas has increased its fiscal 2021 real estate investment target by \$200m (€167.6m) to enable it to pursue opportunities, according to the pension fund's meeting document.

"ERS of Texas said it intends to diversify and increase its international exposure which accounts for 23% of its total real estate portfolio. In the long-term, the international portfolio is expected to reach 30%."

[IPE Real Assets](#)

TEXAS ECONOMIC INDICATORS

Higher Education Officials Urge Legislature to Invest in Colleges and Universities After Pandemic Take Toll on Students and Economy

March 16, 2021 By Kate McGee

The state unemployment rate remained stable at the turn of the year while Texas added 32,600 private sector jobs. That is half the raw jobs added in December 2020.

The unemployment rate is on par with the nation's as a whole and has recovered significantly from its surge almost a year ago. Yet, it is still over double its lowest point during the twilight months of 2019.

[Texas Tribune](#)

Texas AG says Retroactive Power-price cut Okay; Regulator Ousted

March 16, 2021 By Gary Williams & Kanishka Singh

The Texas attorney general on Wednesday said state law allows the utilities regulator to cut billions of dollars from storm-inflated electric bills, an endorsement that came hours after the ouster of the regulator who opposed retroactive cuts.

D'Andrea resigned Tuesday after the disclosure of the inflammatory comments by the Texas Monthly magazine. The call, during which he boasted of his job security, took place two days before he was to consider rescinding billions of dollars of payment to utilities.

[Reuters](#)

Unemployment Claims Jump to One-month High of 770,000 as Texas Applications Surge

March 18, 2021, By Jeffry Bartash

The number of new applications for U.S. unemployment benefits rose to a one-month high of 770,000 in mid-March, reflecting some of the damage caused to the Texas economy by a winter freeze.

Economists surveyed by Dow Jones and The Wall Street Journal had forecast new claims would fall to a seasonally adjusted 700,000.

[MarketWatch](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

Pa. Officials Outraged Over Multimillion-dollar ‘Error’ by Teachers Pension Managers

March 16, 2021 Joseph N. DiStefano

Officials whose constituents pay more than \$5 billion a year into Pennsylvania’s mammoth public-school pension fund reacted with worry — and some with outrage — to its disclosure Friday of an “error” that exaggerated the fund’s profits. Gov. Tom Wolf called for greater scrutiny of the \$62 billion fund, known as PSERS and Pennsylvania’s largest, saying that ‘strong oversight’ by its board was ‘clearly warranted, given this apparent error.’”

[The Philadelphia Inquirer](#)

Kentucky Legislators Approve Hybrid Plan for Kentucky Teachers System

March 17, 2021, By Rob Kozlowski

The Kentucky General Assembly voted Tuesday to approve a bill that would move participants in the Kentucky Teachers' Retirement System, Frankfort, to a hybrid plan.

[Pensions & Investments](#)

US Corporate Pension Funded Ratio Climbs to 92.9% in February

March 17, 2021, By Michael Katz

Funding for the 100 largest US corporate pension plans, as tracked by the Milliman 100 Pension Funding Index, improved by \$67 billion in February as the plans’ aggregate funded ratio rose to 92.9% from 89.7%, thanks to a 26 basis point increase in the monthly discount rate. It was the fifth straight month funded ratios have improved.

[Chief Investment Officer](#)

Trends in Maturity Metrics, Asset Allocations and Expected Rates of Return for large U.S. Public Pension Plans

March 2021 By Lisa Schilling and Patrick Wieseog

This report considers several trends in public defined benefit plans among 139 state and local DB systems between 2001 and 2018. Generally, more mature plans were more sensitive to financial shocks, which also tends to shift their asset allocations to be riskier, more complex, and less transparent.

[The Society of Actuaries](#)

The information contained in the PRB Weekly Clips is for informational purposes only and does not represent the views, positions or opinions of the Texas Pension Review Board.