

# Intensive Study on Chapter 810 Retirement Systems

In December 2025, the Pension Review Board (PRB) published an [intensive study on Chapter 810 retirement systems](#). The report analyzes the structure and governance of these systems along with actuarial and investment practices and trends.

## Key Findings

- **Less Reliance on Defined Benefits**

With benefits tailored to employees with shorter-term employment lengths, **most Chapter 810 systems offer significant defined contribution benefits and participation in Social Security**, while other systems focus primarily on defined benefit programs.

- **Lower MET Compliance**

**Chapter 810 system trustees and administrators have a lower compliance rate with the Minimum Educational Training (MET) program compared to other Texas systems.** As of the end of 2024, 60 percent of Chapter 810 system trustees and administrators were compliant with MET requirements compared to statewide and municipal systems that were 93 percent and 82 percent compliant, respectively.

- **Outdated Actuarial Equivalence Assumptions**

Twelve Chapter 810 systems offer a complete lump sum option for their retirees. **Seven of those systems currently use lump sum mortality tables from 1994 or earlier.** The outdated life expectancies lead to lower benefits for those who take this option.

- **More Stable Funding**

Chapter 810 systems have a streamlined decision-making structure which allows them to more easily employ an actuarially determined contribution (ADC) structure with reasonable actuarial assumptions. That, combined with **on average higher asset allocations to lower-risk investments such as fixed income compared to other peer groups**, provides more stability in funding—if the full contributions are made.

- **Asset Pooling**

Several hospitals pool their pension assets in the Texas Hospital Association (THA), contributing to **enhanced investment opportunities and significantly lower investment expenses.** THA's total investment expenses of 0.18 percent of assets were much lower than the national average of 0.71 percent of assets.

## Best Practices and Improvements

The best practices used by Chapter 810 systems such as ADC structures and lower reasonable actuarial assumptions that reduce risk, would be beneficial for any retirement system to consider. Other best practice improvements Chapter 810 systems should consider center around communication and meeting frequency.

- **Regularly Communicate with Members**

The survey identified a lack of regular communication among more than half of responding systems. **It is key for systems to keep members updated in multiple ways, especially during times of major changes or financial trouble.**

- **Ensure Regular Meetings**

Because Chapter 810 systems are generally run by a board with other organizational responsibilities, they might discuss retirement system business less frequently. **While this can work when the status quo is preserved, it can become an issue if problems arise.** Boards or committees should be proactive.