SUMMARY PLAN DESCRIPTION

FOR
POLICE AND FIRE
MEMBERS

www.nvpers.org

This document has been prepared for members of the Public Employees' Retirement System of Nevada to provide general information.

It is based on retirement law effective from the 75th session of the Nevada Legislature, 2009. This is not a legal document, nor is it intended to service as a basis for legal interpretation. Official legal reference may be found in the Nevada Revised Statutes.

INTRODUCTION

This document has been prepared for police and fire members of the Public Employees' Retirement System (PERS) to provide general information concerning the System.

If you work for a Nevada public employer in an approved police/fire position, you will be enrolled in PERS. Membership is not cancelled automatically upon termination of employment. Membership can only be cancelled upon refund, retirement or death of a member.

TYPES OF CONTRIBUTION PLANS

Your base pay, longevity pay, shift differential pay and call-back pay are subject to retirement contribution. Overtime, terminal leave, pay from secondary employment, and any other type of payment not specifically listed as subject to retirement contribution within Chapter 286 of the NRS is not subject to contribution.

Employer Pay Contribution Plan (EPC)

If you are an employee of a local government employer, you are contributing under EPC. You might also be contributing under EPC if you work for the State of Nevada and you voluntarily

chose to participate under EPC. Under this plan, the employer pays the total PERS contribution on your behalf. These contributions are not deposited to your individual member account and are not available for refund upon termination of employment.

Employee/Employer Contribution Plan

Employees of the State of Nevada and many of the smaller employers have the option to contribute under this plan. You and your employer share equally in the contribution to PERS. Your after tax contribution is refundable upon the termination of your employment, if you do not elect to receive a monthly retirement benefit. You can find current contribution rates at www.nvpers.org. If you are unsure of which plan you are contributing under, contact your employer or PERS.

SERVICE

Police and fire members earn service credit based on years, months and days actually worked.

Purchase of Service

If you have five years of creditable service, you may purchase up to five years of additional service credit. You must pay the full actuarial cost associated with your age and average compensation at the time of the purchase. The cost to purchase one year of service averages about one-third of your annual salary. Payment may be made in a lump sum or by installment agreement.

Purchase of service may also be accomplished using certain types of retirement savings accounts such as 401(a), 401(K) qualified pension trusts, 403(b) and 457 retirement savings plans and IRAs.

Refund of Contributions

If you contribute under the employee/employer contribution plan, you may withdraw your employee contributions if you terminate all employment for which a contribution is required or if you are employed in a position ineligible for membership for at least 90 days.

A refund cancels all rights to membership including service credit earned under the EPC plan.

Repayment of Refunded Contributions

If you received a refund of employee contributions and later return to work and reestablish active membership for a period of at least six months, you may repay the refunded contributions and restore service credit. Repayment, including interest at the actuarially determined rate, may be made in a lump sum or by monthly installments. Service will not be restored until your agreement is paid in full.

BENEFITS

Service Retirement
Vesting

If you are a contributing member of PERS after June 30, 1989, you earn the right to receive a retirement allowance after five years of service.

Eligibility for Unreduced P/F Benefits

Years of Police/Fire Service	Age
5 Years	65
10 Years	55
20 Years	50
25 Years	Any Age

Benefit Calculation Factors

The amount of allowance you receive will be based on three factors:

- **Service Credit** – years, months and days on which contributions were paid.
- **Average Compensation** – average of your highest 36 consecutive months of employment.
- **Selection of retirement option and age of you and your beneficiary at the time of retirement.**

Benefit Formula

The formula used for the calculation of your retirement benefit is as follows:

Service Credit x 2.5%* x Average Monthly Compensation = Unreduced Monthly Benefit

Example: 20 Years x 2.5% = 50%
50% x $3,000 = $1,500

***For service credit earned after July 1, 2001, a 2.67% multiplier will be used**

Retirement Options

Benefits are paid to you for life and, after your death, to the one person named as your beneficiary on the retirement application. It is not mandatory to name a beneficiary. Prospective retirees may elect one of seven retirement options.

Option 1 – The Unmodified Allowance – This option pays you the full monthly allowance you have earned for your lifetime. If you name your spouse or registered domestic partner as beneficiary at the time of retirement, he or she will be eligible after your death to receive up to 50% of your allowance based on you service credit in the Police and Firefighters' Retirement Fund. Your spouse or registered domestic partner must be at least age 50 before collecting a lifetime benefit. This benefit is available only if you are contributing under the Employer Pay Contribution plan (EPC) at the time of retirement. Otherwise no beneficiary allowance is available under this option.

Option 2 – This option pays an actuarially reduced benefit for your lifetime. After your death, the same benefit continues for the lifetime of your beneficiary.

Option 3 – This option pays an actuarially reduced benefit for your lifetime. After your death, 50% of the benefit continues for the lifetime of your beneficiary.

Options 4 and 5 – These options are calculated the same as options 2 and 3 but are not payable to a beneficiary before the age of 60.

Options 6 and 7 – These options allow you to designate a specific amount to be paid to the beneficiary.

The reduction from the Unmodified Allowance

is determined by an actuarial percentage based on your age and your beneficiary's age at the time of retirement.

After retirement, the named beneficiary cannot be changed. If you chose any of the Options 2-7, you may under certain conditions, choose to revert to the Unmodified Option; however, the benefit for the spouse or registered domestic partner as beneficiary would no longer apply. Additionally, if your beneficiary predeceases you, the law provides that your benefit will revert to the Unmodified Option.

Benefit Calculation Formula
Unreduced Service Retirement Benefit

Using the example in the benefit formula mentioned previously, let us assume that you will retire at age 50 with 20 years of service credit and an average compensation of $3,000. Your spouse or registered domestic partner is age 48 and is the beneficiary in this calculation. You may name someone other than your spouse or registered domestic partner under Options 2-7.

Average Compensation = $3,000
Service Credit = 20 police/fire years x 2.5%* = 50%

	Retiree Benefit	Beneficiary Benefit
Option 1 (Unmodified)	$1,500.00	$ 750.00**
Option 2	$1,362.00	$1,362.00
Option 3	$1,428.00	$ 714.00

Options 2 and 3 are reduced based on your age and your beneficiary's age, rounded to the nearest year, at the time of your retirement.

* For service credit earned after July 1, 2001 a 2.67% multiplier will be used.
**Your spouse or registered domestic partner must reach age 50 before receiving this benefit.

If you have a combination of police/fire and regular member service credit, the Option 1 beneficiary benefit will be calculated using only the police/fire service credit, excluding the regular member service credit.

Early Retirement Reduction

In the event you earn the years of service necessary to receive a retirement benefit but have not reached the age required for an unreduced benefit, you may retire at any age with your benefit reduced by 4% for each full year you retire early.

An example of how this reduction would work is provided below for a 49 year old retiree with 20 years of service, a $3,000 per month average compensation, and a beneficiary who is age 45.

This calculation assumes that the beneficiary is the spouse or registered domestic partner of the retiree.

Benefit Calculation Formula
Reduced Service Retirement Benefit

Average Compensation = $3,000.00
Police/Fire Service = 20 years x 2.5% = 50%
Unmodified Allowance = $1,500.00
Early Retirement Reduction =
4% (12 mths early) x $1,500.00 = $90
Reduced Unmodified Allowance = $1,440.00

	Retiree Benefit	Beneficiary Benefit
Option 1 (Unmodified)	$1,440.00	$ 720.00*
Option 2	$1,230.23	$1,230.23**
Option 3	$1,313.98	$ 656.99**

The reduced amounts under Options 2 and 3 are based on your age and your beneficiary's age, rounded to the nearest year, at the time of your retirement.

* Your spouse or registered domestic partner must reach age 50 before receiving this benefit.
** The reduced amounts under Options 2 and 3 are based on your age and your beneficiary's age at the time of retirement.

How to Apply

Between three and six months before your retirement date, request an estimate of your retirement benefit and an application for retirement. The request should include:

1. *Your anticipated retirement date.*
2. *Your name and the last four numbers of your Social Security number.*
3. *Your beneficiary's name, birth date and the last four numbers of his or her Social Security number.*

It is also wise to consult a PERS counselor prior to your retirement.

Disability Retirement

If you have five or more years of service and become totally unable to perform your current or any comparable job because of an injury or mental or physical illness of a permanent nature, you are eligible to apply for disability retirement. **Your application must be filed with PERS prior to your termination of employment.**

How to Apply

The disability packet includes a disability retirement application and four supplemental parts:

1. *Disability Retirement Application – Your retirement plan selection*
2. *Employee Report – Completed by you*
3. *Employer's Report – Completed by your Personnel or Human Resources representative*
4. *Supervisor's Report – Completed by your* supervisor
5. *Physician's Report – Completed by your physician and submitted with copies of your recent medical records*

The completed application is submitted to the Retirement Board for consideration at its regular monthly meetings. Disability retirement benefits are calculated in the same manner as service retirement benefits described previously, but without a reduction for age. To apply for disability benefits, employees are urged to contact PERS or the retirement liaison officer where you work.

For special information regarding disability retirement, ask for a copy of the PERS' Disability Retirement Publication. All PERS publications are on our website: www.nvpers.org under the "Publications" link.

Survivor Benefits

Eligibility

If you were to die prior to retirement, your eligible survivors would be eligible for a survivor benefit if:

1. *You had two years of service in the two and one-half years immediately preceding your death; or*
2. *You had more than 10 years of accredited service; or*
3. *Your death was caused by an occupational disease or an accident arising out or in the course of your employment, regardless of service credit.*

Who is Included

Your eligible survivors include:

1. *Your spouse or registered domestic partner*
2. *Your survivor beneficiary and additional payees, if designated*
3. *Your dependent children under the age of 18*
4. *Your dependent parents, provided there are no other eligible survivors at the time of your death.*

All members of the System should list one person as the survivor beneficiary (not a spouse, registered domestic partner, trust or charitable organization) to receive a lifetime benefit in the event of your death or you and your spouse or registered domestic partner's simultaneous death prior to retirement. Additional payees may also be designated to split the payment with the survivor beneficiary by a percentage you provide. Monthly payments to additional payees cease upon the death of the designated survivor beneficiary. If a monthly payment is not available and no spouse, registered domestic partner or dependent children exist, then the survivor beneficiary and additional payees may be eligible to split, by the percentage provided, a one-time, lump-sum payment of any existing member contributions in the System.

Amount of Survivor Benefits

The following monthly benefits are payable to a surviving spouse or registered domestic partner, survivor beneficiary and/or dependent children if your death occurs prior to retirement:

Service Credit	Spouse/Survivor Reg. Domestic Part.	Each Child*
2+	$450	$400
10+	Option 3	$400
(If member was under age for full eligibility)		
5+	Option 2	$400
(If member was fully eligible to retire)		
15+	Option 2	$400

*Until age 18 or age 23 if a full-time, unmarried student. Incapacitated adult children may be eligible. Other restrictions may apply.

Your PERS benefit and Social Security

Your PERS benefit will not be affected by a Social Security benefit. However, a Social Security benefit may be affected because you receive a PERS pension. The Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP) are the two Federal Government regulations that may reduce your Social Security benefit. We suggest you contact the Social Security Administration at 800-772-1213 or visit their website at www.ssa.gov for more information.

PERS' Counseling Services

PERS representatives are available to assist you Monday through Friday, 8:00 a.m. to 5:00 p.m. over the phone or in one of our three office locations. PERS counselors also travel to the rural areas in the Spring and Fall of each year. Rural counseling notices are sent through your public employer with a listing of dates, times and locations.

Public Employees' Retirement System of Nevada

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