

Retirement Board

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Memorandum

To: Retirement Liaison Officers

From: Cheryl Price, Operations Officer

Date: June 2, 2015

Re: Proposed Revisions to Legislators' Retirement System Official Policies

The Public Employees' Retirement Board has approved for notice the *adoption of new policies and the re-adoption of all previously adopted policies* of the Board in accordance with NRS 218C.150 and NRS 218C.180. Please immediately cause a copy of this notice to be posted on a bulletin board or in some conspicuous place in your office.

The public hearing on the revised policies will take place no earlier than 1:00 p.m. on June 17, 2015. The June meeting will be held in the PERS' Board Room, 693 West Nye Lane, Carson City. Any person wishing to testify should be in attendance at the meeting. The revised policies may be adopted at the June 17, 2015, meeting and become effective July 1, 2015, if Senate Bill 406 is signed by the Governor.

The following pages include the proposed changes to the policies; additions are underlined and deletions have a strikethrough line.

DEFINITIONS

- 218C.150 1.1 ACTUARIAL COMPUTATION - The computation based on benefits earned and life expectancy of member and beneficiary to determine necessary reduction of benefits under retirement options or to determine cost of purchasing additional benefits.
- 218C.150 1.2 ALTERNATE PAYEE - The spouse, former spouse, registered domestic partner, former registered domestic partner, child, or other dependent of a member or retired employee who, pursuant to a judgment, decree, or order relating to child support, alimony, or the disposition of community property, is entitled to receive all or a portion of the allowance or benefit of a member or retired member from the System.
- 218C.150 1.3 BASE BENEFIT - The original monthly benefit from a member or retired employee.
- 218C.570 1.4 BENEFICIARY - A person eligible for a survivor benefit or as a result of an option selection by a retired employee.
- 218C.150 1.5 BENEFIT CANCELLATION - Discontinuance of a benefit with no possible reinstatement.
- 218C.150 1.6 BENEFIT SUSPENSION - Temporary withdrawal of benefit with possible reinstatement when certain conditions are met.
- 218C.040 1.7 BOARD - The Public Employees' Retirement Board.
- 218C.580 1.8 CHILD - An unmarried person under 18 years of age who is the issue or legally adopted child of a deceased member. As used in this policy, "issue" means the progeny or biological offspring of the deceased member.
- 218C.150 1.9 COMPENSATION - The salary paid to a member by the member's public employer which is subject to contribution.
- 218C.580 1.10 DEPENDENT PARENT - The surviving parent of a deceased member who was dependent upon the deceased member for at least 50% of the parent's support for at least 6 months immediately preceding the death of the member.
- 218C.580 1.11 ELIGIBLE SURVIVORS - Child, spouse, registered domestic partner, survivor beneficiary of an unmarried member, or dependent parent eligible to receive survivor benefits if the eligible member should die.
- 218C.390 1.12 EMPLOYER – The Legislative Counsel Bureau, on behalf of the State of Nevada, shall act as the employer.

- 218C.150 1.13 EXECUTIVE OFFICER - Administrator of the Public Employees' Retirement System appointed by the Board.
- 1.14 KILLED IN THE COURSE OF LEGISLATIVE SERVICE – For legislative members, death that occurs as a direct or proximate result of the performance of the duty. In the event of heart attack or stroke, the member shall be presumed to have died as a direct or proximate result of the personal injury sustained in the line of duty if:
1. While on duty –
 - a. Engaged in a situation, and such engagement involved non-routine stressful or strenuous physical activity, or,
 - b. Participated in a training exercise, and such participation involved non-routine stressful or strenuous physical activity.
 2. Member died as a result of a heart attack or stroke suffered –
 - a. While engaging or participating in such activity as described above, or
 - b. While still on that duty after so engaging or participating in such an activity, or
 - c. Not later than 24 hours after so engaging or participating in such an activity; and
 3. Such presumption is not overcome by competent medical evidence to the contrary.
- 218A.072 1.145 LEGISLATOR – A Senator or Assemblyman elected or appointed to the Legislature of the State of Nevada.
- 218C.150 1.156 LIAISON OFFICER - An employee selected by the Director of the Legislative Counsel Bureau to certify records and coordinate retirement matters between the System and members of the System.
- 1.17 LINE OF DUTY – Any action the member was obligated or authorized to perform by rule, regulation, condition of employment or service, or law.
- 218C.320 1.168 MEMBER –
- a. **Active:** Each Legislator is a member of the System unless he has elected not to participate in the System pursuant to NRS 218.23813(1) or NRS 286.385 or has terminated his participation pursuant to NRS 218.23813(2).
 - b. **Inactive:** A member who has been reported as terminated from being a Legislator and who has not withdrawn his employee contributions.
- 218C.200 1.179 MEMBER ACCOUNT - The individual account maintained for each member of the System.
- 218C.510 1.1820 POST-RETIREMENT INCREASE - The increase paid monthly to eligible benefit recipients.

- 218C.200 1.~~19~~21 REFUND –
- a. **Initial:** The return to a member of all employee contributions credited to the member’s account as of the date of termination.
 - b. **Final:** The return to a member of all employee contributions which are credited after termination.
- 218C.150 1.202 REGISTERED DOMESTIC PARTNERS – Persons who have a valid domestic partnership pursuant to Section 6 of Senate Bill 283 (2009) and who have not terminated that domestic partnership pursuant to Section 9 of Senate Bill 283 (2009).
- 218C.150 1.213 RETIRED EMPLOYEE - Person who is receiving a retirement benefit on his own behalf from the System.
- 1.24 SALARY - As used in section 4 [16] [27] of SB 406, “salary” is the compensation reported for the member by the member’s public employer in the last full month of employment preceding the member’s death, except that if the member was not paid on a monthly or semi-monthly schedule, the compensation shall be converted to a monthly schedule.
- 218C.200 1.225 SERVICE - The total years, months, and days of credit which a member has earned in the System.
- 218C.200 1.236 SPOUSE - The husband or wife of a member.
- 218C.580 1.247 SURVIVOR BENEFICIARY - Beneficiary of a member who was unmarried at the time of his death, had met the minimum eligibility requirements, and had designated a beneficiary to receive payments.
- 218C.580 1.258 SURVIVOR BENEFICIARY ADDITIONAL PAYEE(S) – Person(s) designated to receive direct payment of a portion of the survivor beneficiary benefit.
- 218C.580 1.269 SURVIVOR BENEFIT - Monthly allowance paid to eligible survivor(s) of a deceased member.
- 218C.100 1.~~27~~30 SYSTEM - The Legislators’ Retirement System.
- 218C.450 1.~~28~~31 VESTING - The attainment of creditable service which guarantees to a member those benefits accrued as of that date.
- 218C.580 7.3 The spouse, registered domestic partner, or survivor beneficiary of an unmarried member of a deceased member with ten or more years of accredited contributing service may elect one of the following:

- a. A cumulative monthly benefit of \$450. This benefit shall be paid until the end of the month in which the spouse, registered domestic partner, or survivor beneficiary of an unmarried member dies.
- b. The benefit provided by Retirement Option 3 for a beneficiary, if the deceased member had less than 15 years of service credit at the time of his death. The benefit shall be calculated as if the deceased member retired on the day of death and named the spouse, registered domestic partner, or survivor beneficiary of an unmarried member as beneficiary with no reduction for the deceased member's age. This benefit shall be paid until the end of the month in which the spouse, registered domestic partner, or survivor beneficiary of an unmarried member dies.
- c. The benefit provided by Retirement Option 2 for a beneficiary, if the deceased member had 15 years of service at the time of his death. The benefit shall be calculated as if the deceased member retired on the day of his death and named the spouse, registered domestic partner, or survivor beneficiary of an unmarried member as beneficiary with no reduction for the deceased member's age. This benefit shall be paid until the end of the month in which the spouse, registered domestic partner, or survivor beneficiary of an unmarried member dies.
- d. The benefit provided by Retirement Option 2 for a beneficiary of a deceased member who was fully eligible to retire both as to service and age at the time of death. The benefit shall be calculated as if the deceased member retired on the day of death and named the spouse, registered domestic partner, or survivor beneficiary of an unmarried member as beneficiary. This benefit shall be paid until the end of the month in which the spouse, registered domestic partner, or survivor beneficiary of an unmarried member dies.
- e. If the member has designated one or more payees in addition to the survivor beneficiary, the monthly allowance to which a survivor beneficiary is entitled must be divided between the survivor beneficiary and any additional payee in the proportion designated by the member. If an additional payee predeceases the survivor beneficiary, the payment made to that additional payee must be evenly distributed to the survivor beneficiary and any other additional payees beginning the first of the month following the additional payee's death.
- f. If there are no other eligible survivors, the spouse, registered domestic partner, or survivor beneficiary of an unmarried member may waive the monthly benefit in (a), (b), (c), or (d) above and receive a refund of the deceased member's employee contributions, plus the portion of the mandatory employer-pay contributions submitted on behalf of the deceased member, plus 50% of any employer-pay contributions made during the period of time for which the employee was not mandated under the employer-pay contribution plan.

KILLED IN THE LINE OF DUTY

7.4 The spouse, registered domestic partner, or survivor beneficiary of an unmarried member of a deceased person whose death occurred on or after July 1, 2013, while in the line of duty as the direct or proximate result of the performance out of their duty shall be entitled effective July 1, 2015 to receive: (1) fifty percent of the salary of the member on the date of the member's death; or (2) one hundred percent of the retirement allowance that the member was eligible to receive based on the member's years of service obtained before the member's death without any reduction for age for the deceased member.

CHILD

- 218C.580 7.45 Each child of an eligible deceased member is entitled to receive a cumulative monthly benefit of \$400 per month.
- 218C.580 7.56 Survivor benefits paid to a child pursuant to NRS 218.2392 and NRS 286.673 shall be canceled as of the end of the month in which any one of the following occurs:
- a. The child is adopted.
 - b. The child dies.
 - c. The child marries.
 - d. Except as otherwise provided in Policy 7.67, 7.101, or 7.112, the child attains the age of 18 years.
- 218C.580 7.67 Except as otherwise provided in Policy 7.78, survivor benefits may be paid until the last day of the month of his 23rd birthday if, at the time that he attains 18 years, he is, and continues thereafter to be, a full-time student in any accredited high school, vocational or technical school, college, or university. Certification must be received that indicates that he was a full-time student as of:
- a. His 18th birthday; or
 - b. The last day of the previous semester if his birthday falls during the summer and he certifies that he intends to return to school full-time for the fall semester.
- 218C.580 7.78 A school certification shall be required at least two times each year, and a letter signed by the student declaring his intent to return to school as of the next regular enrollment period shall be required once each year to ensure that the child has been and will continue to be a full-time student. Failure to comply with this requirement, or failure to remain a full-time student for the period of certification, shall cause the benefit to be suspended as of the end of the month in which full-time enrollment was last certified and completed.
- 218C.580 7.89 The determination of what constitutes full-time student status shall be according to the policy of the particular school.

- 218C.580 7.9~~10~~ A child who provides certification of his intent to enroll the following semester and then fails to enroll must reimburse the System for benefits paid retroactively to the end of the month in which he turned 18 or in which he ceased to be a full-time student.
- 218C.580 7.1~~0~~1 If the payment of benefits are ceased to a child of a deceased member who received benefits pursuant to Policy 7.6~~7~~ because the child ceased being a full-time student, payments may be resumed until the last day of the month of the child's 23rd birthday if the child returns to full-time status at an accredited high school, vocational or technical school, college, or university.
- 218C.580 7.1~~1~~2 Survivor benefits paid to a child may be commenced or extended indefinitely beyond the child's 18th birthday if, and as long as, the child is determined by the Board to be:
- a. Financially dependent; and
 - b. Physically or mentally incompetent.

DEPENDENT PARENT

- 218C.580 7.1~~2~~3 If there are no other eligible survivors at the time of the member's death, each dependent parent is entitled to receive \$400 per month.
- 218C.580 7.1~~3~~4 Survivor benefits paid to a dependent parent shall be canceled at the end of the month in which that dependent parent marries or dies.
- 218C.580 7.1~~4~~5 Cancellation of benefits to any one survivor will not affect benefits to other eligible survivors.

GENERAL

- 218C.580 7.1~~5~~6 Survivor benefit recipients shall receive post-retirement increases in the same manner as provided to retired employees.

PROCEDURES

- 218C.580 7.1~~6~~7 An application for survivor benefits form must be completed and submitted by the eligible survivor or guardian, together with required documents, including but not limited to, as applicable, marriage certificate, registration of domestic partnership, and birth certificate(s). If a member had designated one or more payees in addition to the survivor beneficiary, required forms and documents must be received from the survivor beneficiary prior to payment to any additional payee.
- 218C.580 7.1~~7~~8 Monthly survivor benefit payments shall begin on the first day of the month following the death of the member, except for Option 2 or Option 3 payments, which begin on the day after the member's death unless service credit is extended beyond date of death.
- 218C.580 7.1~~8~~9 The payment of survivor benefits to a minor child shall be paid on behalf of the minor child to the surviving parent or legally appointed

guardian. If the payment of survivor benefits to a child is extended beyond the date the child attains age 18 in accordance with NRS 286.673(3) or resumed after the date the child attains age 18 in accordance with NRS 286.673(4), the payment of survivor benefits may be made directly to the child.

- 218C.580 7.~~19~~20 If payments to a survivor cease before the total contributions of a deceased member have been paid in benefits and there is no person entitled to receive benefits under any provision of this Chapter, the surplus of employee contributions over the benefits actually received may be paid in a lump sum to:
- a. The beneficiary whom the deceased member designated for this purpose in writing on a form approved by the System.
 - b. If no such designation was made or the person designated is deceased, the beneficiary who previously received the payments.
 - c. If no payment may be made pursuant to paragraphs (a) and (b), the person entitled as heirs or residuary legatees to the estate of the deceased member.
- 218C.580 7.~~20~~1 A lump-sum payment made pursuant to Policy 7.~~19~~20 fully discharges the obligations of the System.