

PERS NEWS

2019 PERS News Volume I



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PERS Continues to Lead the Way in Low Cost Management of Investments

The Nevada Public Employees' Retirement System continues to manage its investments at a much lower cost than other comparable funds, ensuring that more contributions are put to work on behalf of members. In an annual report to the PERS Board in December, Chief Investment Officer Stephen Edmundson said it has been a hallmark of the System investment strategy to keep costs as low as possible. The strategy, accomplished primarily through indexing of investments rather than the use of money managers, gives the PERS fund a competitive advantage over other funds, he said. Total fees in Fiscal Year 2018 were \$50.8

million, saving more than \$150 million in annual costs paid out by other, similar public pension funds. This has added up to more than \$1 billion being invested for members rather than paid to money managers. The PERS strategy also includes investing in high quality stocks and bonds and avoiding exposure to more complex options such as hedge funds. "We've stuck with our approach for a really long period of time," he said. "We really need to keep every dollar possible within the investment program compounding interest for the benefit of our member and beneficiaries rather than being paid out the door to investment managers."

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Please ensure your PERS online contact information is up to date

To help the Public Employees' Retirement System keep its members up to date on the latest news and information about the System, please make sure your email contact information is current.

You can check your information or create a new account by logging on to the System website at <https://www.nvpers.org/>

For new accounts, a Verification Code is required. The System website provides a form that can be filled out to receive the verification code to create their secure account on the PERS website. The

website allows users to verify the amount of your next check and view any authorized deductions. Each deduction type has a vendor link that will give you the name of the vendor and contact information. You may also view the last 10 years of 1099R records. You will also have the ability to view and update your mailing address, direct deposit, and federal income withholding. Instructions on how to create an online account can be found here: The website is "Cybertrust Enterprise Certified." PERS is committed to maintaining a secure website program.

Retiree and/or Beneficiary Benefit Verification Form

As a retiree or beneficiary of the Public Employees' Retirement System, you may be required to complete and return a Benefit Verification Form every two years. This form requires a notarized statement verifying that you are in fact receiving an allowance or benefit. Failure to provide this statement may result in the allowance or benefit being withheld. This request is in accordance with NRS 286.190 (3)

(d). NRS 286.190 (3) (d) states, "The Board may require an annual notarized statement from a retired employee or beneficiary that the retired employee or beneficiary is in fact receiving an allowance or benefits, and withhold the allowance or benefits if the retired employee or beneficiary fails to provide the statement." The Public Employees' Retirement System requires this form to safeguard your account from

identity fraud and pension theft. PERS is dedicated to protect our member, retiree and beneficiary accounts. We appreciate your cooperation and understanding. Not everyone will receive this form in the mail this year. However, as a friendly reminder, please always keep PERS up to date with address changes.

Re-Employed Retiree Earnings Limitation for Fiscal Year 2019

The earnings limitation for retired employees returning to employment with a Nevada public employer in a non-eligible position for fiscal year 2019 is \$25,596.50. Fiscal year 2019 begins July 1, 2018 and ends on June

30, 2019. A retired employee who exceeds the earnings limitation in any fiscal year must have his/her benefit suspended for the duration of the employment, independent contract, or any subsequent employment during

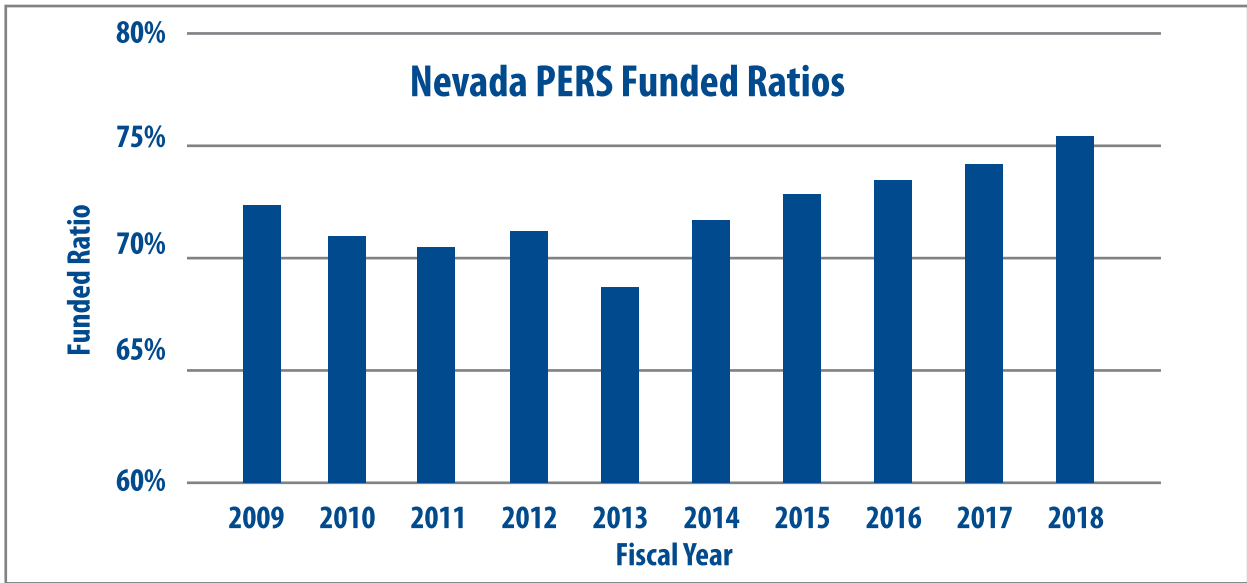
the fiscal year, even if it extends into the next fiscal year. Both the public employer and retired employee must notify PERS within ten days after the retired employee exceeds the earnings limitation.

Nevada PERS Continues to Make Headway in Full Funding of Retirement Plan

A report by the System's independent actuary released in November shows more progress was made in 2018 in fully funding the retirement system that now has more than \$41 billion in assets. Segal Consulting,

in a report to the Board of the Nevada Public Employees' Retirement System, shows that the fund covering most of the state's public employees rose to a funded ratio of 75.1% as of the end of Fiscal Year 2018 on

June 30. This is the fifth consecutive year that the combined funded ratio for both regular public employees and police-fire members increased. Last year the funded ratio was 74.5%.



When viewed separately, the funded ratio for the regular retiree fund was 74.7% fully funded. The police-fire fund was 76.5% fully funded. Both increased from the prior year. Actuarial value of assets increased from \$30.1 billion last year to \$32 billion this year for regular public employees - a return of 8.2% - and from \$8.7 billion last year to \$9.3 billion this year for police-fire - a return of 8.2%.

The total actuarial value of the PERS investments for both funds totaled \$41.3 billion. The unfunded actuarial accrued liability at the end of the Fiscal Year totaled \$13.7 billion. There were 94,615 regular public employee members in the System as of June 30, 2018, an increase of 1.4% from the prior year. The average salary was \$51,193. There were 12,891 police-fire members, an increase of 2.9%

with an annual salary of \$76,549. There were 52,377 regular retirees as of the end of the fiscal year, up 4.6 percent over 2017. The average monthly benefit was \$2,923. For police-fire at the end of the 2018 fiscal year, there were 7,442 retirees with an average monthly benefit of \$5,373. This was a 4.7% increase over 2017.

PERS Cost to Purchase Service Credit Changing July 1

The cost for active PERS members considering buying retirement service credits is changing on July 1 and public employees need to be aware of the pending rate structure. New tables from the Public Employees' Retirement System show the cost of purchase of service increasing in some cases and declining in others depending on age and other factors. Public employees who are considering the purchase of up to five years of service credit should review the current rates and the new rates taking effect July 1 to decide an appropriate course of action. If you have five years of creditable service, you may purchase up to five years of

additional service credit. You must pay the full actuarial cost associated with your age and average compensation at the time of purchase. The cost to purchase service is calculated using the purchase percentage corresponding to the age and average compensation of the member at time of purchase.

In just one example, a regular public employee aged 30 who was hired before Jan. 1, 2010 would pay 16.9 percent of salary for a year of retirement service credit under the current rates. That will increase to 19.7 percent on July 1. But a 60-year-old public employee buying a year of service credit in this same tier would see a slight

decline, from 35 percent of salary currently to 34.7 percent. For a 30-year-old member of the Police/Fire group hired before Jan. 1, 2010, the current cost to purchase a year of service is 24.5 percent of salary. On July 1, this cost will increase to 32.2 percent of salary. The cost of purchase varies by the age of each public employee. Rates are also different depending on tiers based on hire dates.

Tables showing the details of the current rates, along with the new rates starting July 1, can be found at: www.nvpers.org

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This publication is intended to provide general information. If there is any conflict between this information and Nevada law or PERS' policies, the laws and policies will supersede this information. *PERS News* is a newsletter for benefit recipients and members 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.



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PERS benefits are mailed or electronically deposited to your bank account four working days before the end of each month. Check mail dates can be found on the PERS website homepage under the Benefit Recipient link. The check mail dates for 2019 are listed below:

2019 Check Mail Dates

January 28

May 28

September 25

February 25

June 25

October 28

March 26

July 26

November 22

April 25

August 27

December 26