



# Employer News

Winter 2008-2009

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## Inside This Issue

Page 2  
Market Returns

Page 3  
Rural Counseling

Page 4  
Agency Purchase

## Economic Impact of Nevada PERS

Recently, Nevada Public Employees' Retirement System (PERS) participated in an economic impact study with the National Institute on Retirement Security. This study details the economic impact Nevada PERS pension benefits have on our state. This study reaches far beyond the public employees (active, inactive, and retired) who provide valuable and essential functions in the state. The economic study reveals the multiplying effect pension benefits spent in our state have on the state's overall economy.

### *Key findings:*

- Nevada PERS paid more than \$981 million in pension benefits last year.
- Expenditures resulting from Nevada PERS pension payments supported more than \$390 million in income for state residents other than Nevada PERS retirees.
- More than 5,700 jobs statewide can be attributed to Nevada PERS pension payments.
- Nevada PERS pension payments supported more than \$1 billion in total economic output in the state and more than \$433 million in value added.
- Payments made to Nevada PERS retirees supported more than \$196 million in federal, state, and local tax revenue.
- Each dollar paid out in pension benefits to Nevada PERS retirees residing in the state supports \$1.28 in total economic output in Nevada.
- Each dollar in taxpayer contributions to Nevada PERS supported \$6.21 in total economic output in Nevada.

For more detailed information regarding the results and to view the complete study on the economic impact of Nevada PERS, please visit our website at [www.nvpers.org](http://www.nvpers.org) and click on the Important New Information link. ■

## **PERS Generates Competitive Returns in Challenging Markets**

We are now 18 months into one of the most difficult stock markets in history. While we continue to be focused on total returns and the continued long term health of the PERS investment program, it is also important to track relative returns to evaluate the Board's investment strategy during these challenging markets. We are pleased to report that on a relative basis, the PERS investment strategy has done a better job preserving capital than most large public pension plans.

For calendar year 2008, PERS outperformed 87% of large public pension plans. Through the first six months of fiscal year 2009 the plan did even better, outperforming 91% of its peers. Perhaps even more important than the rankings are the returns.

Putting it in dollar terms, for the fiscal year to date period (6 months), PERS protected \$820 million more capital than a similar sized, median ranked pension plan. While this can be a small consolation when overall returns are negative, it is critical to protect every dollar possible in a negative return environment.

PERS' strong relative returns are a result of the Board's simple, transparent and focused investment strategy. The fund emphasizes higher quality assets such as blue chip U.S. and international stocks, treasury bonds, higher quality corporate bonds and fully leased real estate properties.

In the not so distant past, these "plain vanilla" assets were criticized for not being sophisticated enough for institutional investors. However, we believe they are the most appropriate investments for a public pension plan and disciplined investors can generate superior returns with these assets. Reinforcing this philosophy, since the PERS performance inception 24 ½ years ago, the fund ranks as one of the lowest risk large public pension plans, with a risk adjusted return that outperforms 83% of PERS' peers.

In summary, the things we can control (asset allocation and manager structure) have performed well and the things we can't control (the overall level of the capital markets) have performed poorly. While we continue to be focused on the negative returns generated by the market, we are pleased with the relative performance of the fund compared to its peers. ■

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.

# Mark your Calendars for Spring Rural Counseling

PERS is scheduling the 2009 spring rural counseling tour. When we visit the rural communities, it allows us to meet with members who normally would not have the opportunity to come to one of our three offices in Las Vegas and Carson City.

Once a trip is planned, an announcement will be sent to the Liaison Officer of our rural Nevada agencies. The notice will include the date, time and location of the group counseling meetings. Group counseling sessions allow us to provide information to larger numbers of members in a classroom setting. Due to limited room capacity, the members must call the PERS office to reserve a spot. Reservations fill up quickly and we ask that the employers distribute the announcements to all employees as soon as possible.

Our group counseling sessions may be attended by members who are at any stage in their career. Each session will include a PERS informational program which provides information regarding the benefit calculation formula, service retirement, disability retirement and survivor benefits. We will also discuss the retirement application process for those members who will be retiring within the next 6 months. Benefit estimates will be provided to attendees at the session.

## 2009 Spring Rural Counseling Schedule

Panaca	April 2009
Ely	April 2009
Tonopah	May 2009
Lovelock	May 2009
Winnemucca	May 2009
Elko	May 2009

If you have not received an announcement for your area, please contact a Counseling Services Representative at 1-866-473-7768.

PERS is pleased to make reasonable accommodations for persons who are disabled and wish to attend the meeting. If special arrangements are required, please notify Sonya Hellwinkel, in writing, at 693 West Nye Lane, Carson City, NV 89703 or by calling (775) 687-4200 or toll free 1-866-473-7768.

## 6th Annual Liaison Officer Conference

Our 2008 Liaison Officer conference was held at the Peppermill Resort & Spa in Reno on November 14, 2008. The conference was a great success and it gave the PERS staff, liaison officers, payroll clerks, and human resource specialists a chance to network and ask questions in an informal and smaller classroom setting.

We are in the planning stages of the 2009 Liaison Officer conference which will be held in southern Nevada this year. Look for more information and registration materials in future mailings. PERS will also post information and registration materials on our website.

**Questions? Call us toll free  
1-866-473-7768**



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## Agency Purchase of Service for Employees

Many PERS agencies are currently offering early retirement incentive programs to their employees. Usually a condition of this program requires the member to terminate or retire from the agency once the purchase of service is complete.

It is important to note that agencies requesting purchase of service agreements for eligible employees must do so in writing to PERS at least 30 days prior to the employees' date of termination. All agency requests must include the following:

Member's full name, last four digits of their social security number, and current mailing address

The agency request must also include the intent of purchase, which may include one of the following:

Years, months, and days to be purchased by agency

Specific amount of money for the purchase or;

Service credit goal for the member, ie: total of 25 years, 30 years, etc.

(include the member's termination date so that we may calculate the exact service credit needed)

Once the agreement is generated, three copies will be provided to the agency Liaison Officer. One copy is for the agency, one copy is for the member, and the last copy is to be signed by the member and agency representative and mailed back to us with the payment. Agencies must have the purchase paid prior to the member's termination date. If you should have any questions regarding a purchase of service, please contact our office.