



# Member News

## Winter 2009

### Retirement Board

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## New Look for Member Statements

The next member statement you receive will have a new look. The statement still includes all the same information previously provided, but is now condensed into a new 4 page format.

When you receive your statement, take a moment to carefully review the information listed for your family/beneficiaries, and your service credit and contribution totals.

Some member statements may also include a benefit estimate reflecting your monthly benefit at an age when you are fully eligible to retire using current service credit and average compensation.

A blank Survivor Beneficiary Designation form is included with your statement in the event you have not yet made this designation or need to make a change.

Please contact our office if you have questions regarding your member statement.

## 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.

Subsequently, in October of 2008, the IRS issued a bulletin 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 This was the first step in the process to have the regulation changed, withdrawn, or modified.

In November 2009, a bulletin was published on the IRS website which 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 pensions funds across the country as well as national organizations with regards to the effect of normal retirement age regulations and governmental retirement plans.

# Interested In Learning More About Your Pension? Attend an upcoming Program!

PERS offers three informational programs that are customized based on where you are in your career. Each program is filled with valuable information about your retirement and the various benefits offered through the System. You may contact our office to enroll in the program that best suits your situation.

**\*S.T.A.R.T.** This program is designed for new members of the System. In this 60 minute program, we discuss the eligibility rules to receive a monthly benefit, the retirement benefit formula, survivor and disability benefits, and a variety of other topics to introduce you to the benefits offered by System. We also provide new members the opportunity to ask questions so they may better understand the value of the pension. To schedule an agency program, public employers should contact our office directly (minimum attendee requirements apply).

**\*Planning Ahead for Your PERS Retirement** This program is geared for members mid-way through their careers but not yet ready to retire. During this program we provide more detailed information regarding the system allowing attendees to ask questions about their pension so they can plan for the future. Some of the topics include: disability retirement, service retirement, survivor benefits and purchasing service credit. This program is regularly offered on the second Thursday of each month in both the PERS Carson City and Las Vegas Eastern Avenue Offices.

**\*R.E.T.I.R.E.** Our final program is for members considering retirement within the next three years. We discuss the retirement benefit formula, the application process and what to expect during and after you retire. This program is offered about four times a year in both Carson City and Las Vegas.

Many of our upcoming programs are also advertised on our website. To see a listing of our upcoming programs or to view our Planning Ahead for Your PERS Retirement program online, visit our website at [www.nvpers.org](http://www.nvpers.org). Learn what your benefits are before you need them. To make a reservation for one of the above programs, please call our office at 1-866-473-7768 and select option 1.

## Ready to Retire? What to do Next...

When you are within six months prior to your intended retirement date, you should contact our office and request a retirement estimate and the application packet that must be completed to initiate your benefit. The estimate we provide will give you an approximate amount of your monthly retirement allowance and will project your service credit through your anticipated retirement date. It will also show allowances under each of the optional benefit plans if we have your beneficiary's name and date of birth. Estimates may also be calculated, by you, through your PERS account on-line at [www.nvpers.org](http://www.nvpers.org).

Retirement is effective the day after your last day of employment or the day your original retirement application reaches the PERS office, whichever is later. A third possible effective date is a future date you select, such as your 60th birthday, or sometime after your last day of employment.

If your decision to retire is made close to the actual retirement date, be sure to allow for mailing time to ensure your application arrives on or before your intended retirement date.

There are a variety of other things to consider when retiring. Retiring members should read the Pre-Retirement Guide we have available on our website. You should also notify your public employer of your retirement date, contact the administrator of your health insurance plan to obtain premium information and any necessary paperwork they may require for the continuation of your health insurance coverage, and contact the Social Security Administration, if applicable.

If you have questions about retiring or would like to schedule an appointment to meet with a counselor, please contact our office in advance so we may assist you.

## PERS Generates Competitive Returns During Challenging Markets

The global financial crisis combined with one of the worst economic environments since the Great Depression was the catalyst for significant negative returns from the stock and real estate markets in fiscal year 2009. But this was also one of PERS' best years in terms of competitive returns versus its peers. PERS ended the fiscal year with \$18.7 billion in assets and a one year return of -15.8%, net of fees.

The fund outperformed its market objective by 0.4% and outperformed 81% of other large public pension funds for the fiscal year. At the same time, the fund's risk was among the bottom 23% of other pension plans. So for fiscal year 2009 as well as the last three years (encompassing the entire bear market), PERS generated returns in the top of the peer group while experiencing risk near the bottom of the peer group. This outperformance versus the median plan in fiscal year 2009 saved the fund over \$750 million.

PERS was able to outperform in this volatile environment due to the Board's simple, high quality investment strategy and disciplined rebalancing policy. PERS invested an additional \$2 billion in U.S. and non U.S. stocks as the markets dropped, allowing the fund to profit during the recent rally. This systematic process of buying stocks low and selling them high has added nearly \$350 million in value to the fund since the bear market started.

Over the last 25 years, PERS has generated a 9.0% average annual return. During that period, PERS' investment risk ranks among the lowest 10% of state pension plans, and the fund's risk adjusted return ranks in the top 13% of pension funds nationally.

The markets have continued to recover since the end of the fiscal year. From July 1 through December 30, 2009, U.S. stocks have risen 21.1%, and PERS' generated a 14.7% return for the same time period. While we still have six months left in the fiscal year, this progress is encouraging.

The program's long term success is the result of an unwavering commitment to consistency, quality and cost effective management. The Retirement Board continues to stay committed to its long term investment strategy, which involves consistent exposure to the global capital markets and methodically buying undervalued assets and selling overvalued assets over the course of market cycles. This discipline has proven to be especially important during the recent turbulent times in the investment markets.

## Reemployment in a Critical Need Position

If you are considering reemployment after retirement with a Nevada public employer in a critical need position, you should be aware that changes were made during the 2009 Legislative Session.

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:

- Critical labor positions must be determined in an open public meeting held by the agency
- Board of trustees of a school district shall be responsible for the designation of positions within the school district
- The governing body of a charter school shall be responsible for designating charter school positions
- Consideration must be given as to the efforts made to fill the position through other means
- Written findings must be submitted to PERS which will be compiled into a biennial report to the Legislature



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

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

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

Toll Free 1-866-473-7768  
Website: [nvpers.org](http://nvpers.org)

## Registered Domestic Partnerships

Senate Bill 283 was passed during the 2009 Legislative Session. This bill establishes a domestic partnership as recognized by the State of Nevada, including PERS. Under the provisions of this bill, with certain exceptions, domestic partners have the same rights, protections, benefits, responsibilities, obligations and duties as are granted to spouses.

In order to comply with this legislation, PERS is in the process of modifying our forms, publications, and programs to include information regarding benefits that apply to domestic partners. For more detailed information regarding SB 283, please visit the Legislative Counsel Bureau website at [www.leg.state.nv.us](http://www.leg.state.nv.us).

**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. *Member News* is a quarterly newsletter for 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