

# FLORIDA PUBLIC PENSION TRUSTEES ASSOCIATION



## **PENSION NEWS CLIPS NOVEMBER 2017 ON FLORIDA PENSION ISSUES**

Prepared by Fred Nesbitt, FPPTA Media Consultant – [fnesbitt911@gmail.com](mailto:fnesbitt911@gmail.com)

### **[Blame Amazon for America's underfunded public pensions](#)**

By Bailey Childers, Opinion Contributor, The Hill, October 31, 2017

You have to give Amazon credit. In a rare public auction, the retail giant promised up to 50,000 jobs at a second headquarters, or “HQ2,” and sat back while 238 cities and states tripped over each other to offer the most lucrative tax break packages. While most of the bids have yet to be disclosed, some are staggering, especially considering the same states have recently claimed they don’t have money for pensions, education, infrastructure, or other state priorities. Illinois and New Jersey, two states notorious for underfunding their public pensions, are suddenly flush with cash when Amazon comes calling. Illinois’s bid with Chicago is priced at \$2 billion. New Jersey’s bid with Newark more than triples that at a whopping \$7 billion. Since 2000, New Jersey has ranked last among the 50 states in making its annually required contribution to the pension system. Politicians may tell you that pensions are to blame for public service cuts, but corporate tax breaks and subsidies dwarf pension costs in most states. Not to mention, pensions are a proven economic engine for states.

*Editor’s Note:* Bailey Childers is executive director of the National Public Pension Coalition.

### **[Florida will sue pharmaceutical company over pension losses](#)**

By Associated Press, The Ledger, November 7, 2017

Florida’s state-run pension plan is going to sue a pharmaceutical company over millions in losses that top officials contend were due to fraud. Members of the state board that oversees the Florida Retirement System voted to proceed with a lawsuit against Valeant Pharmaceuticals International. Florida’s lawsuit will be independent of any class action shareholder lawsuits against the drug maker. The state lost \$62 million on shares of Valeant that were purchased between January 2013 and August 2016. A legal analysis alleges that Valeant officials embarked on a scheme to inflate drug prices and artificially boost sales.

### **[NCPERS: Trying to close or freeze underfunded pension plans is misguided](#)**

By Rob Kozlowski, P&I, November 17, 2017

Policymakers exerting pressure to close or freeze U.S. public pension plans because their funding ratios are less than 100% are misguided, argues the National Conference on Public Employee Retirement Systems in a study in the November edition of the trade association's monthly research newsletter. U.S. public pension plans for roughly the past quarter-century consistently have met their benefit and other obligations, NCPERS states in the study, which used U.S. Census Bureau data from 1993 through 2016. During that period, obligations surpassed the combination of contributions and investment earnings only four times, in 2002, 2008, 2009 and 2012. The study argues the other 20 years of the period were more than successful in allowing funds to weather periods after severe economic downturns such as the

financial crisis of 2008. The study, ["Don't Dismantle Public Pensions Because They Aren't 100 Percent Funded."](#) stated "full funding of public pensions (to 100%) is not only a misguided goal but a waste of taxpayer money." **Hank H. Kim**, executive director and counsel of NCPERS, said in the news release, "Shutting down a pension plan because it is not fully funded is like turning in the keys to your home because you can't pay off the entire mortgage balance this month."

### [Miami owes \\$213M to police and fire pension fund, consultant says](#)

By David Smiley, Miami Herald, November 3, 2017

A consultant hired by Miami's firefighter and police pension fund dropped a bombshell, estimating that Miami taxpayers owe more than \$200 million in back-benefits to retirees following an invalidation of controversial recession-era austerity measures. The NYHart Company's report — issued just days before a consequential city election — puts a partial price tag to changes set in motion in March by a Florida Supreme Court ruling that struck down pension fund cuts made by city commissioners in 2010. Following a decision by the board that governs Miami's Firefighters' and Police Officers' Retirement Trust, fund administrators are now calculating altered retirement benefits for retirees and determining just how much the city will have to put up to pay for it all.

### [The Legalities of Pension Reform: How Do You Get There from Here?](#)

By Sasha Volokh, The Washington Post, November 2, 2017

Underfunded pension liabilities are a major fiscal problem for state and local governments. But as all public employee pension reformers are aware, the federal and state constitutions impose limits on how drastically public pension benefits can be cut. The chief relevant constitutional provision is the federal Constitution's Contract Clause: "No State shall . . . pass any . . . Law impairing the Obligation of Contracts." States generally have analogous language in their own constitutions. In Florida, the contract is just an agreement to pay the pension benefits that have been earned based on work already done. In Florida, for instance, the legislature can change pension benefits as much as it wants, as long as it protects the amounts that have been accrued so far.

**Editor's Note:** This paper was originally published by the Reason Foundation.

### [Notice Of Filing Of Securities Class Action Against Frontier Communications Corp., Its Senior Executives And Directors, And Underwriters Of Its June 2015 Stock Offerings](#)

Press Release, Market Insider, November 1, 2017

Bernstein Litowitz Berger & Grossmann LLP ("BLB&G") announced that it has filed a securities class action lawsuit on behalf of **St. Lucie County Fire District Firefighters' Pension Trust Fund** against Frontier Communications Corp., its senior executives and directors, and the underwriters for its June 2015 offerings of common and preferred stock. The Complaint alleges that during the Class Period, Frontier misled investors with regard to its integration of customers and assets acquired in 2016 from Verizon in California, Texas, and Florida. Specifically, the Complaint alleges that the Company misled investors regarding the costs of integrating the CTF Acquisition, and concealed that Frontier did not have the ability to successfully integrate the CTF Acquisition.

## **Paradise Papers: Your Retirement Cash May Be In The Caymans. Can You Get It Back?**

By David Sirota and Lydia O'Neal, International Business Times, November 20, 2017

The release of the so-called “Paradise Papers” touched off new scrutiny of how moguls, celebrities and politicians stash their cash in offshore tax havens. The practice, though, is hardly limited to the global elite. In fact, government documents show that state and local officials (FRS and local plans) have sent hundreds of billions of dollars of public sector workers’ retirement savings to a tiny archipelago most famous for white-sand beaches — and laws that shield investors from taxes. Operating outside the U.S. legal system, the offshore accounts in the Cayman Islands give Wall Street firms leeway to make complex international investments and to earn big fees off investors' capital.