



Positive Impact For Nevada

March 2012

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As a financial institution dedicated to those who serve all Nevadans, NVPERS must act with the highest integrity when managing the investments and operations of the System. This brochure highlights the value of NVPERS to our members, retirees and citizens of Nevada.

It is the mission of NVPERS to provide

- ◆ *Employers with the ability to attract and retain quality public employees*
- ◆ *Members with reasonable benefits at retirement or disability*
- ◆ *The People of Nevada with the full benefit of well-trained public servants*

The Public Employees' Retirement System Of Nevada: Strength in Fiscal Responsibility

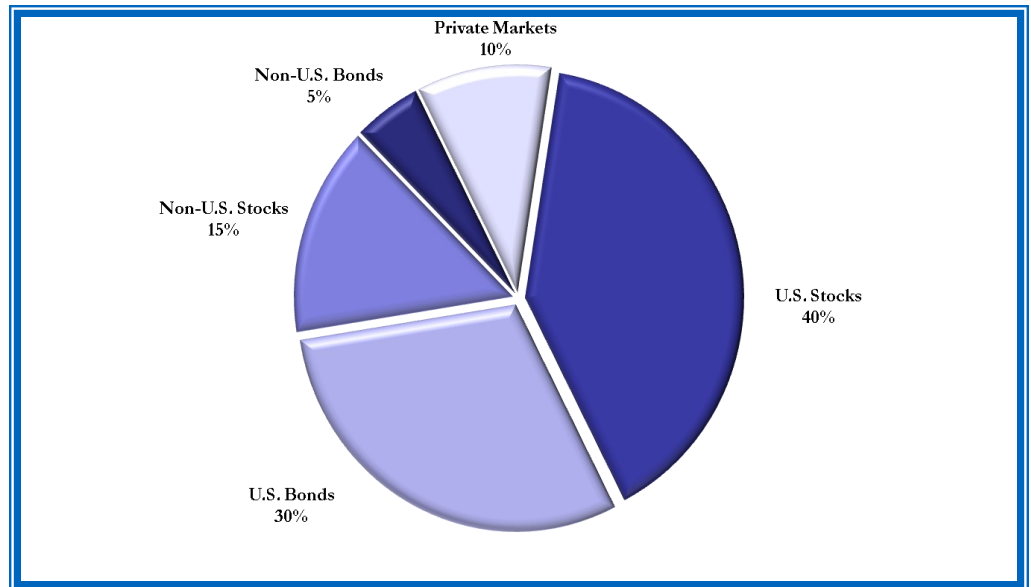
Board of Trustees

Mark R. Vincent
Chairman

James Green
Vice-Chairman

Members

Chris Collins
Bart T. Mangino
Rusty McAlister
David Olsen
Katherine Ong



Asset Allocation As of June 30, 2011

Nevada Investments

By the Nevada Constitution, the \$25 billion NVPERS trust must be invested for the exclusive benefit of the members and beneficiaries of the fund. Within this very high standard for investment, NVPERS has \$700 million invested in assets that support the Nevada economy through publicly traded stocks and private businesses.

NVPERS maintains positions in 16 publicly traded companies that make an important contribution to the Nevada economy. These firms include: IGT, Newmont Mining, Intuit, Wal-Mart and Amazon.com. The System also maintains positions in 15 privately held companies such as Caesars Entertainment, Station Casinos and MGM Mirage.

As of June 30, 2011

NVPERS' BENEFITS ARE REASONABLE

NVPERS' Facts:

Active Members:
100,000

Benefit Recipients:
47,000

Members of PERS do not participate in Social Security. Often their PERS benefit is their only income in their senior years.

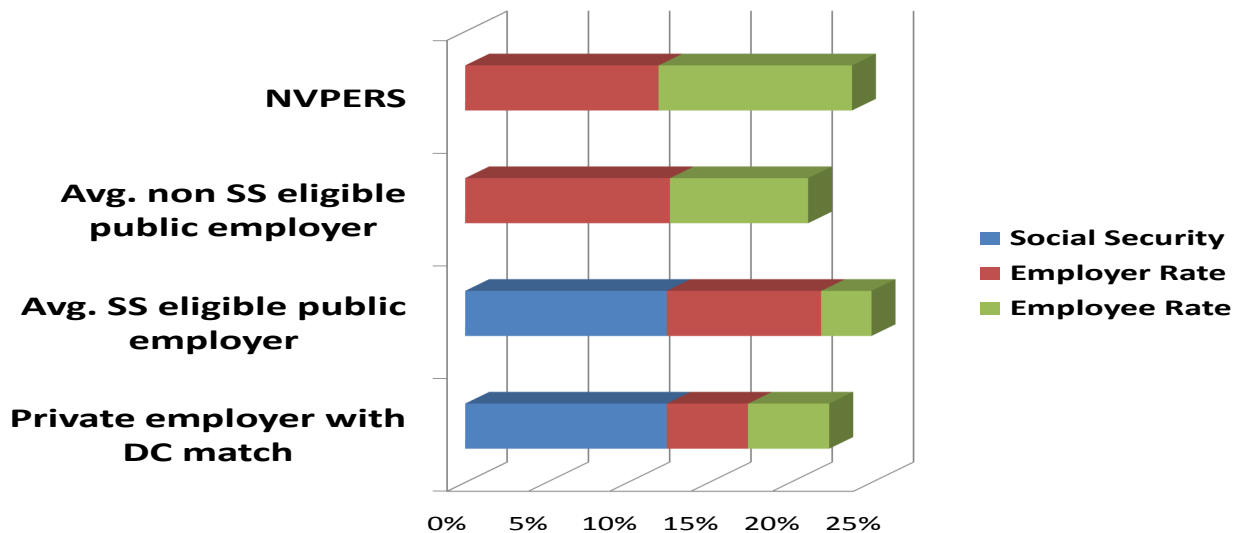
The table to the right shows the average benefit from the System over the last 10 years.

Year	Regular	Police/Fire
2002	\$1,799	\$2,664
2003	\$1,879	\$2,862
2004	\$1,961	\$3,014
2005	\$2,062	\$3,184
2006	\$2,136	\$3,387
2007	\$2,216	\$3,549
2008	\$2,306	\$3,740
2009	\$2,428	\$3,926
2010	\$2,486	\$4,141
2011	\$2,539	\$4,348

PERS is Competitive in Contribution Costs

PERS' contributions come from both employers and employees. In fact, NVPERS is quite unique because exactly one-half the contributions paid to the System to fund benefits come from the members themselves. Members pay their portion of the contributions through direct salary reduction, or by giving up raises promised to them by their employers.

The System's contribution rate is very competitive when compared with other states and private employers. Employers and employees pay a little over 12% of salary each to fund the retirement benefits.

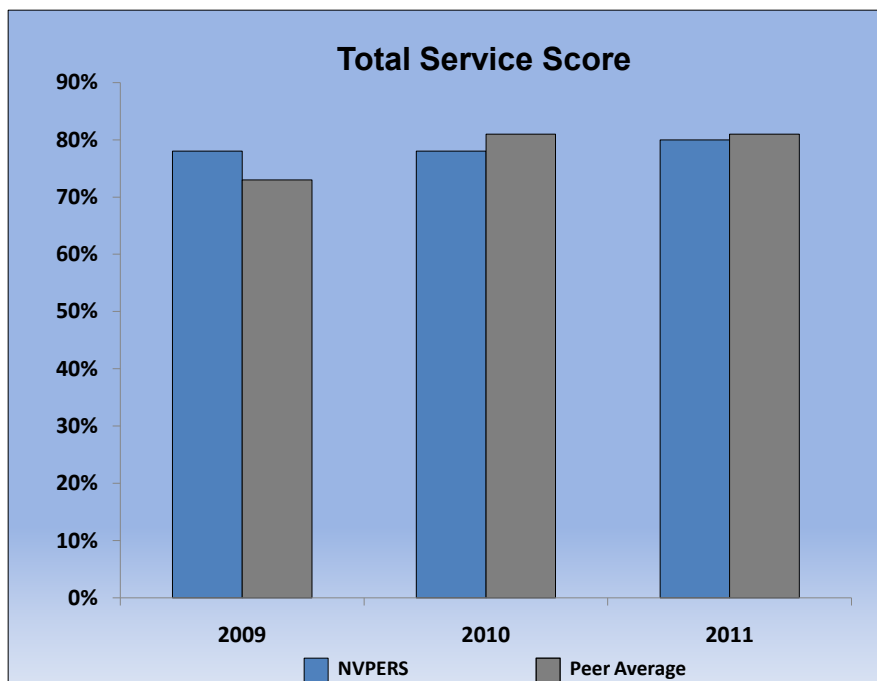
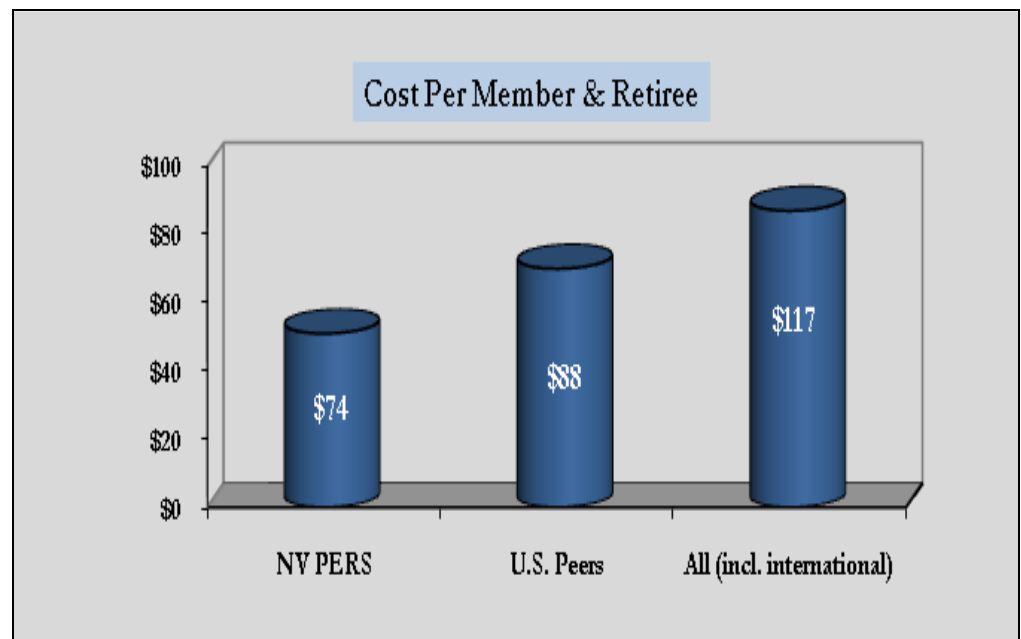


NVPERS Provides Retirement Services at a Very Low Cost

NVPERS participates in a yearly benchmarking analysis service as a way to understand how our administrative costs and service levels compare with other retirement systems across the country and internationally.

The results of the study consistently show that NVPERS provides quality service at a competitive price. This report also helps us understand factors that influence cost, learn how other systems are investing their resources, set realistic goals, monitor our progress annually, and demonstrate our success and achievements to all stake holders of the system.

NVPERS' cost per member is well below the peer average



NVPERS provides quality service comparable to our peers

Summary Statistics

There are 181 public employers participating in NVPERS. From the Moapa Valley Water District, to Battle Mountain General Hospital, to the Clark County School District, the benefits available from NVPERS attract and retain qualified, capable, dedicated employees to serve the citizens of the State.

The agency operates from three locations, two in the greater Las Vegas metropolitan area and one in Carson City. Below are a few summary statistics of agency workload for fiscal year 2011

- ◆ Fielded 125,368 telephone inquiries
- ◆ Assisted 13,119 members and retirees with retirement counseling and other requests
- ◆ Provided over 163 programs to members regarding information about the benefits and structure of NVPERS
- ◆ Processed 73,920 workflow items, with 95% completed within service benchmarks

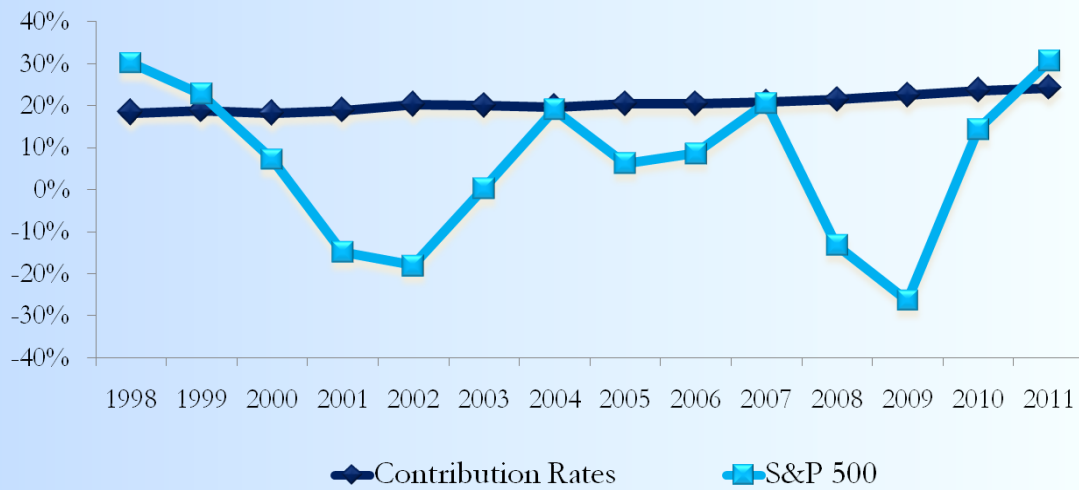
NVPERS annually receives the **Government Finance Officers Award** for excellence in financial reporting for the Comprehensive Annual Financial Report and the Popular Annual Financial Report

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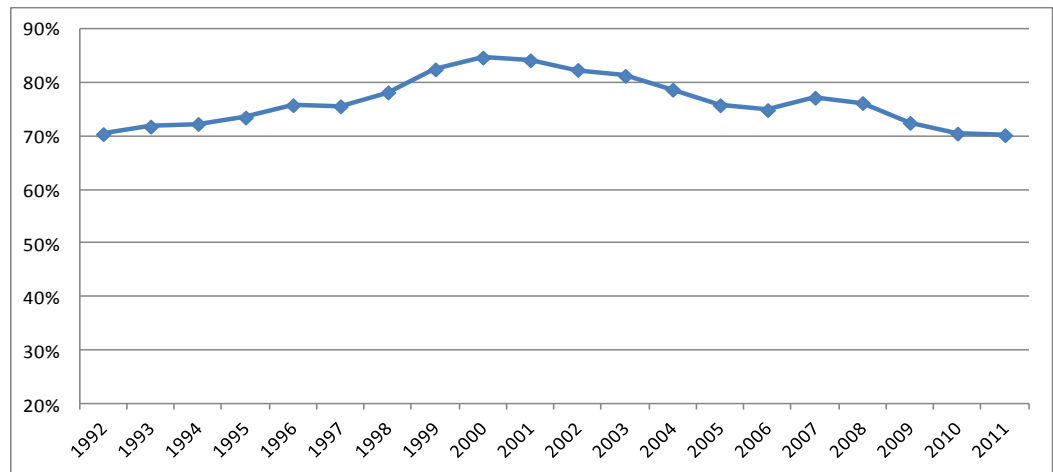
The **Public Pension Coordinating Council Award** in recognition of the professional standards in plan design and administration

Keeping contribution rates stable while moving through market cycles is key to the long-term stability of the NVPERS' Trust. It provides predictability to members in their take-home pay and in the employer budgeting process. This chart plots the regular NVPERS' fund contribution rate for the last 14 years overlaid on the returns of the Standard & Poor's 500 Index for the same period, as a measure of market volatility.

S&P 500 and PERS' Contribution Rates



PERS Funded Ratio

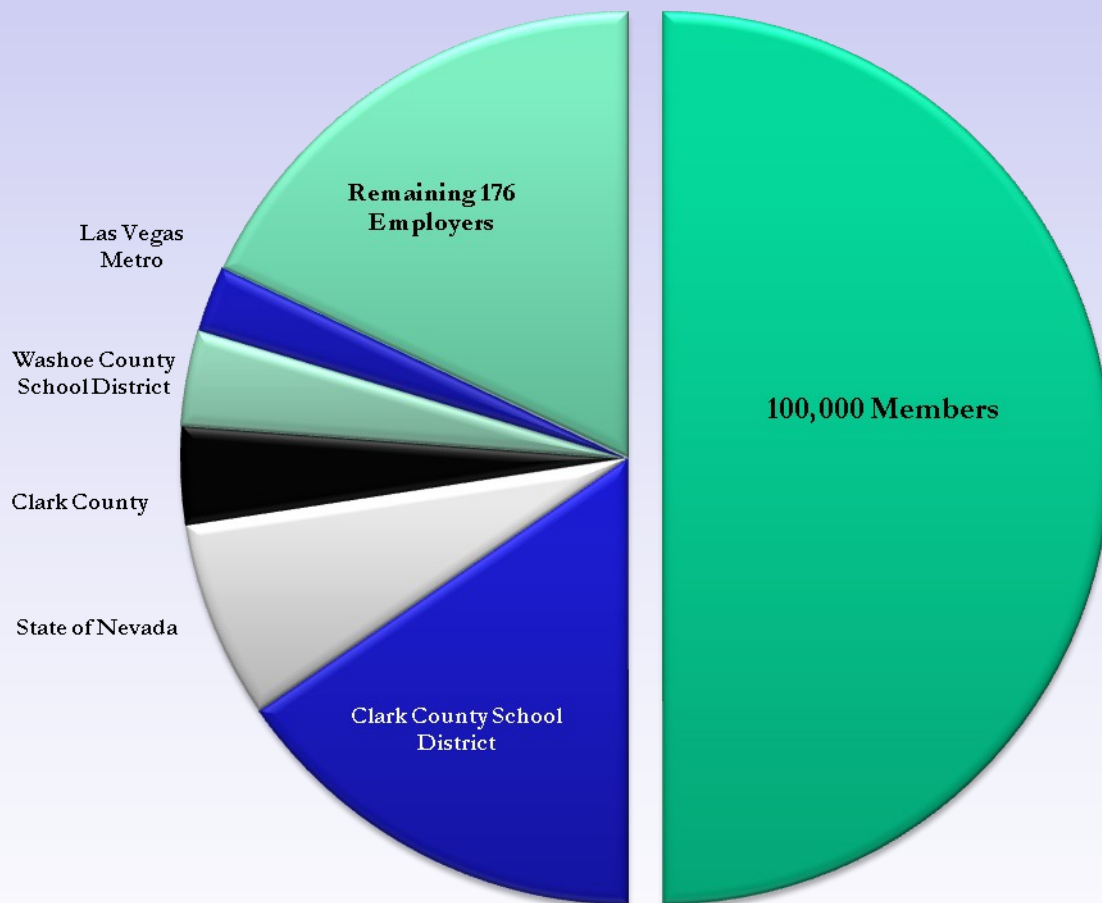


The funded ratio of NVPERS has been relatively stable during the volatile market cycle. While the ratio has eroded, the conservative nature of NVPERS investment strategy metered the impact investment losses had on the overall funded ratio of the System. This chart is a 27-year history of the funding of NVPERS. The Retirement Board adopted a financing plan to retire the unfunded liability in keeping with the well-financed, fiscally conservative investment structure and benefit design of the System. The amortization period is currently a little under 25 years.

UNFUNDED LIABILITY OBLIGATION - A SHARED RESPONSIBILITY

The amortization of the unfunded portion of the pension liability (\$10.35 Billion) is accomplished in a manner similar to the financing of home mortgage. All 181 public employers and 100,000 active members of the System pay the cost of financing the benefits.

According to the 2011 actuarial valuation of the System, the current unfunded liability will be fully paid in a little under 25 years. The chart below shows the relative distribution of employer and employee responsibility for this payment. The various employer obligations are estimated on the ratio of active participants employed.



The funding policy adopted by the Board of Trustees is compliant with all requirements of the Governmental Accounting Standards Board (GASB) and is designed to finance benefits over time periods that reflect the active working period of our members.

NVPERS' INVESTMENTS: THE ENGINE THAT FUNDS THE BENEFITS

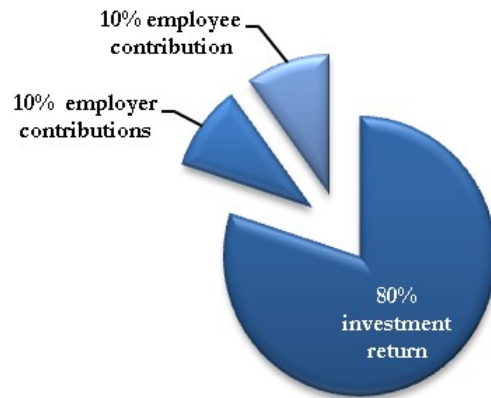
NVPERS' cost structure is exceedingly efficient for delivery of retirement benefits. On an individual basis, fully 80% of the benefits paid to our members are paid from the investments of the System.

The System's fees are more than 70% below the industry average. Nevada's all inclusive investment costs are 0.12% while the average large public fund pays 0.39% (for comparison, the average individual investor typically pays between 0.50% to 2.0% for investment management).

The result is NVPERS saves over \$68 million per year in fees compared to the average large pension fund. This savings, compounded over a ten year period, results in over \$990 million in added value to NVPERS' members.

Four years ago, the Board enhanced the fund's asset rebalancing process. This process has generated over \$600 million in additional profits for NVPERS since that time.

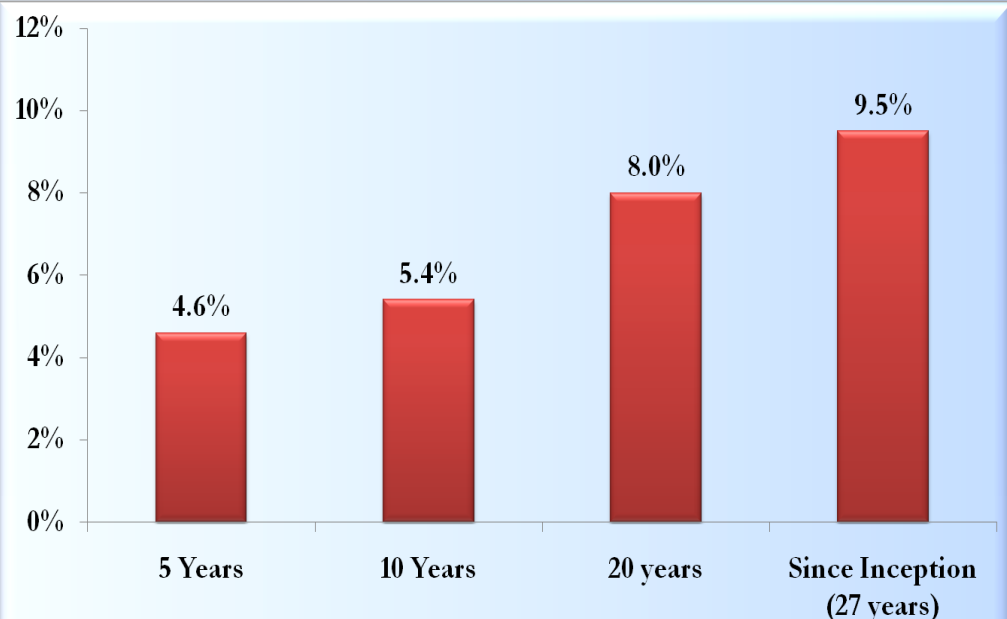
Source of Benefit Payments



NVPERS supplies patient capital to the market and is rewarded for our long-term investment horizon

The goal of the investment program is to achieve an 8% return over the long-term funding horizon of the plan with the least possible risk. The chart to the right shows NVPERS' fund performance for the last 26 years. The chart demonstrates the long-term achievement of this goal.

The System is also well-compensated for the investment risk taken. NVPERS is consistently in the top 25% of public pension plans in the country for generating the most return for each unit of risk taken.



PERS Fund performance as of June 30, 2011

NVPERS CONTRIBUTES TO THE NEVADA ECONOMY



This map shows the distribution of benefit payments made by NVPERS to our beneficiaries.

Retirees are taxpayers, consumers and contributing residents of all 17 counties in our State.

Benefits Stay in Nevada and Stimulate the Economy

- ◆ Over 80% of the approximately \$1 Billion paid out this year will stay in Nevada

Figures annualized from the December 2011 payroll

NVPERS Adds Value to the Nevada Economy

How pension benefits support local economies through a “ripple effect”

- ◆ ***Pension benefits are spent in retiree’s local communities***
- ◆ ***These expenditures create income for households, firms and even government***
- ◆ ***These incomes that are created are also spent, creating additional income effects for other households and firms***

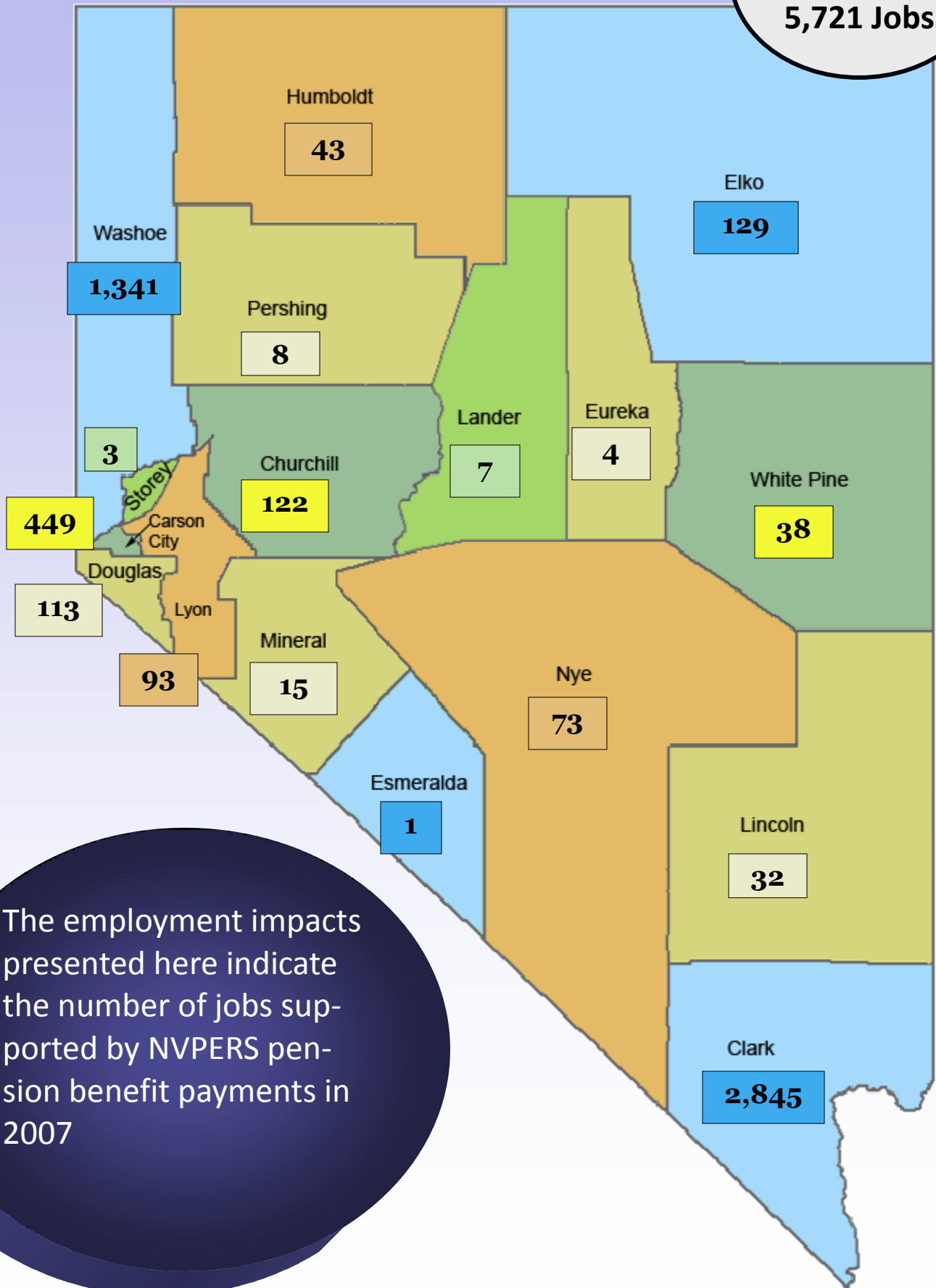


Results of the economic impact study concluded that NVPERS payments statewide supported.....

- ◆ ***More than 5,700 jobs***
- ◆ ***More than \$390 million in income for state residents other than PERS retirees***
- ◆ ***More than \$1 billion in economic output and over \$433 million in value added***
- ◆ ***More than \$196 million in tax revenue***

RESULTS: EMPLOYMENT IMPACT

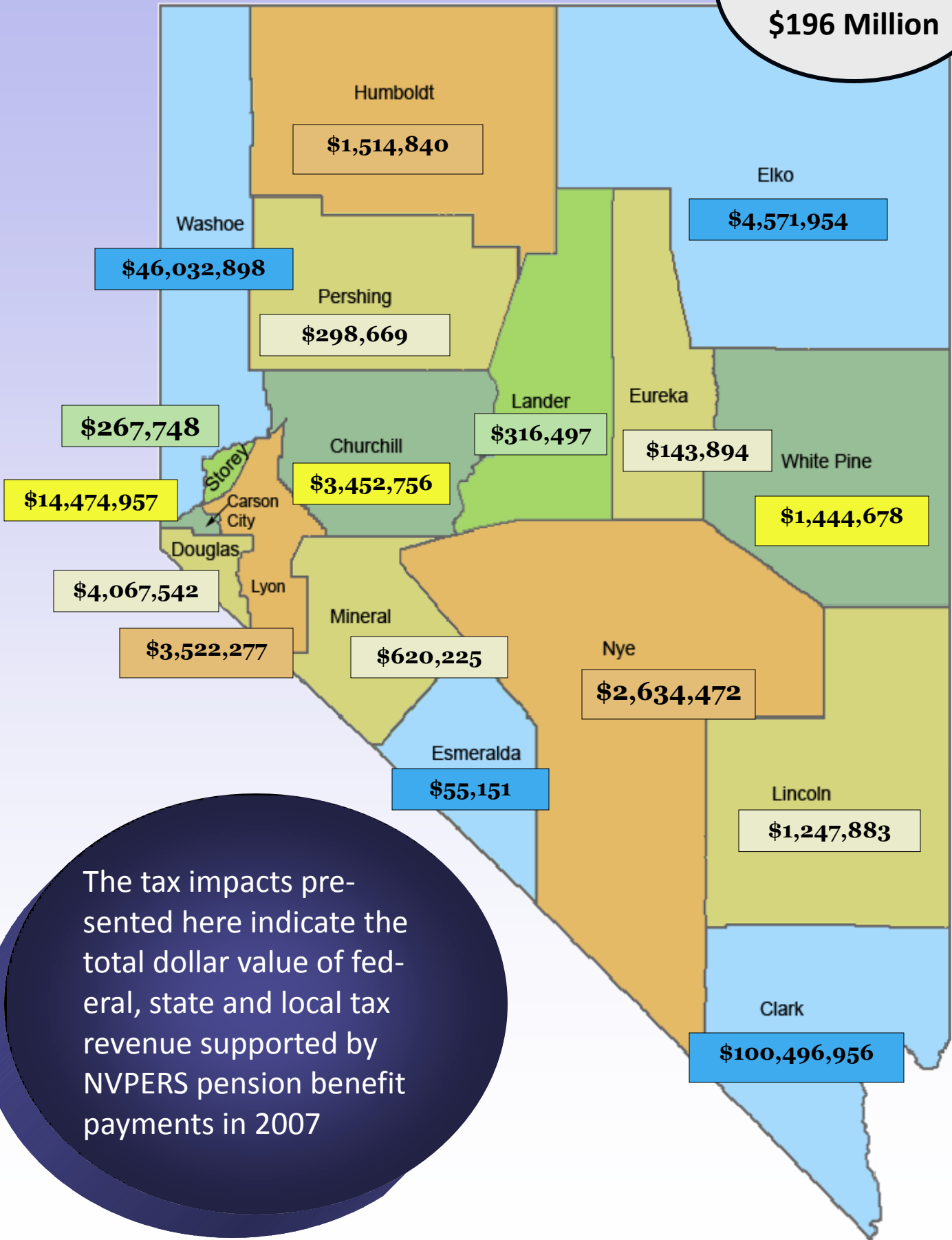
Statewide
Impact
5,721 Jobs



The employment impacts presented here indicate the number of jobs supported by NVPERS pension benefit payments in 2007

RESULTS: TAX REVENUE

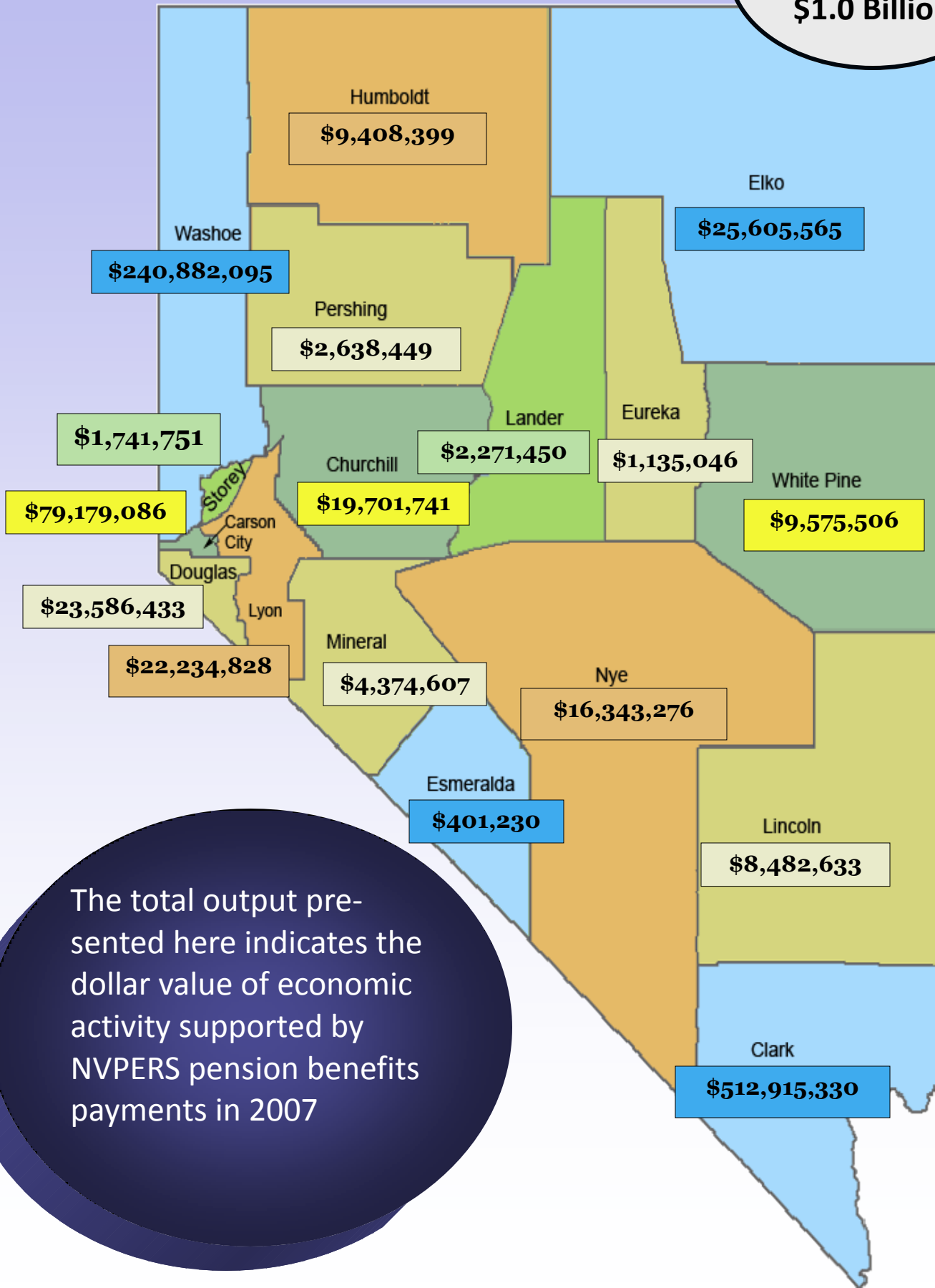
Statewide
Impact
\$196 Million



The tax impacts presented here indicate the total dollar value of federal, state and local tax revenue supported by NVPERS pension benefit payments in 2007

RESULTS: TOTAL OUTPUT

Statewide
Impact
\$1.0 Billion



The total output presented here indicates the dollar value of economic activity supported by NVPERS pension benefits payments in 2007

NVPERS accomplishes our mission at a reasonable, predictable cost to members, employers and taxpayers over multiple planning cycles.

Contact Information

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Call Toll Free:

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The NVPERS website offers a vast amount of information to assist you in gaining further knowledge and insight about the System.

www.nvpers.org

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Notes



www.nvpers.org