



Member News

Summer 2011

Retirement Board

Mark R. Vincent,
Chairman

James Green,
Vice Chair

Members

Chris Collins

Bart Mangino

Rusty McAllister

David Olsen

Katherine Ong

Executive Staff

Dana K. Bilyeu
Executive Officer

Tina M. Leiss
Operations Officer

Ken Lambert
Investment Officer

Inside This Issue

[Page 2](#)

Group Counseling

Retirement Board Ap-
pointments

[Page 3](#)

Survivor Benefits

[Page 4](#)

Legislative Final Report

PERS Generates Best Fiscal Year Return in 25 Years

The investment markets were very strong in fiscal year 2011 as stocks continued their bull market run. This enabled PERS to generate a 21.0% return for the year, which is the best single year return since 1986. The fund's long term (28 year) average annual return is now 9.6%.

PERS ended the fiscal year with \$25.2 billion in assets. This is a \$4.3 billion increase in the last twelve months, and a \$9.5 billion increase from the March 2009 stock market lows.

Through one of the most volatile investment markets in history the fund has generated better returns than its peers with less risk. For the last 4 years (encompassing the recent bear market and recovery), PERS' risk adjusted return ranks in the top 32% of large public pension funds. Since inception, PERS ranks in the top 21% in terms of risk/return efficiency.

Asset allocation strategy and the Retirement Board's disciplined rebalancing process have been the key drivers of the recent strong returns. However, for certain portions of the fund the Board also employs active investment managers who attempt to add value over the market indices. These firms have also done well. For this fiscal year, PERS' eleven active managers rank in the top 27% of their peers in terms of performance. For the last three years the managers rank in the top 23%, and for the last five years, the top 25%.

Disciplined implementation of the Board's conservative, common sense investment strategy continues to be the most important factor in PERS' strong returns and competitive rankings. In an era where many pension funds are attempting to develop "innovative" risk management programs in response to the last financial crisis, the Board continues to rely on time tested investment principles that deliver better results with less complexity and cost.

Group Counseling

In order to provide greater customer service with reduced appointment wait times, PERS now offers bi-weekly group counseling sessions in our Carson City and Las Vegas offices.

How does it work?

The information provided during a group counseling session is comparable to that of an individual counseling appointment. All attendees are provided a personalized benefit estimate and a full explanation of how their monthly benefit was calculated. Information regarding beneficiary benefit calculations, retiree reemployment, purchase of service, refund repayment, and post retirement increases is also provided. Members retiring within 6 months can stay after the session to complete their retirement application individually with a retirement counselor. Group sessions are limited to 15 or fewer attendees and most sessions are completed in about 1 hour.

We have received positive feedback from the attendees regarding their satisfaction with the group counseling sessions as it provides everything they need to know regarding the retirement process as well as providing an opportunity to participate in a comprehensive questions and answers session.

How can I attend a group counseling session?

Call our office and a PERS representative can schedule you to attend the next available session in your area.

Retirement Board Appointments

PERS is pleased to welcome Katherine Ong and Rusty McAllister to the Retirement Board. Both members were appointed by Governor Sandoval in July 2011, replacing George Stevens and Charles Silvestri.

Katherine Ong retired from Clark County, Nevada where she was employed as the Budget Manager. She is the co-founder of Hobbs, Ong & Assoc., Inc., a financial consulting group specializing in municipal bond financing, and financial problem solving.

Rusty McAllister has served on the Police and Firefighters' Retirement Fund Advisory

Committee since 1999.

Mr. McAllister has worked for the City of Las Vegas Fire Dept. for the last 27 years and is currently employed as a Fire Captain.

PERS would like to thank George Stevens and Charles Silvestri for their dedicated service to PERS as Board members.

For a complete biography of all of the Retirement Board Members, please visit our website: www.nvpers.org.

Understanding Survivor Benefits

As a member of PERS, it is important that you have a good understanding of the survivor benefit rules, who qualifies as an eligible survivor and how benefits are paid in the event you die prior to retirement.

Eligible Survivors

- Your spouse or registered domestic partner
- Your dependent children under the age of 18
- Your Survivor Beneficiary and Additional Payees, if designated by you

Survivor Benefit Qualifications

- You must have 2 or more years of service in the system at death, or 10 or more years of service in the system at death, or
- Your death was as a result of an occupational disease or on the job accident, regardless of service (Note: Inactive members with less than 10 years retain survivor benefit eligibility for 6 months after termination.)

Survivor Benefit Amounts

| <u>Your Service Credit</u> | <u>Spouse/Survivor Benef.</u> <u>Reg. Domestic Partner</u> | <u>Dependent Child</u> |
|-----------------------------|---------------------------------------------------------------|------------------------|
| 2 or more years of service | \$450.00 | \$400.00 |
| 10 or more years of service | Option 3 | \$400.00 |
| 15 or more years of service | Option 2 | \$400.00 |

Survivor Benefit Considerations

If you are married or have a registered domestic partner at the time of your death, your spouse/registered domestic partner will be considered first to receive survivor benefits payable from your member account. Benefits are paid to a Survivor Beneficiary and Additional Payees only in the event you die as a single member.

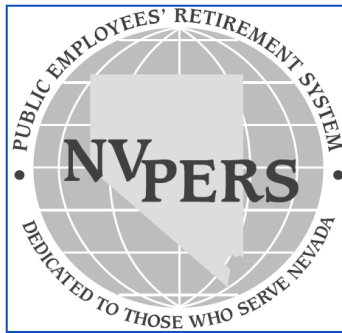
If you had 10 or more years of service credit, the survivor benefit payable is calculated based on your years of service and average monthly compensation under either option 3, which provides a 50% beneficiary payment or option 2, which provides a 100% beneficiary benefit.

The designation of a Survivor Beneficiary and Additional Payees must be made by you on the Survivor Beneficiary Designation Form provided by PERS. This form must be properly completed and submitted to PERS prior to your death. PERS strongly encourages every member of the system, both married and single, to complete and submit this form to our office to ensure that the maximum level of beneficiary coverage is in place should you die before retirement.

Completing the Survivor Beneficiary Designation Form

When Survivor Beneficiary forms are submitted to PERS, we will check to see if the form is complete and correct. Some of the main reasons forms will be returned to you for corrections are:

- Naming the spouse or registered domestic partner as the Survivor Beneficiary. (choose someone other than your spouse/registered domestic partner as the Survivor Beneficiary)
- Naming a trust or charity as the Survivor Beneficiary
- Percentages for Survivor Beneficiary and Additional Payees do not add up to 100% using whole numbers.
- No signature on the form



693 W. Nye Lane
Carson City, NV 89703
(775) 687-4200
Fax: (775) 687-5131

5820 S. Eastern Ave., Suite 220
Las Vegas, NV 89119
(702) 486-3900
Fax (702) 678-6934

7455 W. Washington Ave., Suite 150
Las Vegas, NV 89128
(702) 486-3900
Fax (702) 304-0697

Toll Free: 1-866-473-7768
Website: www.nvpers.org

Legislative Final Report

There were many bills submitted during the 2011 Legislative Session that may have affected PERS and the benefits we provide, however, none were passed with the exception of Assembly Bill 405.

This bill authorized a study to be conducted by the Interim Retirement and Benefits Committee (IRBC) of the Legislature. The study will be focused on alternative ways for providing retirement benefits to public employees, to include defined contributions plans, as well as a review of retirement and disability benefits under Social Security, and a review of monitoring and recovery of losses caused by fraud in the stock markets.

IRBC will use the PERS independent actuary to perform the actuarial analysis needed for the study. The Nevada Constitution requires the use of the independent actuary employed by PERS to ensure the insulation of the retirement future of the Nevada public workforce from any political pressures.

The Legislature appropriated \$250,000 from the state general fund to conduct the study as long as matching funds are provided through private gifts, donations and grants. The study cannot start until the matching funds are received by the IRBC, however, if this occurs, the results are scheduled to be delivered to the Legislative Commission who will submit the report at the 2013 Legislative session.

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. *Member News* is a quarterly newsletter for active 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