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.

Positive Impact For 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

Nevada Investments

By the Nevada Constitution, the $28.7 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 $1.3 billion invested in assets that support the Nevada economy through publicly traded stocks and private businesses.

NVPERS maintains positions in 17 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 16 privately held companies such as Caesars Entertainment, Station Casinos and Hilton Hotels.
Source of Benefits

NVPERS’ cost structure is exceedingly efficient for delivery of retirement benefits. On an individual basis, 80% of the benefits paid to our members are paid from the investments of the System.
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 below shows NVPERS’ fund performance for the last 28 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.

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.
Keeping contribution rates stable while moving through market cycles is key to the long-term stability of 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
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 20-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 23 years.
Definition- A pension plan’s unfunded liability represents the cost to the plan of future benefits that have been promised to members or retirees but that have not yet been funded.

- Pension plans make payments on the unfunded liability similar to the way you make payments on a home mortgage.
- And, just like having a mortgage doesn’t mean you are bankrupt, having an unfunded liability does not mean a pension plan is insolvent.
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 stakeholders of the system.

Cost Per Member

NVPERS’ cost per member is well below the peer average.

Total Service Score

NVPERS provides quality service comparable to our peers.
NVPERS BENEFITS ARE REASONABLE

PERS’ members do not participate in Social Security. Often, their PERS benefit is their only income.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Regular</th>
<th>Police/Fire</th>
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<tbody>
<tr>
<td>2003</td>
<td>$1,879</td>
<td>$2,862</td>
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<tr>
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<td>$2,486</td>
<td>$4,141</td>
</tr>
<tr>
<td>2011</td>
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<td>$4,348</td>
</tr>
<tr>
<td>2012</td>
<td>$2,603</td>
<td>$4,487</td>
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</table>
Summary Statistics

There are 188 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 2013:

- Fielded 149,532 telephone inquiries
- Assisted 13,341 members and retirees with retirement counseling and other requests
- Provided 188 programs to members regarding information about the benefits and structure of NVPERS
- Processed 64,767 workflow items, with 96.7% completed within service benchmarks (10 days)

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. The Public Pension Coordinating Council Award in recognition of the professional standards in plan design and administration.
NVPERS Adds Value to the Nevada Economy through ‘ripple effect’

- Pension benefits are spent in retiree 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

$1.00 contributed by taxpayers to Nevada PERS pensions

$6.69 in total output in the State of Nevada

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

- More than 10,000 jobs
- More than $390 million in income for state residents other than PERS retirees
- More than $1.2 billion in economic output and over $789 million in value added
- More than $174 million in tax revenue
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 $1.3 Billion paid out this year will stay in Nevada
The employment impacts presented here indicate the number of jobs supported by NVPERS pension benefits in 2010.

Total Statewide Impact 10,043
The Tax impacts represented here indicate the total dollar value of federal, state and local tax revenue supported by NVPERS pension benefit payments in 2010.

Total Statewide Impact $174 Million
The total output presented here indicates the dollar value of economic activity supported by NVPERS pension benefits in 2010.

Statewide Impact $1.2 Billion
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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Follow us on Twitter too: @NVPERS