

IMPORTANT NOTICE

TO: RETIREMENT LIAISON OFFICERS and EMPLOYEE
and EMPLOYER ASSOCIATIONS

FROM: Tina Leiss, Operations Officer

DATE: May 19, 2004

SUBJECT: Implementation of Public Employees' Retirement System
Official Policies Revisions Related to Service Purchase
Costs (Amended Notice)

The Public Employees' Retirement Board has approved for notice the adoption of policy revisions related to service purchase costs. This action is taken in accordance with NRS 286.200, subsection 2(b), which states:

“ As soon as a public employer receives a copy of the proposed rule, the public employer immediately shall cause the copy to be posted on a bulletin board or in some conspicuous place in or near its headquarters.”

Please comply with this statute.

The public hearing on the revised policies will now take place no earlier than 1:15 p.m. on June 16, 2004. The meeting will be held in the PERS' Boardroom, 693 West Nye Lane, Carson City, Nevada. Any person wishing to testify should be in attendance at that meeting. The revised policies may then be adopted at the June 16, 2004 meeting and become effective September 1, 2004. Revisions to the policies are underlined (Example: revisions). As provided by NRS 286.200, subsection 2(c), the policy revisions are as follows:

286.300	6.6	Members must pay the full actuarial cost of service as determined by an actuary of the System other than purchases pursuant to Policy 6.5. The cost to purchase service is calculated using the purchase percentage corresponding to the age and
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average compensation of the member at time of purchase.
 The actuarially developed purchase percentages for regular members are as follows:

<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>
30 or under	23.5	47	28.6	64	27.7
31	23.6	48	29.1	65	27.0
32	23.6	49	29.7	66	26.2
33	23.7	50	30.3	67	25.5
34	23.9	51	31.0	68	24.7
35	24.1	52	31.6	69	23.9
36	24.3	53	32.3	70	23.1
37	24.5	54	33.1	71	22.4
38	24.8	55	33.8	72	21.6
39	25.1	56	33.2	73	20.8
40	25.5	57	32.6	74	20.0
41	25.8	58	32.0	75	19.3
42	26.3	59	31.3	76	18.5
43	26.7	60	30.6	77	17.8
44	27.1	61	29.9	78	17.0
45	27.6	62	29.2	79	16.3
46	28.1	63	28.5	80	15.6

The actuarially developed purchase percentages for regular members who initiate purchase of service agreements on or after September 1, 2004 are as follows:

<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>
30 or under	17.1	47	30.4	64	33.2
31	17.7	48	31.5	65	32.4
32	18.3	49	32.6	66	31.5
33	18.9	50	33.7	67	30.7
34	19.6	51	34.9	68	29.8
35	20.2	52	36.2	69	28.9
36	20.9	53	37.5	70	28.0
37	21.6	54	38.9	71	27.1

38	22.4	55	40.3	72	26.2
39	23.1	56	39.6	73	25.3
40	23.9	57	38.8	74	24.3
41	24.8	58	38.1	75	23.4
42	25.6	59	37.3	76	22.5
43	26.5	60	36.5	77	21.5
44	27.4	61	35.7	78	20.6
45	28.4	62	34.9	79	19.7
46	29.4	63	34.1	80	18.8

These percentages apply even if service is purchased at time of retirement.

286.300 11.23 The member must pay the full actuarial cost to purchase service as determined by an actuary of the System. The cost to purchase service is calculated using the purchase percentage corresponding to the age and average compensation of the member at time of purchase. The actuarially developed purchase percentages for police/fire are as follows:

<u>Age</u>	<u>PercentAge</u>	<u>PercentAge</u>	<u>Percent</u>		
30 or under	28.4	47	34.6	64	27.7
31	28.5	48	35.2	65	27.0
32	28.5	49	35.9	66	26.2
33	28.7	50	36.6	67	25.5
34	28.8	51	36.1	68	24.7
35	29.1	52	35.6	69	23.9
36	29.3	53	35.0	70	23.1
37	29.6	54	34.4	71	22.4
38	30.0	55	33.8	72	21.6
39	30.4	56	33.2	73	20.8
40	30.8	57	32.6	74	20.0
41	31.2	58	32.0	75	19.3
42	31.7	59	31.3	76	18.5
43	32.2	60	30.6	77	17.8
44	32.8	61	29.9	78	17.0
45	33.3	62	29.2	79	16.3
46	33.9	63	28.5	80	15.6

The actuarially developed purchase percentages for police/fire members who initiate purchase of service agreements on or after September 1, 2004 are as follows:

<u>Age</u>	<u>Percentage</u>	<u>Age</u>	<u>Percentage</u>	<u>Age</u>	<u>Percentage</u>
<u>30 or</u>					
<u>under</u>	<u>30.5</u>	<u>47</u>	<u>40.9</u>	<u>64</u>	<u>33.0</u>
<u>31</u>	<u>31.0</u>	<u>48</u>	<u>41.7</u>	<u>65</u>	<u>32.1</u>
<u>32</u>	<u>31.6</u>	<u>49</u>	<u>42.5</u>	<u>66</u>	<u>31.2</u>
<u>33</u>	<u>32.1</u>	<u>50</u>	<u>43.3</u>	<u>67</u>	<u>30.3</u>
<u>34</u>	<u>32.6</u>	<u>51</u>	<u>42.7</u>	<u>68</u>	<u>29.4</u>
<u>35</u>	<u>33.2</u>	<u>52</u>	<u>42.1</u>	<u>69</u>	<u>28.5</u>
<u>36</u>	<u>33.8</u>	<u>53</u>	<u>41.4</u>	<u>70</u>	<u>27.5</u>
<u>37</u>	<u>34.4</u>	<u>54</u>	<u>40.8</u>	<u>71</u>	<u>26.6</u>
<u>38</u>	<u>34.9</u>	<u>55</u>	<u>40.1</u>	<u>72</u>	<u>25.7</u>
<u>39</u>	<u>35.5</u>	<u>56</u>	<u>39.4</u>	<u>73</u>	<u>24.7</u>
<u>40</u>	<u>36.2</u>	<u>57</u>	<u>38.7</u>	<u>74</u>	<u>23.8</u>
<u>41</u>	<u>36.8</u>	<u>58</u>	<u>37.9</u>	<u>75</u>	<u>22.9</u>
<u>42</u>	<u>37.4</u>	<u>59</u>	<u>37.1</u>	<u>76</u>	<u>22.0</u>
<u>43</u>	<u>38.1</u>	<u>60</u>	<u>36.3</u>	<u>77</u>	<u>21.1</u>
<u>44</u>	<u>38.8</u>	<u>61</u>	<u>35.5</u>	<u>78</u>	<u>20.2</u>
<u>45</u>	<u>39.5</u>	<u>62</u>	<u>34.7</u>	<u>79</u>	<u>19.3</u>
<u>46</u>	<u>40.2</u>	<u>63</u>	<u>33.9</u>	<u>80</u>	<u>18.5</u>

These percentages apply even if service is purchased at time of retirement.