



## **JUDICIAL RETIREMENT SYSTEM OF NEVADA**

### **SUMMARY PLAN DESCRIPTION**

*This document has been prepared for members of the Judicial Retirement System of Nevada to provide general information.*

*It is based on retirement law effective from the 72<sup>nd</sup> session of the Nevada Legislature, 2003. This is not a legal document, nor is it intended to serve as a basis for legal interpretation. Official legal reference may be found in the Nevada Revised Statutes.*

## INTRODUCTION

This document has been prepared for members of the Judicial Retirement System (JRS) to provide general information concerning the system.

If you are a Supreme Court Justice or a District Court Judge, you participate in *JRS* or the Public Employees' Retirement System (PERS). If you are a member of PERS, please refer to the *Summary Plan Description* for regular members of *PERS* for your retirement planning.

## CONTRIBUTION PLAN

Your compensation subject to retirement contribution includes your base pay excluding all fringe benefits. Also included is additional payment for longevity and extra duty assignments provided they are part of your contract or job description.

Contributions are paid into the *JRS* on your behalf by your employer. The contribution rate for JRS members is 25.6%.

## SERVICE

Service begins on the day your term of office begins and terminates on the day your term of office expires, unless sooner terminated as a result of death, resignation or removal from office.

### *Purchase of Service*

If you have five years of service in the *JRS*, you may purchase up to five years of additional service credit. You must pay the full actuarial cost associated with your age and average compensation at the time of purchase. The cost to purchase service averages about one third of your annual salary. Payment can be made in a lump sum or through an installment agreement. Purchase of service is not available under the old judicial plan at NRS 2.060 to 2.083 and NRS 3.090 to 3.099.

Purchase of service may also be accomplished using certain types of retirement savings accounts such as IRC 401 (a), 401 (k) qualified pension trusts, 403 (b) and 457 retirement savings plans and IRAs.

## BENEFITS

### Service Retirement

#### Vesting

You earn the right to receive a retirement allowance after five years of service. Eligibility to receive an unreduced retirement allowance is established with 5 years of service at age 65, 10 years of service at age 60, or at any age with 30 years of service.

#### Eligibility for Monthly Unreduced Retirement Benefit

<u>Years of Service</u>	<u>Age</u>
5	65
10	60
30	Any age

If you are eligible and elect to receive benefits as a member of the JRS under the old judicial plan, vesting is established with 5 years of service at age 60. 2

**Eligibility for Monthly Unreduced Retirement Benefit  
Old Judicial Retirement Plan**

<u>Years of Service</u>	<u>Age</u>
5	60

**Benefit Calculation**

The monthly benefit you receive will be based on the following:

**Factors**

benefit you receive

- **Service Credit** – your years, months, and days in the *JRS* to include past PERS credit transferred to the *JRS*. For example, if you had 2 years of prior PERS credit transferred to the *JRS* and 18 years of current *JRS* service, your total would be 20 years for benefit eligibility purposes.
  - **Service Credit Multiplier** – for each year of service in the *JRS* you receive 3.4091% of your average compensation. For members with transferred *PERS*' service, you receive 2.5% for each year of service prior to July 1, 2001 and 2.67% for each year completed after July 1, 2001. The maximum accrual is 75% for all service.
  - **Average Compensation** – the average of your highest 36 consecutive months of earnings.
  - **Selection of Retirement Option and Your Age and Age of Your Beneficiary at Retirement**
- If you are eligible and elect to receive benefits under the old judicial plan you receive 4.1666% of your current pay after 5 years of service and an additional 4.1666% for each year after up to 22 years for a maximum of 75%.

**Benefit Formula**

The formula used for calculating your retirement benefit is as follows and assumes you were eligible to receive an unreduced retirement allowance with 20 years of service with an average monthly wage of \$8,000:

Service Credit x 3.4091%\* x Average Monthly Compensation = Unmodified Allowance  
 Example: 20 years x 3.4091% = 68.18%  
 68.18% x \$8,000 (Average Compensation) = \$5,454.40  
 Monthly Benefit

**\*Remember past PERS' service transferred to the JRS is not credited at 3.4091%**

If you are eligible and under the old judicial retirement plan, the formula for calculating your unreduced benefit with 20 years of service and final year's monthly salary of \$8,000 is as follows:

elect to receive benefits under the old judicial retirement plan, the formula for calculating your unreduced benefit with 20 years of service and final year's monthly salary of \$8,000 is as follows:

**Old Judicial Retirement Plan**

Service Credit x 4.1666% x for the first 5 years + 4.1666% for each of the 15 years of service thereafter x salary for your last year of service = Unmodified Monthly Allowance

Example: First 5 years at 4.1666% + 15 years at 62.5% = 66.7%  
 66.7% x \$8,000 = \$5,336 Unmodified Allowance

Benefits are paid to you for life and, after your death, to the one person named as beneficiary on the retirement application. It is not mandatory to name a beneficiary. Prospective retirees may elect one of seven retirement options.

**Option 1 – The Unmodified Allowance** pays you the full monthly allowance you have earned but provides no income protection for your beneficiary after your death.

**Option 2** – provides an actuarially reduced allowance for your lifetime. After your death, the same allowance continues for the lifetime of your beneficiary.

**Option 3** – provides an actuarially reduced allowance for your lifetime. After your death, 50 percent of the allowance continues for the lifetime of your beneficiary.

Options 4 and 5 are calculated the same as 2 and 3 but are not payable to a beneficiary before age 60. In Options 6 and 7, a retiree may designate the beneficiary amount.

The reduction from the unmodified allowance is determined by an actuarial percentage based on the ages of the member and beneficiary at the time of retirement.

After retirement, the named beneficiary cannot be changed; however, you may under certain conditions choose to revert to the Unmodified Option. If your beneficiary predeceases you, the law provides that your benefit will revert to the Unmodified Option.

**Benefit Calculation Formula Unreduced Service Retirement Benefit**

Using the example in the benefit formula mentioned earlier, let us assume that you will retire at age 60 with 20 years of service and an average monthly compensation of \$8,000. Your beneficiary is age 58.

Average Compensation = \$8,000  
 Service = 20 years x 3.4091%\* = 68.18%

	Monthly Amount Retiree Will Receive	Monthly Amount Beneficiary Will Receive After Retiree's Death
Unmodified (Option 1)	\$5,454.40	\$ -0-
Option 2	\$4,641.69	\$4,641.69**
Option 3	\$5,012.59	\$2,506.30**

The additional options 4-7 can be calculated upon request.

\* Remember, past PERS' service transferred to the JRS is not credited at 3.4091%

\*\* The reduced amounts under Options 2 and 3 are based on your age and your beneficiary's age at the time of retirement.

If you are eligible and elect to receive benefits under the old judicial retirement plan, the retirement options referenced above are not available. Upon your death, your surviving spouse is entitled to \$450 per month if under age 60 and \$2500 per month beginning at age 60 or if already age 60 or older.

**Early Retirement Reduction**

In the event you earn the years of service necessary to receive a retirement benefit but have not reached the age for an unreduced benefit, you may retire at any age with your benefit reduced by four percent for each full year that you retire early. An example of how this reduction would work is provided below for a 59-year-old retiree with 20 years of service, an \$8,000 per month average compensation, and a beneficiary who is age 59.

**Benefit Calculation Formula Reduced Service Retirement Benefit**

Average Compensation = \$8,000  
 Service = 20 years x 3.4091%\* = 68.18%  
 Unmodified Allowance (Option 1) = \$5,454.40  
 Early Retirement Reduction:  
     4% (1 year) x \$5,454.40 = \$218.18  
 Reduced Unmodified Allowance = \$5,236.22  
 (\$5,454.40 – \$218.18)

	Monthly Amount Retiree Will Receive	Monthly Amount Beneficiary Will Receive After Retiree's Death
Unmodified (Option 1)	\$5,236.22	\$ -0-
Option 2**	\$4,539.80	\$4,539.80
Option 3**	\$4,864.45	\$2,432.23

\* Remember, past service in PERS transferred to the JRS will not be credited at 3.4091%.

\*\* The reduced amounts under Options 2 and 3 are based on your age and your beneficiary's age at the time of retirement.

If you are eligible for and elect to receive benefits from the old judicial retirement plan, but have not reached the age necessary to receive an unreduced benefit (age 60), you may retire at any age with your benefit reduced four percent for each full year that you retire early. An example of how this reduction would work is provided below for a 59 year old retiree with 20 years of service, an \$8,000 per month average compensation, and a 59 year old beneficiary.

**Benefit Calculation Formula  
 Reduced Service Retirement Benefit  
 Old Judicial Retirement Plan**

Average Compensation = \$8,000  
 Service at 20 years = 66.7%  
 Unmodified Allowance (Option 1) = \$5,336  
 Early Retirement Reduction:  
     4% (1 year) x \$5,336 = \$213.44  
 Reduced Unmodified Allowance = \$5,122.56  
 (\$5,336 – \$213.44)

The retiree's surviving spouse is eligible to receive \$450 per month if under age 60 and \$2,500 per month beginning at age 60 or if already age 60 or older.

Your PERS benefit will not be affected by a Social Security Benefit. However, a Social Security benefit may be affected because you receive a PERS pension. The Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP) are the two Federal Government regulations that may reduce your Social Security benefit. We suggest you contact the Social Security Administration at 800-772-1213 or visit their website at [www.ssa.gov](http://www.ssa.gov) for more information.

### ***How to Apply***

Between three and six months before your retirement, request an estimate of retirement allowance and an application for retirement. The request should include:

1. *Your anticipated retirement date.*
2. *Your name and Social Security number.*
3. *Your beneficiary's name, birth date, and Social Security number.*

It is also wise to consult a JRS counselor prior to your retirement.

### **Disability Retirement**

If you have five or more years of service and become totally unable to perform your current or any comparable job because of an injury or mental or physical illness of a permanent nature, you are eligible to apply for disability retirement. **Your application must be filed with PERS prior to your termination of employment.**

### ***How to Apply***

The disability application has four parts:

1. *Member's statement of disability and retirement plan selection*
2. *Personnel officer's report*
3. *Supervisor's report*
4. *Physician's statement*

The completed application is submitted to the Retirement Board for consideration at its regular monthly meetings. Disability retirement benefits are calculated in the same manner as service retirement benefits described before, but without reduction for age. To apply for disability benefits, you are urged to contact the JRS staff or your retirement liaison officer.

If you are eligible and elect to receive disability benefits under the old judicial retirement plan, benefits are calculated in the same manner as referenced previously without reduction for retirement at an early age.

### **Survivor Benefits**

#### ***Eligibility***

If you were to die prior to retirement, your eligible survivors would be entitled to a survivor benefit if:

1. *You had two years of service in the two and one half years immediately preceding your death; or*
2. *You had more than 10 years of accredited service; or*
3. *Your death was caused by an occupational disease or an accident arising out of or in the course of your employment, regardless of service credit.*

Effective January 2004, all members of the plan may designate a Survivor Beneficiary and any additional payees to receive survivor benefits in the event of death prior to retirement. **The designation must be made on an approved PERS beneficiary form.** Your named beneficiaries would receive a payment based on the percentages you designate for the lifetime of the person named 'Survivor Beneficiary' in the event you are single at the time of your death.

#### ***Who is Included***

Your eligible survivors include:

1. *Your spouse*
2. *Your survivor beneficiaries and additional payees*
3. *Your dependent children under age 18*
4. *Your dependent parents, provided there are no other eligible survivors at the time of your death*

<b>Amount of Survivor Benefits</b>		
The following monthly benefits are payable to a surviving spouse, survivor beneficiaries and/or dependent children if your death occurs prior to retirement:		
<u>Service Credit</u>	<u>Spouse/ Survivor</u>	<u>Each Child*</u>
2+	\$450	\$400
10+	Option 3	\$400
(If member was under age for full eligibility)		
10+	Option 2	\$400
(If member was fully eligible to retire)		
15+	Option 2	\$400
* Until age 18 or to age 23 if a full time, unmarried student. Incapacitated adult children may be eligible.		
Survivor benefit eligibility is established from the first day of service under the old judicial retirement plan. The surviving spouse or survivor beneficiary is entitled to \$2,500 per month at age 60. Under age 60, \$450 per month. If you had less than 5 years of service at the time of death, the amount paid to a surviving spouse or survivor beneficiary is \$450 per month. Surviving children receive the same benefit as shown for members under the new judicial retirement system.		
(Other restrictions may apply)		

**Counseling Services**

*In Carson City:* Weekdays at the PERS building located at 693 W. Nye Lane, from 8:00 a.m. to 5:00 p.m. If possible, please call ahead for an appointment.

*In Las Vegas:* Weekdays at our office at 5820 S. Eastern, Suite 220, from 8:00 a.m. to 5:00 p.m. Due to a high demand for counselors in this office, it is advisable to schedule an appointment.

*In rural Nevada:* Counselors are available during the Spring and Fall. Please watch for our notices and call our Carson City office for an appointment.

For further information, contact your retirement liaison officer or the *JRS*.

**Public Employees' Retirement System  
693 West Nye Lane  
Carson City, NV 89703**

For telephone inquiries, call:

- *from Las Vegas: (702) 486-3900*
- *from Carson City or Reno:  
(775) 687-4200*
- *from anywhere else in the USA:  
1-866-473-7768*

Website: [www.nvpers.org](http://www.nvpers.org)

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