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Memorandum

To: Retirement Liaison Officers

From: Teresa Chalmers, Chief Administrative Analyst

Date: December 5, 2025

Re: Active Member Salary Limitation – Members enrolled on or after July 1, 2015

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During the 2015 Legislative Session, Senate Bill 406 was passed which modified the statute of the Public Employees' Retirement System, the Judicial Retirement System and the Legislative Retirement System. Provisions within the bill limited the amount of compensation used to determine the retirement benefit of a member with an enrollment date on or after July 1, 2015. The limitation is adjusted annually based on the rolling three-year average of the Consumer Price Index.

For affected members, the active member salary limit for calendar year 2026 is \$265,446.97. Attached is a worksheet explaining how to adjust a member's wage when it exceeds the salary limitation under the Employee/Employer contribution plan and the Employer Pay contribution plan.

If you have any questions or concerns, please contact me at (775) 687-4200 extension 284 or [tchalmers@nvpers.org](mailto:tchalmers@nvpers.org).

**Active Member Salary Cap Summary  
Members enrolled on or after July 1, 2015**

**NRS 286.535 Limitation on compensation used to determine retirement benefit.**

Notwithstanding any other provision of law, the amount of compensation used to determine the retirement benefit of a member of the System must not exceed:

3. For persons who first become members of the system on or after July 1, 2015, the lesser of:
  - (a) The limitation provided by section 401(a)(17) of the Internal Revenue Code as that section existed on July 1, 2015; or
  - (b) Two hundred thousand dollars. The limitation set forth in this paragraph must be adjusted by the Board every year by an amount equal to the average percentage increase in the Consumer Price Index (All Items) for the immediately preceding 3-year period.

<b>Calendar Year</b>	<b>Salary Cap</b>
1/2016 to 12/2016	\$200,000.00
1/2017 to 12/2017	\$202,120.00
1/2018 to 12/2018	\$203,979.50
1/2019 to 12/2019	\$207,712.33
1/2020 to 12/2020	\$211,970.43
1/2021 to 12/2021	\$215,616.32
1/2022 to 12/2022	\$221,136.10
1/2023 to 12/2023	\$232,259.25
1/2024 to 12/2024	\$245,753.51
1/2025 to 12/2025	\$258,041.19
1/2026 to 12/2026	\$265,446.97

The salary limitation for active members is tracked on a calendar year basis (January through December). The cap on wages and contributions reported to PERS depends upon the contribution plan in which the employee participates.

**Employee/Employer Contribution Plan example:**

If the member earns an annual salary of \$300,000.00 under the Employee/Employer Contribution Plan during the 2026 calendar year, the maximum amount that can be reported per month is: \$22,120.58 ( $\$265,446.97 / 12 = \$22,120.58$ ). If this same member is paid bi-weekly the amount reported during a 2 pay period month is \$20,419.00 or \$30,628.50 during a 3 pay period month.

**Employer Pay Contribution Plan example:**

If the member earns an annual salary of \$300,000.00 under the Employer Pay Contribution Plan during the 2026 calendar year, and is paid on a bi-weekly schedule, the reportable wages would be adjusted as follows:

$\$265,446.97$  (2026 salary cap) / 26 pay periods =  $\$10,209.50 / 1.1400$  (**sample Employer-Pay factor**) =  $\$8,955.70 \times 2 = \$17,911.40$  bi-weekly amount reported during a 2 pay period month or  $\$26,867.10$  during a 3 pay period month.

**Note: The Employer Pay factor listed above was used for illustrative purposes only. Each agency must use their specific Employer Pay factor for determining the appropriate reduced reportable wage.**