

Retirement Board

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Memorandum

To: Retirement Liaison Officers

From: Tina Leiss, Operations Officer

Date: August 16, 2012

Re: Implementation of Revised Judicial Retirement System Official Policies

At their August 15, 2012, meeting, the Public Employees' Retirement Board approved policy additions pursuant to NRS 1A.100. This notice is to inform you of the revised policies that will become effective on September 1, 2012.

Attachment

VESTING

- 1A.340 10.34 Notwithstanding any provisions of the Judicial Retirement System of Nevada (System) to the contrary, the retirement allowance under the System for a member of the System becomes vested at least as soon as the member reaches normal retirement age. Solely for purposes of this section, normal retirement age is the later of the date the member completes 5 years of creditable service under NRS 1A.340 or the date the member reaches age 65.

CODE SECTION 415 LIMIT

- Policy 10.35 Solely for purposes of this Article, the term “System” shall mean the Judicial Retirement System of Nevada and the term “member” shall include a member of the foregoing.
- 1A.410 10.36 The defined benefit payable to a member of the System shall not exceed the applicable limits under Internal Revenue Code 415(b), as periodically adjusted by the Secretary of the Treasury pursuant to Internal Revenue Code section 415(d). The limitation year is the calendar year. This limit shall apply to a member who has had a severance from employment or, if earlier, an annuity starting date. Benefits that are subject to Internal Revenue Code section 415(b) shall comply with the foregoing limit in each year during which payments are made. The foregoing limit shall be adjusted pursuant to the requirements of Internal Revenue Code sections 415(b)(2)(C) and (D) relating to the commencement of benefits at a date prior to age 62 or after age 65, subject to other applicable rules under Internal Revenue Code section 415. No adjustment shall be required to a benefit subject to an automatic benefit increase feature described in Treasury Regulation section 1.415(b)-1(c)(5). To the extent that Internal Revenue Code section 415 and the Treasury Regulations thereunder require that an interest rate under Internal Revenue Code section 417(e) apply, the applicable lookback month shall be the calendar month preceding the current month and the applicable stability period is one calendar month.
- Policy 10.37 If a member is, or has ever been, a participant in another qualified defined benefit plan (without regard to whether the plan has been terminated) maintained by the member’s employer, as determined pursuant to Internal Revenue Code sections 414(b), 415(c), and 415, the sum of the member’s benefits payable annually in the form of a straight life annuity from all such plans may not exceed the limit described in item (1) above. Where the member’s employer-provided benefits under all such defined benefit plans (determined as of the same age) would exceed the limit described in (1) above applicable at that age, the benefits accrued under all such other plans shall be reduced first in order to avoid exceeding the limit and shall be reduced under the System only to the extent that the reduction under such other plans is insufficient to avoid exceeding the limit.

MINIMUM REQUIRED DISTRIBUTIONS

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| Policy | 10.38 | For purposes of this Article, the term “System” shall mean the Judicial Retirement System of Nevada. |
| 1A.390 | 10.39 | Pursuant to Treasury Regulations under section 401(a)(9) of the Internal Revenue Code (IRC), notwithstanding any provision of the System to the contrary, the System shall comply with IRC 401(a)(9), including the minimum distribution incidental benefits rule of IRC 401(a)(9)(G), pursuant to a reasonable and good faith interpretation of IRS 401(a)(9). |