

By: Eiland

H.B. No. 2567

A BILL TO BE ENTITLED

AN ACT

relating to requiring public retirement systems periodically to submit an asset and liability study to the Pension Review Board.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 801.201(b), Government Code, is amended to read as follows:

(b) For the purpose of performing its duties under Section 801.202(1) or (2) or Section 801.2025, the board by rule may require clarification of information provided by a public retirement system in a report that is required by law and is required to be filed with the board. A rule adopted under this subsection may not be enforced against a public retirement system if compliance with the rule would cause the system to incur a major expense.

SECTION 2. Subchapter C, Chapter 801, Government Code, is amended by adding Section 801.2025 to read as follows:

Sec. 801.2025. ASSET AND LIABILITY STUDY REQUIRED. The board by rule shall require each public retirement system to submit to the board, not less than quarterly, an asset and liability study that contains:

(1) a liability payment schedule of projected annual benefit payments;

(2) disclosure, weighted by present dollar values, of the growth rate of liabilities for the year to date, the average duration of the liabilities, and the average yield on the

1 liabilities;

2 (3) a listing of asset classes priced at present
3 market values;

4 (4) a calculation of a funding ratio at present market
5 values; and

6 (5) a comparison of asset growth rate minus liability
7 growth rate for the year to date.

8 SECTION 3. This Act takes effect September 1, 2005.