



IMPORTANT NOTICE

TO: EMPLOYER RETIREMENT LIAISON OFFICERS
EMPLOYEE And EMPLOYER ASSOCIATIONS

FROM: Dana Bilyeu, Operations Officer

DATE: June 4, 2003

SUBJECT: Proposed Policy Additions

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At their May 22, 2003, meeting the Public Employees' Retirement Board approved for notice several policy additions relating to certain types of compensation subject to PERS' contributions. NRS 286.200, subsection 2(b) 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.

These additions to PERS' Official Policies will take place no earlier than 1:15 p.m. on July 16, 2003, at the regularly scheduled monthly Retirement Board meeting. The location of the meeting is the PERS Las Vegas Office, 5820 South Eastern Avenue, Suite 220. Any person wishing to testify should be in attendance at that meeting.

As provided by NRS 286.200 subsection 2(c), new language is in bold type and underlined.

Extra-Duty Assignments

- a. **Compensation includes extra-duty assignments if it is the standard practice of the public employer to include such pay in the employment contract or official job description for the calendar or academic year in which it is paid and such pay is specifically included in the member's employment contract or official job description.**
- b. **Extra-duty assignments are those duties assigned to a member which are in addition to and beyond the normal and customary duties assigned to or associated with the position occupied by the member and which are distinctly different from the normal and customary duties assigned to or associated with the position occupied by the member.**

- c. Extra-duty assignments do not include categories of pay defined in NRS 286.025(2) and Official Polices 1.10 and 1.35 or performing additional shifts or portions of shifts, including, without limitation, additional shifts or portions of shifts worked to cover duties of absent employees or vacant positions regardless of whether the additional shift or portions of shifts is for the same, or a different, position as the position occupied by the members.

- d. Notwithstanding the provisions of subsections a-d herein, an employer may continue making contributions on pay to members who were incumbents in positions on the day before the effective date of this policy, for as long as that member continues in the same position, if:
 - 1. the member was receiving pay, prior to the effective date of this policy, for duties performed by that member pursuant to the member's employment contract or official job description that was in effect on the day before the effective date of this policy;
 - 2. the pay is for duties specifically included in the member's employment contract or official job description and the pay is specifically included in the member's employment contract or official job description; and
 - 3. such pay was designated as pay for extra-duty assignments and contributions were made and accepted on such pay prior to the effective date of this policy.

Lump Sum Payments of Compensation

- a. If a member is owed or receives a lump-sum payment of compensation which encompasses a period greater than one month, the employer must report that compensation for each month in which the compensation is applicable, even if the payment has not yet been made to the member.

- b. If the employer fails to accurately report the compensation in accordance with subsection (a) of this policy for the month in which the compensation is applicable, penalties in accordance with NRS 286.460(4) and Policy 4.14 will be assessed.

- c. If an employer has made lump-sum payments of compensation to members prior to the effective date of this policy and failed to report such compensation in a manner consistent with subsections (a) and (b) of this policy, any active member or any retired employee whose effective date of retirement is less than three years prior to the effective date of this policy, may request the Retirement Staff to review whether retroactive adjustments to his compensation, in accordance with Policy 4.12, are appropriate. If the Retirement System determines that lump-sum payments of compensation to the member were not reported in a manner consistent with this policy, the

employer shall submit retroactive adjustments for the month in which the compensation is applicable, except that the employer may not be required to make retroactive adjustments for lump-sum payments of compensation made more than three years prior to the effective date of this policy.

Questions should be directed to the Retirement System at (775) 687-4200 in Reno/Carson City, (702) 486-3900 in Las Vegas, or toll free from anywhere in the U.S. 1-866-473-7768.