



EMPLOYER NEWS

Winter 2009

Retirement Board

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Liaison Officer Conference

The 6th Annual Liaison Officer Conference was held on November 19, 2009 at the Excalibur Hotel and Casino in Las Vegas, NV. The one day Liaison Officer Conference continues to be a great tool to communicate information and learn about challenges public employer representatives have in the workplace with regards to reporting to PERS and educating employees. This year's conference was especially significant for employer representatives to learn of the new legislative changes that affect PERS' members.

In the general session, the economic impact of PERS, an overview of Legislative changes, a discussion of PERS' investments and a review of the PERS benefit packages were presented. The general session provided great insight to how PERS operates and produces a positive economic impact for Nevada as a whole and is a secure source of income for retirees.

The afternoon consisted of customized breakout sessions based on the agency type. With smaller groups, the breakout sessions were very personable and informative allowing for questions and discussions specific to the employer group.

We want to thank all those who attended and hope that you had an opportunity to network with PERS staff and other public employer representatives. This was one of our biggest conferences to date with over 200 attendees. We look forward to seeing everyone at the 2010 conference which will be held in Northern Nevada.

IRS Normal Retirement Age Regulations Extended

In May of 2007, the IRS issued final regulations for the distribution of governmental retirement benefits after a normal retirement age of 62 or later for regular members and age 50 or later for qualified public safety employees.

The IRS then issued a bulletin in October of 2008 delaying the implementation of the normal retirement age regulations until January 1, 2011 as it is applied to governmental plans. This was the first step in the process to have the regulation changed, withdrawn, or modified.

A follow-up IRS bulletin published in November 2009 stated that the IRS intends to again extend the time by which a governmental retirement plan, such as PERS, must comply with final normal retirement age regulations. Most governmental public pension plans use a service based formula and in recognizing that, the IRS has extended the implementation of these regulations to plan years beginning after January 1, 2013.

In the 2009 bulletin, it was noted that the normal retirement age regulations do not contain guidelines for governmental plans, like PERS, which change a participant's normal retirement age to an earlier date based upon the completion of a stated number of service years, such as retirement after 30 years at any age.

The new extension of time will allow the IRS to consider comments received by government pension funds across the country as well as national organizations with regards to the effect of normal retirement age regulations and government retirement plans.

Critical Labor Shortage Statute Amended

Assembly Bill 488 (AB 488) was passed during the 2009 session and is effective July 1, 2009. AB 488 defines limitations for retirees who return to work with a Nevada public employer for which critical labor shortages exist. A new criteria for the qualification of a critical labor shortage position is now in place for public employers. A summary of these changes have been listed below:

Section 4: Positions for which there are critical labor shortages must be determined in an open public meeting held by the designating authority.

Section 4d: The board of trustees of each school district shall designate positions within the school district for which there are critical labor shortages.

Section 4e: The governing body of a charter school shall designate positions within the charter school for which there are critical labor shortages.

Section 5: In determining whether a position is a position for which there is a critical labor shortage, the designating authority shall make findings based upon the criteria set forth in this subsection that support the designation. Before making a designation, the designating authority shall consider all efforts made by the applicable employer to fill the position through other means. The written findings made by the designating authority must include:

- (a) The history of the rate of turnover for the position;
- (b) The number of openings for the position and the number of qualified candidates for those openings after all other efforts of recruitment have been exhausted;
- (c) The length of time the position has been vacant;
- (d) The difficulty in filling the position due to special circumstances, including, without limitation, special educational or experience requirements for the position; and
- (e) The history and success of the efforts to recruit for the position including, without limitation, advertising, recruitment outside of this State and all other efforts made.

Section 6: A designating authority that designates a position as a critical need position shall submit to the System its written findings which support that designation made pursuant to subsection 5 on a form prescribed by the System. The System shall compile the forms received from each designating authority and provide a biennial report on the compilation to the Interim Retirement and Benefits Committee of the Legislature.

As of July 1, 2009, critical labor shortage positions must be designated using the new criteria. Any retiree hired on or after July 1, 2009, will be subject to the reemployment restrictions provided under NRS 286.520 and 286.525, unless the position into which they are hired has been designated as a critical labor shortage position as proscribed by AB488.

Employer Training Offered

Employers who attended the 2009 Liaison Conference, showed quite a bit of interest in receiving more employer training. We believe that employer education is a key element when it comes to problem solving and the prevention of reporting errors. In addition, PERS policy 12.34 states that each employee designated as Liaison Officer or Deputy Liaison Officer, or whose duties include completing and submitting wage and contribution reports, providing information or forms to the System, or providing information from the System to PERS members must have appropriate training within six months of their designation or assumption of the duties.

Our Employer Services Technicians offer customized on-site training on a variety of topics that include member enrollments, position eligibility, eligible and ineligible wages, employer reporting responsibilities, exclusions, wage and contribution adjustments, leave of absence, separation and termination procedures, reporting wages of re-employed retirees, temporary and intermittent employees, etc. Our staff is available to train your new staff that will be taking on PERS responsibilities or those who wish to stay updated on policies and procedures and any changes that happen within the System.

Training sessions may be scheduled by contacting your agency Employer Services representative.

Liaison Officer Designation

A new Liaison Officer Designation form will be sent to all agencies in February 2010 and also posted to our website: www.nvpers.org. Each PERS agency must complete and return the form to our office so that we have the most up to date information for your Liaison Officer and Deputy Liaison Officers.

PERS maintains contact information for all Liaison and Deputy Liaison Officers in order to communicate important PERS information, such as member newsletters, employer notices and Legislative changes. The new form will outline the responsibilities of a Liaison Officer so that your agency's Chief Administrator can make the appropriate designation.

2010 Pension Plan Salary Limitations

Each year, the Internal Revenue Service (IRS) establishes two specific limits that are important to our employers:

The compensation threshold established by IRS section 401(a)(17) is the amount beyond which no further retirement contributions may be deducted from an employee's earnable salary for a given year. This limit applies to all PERS-reported employees.

For employees or elected officials who became PERS members on or after July 1, 1993, the maximum compensation limit for 2010 is \$245,000. Retirement contributions cannot be taken on any earnable salary a member receives from a public employer that exceeds that amount.

For those employees or elected officials who were initially PERS members *before* July 1, 1993, the compensation limit for 2010 is \$360,000.



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New Police/Fire and Regular Publications for Members

New publications are available on our website: www.nvpers.org. The Summary Plan Description for both Police/Fire and Regular members **hired on or after January 1, 2010** are now available on our website. These publications include the legislative changes from Senate Bill 427 with changes regarding eligibility, benefit calculation factors and early retirement reduction.

Your new hires after January 1, 2010 will receive a welcome packet from PERS that includes the Summary Plan Description and a letter introducing them to PERS.

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

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 participating public employers 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