



PERS MEMBER NEWS

Volume 2 Issue 3

Summer – 2004

NV PERS

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

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

Toll Free (866) 473-7768
www.nvpers.org

PERS' Retirement Board

Charles Silvestri, Chairman
Sue DeFrancesco, Vice Chair
L. Mark Balen, Member
Purisimo Hernandez, Member
David F. Kallas, Member
George W. Stevens, Member
Warren Wish, Member

Inside this issue:

Purchasing Service Using Rollover Monies	2
Supplemental Savings (continued)	2
Pre-Retirement Programs Available	3
PERS To Upgrade Phone System	3,4

PERS' Executive Staff

Dana K. Bilyeu
Executive Officer
Tina M. Leiss
Operations Officer
Laura B. Wallace
Investment Officer

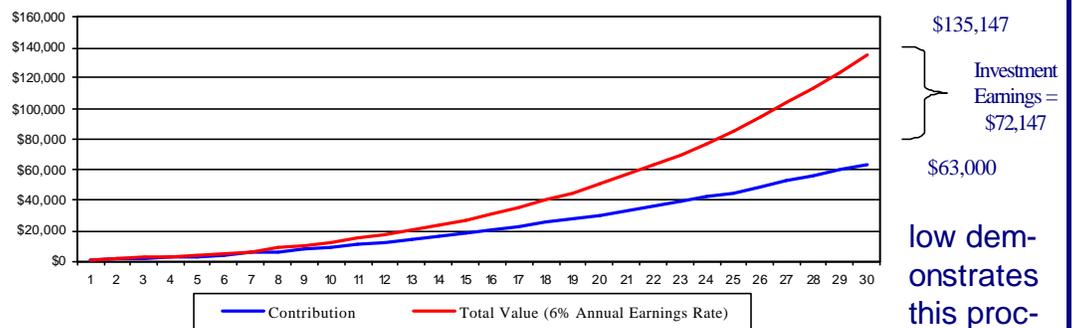
Supplemental Savings

While for many members, the PERS' benefit will be the core element of their retirement income, we encourage participation in supplemental savings plans. It's one of the best ways to offset the reduction in income at retirement *and* combat inflation.

Many of our members have the option to participate in deferred tax retirement savings plans, either through a deferred compensation plan offered by their employer, or individual retirement accounts (IRAs). Deferred compensation plans provide the opportunity to invest a portion of one's income in an account where assets accumulate on a tax-deferred basis.

The Power of Compound Interest

The power of compound interest enables investors to generate earnings on their contributions as well as the income earned on those contributions. Thus, investors who begin saving early, even modestly, have the opportunity to experience significant growth in assets over time. The chart below demonstrates this process.



	<u>Years 1-5</u>	<u>Years 6-10</u>	<u>Years 11-15</u>	<u>Years 16-20</u>	<u>Years 21-25</u>	<u>Years 26-30</u>
Contribution/ Paycheck	\$25	\$50	\$75	\$100	\$125	\$150

continued on Page 2

Purchasing Service Using "Rollover" Monies

Are you thinking about purchasing service using monies from your 401(a) qualified trust, 401(k), 403(b), 457, or Individual Retirement Account (IRA)? There are a few things you should be aware of so that your purchase of service agreement is processed smoothly.

- 1) If you are retiring and wish to purchase service using "rollover" monies, you must submit your request at least 30 days before your termination date. For example, if you terminate on June 30, 2004, and will be retiring on July 1, 2004, you must submit your request to purchase service with PERS prior to May 30, 2004.
- 2) If you currently are purchasing service through an installment agreement, the agreement must be paid in full before you may enter into another agreement.
- 3) If you currently are purchasing service through an installment agreement and wish to use "rollover" monies to accelerate the completion of your agreement, you may use "rollover" monies to make the final payment on the existing agreement. You may not use "rollover" monies to make a down-payment on an installment agreement or use "rollover" monies to make a lump-sum payment to principal.
- 4) If you wish to use "rollover" monies to purchase additional service credit, we can only accept monies from one source, in one check. For example, if you wish to purchase one year at the cost of \$10,000 and have \$5,000 in your IRA and \$5,000 in your 401(k), you would need to move the money from your IRA to your 401(k) or vice versa, to have \$10,000 in one account. Once the transfer is complete, PERS would receive one check to purchase the service credit.

Purchasing service with "rollover" monies is one of three payment methods one may use to purchase service or repay a refund. In addition to this method you may also pay in a lump-sum or through monthly payments. Regardless of which method is used, purchasing service requires an

Supplemental Savings (continued)

If a member were to begin investing \$25 per paycheck, and periodically increase the savings amount over time (as identified at the bottom of the chart), the total contribution would equal approximately \$63,000 over a 30-year career. However, with the advantage of interest earned on those contributions (assuming a 6% annual earnings rate) the total amount available at retirement could easily double!

This concept of capitalizing on the power of compound interest is one of the most important guiding principles in PERS' investment program. Members can take advantage of the same effect for their supplemental savings accounts. For further information regarding savings options available to you, we encourage you to contact your employer.

Pre-Retirement Programs Available

In our effort to assist PERS' members to plan for a secure retirement we offer pre-retirement information programs. The programs are designed to target members at different stages of employment: new employees, mid-career level employees, and employees within 3 – 5 years of retirement.

These programs can be provided in the convenience of your workplace or we also offer monthly programs in our Las Vegas and Carson City offices. The second Thursday of each month the mid-career level program is presented in our Carson City office at 4:00 p.m. and in our Las Vegas office at 12:00 p.m. and 4:00 p.m. This program provides a basic overview of how the retirement system works and how benefits are calculated. These programs are available to all active public employees. Please contact our Carson City office at (775) 687-4200 or toll free (866) 473-7768 to make a reservation.

PERS provided
103 programs and
saw 2,805
members in the
first quarter of
2004

PERS To Upgrade Phone System

Members and Retirees calling our Carson City office or the toll free number (1-866-473-7768) will soon notice a change in our telephone system. In our commitment to provide quality service, PERS is upgrading our telephone system to accommodate the high volume of incoming phone calls. This new system will allow PERS greater flexibility to provide quicker, more efficient

Callers will hear a menu of service options. To receive the fastest service possible callers are encouraged to listen to all options before making a selection. They will then be routed appropriately. Members calling with a question on their account or who wish to speak to a counselor will be routed to our Counseling Services

continued on page 4

For other pension related information visit our web site for related links to:

NASRA – National Association of State Retirement Administrators

NCTR – National Council on Teacher Retirement

NCPERS – National Conference on Public Employees Retirement Systems

CPRS – Coalition to Preserve Retirement Security



Need Information? Call:

From Las Vegas

486-3900

From Reno or Carson City

687-4200

From Anywhere Else in the U.S.

1-866-473-
7768

PERS To Upgrade Phone System

taken in the order received. Should a caller have to wait to speak to a Counseling Services representative they will hear custom announcements regarding current issues.

The new phone system will allow PERS' staff to produce reports and statistics to evaluate how and where we may improve service to our members. Our goal is to provide the most member-friendly and efficient service.



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.



Mailing Address Line 1
Mailing Address Line 2
Mailing Address Line 3
Mailing Address Line 4
Mailing Address Line 5