This year’s Liaison Officer Conference was held at the Peppermill Resort, Spa, and Casino in Reno, NV on November 14, 2008. We had approximately 175 liaison officers, payroll clerks, administrators, and human resource specialists in attendance and approximately 25 staff from PERS.

Sue DeFrancesco, PERS’ Board Chairman, gave an opening address and welcome. Dana Bilyeu, Executive Officer for PERS addressed the recent press PERS has been receiving from the media. She also addressed the change in IRS regulation for normal retirement age, upcoming legislative session, and financial solvency of PERS. Tina Leiss, Operations Officer for PERS discussed liaison officer responsibilities and the new contribution rate changes recently approved by the PERS’ Board.

This year we decided to have 4 breakout sessions: Local Government, State Agencies, School Districts, and Local Government with Police/Fire. This worked out well due to the specific subjects matters and concerns of each group. An opportunity for an alternative one hour round table discussion regarding PERS’ policy and fiduciary responsibilities was offered to liaison officers and agency administrators as well. This special round table discussion was led by our executive staff: Dana Bilyeu, Tina Leiss, and Ken Lambert, Investment Officer.

From the comments generated through your evaluations, the conference was a success. We truly appreciate everyone’s participation and hope it was beneficial to you in your jobs. Hope to see you all at next year’s conference in Las Vegas.
The Internal Revenue Service (IRS) issued final regulations related to in-service distributions after normal retirement age for governmental plans. The new regulations, as written, permitted a governmental pension plan to pay benefits upon an employee’s attainment of “normal retirement age,” and set specific requirements for the defining of the term in a governmental plan. The requirements of the regulations did not allow service-based retirement eligibility, such as 30-years of service at any age. Virtually all public pension plans in the country use some type of service based formula for retirement eligibility. Nevada PERS is one such plan.

The extension of the regulation to governmental plans was opposed by a broad coalition of national organizations including the National Association of State Retirement Administrators (NASRA), National Council on Teacher Retirement (NCTR), National Conference on Public Employee Retirement Systems (NCPERS), National Council of State Legislatures (NCSL), the National Association of Counties (NACo), the United States Conference of Mayors (USCM), the National League of Cities (NLC), the International City/County Management Association (ICMA), the Government Finance Officers Association (GFOA), the Fraternal Order of Police (FOP), American Federation of State, County and Municipal Employees (AFSCME), American Federation of Teachers (AFT), International Association of Fire Fighters (IAFF), and the National Education Association (NEA).

In Treasury Notice 2008-98, the Department of the Treasury delayed implementation of normal retirement age regulations for governmental plans to plan years beginning after January 1, 2011. The intent of the delay is to examine the language of the regulation as written and craft the regulation to better meet the needs of the governmental plan community. Representatives of the groups cited above will work with the IRS and the Treasury to address the concerns voiced by state and local government regarding these regulations. We will continue to update public employers and members as more information is received regarding this issue.

Contribution Rate Changes Effective July 1, 2009

The Retirement Board at its November 13, 2008, meeting approved the June 30, 2008, actuarial valuation report submitted by the System’s actuary. The report reflects the actuarially determined contribution rates needed to fund the System on an actuarial reserve basis for both Employer-Pay contribution (EPC) and Employee/Employer contribution plans.

Contribution rates for Regular, Police/Fire and Volunteer Fire members are scheduled to increase for all contribution plans as follows:

- Regular Members- Employer-Pay Contribution 21.5%
- Regular members—Employee/Employer Contribution 11.25%
- Police/Fire Members—Employer-Pay Contribution 37%
- Police/Fire Members-- Employee/Employer Contribution 19%
- Volunteer Fire Members-Employer-Pay Contribution 22.5%

All Rate changes are effective with your first monthly retirement reporting period beginning on or after July 1, 2009. Details for implementing changes in the contribution rates will be provided to each employer under separate cover. Please direct any questions you may have regarding the contribution rate changes to Brian Snyder, Director of Employer & Production Services at (775) 687-4200 extension 230, or Cindy Yadon, Manager of Employer Services at (775) 687-4200 extension 227. You may also call toll free at 1-866-473-7768.
The PERS Spring 2008 Employer Newsletter was distributed electronically for the first time. We received very positive feedback. Our employers really appreciated the electronic format and the ease at which to access the articles and file it for future reference. We will continue to distribute the newsletters electronically, and we are counting on our employers to update us with their information such as newly appointed Liaison Officers/Deputy Liaison Officers and email addresses.

PERS also distributed the Spring 2008 Member Newsletters to Liaison Officers electronically in order for the Liaison Officers to forward the electronic copy to their employees. This worked out great for those who were able to forward those newsletters. This alleviated the chore of distributing the hard copies to each employee.

Please contact Cheryl Price at: cprice@nvpers.org or call toll free 1-866-473-7768 or 775-687-4200, Ext. 299 in order to update Liaison Officer contact information. PERS can distribute the Member Newsletters electronically and also send hard copies to you for those employees who do not receive email. All you have to do is keep us updated with the contact information and the number of hard copies needed. There is a form on our website asking for all of this pertinent contact information. Our website address is www.nvpers.org and the form will be under ‘What’s New’ and ‘Employer Notices’ heading.

2009 Legislative Session

The Bill Draft Request (BDR) list for the 2009 Legislative Session is now available on the Legislature’s website (www.leg.state.nv.us). The BDR’s listed below are being tracked by PERS’ staff for potential impacts to the system. Currently, there is no additional language available for these BDR’s. Once the BDR is introduced as a bill and the language is available, the PERS Board will determine their position on the bill. Visit the PERS website to view the latest updates regarding these BDR’s.

BDR #29—Requested by Assemblyman Segerblom
BDR #132—Requested by Assemblyman Hardy
BDR #174—Requested by Assemblywoman Womack
BDR #206—Requested by Assemblyman Cobb
BDR #300—Requested by the Legislative Committee on Education
BDR #308—Requested by PERS
BDR #400—Requested by the Nevada Supreme Court
BDR #547—Requested by PERS
BDR #561—Requested by Senator Nolan
BDR #633—Requested by the Assembly Minority Leader

Electronic Distribution of Newsletters

The PERS Spring 2008 Employer Newsletter was distributed electronically for the first time. We received very positive feedback. Our employers really appreciated the electronic format and the ease at which to access the articles and file it for future reference. We will continue to distribute the newsletters electronically, and we are counting on our employers to update us with their information such as newly appointed Liaison Officers/Deputy Liaison Officers and email addresses.

Questions? Call us toll free 1-866-473-7768
Members and beneficiaries of the Public Employees’ Retirement System (PERS) may be concerned about the impact of current financial markets on their retirement benefits. PERS has posted information regarding the soundness of the investment program on the front page of our website, www.nvpers.org.

Understandably, we have had a number of inquiries regarding the impact of the financial crisis on PERS’ investment program and our ability to pay benefits now and in the future. PERS continues to be fiscally sound, and the current markets do not pose a threat to PERS’ ability to pay benefits.

Since PERS has a very long term investment horizon we have the ability to ride out, and profit from, volatile markets. PERS holds over 5,000 securities in over 20 countries. Due to the fund’s broad diversification strategy, notably our holdings in bonds and real estate, the fund experiences less volatility than the broad stock markets.

During the last 24 years, the U.S. has experienced three separate bear markets and three recessions. Through all of that volatility, PERS’ long term total return is still over 10% per year, net of fees. The reason is PERS’ unwavering commitment to its conservative, long term investment strategy.

You may read that the portfolio has lost billions of dollars in the past few months. The portfolio’s value is formally measured once per year for actuarial purposes. Short term volatility does not influence the long term health of the pension plan, and the portfolio can make money just as easily as lose it in these environments. For example, in the stock market rally on October 13, 2008 the portfolio earned $1.1 billion in a single day. Even with the challenging stock markets, as of October 13, 2008, the fund was $19.1 billion in size.

It has been said that investing is simple, but not easy. Successful investors follow a few basic rules. Diversify, keep costs low, develop a sound long-term strategy and consistently implement it regardless of the market environment. It is the last part that is difficult in bear markets.

It can be very hard to buy stocks when a financial crisis dominates the landscape. However, this is exactly when successful investors position themselves to make money—by buying assets when they are undervalued. PERS has been methodically rebalancing into U.S. and international stocks the past few days, and will keep doing so if stocks continue to trade as they have lately—at some of their cheapest levels in the last 30 years.

PERS has historically ranked competitively compared to other large public pension plans in challenging markets, and this environment is no different. While these are difficult times in the investment markets, PERS’ unwavering commitment to sound investment principles will enable the fund to continue to generate competitive results for decades to come.


A retired employee who exceeds the earnings limitation in any fiscal year must have his/her retirement benefit suspended for the duration of the employment, independent contract, or any subsequent employment during the fiscal year, even if it extends into the next fiscal year. Both the public employer and retired employee must notify PERS within ten days after the retired employee exceeds the earning limitation.
Member Statements

If you have not already received the Member Statements for each employee, you will receive them shortly. When payroll reports have been posted through the end of the fiscal year (July through June) or the school year (September through August), PERS will begin to generate the yearly member statements. Once printed, these statements are mailed to the various public employers for distribution.

The member statement includes service credit and employee contribution totals through a specified date. The statement also includes a listing of family and beneficiary information. If any changes are needed, the member will need to complete and return the Survivor Beneficiary Designation form included in the statement.

We truly appreciate the efforts of distributing the member statements to each employee in a timely manner. The member statements contain confidential and pertinent benefit information for each member to review. It is our goal to provide our members with an understanding of their PERS benefit in order to plan for their financial future.

Survivor Beneficiary Designation Forms

All of us know the importance of having a current Survivor Beneficiary Designation Form on file with PERS. In the event of a member’s death prior to retirement, the survivor beneficiary designation form is used as instructions for the system to pay eligible survivors a monthly benefit. Please remind your employees to make necessary changes to their form upon marriage, divorce, and any other changes in family status.

As the liaison officer, you may request a list from your employer representative that identifies employees who do not have a survivor beneficiary form on file with PERS. Simply call your employer representative toll free at 1-866-473-7768 or (775) 687-4200 to request the list. You may want to direct those employees to our website at www.nvpers.org where they may type the information onto the form, print it, and complete it by signing and returning it to PERS.

Remember, the Survivor Beneficiary Designation form is not valid until the properly completed form is received at PERS. If the form is not properly completed, it will be returned to the member for correction.

This publication is intended to provide general information. If there is any conflict between this information and Nevada laws or PERS policies, the laws and policies will supersede this information. Employer News is a quarterly newsletter for retired members and benefit recipients of the Public Employees’ Retirement System of Nevada. Comments or suggestions may be directed to: PERS, Newsletter, 693 W. Nye Lane, Carson City, Nevada 89703.