Memorandum

To: Public Employers
   (Choice Employers)

From: Brian Snyder, Director
       Employer & Production Services

Date: June 29, 2007

Re: Implementation of New Contribution Rates – Selection of Method
   (In Lieu of or Reduction) & Effective Date of Rate Change

On December 27, 2006, a memorandum was sent to all public employers
announcing that as of July 1, 2007, the contribution rates will change as follows:

Regular Employer-Paid Rate:  From 19.75% to 20.50%
Police/Fire Employer-Paid Rate: From 32% to 33.5%
Police/Fire Employee/Employer Rate: From 16.5% to 17.25%
Regular Employee/Employer Rate: No Change
Volunteer Firemen: No Change

The change of contribution rates may affect compensation schedules for
Regular and Police/Fire members based on the way the rate changes are
implemented. The attached certification requires each employer to certify the
method used to implement the rate change (in accordance with NRS 286.421) and
includes the first monthly contribution report that will be affected by the new
rates. Please be aware that employers that choose the “In Lieu Of” method must
increase their Employee/Employer compensation schedule by the factor included
on the certification sheet.

All employer Liaison Officers must complete and sign this form and
return it to our office by July 13, 2007.

If you have any questions you may contact me at (775) 687-4200
extension 230 or Kabrina Feser at (775) 687-4200 extension 272.
New Contribution Rate Change Certification

Agency Name:
Agency Number:

Contribution Report Affected By New Rate:

**INSTRUCTIONS**

A. In the box below, place an "L" in the space next to each employee group that paid their portion of the contribution rate increase "In Lieu Of" a pay increase effective July 1, 2007. If this method is selected, you must increase your Employee/Employer compensation schedule using the following calculation:

\[
\text{Current Employee/Employer Wage} = \$3,000.00 \times 1.00375 \text{ (One half of the increase in the Employer-Paid Rate)} = \$3,011.25 \text{ (Adjusted Employee/Employer Wage)}
\]

B. In the box below, place an "R" in the space next to each employee group that paid their portion of the contribution rate increase by a salary reduction effective July 1, 2007.

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<tr>
<th>Employee Group*</th>
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*Employee Group represents Regular & Police/Fire Members

Liaison Officer Signature ___________________________ Date ___________________________