



PERS

MEMBER NEWS

Volume 3 Issue 1

Winter – 2005

NV PERS

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PERS' Executive Staff

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PERS' Board Changes Asset Allocation

The Retirement Board annually reviews PERS' asset allocation strategy (the mix of stocks, bonds and alternative investments) to ensure the investment program continues to support the long-term goal of safely funding the system's financial obligations.

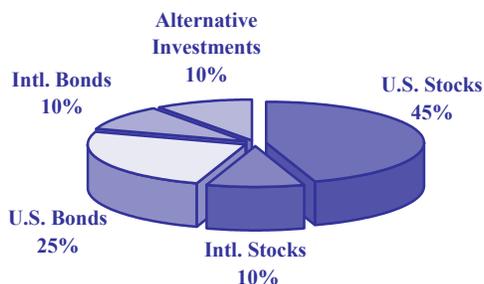
This review begins with an analysis of long-term capital market risk and return expectations. We then use these assumptions to determine the return expectation for the total fund.

Over the last few years, we have acknowledged lower return expectations and lower inflation in the markets in which we invest. The trend continued following this year's review, as the Board modestly reduced PERS' assumptions for long-term returns from each asset class, as detailed in the chart below.

<u>Asset Class</u>	<u>New Expected Return</u>	<u>Prior Expected Return</u>
U.S. Stocks	9.25%	9.50%
International Stocks	9.50%	9.75%
U.S. Bonds	5.75%	6.00%
International Bonds	6.00%	6.25%
Alternative Investments*	9.00%	9.10%

* Includes allocation to Private Real Estate, REITs, and Private Equity

To improve the probability of meeting our funding objectives, the Board shifted 5% of assets from U.S. Bonds to U.S. Stocks. The asset allocation change enhances the opportunity to generate our actuarial goal over the long term by shifting assets from a lower returning asset class (U.S. bonds), to a higher returning asset class (U.S. stock).



The new asset mix is statistically efficient, meaning it maximizes return given its level of risk. The new strategy was implemented in October, and we believe, with these changes, PERS' investment program continues to be well-positioned to meet its long-term financial objectives.

DEDICATED TO DELIVERING ACCURATE AND TIMELY SERVICE

2005 Legislative Session: PERS Proposed Legislation

The Board of Trustees voted to make several technical or housekeeping changes to the Public Employee's Retirement Act effective July 1, 2005. The Board is proposing no benefit changes or other modifications to PERS' law that would have a fiscal impact on the System.

PERS' technical bill makes several clarifying changes to the Public Employees' Retirement Act and the Judicial Retirement Act. Below is a summary of the modifications in the request:

- PERS is seeking a modification to the requirements for a qualified domestic relations order. Currently the law requires the domestic relations order to contain the Social Security Number of the member and the alternate payee. PERS' requested modification would remove this requirement because the order may be a public record when held by the court. PERS will still require the parties to provide social security numbers privately to the System.
- PERS is seeking a modification to the law governing survivor benefits to children of deceased members. Currently, a child's survivor benefit may be continued between the ages of 18-23 as long as the child continuously remains a full-time student. If the child fails to maintain full-time student status, the benefits cease and cannot be reinstated. PERS' requested modification would allow the System to reinstate the benefits to a child between the ages of 18-23 if the child returns to full-time student status.
- PERS is seeking a technical change to the Judicial Retirement Act to clarify provisions regarding participation in the Judicial Retirement Plan.

The Board of Trustees chose not to seek an extension of the critical labor shortage exemption to the reemployment restrictions due to the cost impact of the benefit. This exemption will sunset on June 30, 2005 unless further legislative action is taken to extend the exemption.

November 25, 1861

The First Nevada Territorial Legislature
was held in Carson City

Coming to an Area Near YOU

PERS' Retirement Counselors will be visiting rural Nevada areas this Spring. Rural counseling sessions provide PERS' members the opportunity to meet individually with a Retirement Counselor.

We will be visiting:

CALIENTE
ELKO
ELY
FALLON
INDIAN SPRINGS
LOVELOCK
MESQUITE
MOAPA
OVERTON
PIOCHE
TONOPAH
WENDOVER
WINNEMUCCA
YERINGTON

Counselors will provide one-on-one, 1/2 hour counseling sessions. Appointments are required. Watch for further information regarding dates and locations through your employer or contact us at 1-866-473-7768.



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

Will PERS Impact Your Social Security Benefit?

As a member of PERS you are not covered under Social Security. You don't pay Social Security taxes and your earnings won't be on your Social Security record. Instead, you and/or your employer pay contributions into PERS towards a lifetime retirement benefit.

If you have prior employment, which was covered under Social Security you may be eligible for a Social Security benefit, as well as your PERS' benefit. There are two provisions in the Social Security law that could affect your Social Security pension. The Windfall Elimination Provision (WEP) affects your Social Security benefit based upon a pension you earn from your public employment. The Government Pension Offset (GPO) may affect any Social Security benefit you would receive based upon your spouse's Social Security record. In some cases, your PERS' benefit will not affect your Social Security benefit when you apply on your own record or your spouse's record. Remember, drawing a Social Security benefit will not affect your PERS retirement.

If you change employers and go to work for a different public employer after January 1, 2005, you will be required to sign a form explaining the potential affects of the GPO and WEP. The Social Security website at www.socialsecurity.gov has further information on the WEP and GPO, and offers online calculators to estimate the impact these provisions may have on your Social Security pension. You can also contact Social Security at 1-800-772-1213.

Contribution Rate Changes Effective July 1, 2005

At its November 16, 2004, meeting the Retirement Board approved the 2004 actuarial valuation. This valuation triggered a change in contribution rates in accordance with the statutory mechanism that sets the contribution rates.

Contribution rates for regular members contributing under the EPC plan are scheduled to decrease, from 20.25% to 19.75%. There will no change to the contribution rate for regular members contributing under the EES/ERS plan; their rate will remain 10.50%. Rates for volunteer fire departments will remain 21.00%. Rates for police/fire members will increase, from 28.50% to 32.00% for police/fire members contributing under the EPC plan; and from 14.75% to 16.50% for police/fire members contributing under the matching EES/ERS plan. All rate changes are effective with the first monthly retirement reporting period beginning on or after July 1, 2005.

If you have any questions regarding how these changes may affect you, contact your agency Liaison Officer or PERS.

In-House Programs:

- ◆ February 10; 12:00 – Carson City PERS Office
- ◆ February 10; 12:00 & 4:00 – Las Vegas PERS Office
- ◆ February 17; 4:00 – Las Vegas PERS Office
- ◆ February 24; 4:00 – Las Vegas PERS Office
- ◆ March 10; 12:00 – Carson City PERS Office
- ◆ March 10; 12:00 & 4:00 – Las Vegas PERS Office

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

Save Time...Call Ahead

Need to stop by and see us? While PERS' staff and Counselors always enjoy meeting with our members, we encourage you to call first for an appointment. A phone call will save you valuable time when we have your information ready for you when you get here.

Better yet, you may be able to save yourself a trip to our office by visiting our website first, www.nvpers.org. Along with PERS forms and publications, you can create an account to review your personal PERS account information. Once you have created your account you will have access to your years of service, salary information, beneficiaries, and personal benefit and purchase of service estimate calculations.

If you are visiting us in person or by telephone, remember our business hours are 8:00 a.m. – 5:00 p.m. Monday – Friday. Our offices will be closed on February 21, 2005, in observance of Presidents' Day.

Check out your
PERS information at
www.nvpers.org

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



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