

Retirement Board

Timothy M. Ross
Chair
Yolanda T. King
Vice Chair

Dawn E. Huckaby
Todd H. Ingalsbee
Norma Santoyo
Mark Stevens
Brian A. Wallace



Executive Staff

Tina Leiss
Executive Officer

Kabrina Feser
Operations Officer

Steve Edmundson
Chief Investment
Officer

Memorandum

To: Retirement Liaison Officers

From: Walter Zeron, Director
Employer Services

Date: January 19, 2024

Re: Revised 2023 and 2024 Active Member Salary Limitation for Members Enrolled
On or After July 1, 2015

The 2015 Legislature passed Senate Bill 406 modifying the Public Employees' Retirement System, the Judicial Retirement System, and the Legislative Retirement System. Provisions within the bill limit the amount of compensation used to determine the retirement benefit of a person who first became a member of these Systems on or after July 1, 2015. The limitation is adjusted annually based on the rolling three-year average of the Consumer Price Index.

Due to an adjustment of the rolling three-year average of the CPI, the active member salary limitation for calendar years 2023 and 2024 have been revised. The 2023 limit is \$ 232,559.25 and the limit is \$ 245,753.51 for calendar year 2024. Attached is a worksheet which explains how to adjust a member's wage if they meet the salary limitation under the Employer-Paid contribution plan.

If you have any questions or concerns, please contact me via email calacombe@nvpers.org or at (775) 687-4200 extension 228.

**Active Member Salary Cap Summary
For Members Enrolled on or after July 1, 2015**

The limitation for active members is tracked on a calendar year basis (January through December). The amount of wages (and contributions) reported to PERS depends upon the contribution plan the employee participates under.

Employee/Employer contribution plan sample:

If a member was enrolled in PERS on or after July 1, 2015 and earned an annual salary of \$300,000 under the Employee/Employer contribution plan during the 2023 calendar year, the maximum that can be reported per month is \$19,349.41 ($\$245,753.51 / 12 = \$20,479.46$). If this same member is paid bi-weekly the amount reported during a 2 pay period month is \$18,904.12 and \$28,356.17 during a 3 pay period month.

Employer-Paid contribution plan sample:

If the member is under the Employer-Paid contribution plan, the Employer-paid factor must be used to reduce the reportable wages.

For example, if a member that was enrolled in PERS on or after July 1, 2015 earned \$300,000 under the Employer-Paid contribution plan (paid on a bi-weekly schedule) during calendar year 2023, the reportable wages would be adjusted as follows:

$\$245,753.51$ (2023 salary cap) / 26 pay periods = $\$9,452.05$ / 1.1400 (sample Employer-Paid Factor) = $\$8,291.28 \times 2 = \mathbf{\$16,582.56}$ (2 pay period month wage). Three pay period month wage = $\mathbf{\$24,873.84}$.

***Please note, the Employer-Paid Factor used above was used only for the purposes of the example. Each agency should use their specific Employer-Paid Factor for determining the appropriate reduced reportable wage.**