



Pre Retirement Guide

Police and Fire Members



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

It is based on the retirement law effective from the 83rd session of the Nevada Legislature, 2025. This is not a legal document, nor is it intended to serve as a basis for legal interpretation. Official legal reference may be found in the Nevada Revised Statutes.

INTRODUCTION

As the time for your retirement approaches, we suggest some steps for you to consider in your pre-retirement planning. This is by no means all-inclusive but will provide you with the information necessary to make an appropriate decision and assure the accurate and timely receipt of your benefit from the Public Employees' Retirement System (PERS) of Nevada. At the end of this booklet is a checklist to help you with the planning and processing of your retirement.

HOW TO BEGIN PROCESSING YOUR RETIREMENT

Notify PERS about six months prior to your intended retirement date. Request a benefit estimate and the application packet that must be completed to initiate your benefit. The benefit estimate will provide an approximate amount of your retirement allowance within a reasonable range. The estimate will project your service time through your anticipated date of retirement. It will show allowances under each of the applicable options if we have the name and birth date of your beneficiary. Estimates may also be calculated, by you, through your PERS account on-line at www.nvpers.org.

COUNSELING

Staff is available for counseling weekdays at the PERS offices in Carson City and Las Vegas. We also periodically visit other communities throughout the state. To discuss any aspect of your retirement in person, please schedule an appointment in one of our offices or for our next visit to your area.

RETIREMENT ELIGIBILITY AND INFORMATION FOR POLICE/FIRE MEMBERS

If you were hired	Prior to 1/1/2010	Between 1/1/2010 and 6/30/2015	On or after 7/1/2015
Benefit Eligibility Requirements	5 years at age 65 10 years at age 55 20 years at age 50 25 years at any age	5 years at age 65 10 years at age 60 20 years at age 50 30 years at any age	5 years at age 65 10 years at age 60 20 years at age 50 33.3 years at any age
Benefit Multiplier worked or purchased service credit	2.5% prior to July 1, 2001 2.67% after July 1, 2001	2.5%	2.5%
Average Compensation	Member's highest 36-month average	Member's highest 36-month average with provisions that each 12-month period of salary may not increase greater than 10% unless promotion or assignment related	
Early Retirement Reduction	4% for each full year member is under full retirement age and prorated for each month	6% for each full year member is under full retirement age and prorated for each month	
Post Retirement Increases	2% in the 4th, 5th, and 6th years of retirement 3% in the 7th, 8th, and 9th years 3.5% in the 10th, 11th, and 12th years 4% in the 13th & 14th years 5% every year thereafter	2% in the 4th, 5th, and 6th years of retirement 3% in the 7th, 8th, and 9th years 3.5% in the 10th, 11th, and 12th years, and 4% every year thereafter	2% in the 4th, 5th, and 6th years of retirement 2.5% in the 7th, 8th, and 9th years 3% every year thereafter

*Post-retirement increases can be lower than the percentages listed because they are capped by the Consumer Price Index (All Items) average for the three preceding years if your benefit has exceeded the rate of inflation overtime.

EFFECTIVE DATE OF RETIREMENT

Your retirement is effective the day after your last day of employment, the day after the expiration of service credit, or the day your application reaches the PERS office, whichever is later. A third possible effective date is a future date you select, such as your 50th birthday, or sometime after your last day of employment. If your decision to retire is made close to the actual date, be sure to allow for mailing time (see the section on pitfalls).

IMPORTANT FACTORS DETERMINING YOUR BENEFIT AMOUNT

There are three basic factors involved in the calculation of your retirement benefit. These are service credit, average compensation, and selection of a retirement option.

Service Credit

We maintain an ongoing record of your service based on information supplied by your public employer. Service is credited for years, months, and days actually worked based on employment records and contributions.

There are generally two ways to increase service credit – through purchase of service and repayment of refunded contributions.

Purchase of Service

If you have five years of service credit in PERS, you may purchase up to five years of additional service at any time prior to retirement. The purchase price is calculated using the percentage factor based on your age, total service credit, and your current average compensation. Purchase of service may also be accomplished through a lump sum payment or the roll-in of funds from tax deferred accounts such as 401(a), 401(k) qualified pension trusts, 403(b) and 457 retirement savings plans and IRAs. Monthly installment plans are also available. If you wish to purchase service before you retire, be sure to notify us no later than 30 days prior to your termination of employment.

Members enrolled on or after July 1, 2015 may purchase service, but it will not count towards early retirement unless the member has a qualifying family medical emergency.

Repayment of Refund

If you have received a refund of employee contributions and later return to work and reestablish active membership for at least six months, you may repay the refunded contributions and restore your service credit and previous membership rights. 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 repayment is made in full. Repayment of refunded contributions must be completed prior to your date of retirement.

To learn more about purchase of service or repayment of a refund, contact PERS, or visit our website: www.nvpers.org.

Average Compensation

Your average compensation is based on the 36 highest consecutive months of compensation as reported by your employer. If you have been under the Employer Pay Contribution Plan (EPC),

your reported compensation will be increased by the appropriate factors to ensure that it is no less than had you contributed under the Employee/Employer contribution plan.

Please note that in calculating an estimate, the 36-month period used to determine your average compensation will usually be the period ending with the last payroll reports received from your public employer and will not include a projection of your current salary through your anticipated retirement date.

The average compensation for members enrolled on or after January 1, 2010 will be subject to a 10% yearly salary cap. Promotions and assignment related compensation will not be included in the cap.

Retirement Options

The Unmodified Retirement Allowance (Option 1) is the maximum allowance you can receive that pays you the full monthly benefit you have earned for your lifetime. You may designate your spouse or registered domestic partner at the time of retirement under this option to receive a benefit upon your death equal to 50% of the benefit you earned through the Police and Firefighters' Retirement Fund. In order for your spouse or registered domestic partner to receive a benefit under this option, you must be contributing to PERS under the Employer Pay Contribution Plan prior to the termination of your employment. After your death, your spouse or registered domestic partner benefit will be effective upon his or her 50th birthday.

There are seven additional options from which to choose. Each offers a benefit somewhat lower than the Unmodified Allowance but does afford a monthly benefit for your beneficiary after your death.

You may name anyone you wish as your beneficiary under Options 2 through 8. However, your spouse or registered domestic partner must consent to the plan selection and beneficiary designation. Be advised that federal regulations could limit the amount payable under Options 2 and 4 to a non-spouse beneficiary who is more than 10 years younger than you.

The other retirement options are:

Option 2: An actuarially reduced allowance for the lifetime of the retired employee. After the retired employee's death, the same allowance continues for the lifetime of the beneficiary.

Option 3: An actuarially reduced allowance for the lifetime of the retired employee. After the retired employee's death, 50 percent of the allowance continues for the lifetime of the beneficiary.

Option 4: An actuarially reduced allowance for the lifetime of the retired employee. After the retired employee's death, and beginning when the beneficiary reaches age 60, the same allowance continues for the lifetime of the beneficiary.

Option 5: An actuarially reduced allowance for the lifetime of the retired employee. After the retired employee's death, and beginning when the beneficiary reaches age 60, 50 percent of the allowance continues for the lifetime of the beneficiary.

Option 6: An actuarially reduced allowance for the lifetime of the retired employee. After the retired employee's death, a specific sum per month, as selected by the retired employee, will continue for the lifetime of the beneficiary. This amount may not exceed the monthly allowance paid to the retired employee.

Option 7: An actuarially reduced allowance for the lifetime of the retired employee. After the retired employee's death, and beginning when the beneficiary reaches age 60, a specific sum per month, as selected by the retired employee, will continue for the lifetime of the beneficiary. This amount may not exceed the monthly allowance paid to the retired employee.

Options 6 and 7 are based on the amount you specify for your beneficiary and can be provided upon request. If you wish to designate a set amount, contact PERS and request an estimate of these two options.

Option 8: An actuarially reduced allowance for the lifetime of the retired employee. After the retired employee's death, a continuing benefit in the same amount or a specified amount will be paid to the primary beneficiary for 6 months. An alternate beneficiary (optional) may also be designated, if the primary beneficiary passes way before the full 6-month payment is made.

The reduction for Options 2 through 7 from the Unmodified Allowance is based on the age and life expectancy of the retired employee and beneficiary. The reduction for Option 8 is based only on the life expectancy of the retired employee.

Benefit Multiplier

Your service credit is used to calculate the percentage you receive of your average compensation based on your enrollment date in PERS. Find the multiplier that applies to you on the Benefit Multiplier section of the Retirement Eligibility and Information table located on page 2.

Below is an example of benefits payable under the optional plans.

Benefit Calculation and Optional Plans Example

This example is based on 20 years of police or fire service credit (18 years earned before July 1, 2001 and 2 years earned after July 1, 2001) and an average monthly compensation of \$3,000. For the purpose of determining the actuarial reduction for Options 2 through 8, the member age is 60 with a 52-year-old beneficiary.

Service Credit = 18 years x 2.5% = 45.00%
2 years x 2.67% = 5.34%
Total Multiplier = 50.34%

Average compensation = \$3,000

Unmodified Allowance = \$1,510

	Retiree Monthly Benefit	Beneficiary Benefit After Retiree Death
Option 1	\$1,510	\$ 755*
<i>(Highest benefit to retiree – 50% of P/F benefit to spouse)</i>		
Option 2	\$1,201	\$1,201
<i>(79.54% of Option 1 – lifetime beneficiary payment)</i>		
Option 3	\$1,338	\$ 669
<i>(88.60% of Option 1 – lifetime beneficiary payment)</i>		
Option 4	\$1,218	\$1,218**
<i>(80.64% of Option 1 – lifetime beneficiary payment at 60)</i>		
Option 5	\$1,348	\$ 674**
<i>(89.28% of Option 1 – lifetime beneficiary payment at 60)</i>		
Option 6 and 7	Upon Request	
Option 8	\$1,491	\$1,491
<i>(98.77% of Option 1 – 6-month beneficiary payment)</i>		

* Spouse or registered domestic partner must be age 50

** Beneficiary must be age 60

Note: Federal regulations may prohibit paying a benefit to someone other than the spouse or registered domestic partner who is more than 10 years younger than the member under Options 2 and 4.

THE RETIREMENT APPLICATION PROCESS

Application

Prior to your date of retirement, you must file an application for retirement with PERS. Your application cannot be officially filed with your public employer. Retirement becomes effective the day after your last day of employment, the day after the expiration of service credit, the date the completed application is received by PERS, or the effective date indicated on the application, whichever is later.

You must select a retirement option by initialing next to the option of your choice and signing your legal name that matches your ID in the appropriate space on the form in the presence of a notary public. Your spouse or registered domestic partner must also sign the form, acknowledging the selection of the retirement plan and beneficiary designation. In addition, your spouse or registered domestic partner's signature must be notarized.

Should your beneficiary under one of the Options 2 through 7 predecease you, your allowance will be changed to the Unmodified Option at the beginning of the next month following receipt of a photocopy of your beneficiary's death certificate. Under Option 8, the Primary Beneficiary benefit will transfer to the Alternate Beneficiary, if one has been designated.

If for any other reason you wish to change to the Unmodified Option, you may do so with the consent of your spouse or registered domestic partner; however, the change is not retroactive. It is effective on the first of the month following the date the form indicating the change is received in our office. You cannot change from the Unmodified Option 1 to any other plan after you have retired. **If you retire under any of the options 2-8 and later revert to the Unmodified Option 1, you will forfeit the 50% spousal benefit available under Option 1.**

Once you have submitted your retirement application, PERS will send you an acknowledgement letter confirming the date the application was received, the effective date of your retirement and option you have selected. We will also advise you of any documentation still needed.

Documentation for Proving Birth Date and Name Changes (Member and Beneficiary)

Retirement allowances are based on the ages of the member and member's beneficiary. Therefore, when you retire, we need documents verifying your birth date, your beneficiary's birth date,

and any name changes for both from name at birth to name at the present time.

Any one of the following may be used to establish birth date and name change:

- Birth certificate
- Infant baptism certificate or certified copy
- Delayed certificate of birth
- Passport or passport card
- Real ID Driver's License
- Global Entry Card

Any two of the following may be used to establish birth date and name change:

- School age record
- Military service records (DD214)
- Marriage record if birth date is shown
- Naturalization certificate if member's age is shown
- Transcript of record from U.S. Bureau of Census
- Certified copy of family bible with date of birth entered
- Tribal ID
- Death Certificate
- Motor vehicle records /Driver's License (not Real ID)
- Social Security benefit estimate with birth date
- Voter registration records with birth date
- Any document over 10 years old if birth date is shown
- Hospital record of birth
- Resident Alien Card
- Concealed Weapon Permit
- Certified Court Order with birth date

The following may be used to document name changes for a member and/or beneficiary

- Marriage or Registered Domestic Partner certificates
- Adoption papers
- Divorce papers if name is restored to previous/maiden name
- Child's birth certificate if mother's maiden name is shown

If you have difficulty meeting this requirement, please contact us for assistance.

Deductions

You may elect to have deductions made from your retirement allowance for continuation of the group health and life insurance, retired employee association membership dues, and federal income taxes.

If you plan to continue with medical insurance into retirement, you will be required to contact the administrator of that plan to complete the necessary forms and arrange for payroll deduction from your PERS check. Your plan administrator will notify us when they are ready for deductions to begin. If you later stop that insurance, be sure to let the insurance company know to stop the payroll deductions.

PERS is required to withhold federal income tax from your retirement allowance unless you instruct us in writing not to withhold monies for this purpose. If you elect to have federal income tax withheld, the System can calculate the tax based on marital status and the number of specified exemptions. We do not have the expertise on staff to advise you on tax matters. We suggest you seek the advice of a tax consultant if you have questions.

PAYMENT OF RETIREMENT BENEFITS

Date of Payment

Your benefit will be mailed or electronically deposited to your bank account four working days before the end of each month. If your effective date of retirement is on or before the 15th of the month, you will receive a benefit that month. If you retire after the 15th you will receive a benefit the next month, which will include payment for the days retired in the previous month.

Time Schedule for Completion of Retirement Processing

It takes approximately 90 days for final payroll information to be submitted by your public employer and then processed and posted to your account. As a result, the initial calculation of your allowance and payment will be a preliminary amount. Within approximately six months of your effective date of retirement, a complete audit of your account, including all calculations, will be conducted by a staff member who has had no prior involvement with your account. We adhere to this procedure to avoid any possibility of compounding errors or overlooking any other factor relevant to your retirement. If there are any errors or additional salary postings, a recalculation of your benefit will be made. You will be fully informed if such an adjustment is necessary.

If an overpayment of benefits is made, PERS is required by statute to recover overpayments. If this does happen, you will be contacted and provided with a full explanation of the situation and of the rights and alternatives available to you.

Method of Payment

PERS recommends direct deposit of your monthly benefit to your financial institution. Through this service, your allowance will be available to you four working days before the end of each month. A form to initiate this type of payment is included in your retirement application packet, available upon request and on our website.

We can also send your benefit check to your mailing address four working days before the end of each month. We automatically mail your check unless you authorize us to set up a direct deposit.

Change of Address

It is important to keep your address up to date whether your benefit is mailed to your home or electronically deposited to your bank account. Periodically, we mail items that require your response and we must be able to reach you. If you change your mailing address for correspondence only, be sure to indicate that your check will continue to be sent by direct deposit to the bank. You should also notify your former public employer of any change of address if you are enrolled in their group insurance program. To identify your account, please include the last four digits of your Social Security number on all correspondence to PERS.

REEMPLOYMENT AFTER RETIREMENT

If you plan to work after retirement, there are no restrictions for self-employment, employment with a private company, employment outside the state of Nevada or with the federal government. If your employment will be with a Nevada public employer, be aware of the following:

Non PERS eligible positions

Eligibility for PERS enrollment is based on the position type. In some cases, you will be limited on the hours you can work in either a fiscal or school year to avoid suspension of your benefit and reenrollment back into the system. You must be retired for 90 days before returning to work with a Nevada public employer in a non-PERS eligible position or your benefit will be suspended for the

duration of that employment. You and your public employer must notify PERS in writing within 30 days of your hire date and there is a fiscal year earnings limit that will apply. The earnings limit, which is equal to 50% of the average salary for regular members, applies to those reemployed in non-PERS eligible positions. The earnings limit changes each fiscal year. Contact the PERS office for the current fiscal year earnings limit. We encourage you to monitor your work hours and earnings while employed with a Nevada public employer.

If a Nevada public employer has an emergency and you are the only qualified person for the job, they may apply for a one-time waiver that will allow you to return to work for a maximum of 30 days within the 90-day waiting period. The waiver request must be submitted in writing and approved by the PERS Executive Officer.

If you are chosen by election or appointment to fill an elective public office, you may continue to receive your retirement allowance with no hourly or earnings limitations unless you are serving in the same office in which you earned service credit as a member.

PERS eligible positions

If you accept a PERS eligible position with a Nevada public employer, your benefit will be suspended for the duration of that employment. You will also have the option to reenroll back into the system and earn additional service credit. You and your public employer must notify PERS in writing within 10 days of hire.

Critical Labor Shortage positions

If you accept employment with a Nevada public employer in a position for which there is a critical labor shortage designation, you may be exempt from some reemployment restrictions if:

- a. You are receiving a benefit that is not reduced for early retirement or if at the time of your reemployment you have reached the required age to receive an unreduced benefit, and
- b. Employment is not accepted until after the date your first retirement check is issued.

The governing authority of the public employer approves the critical labor shortage designation for the position and it must be renewed every 2 years.

Benefit recalculation after PERS eligible reemployment

Reemployed less than 6 months:

If the duration of your reemployment is less than 6 months, no additional benefit is available. If you contributed under the Employee/Employer Pay plan during your reemployment, you can apply for a refund of your contributions, if applicable.

Reemployed for 6 months but less than 5 years:

Once you have been reemployed for a minimum of 6 months but less than 5 years, you will earn a separate retirement allowance based on service credit and average compensation earned during the reemployment and this will be added to your previous benefit as long as you do not exceed the maximum benefit allowed based on your original enrollment date.

Reemployed 5 or more years:

Once you have been reemployed for 5 or more years, you may select a different option and beneficiary for the new benefit, or you may also be eligible to have your benefit recalculated as if you had not previously retired. In this case, the additional credit earned during your reemployment is added to your previous service credit. If you are eligible and choose to have your benefit recalculated, you may select a new option and beneficiary in some cases. This method of recalculation is available for only one period of reemployment and any post-retirement increases received during your previous retirement will be forfeited. The election to combine the benefit is limited or may be unavailable if a portion of your benefit was awarded as community property during a divorce proceeding and was mandated under the provisions of a Qualified Domestic Relations Order which complies with NRS 286.6703.

It is possible that your benefit may not change based on additional service credit earned during reemployment. This may be the case if your previous benefit was paid at the maximum amount allowed: 75% if hired after July 1, 1985 or 90% if hired before that date. Estimates of your benefit should be requested based on the amount of service credit earned during your reemployment.

Employment after retirement with a Nevada public employer can have serious effects on your retirement allowance. Contact the PERS office prior to accepting reemployment or an independent contract with a Nevada public employer to avoid any issues that could lead to a benefit overpayment or suspension.

IMPORTANT INFORMATION

Allow sufficient time for your application to reach us on or before your retirement effective date if you are submitting it by mail. Make a copy for your records and submit the original to the PERS office. No one will automatically do it for you, and no one, including your public employer, can file your retirement application.

Your retirement allowance is paid first from the contributions which you personally made. After your personal contributions are exhausted, your allowance will be paid from PERS funds (employer contributions and interest earned from investments over the years).

The federal Tax Reform Act of 1986 eliminated the Three Year Basis Recovery Rule and made retirement allowances taxable from the first day of receipt. An exclusion is still allowed for personal contributions, but only a portion is excludable each year until you have outlived your "actuarial life expectancy" according to Internal Revenue Service tables. The percentage excludable from federal income tax is determined by taking a ratio of your personal contributions to your anticipated lifetime earnings from the plan. The percentage excludable from federal income tax is applied to your base benefit only. Post-retirement increases are 100% taxable.

In compliance with federal regulations, you will receive a 1099-R form from the System by January 31 of each year indicating how much of your retirement allowance is taxable. Federal income tax deductions can be taken as described in the "Deductions" section of the booklet.

OTHER THINGS TO CONSIDER

Retirement is one of the most significant steps you can take, and many decisions must be made. We are here to help in any way we can.

We strive to provide you with the assistance needed to make your transition as smooth as possible from the standpoint of your PERS benefit. Beyond this, there are many personal factors to consider. The key is advance planning. To assist you, we have provided a financial planning checklist at the end of this booklet.

Your PERS benefit and Social Security

If you are entitled to a PERS benefit and a benefit from Social Security, one will not affect the other. Contact the Social Security Administration at 800-772-1213 or visit their website at www.ssa.gov for more information regarding benefits payable from that system.

WHAT TO EXPECT AFTER RETIREMENT

Restrictions

Reemployment with a public employer in Nevada is restricted. Please refer to the “Reemployment” section in this booklet. Check with PERS before entering into any type of employment with a Nevada public employer.

Benefit Verification

Periodically, PERS will require you to complete a notarized statement verifying you are in receipt of your monthly benefit. Failure to respond could result in your benefit being suspended.

Post-Retirement Increases

Post-retirement increases are due in the month following the month you retire starting in the fourth year of retirement. For example, if your retirement effective date is January 1, your post-retirement increase would be effective February 1 and paid with your February benefit at the end of February.

Occasionally, post-retirement increases are lower than the percentages listed in the Retirement Eligibility & Information table on page 2. This is because they are capped by the Consumer Price Index (All Items) average for the three preceding years. This limitation does not apply, however, if the purchasing power of your benefit has not kept pace with inflation during the period since your retirement.

PERS Website (www.nvpers.org)

The PERS website provides a vast amount of information such as forms, frequently asked questions and publications. We encourage you to create a secure account which will provide access to your PERS information.

As an active member you can view your service credit, contributions, employer reporting and family and beneficiary information. You can also calculate benefit estimates and the cost to purchase service credit.

After retirement, your on-line member account will convert to a retiree account. As a retiree, you can view benefit payments, check deductions, and tax statements. You can also update your address, direct deposit instructions, and tax withholding.

Checklist for Pre Retirement Financial Planning



<u>Income</u>	<u>Monthly</u> (x 12 months =)	<u>Annual</u> <u>Total</u>
___ PERS benefit	\$ _____	\$ _____
___ Social Security	\$ _____	\$ _____
___ Other retirement	\$ _____	\$ _____
SUBTOTAL	\$ _____	\$ _____
___ Part-time job	\$ _____	\$ _____
Investments:		
___ Stock dividends	\$ _____	\$ _____
___ Interest income	\$ _____	\$ _____
___ Rentals	\$ _____	\$ _____
___ Other	\$ _____	\$ _____
SUBTOTAL	\$ _____	\$ _____
TOTAL INCOME	\$ _____	\$ _____

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