

Retirement Board

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Memorandum

To: Retirement Liaison Officers

From: Tina Leiss, Operations Officer

Date: February 18, 2010

Re: Implementation of Revised Legislators' Retirement System Official Policies

At their February 17, 2010, meeting, the Public Employees' Retirement Board approved policy revisions pursuant to NRS 218.2374. This notice is to inform you of the revised policies that will become effective on March 1, 2010.

Attachment



Official Policies

Of the

**LEGISLATORS' RETIREMENT SYSTEM
OF NEVADA**

693 West Nye Lane
Carson City, Nevada 89703

Effective: March 1, 2010

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DEFINITIONS

- 218.2374 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.
- 218.2374 1.2 ALTERNATE PAYEE - The spouse, former spouse, registered
218.23781 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.
- 218.2374 1.3 BASE BENEFIT - The original monthly benefit from a member or retired employee.
- 218.2391 1.4 BENEFICIARY - A person eligible for a survivor benefit or as a result of an option selection by a retired employee.
- 218.2374 1.5 BENEFIT CANCELLATION - Discontinuance of a benefit with no possible reinstatement.
- 218.2374 1.6 BENEFIT SUSPENSION - Temporary withdrawal of benefit with possible reinstatement when certain conditions are met.
- 218.2372 1.7 BOARD - The Public Employees' Retirement Board.
- 218.2392 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.
- 218.2374 1.9 COMPENSATION - The salary paid to a member by the member's public employer which is subject to contribution.
- 218.2392 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.
- 218.2392 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.

218.2387	1.12	EMPLOYER – The Legislative Counsel Bureau, on behalf of the State of Nevada, shall act as the employer.
218.2374	1.13	EXECUTIVE OFFICER - Administrator of the Public Employees’ Retirement System appointed by the Board.
218.2372	1.14	LEGISLATOR – A Senator or Assemblyman elected or appointed to the Legislature of the State of Nevada.
218.2374	1.15	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.
218.2381	1.16	MEMBER – <ul style="list-style-type: none"> a. <u>Active:</u> 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. <u>Inactive:</u> A member who has been reported as terminated from being a Legislator and who has not withdrawn his employee contributions.
218.23781	1.17	MEMBER ACCOUNT - The individual account maintained for each member of the System.
218.23901	1.18	POST-RETIREMENT INCREASE - The increase paid monthly to eligible benefit recipients.
218.23781	1.19	REFUND – <ul style="list-style-type: none"> a. <u>Initial:</u> The return to a member of all employee contributions credited to the member’s account as of the date of termination. b. <u>Final:</u> The return to a member of all employee contributions which are credited after termination.
218.2374	1.20	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).
218.2374	1.21	RETIRED EMPLOYEE - Person who is receiving a retirement benefit on his own behalf from the System.

- 218.23781 1.22 SERVICE - The total years, months, and days of credit which a member has earned in the System.
- 218.23781 1.23 SPOUSE - The husband or wife of a member.
- 218.2392 1.24 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.
- 218.2392 1.25 SURVIVOR BENEFICIARY ADDITIONAL PAYEE(S) – Person(s) designated to receive direct payment of a portion of the survivor beneficiary benefit.
- 218.2392 1.26 SURVIVOR BENEFIT - Monthly allowance paid to eligible survivor(s) of a deceased member.
- 218.2373 1.27 SYSTEM - The Legislators’ Retirement System.
- 218.2388 1.28 VESTING - The attainment of creditable service which guarantees to a member those benefits accrued as of that date.

MEMBERSHIP

- | | | |
|-----------|-----|--|
| 218.2381 | 2.1 | Except as otherwise provided in NRS 218.23813 or 286.385 or required as a result of NRS 218.23815, each Legislator must be a member of the Legislators' Retirement System and shall make contributions to the Legislators' Retirement Fund in the amounts and manner provided in NRS 218.2371 to 218.2395, inclusive. |
| 218.23813 | 2.2 | A Legislator may, within 30 days after he is first elected or appointed to office, elect not to participate as a member of the System by submitting a written notice thereof to the Board and the Director of the Legislative Counsel Bureau. |
| 218.2381 | 2.3 | A Legislator who is a public employee on leave of absence to serve in the Nevada Legislature may elect to remain a contributing member of the Public Employees' Retirement System if he so elects pursuant to NRS 286.385(1). The Legislator shall not be a member of the System after such election. |
| 218.23813 | 2.4 | <ul style="list-style-type: none">a. A Legislator may terminate his participation as a member of the System by sending written notice thereof to the Board and the Director of the Legislative Counsel Bureau.b. A Legislator who terminates his participation as a member of the Legislators' Retirement System is not eligible thereafter to participate as a member of the System.c. If a member terminates his participation in the System pursuant to NRS 218.23813(2), the effective date of the termination shall be the date the written notice was received by the Board. |

CONTRIBUTIONS

- 218.2387 3.1 Member contributions shall be 15% of the gross compensation of the member.
- 218.2387 3.2 The Employer shall deduct member contributions from the compensation earned as a Legislator and transmit those member contributions to the System.
- 218.2387 3.3 The Employer shall pay to the System from the Legislative Fund an amount as the contribution of the State of Nevada as the employer which is actuarially determined to be sufficient to provide the System with enough money to pay all benefits for which the System will be liable.
- 218.2374 3.4 Retirement Reports certifying employment, compensation, and contributions for eligible members must be submitted in the form required by the System.

SERVICE CREDIT

- 218.2374 4.1 Members shall receive service credit for eligible service provided all required contributions have been received by the System.
- 218.2382 4.2 a. Except as otherwise provided in subsection (b), for a Legislator who is a member of the Legislators' Retirement System:
- (1) Service credit for retirement under the Legislators' Retirement System begins on the first day of the year of election to the office of Legislator and terminates on the first day of the year following the election of a successor. The service credit for a person appointed to an unexpired term shall be deemed to have begun on the first day of the year of the appointment.
 - (2) Service credit shall be deemed to terminate on the first day of the year following the expiration of any term during which a Legislator dies, resigns, or is removed from office.
- b. Service credit for a Legislator who takes office on or after July 1, 1975, and who is a member of the Legislators' Retirement System begins on the day after his election or appointment and terminates on the day of election of his successor, unless sooner terminated on the day of his death, resignation, or removal from office.
- 218.2374 4.3 The public employer shall provide to the System all employment and termination documents that affect service credit.
- 218.23781 4.4 Issuance of an initial refund check cancels all membership rights and service.

PURCHASE OF SERVICE

- 218.23831 5.1 Any member of the System may purchase all previous creditable service performed in the Legislature if the service was performed before the creation of this System. The Director of the Legislative Counsel Bureau must certify the inclusive dates of service of the Legislator to validate the service. The member must pay the Board's actuary for a computation of costs and pay the full cost as determined by the actuary.
- 218.23831 5.2 Any member of the System may purchase credit for any period of service for which contributions were not paid while the member was receiving temporary total disability benefits for an industrial injury, if the injury was sustained in performance of his legislative duties for which contributions were required. The member must pay the Board's actuary for any necessary computation and must also pay the full actuarial costs determined by the actuary.
- 218.23831 5.3 Any member who has 5 years of contributing creditable service may purchase up to 5 years of out-of-state service performed with any federal, state, county, or municipal public agency if that service is no longer creditable in another public retirement system. To validate such service, the member must obtain a certification of the inclusive dates of previous service performed with the other public agency, together with certification from that agency that his credit is no longer creditable in another public retirement system. Upon application to retire, the Board shall determine whether the purchased service has been reestablished in any other public retirement system. The member must pay the Board's actuary for the computation and pay the full actuarial cost as determined by the actuary. For the purposes of this subsection, the Federal Old-Age and Survivor's Insurance System is not a "public retirement system."
- 218.23831 5.4 Any member who has at least 5 years of contributing creditable service may purchase not more than 5 years of military service regardless of when served if the service is no longer credited in the military retirement system. To validate military service, the member must provide certification of the inclusive dates of active military service performed, pay the Board's actuary for the computation, and pay the full actuarial cost as determined by the actuary.
- 218.23831 5.5 Any member may purchase previous service performed for any public employer which is not already credited in the System, including service as an elected officer or a person appointed to an elective office for an unexpired term. The former public employer must certify the inclusive dates of employment and number of hours regularly worked by the

Legislator to validate such service. The member must pay the Board's actuary for a computation of cost and pay the full cost as determined by the actuary.

218.2374 5.6 In the event of a refund after retirement, the offset of benefits received shall be made to any employee contributions before it is applied toward the refundable purchase price.

218.2374 5.7 A member may purchase any portion of his purchasable service without jeopardizing his right to purchase the remaining portion at a later date.

218.2374 5.8 Purchased service can be used for the same purposes as any other service.

218.2374 5.9 A member who:

- a. Enters into a lump-sum purchase-of-service agreement prior to retirement; and
- b. will begin receiving a retirement benefit immediately after termination of employment;
- c. shall have 30 days from the date of termination of employment to pay, in full, his purchase-of-service agreement.

This policy shall not apply to any purchase-of-service payment made on behalf of the member by a member's public employer.

218.2374 5.10 A member may make a lump-sum payment or enter into an agreement with the System to purchase service through regular monthly payments. Interest paid on a purchase agreement shall not be credited to the individual member's account.

218.2374 5.11 If a member fails to complete payments on a purchase agreement, the agreement will be terminated with the following options available to the member:

- a. Pay the remaining balance in a lump sum.
- b. Receive service credit in the proportion that the principal paid bears to the principal due under the agreement.

218.2374 5.12 If a member who has entered into a monthly installment purchase of service agreement dies before completion of the contract, a proration of service credit or a refund of all money paid on the account must be made. No other person or employer will be allowed to complete the contract on behalf of the deceased member.

- 218.2374 5.13 Any member of the System may use:
- a. All or any portion of the balance of the member's interest in a section 401(a) qualified trust, 401(k), 403(b), 457, or Individual Retirement Account (IRA) under the Internal Revenue Code to the extent provided in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), and subject to the limitations of these policies.
 - b. For purposes of direct transfer for purchase, the System will allow lump sum agreements only.
- 218.2374 5.14 Any member who wishes to enter into a purchase-of-service agreement that will be paid through the direct transfer of all or any portion of the member's interest in a section 401(a) qualified trust, 401(k), 403(b), 457, or Individual Retirement Account (IRA) under EGTRRA must submit a request at least 60 days prior to the anticipated date of payment.

REFUNDS AND REPAYMENT OF CONTRIBUTIONS

REFUNDS

- 218.23781 6.1 A member may withdraw the member contributions credited to the member's account if the member has terminated service for which contribution is required.
- 218.23781 6.2 The System shall provide an initial refund of employee contributions when it has received:
- a. A properly completed application for refund; and
 - b. A notice of termination from the employer.
- 218.23781 6.3 The System shall:
- a. Provide an initial refund of all contributions credited to the member's account as of the next refund date after receipt of refund request and termination.
 - b. Forward a final refund of any balance remaining in the account after contributions through termination date have been submitted by the employer.
 - c. Record any contributions received after the final refund, if less than \$10, and transfer that amount to the System. In the event of a subsequent return to the System by the member, this amount will revert to the member's account.

REFUND PROCEDURES

- 218.23781 6.4 Refunds must be made by check mailed to the address specified by the member on the application for refund.
- 218.23781 6.5 Refund checks cannot be physically picked up at the System's office.
- 218.23781 6.6 A refund check will be honored only if endorsed by the member. Any refund check received by the System that is not endorsed by the member shall be returned to the bank for collection due to improper endorsement.
- 218.23781 6.7 All membership rights and active service credit in the System are canceled upon refund of contributions.

REPAYMENT OF REFUNDS

- 218.23781 6.8 A member with six months of contributing service may repay previous refunds in a lump-sum or through a repayment agreement. A lump-sum

repayment of refund consists of the actual amount refunded plus interest at the actuarially determined rate per annum from the date of final refund until repayment is complete.

- 218.23781 6.9 Any member of the System may use all or any portion of the balance of the member's interest in a section 401(a) qualified trust, 401(k), 403(b), 457, or Individual Retirement Account (IRA) under the Internal Revenue Code to the extent provided in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), and subject to the limitations of these policies, including Policy 5.13(b).
- 218.23781 6.10 Any member who wishes to enter into a repayment of withdrawn contributions agreement that will be paid through the direct transfer of all or any portion of the member's interest in a section 401(a) qualified trust, 401(k), 403(b), 457, or Individual Retirement Account (IRA) under EGTRRA must submit a request at least 60 days prior to the anticipated date of payment.
- 218.23781 6.11 The member's interest in a section 401(a) qualified trust, 401(k), 403(b), 457, or Individual Retirement Account (IRA) under EGTRRA may only be used to complete payment in full on any lump-sum repayment of withdrawn contribution agreement or to make final payment on any existing repayment of withdrawn contribution installment agreement.
- 218.23781 6.12 After qualifying for repayment, a member does not have to remain an active member to repay a refund but must remain a member.
- 218.23781 6.13 If a member fails to complete payments on an agreed repayment schedule, the repayment agreement will be terminated with the following options available to the member:
- a. Repay the remaining balance in a lump sum.
 - b. Receive service credit in the proportion that the principal paid bears to the principal due under the agreement.
 - c. Receive a refund of all monies paid, including interest.
- 218.23781 6.14 A member who has more than one refund must repay either the total of all refunds or the most recent refund first.
- 218.23781 6.15 Upon redepositing the withdrawn contributions, with interest, the member restores, completely, the service credit relinquished by the withdrawal of contributions and restores the date of membership attributable to the restored service credit.
- 218.23781 6.16 Interest paid on a repayment of refund shall not be deposited in the member account.

218.23781 6.17 If a member who entered into a monthly installment repayment agreement dies before completion of the contract, a proration of service credit or a refund of all money paid on the account must be made. No other person or employer is allowed to complete the contract on behalf of the deceased member.

SURVIVOR BENEFITS

ELIGIBILITY

- 218.2392 7.1 Eligibility for survivor benefits is established if:
- a. The deceased member had two years of service in the two and one-half years immediately preceding the member's death.
 - b. The deceased member had ten or more years of accredited, contributing service.
 - c. The death of the member was caused by an occupational disease or an accident arising out of and in the course of his employment regardless of service credit.
 - d. The death of the member occurs within 18 months after termination of employment or commencement of leave without pay where a mental or physical condition required the termination or leave without pay.
 - e. The death of the member occurs while on leave of absence for training and the member met requirements of (a), (b), (c), or (d) at time such leave began.
 - f. In the case of survivor benefits for an unmarried member, the deceased member had properly completed, signed, dated, and filed the approved form with the System designating a survivor beneficiary for receipt of the benefit before his or her death. Such filing must be evidenced by the System's records related to the member's account. The System will accept an approved form if it has been mailed before the member's death, as evidenced by the date of the postmark dated by the post office on the envelope in which it is mailed. Benefits will not be paid unless eligibility is established in accordance with this provision.

BENEFITS

- 218.2392 7.2 The spouse, registered domestic partner, or survivor beneficiary of an unmarried member of a deceased member with less than ten 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. 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 equally distributed to the survivor beneficiary and any other additional payees beginning the first of the month following the additional payee's death.

- b. If there are no other eligible survivors, the spouse, registered domestic partner, or survivor beneficiary of an unmarried member may waive the \$450 per month benefit and receive a refund of the deceased member's employee contributions.

218.2392

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.

CHILD

- 218.2392 7.4 Each child of an eligible deceased member is entitled to receive a cumulative monthly benefit of \$400 per month.

- 218.2392 7.5 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 7.6, 7.10, or 7.11, the child attains the age of 18 years.

- 218.2392 7.6 Except as otherwise provided in Policy 7.7, 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.

- 218.2392 7.7 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.

- 218.2392 7.8 The determination of what constitutes full-time student status shall be according to the policy of the particular school.
- 218.2392 7.9 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.
- 218.2392 7.10 If the payment of benefits are ceased to a child of a deceased member who received benefits pursuant to Policy 7.6 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.
- 218.2392 7.11 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

- 218.2392 7.12 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.
- 218.2392 7.13 Survivor benefits paid to a dependent parent shall be canceled at the end of the month in which that dependent parent marries or dies.
- 218.2392 7.14 Cancellation of benefits to any one survivor will not affect benefits to other eligible survivors.

GENERAL

- 218.2392 7.15 Survivor benefit recipients shall receive post-retirement increases in the same manner as provided to retired employees.

PROCEDURES

- 218.2392 7.16 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.
- 218.2392 7.17 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.
- 218.2392 7.18 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.
- 218.2392 7.19 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.
- 218.2392 7.20 A lump-sum payment made pursuant to Policy 7.19 fully discharges the obligations of the System.

SERVICE RETIREMENT

ELIGIBILITY

- 218.2388 8.1 The minimum requirement for retirement is 10 years of accredited service. A lapse in service as a Legislator does not operate to forfeit any retirement rights accrued before the lapse.
- 218.2388 8.2 A Legislator who has ten years of service may retire:
- a. At the age of 60 years or older with a full allowance.
 - b. At any age less than 60 years with an allowance or benefit actuarially reduced to the age of 60 years. Except as otherwise required as a result of NRS 218.23815, an allowance or benefit under this paragraph must be reduced by 6 percent of the unmodified amount for each full year that the member is under the age of 60 years and an additional 0.5 percent for each additional month that the member is under the age of 60 years. Any option selected must be reduced by an amount proportionate to the reduction provided in this subsection for the unmodified allowance or benefit. The Board may adjust the actuarial reduction based upon an experience study of the System and recommendation by the actuary.

BENEFIT CALCULATION

- 218.239 8.3 Except as otherwise required as a result of NRS 218.23815, a Legislator entering into retirement on or after July 1, 1975, is entitled to receive a monthly retirement allowance of \$25 for each year of service up to 30 years, prorated for fractions of a year.

PROCEDURE

- 218.2374 8.4 A fully completed Application for Retirement form must be received in the System's office to be considered officially filed.
- 218.2374 8.5 The application, to be properly completed, must include:
- a. The member's selection of a retirement plan;
 - b. The member's designation of beneficiary;
 - c. A certification as to marital status or registered domestic partnership;
 - d. The member's notarized signature; and
 - e. If the member is married, the notarized signature of the spouse indicating consent to the plan selected.

- f. If the member is a registered domestic partner, the notarized signature of the member's registered domestic partner indicating consent to the plan selected.

218.2374 8.6 Proof of birth date and continuity of name change documents are required for a member and the member's beneficiary within 90 days after the retirement effective date. If this documentation is not received within 90 days after retirement, the benefit shall be suspended until the requirement is met.

218.2374 8.7 Proof of birth date and continuity of name change may be established by any one of the documents listed in Group 1 or any two of the documents listed in Group 2 below:

GROUP 1

- a. Certified copy of birth certificate.
- b. Infant baptism certificate, or certified copy.
- c. Delayed certificate of birth.

GROUP 2

- a. School age record, or certified copy.
- b. Military service record, or certified copy.
- c. Marriage record, if date of birth is shown, or certified copy.
- d. Naturalization certificate of individual, or of parents, providing participant's age is stated.
- e. Transcript of record from U.S. Bureau of Census.
- f. Certified copy of the family record in the family Bible stating:
 - 1. Name of person who entered date of birth in Bible.
 - 2. When date of birth was entered.
 - 3. Explanation of any corrections.
 - 4. Date of printing of Bible.
- g. Passport.
- h. Notarized statement of knowledge by a person who was an adult at time of member's birth.
- i. Motor vehicle records.
- j. Hospital record of birth.
- k. Social Security records.
- l. Voter registration records.
- m. Any other document over ten years old which lists the person's date of birth.

- 218.2374 8.8 Retirement becomes effective on whichever of the following is the later, unless otherwise approved by the Executive Officer:
- a. The day immediately following the applicant's last day of employment;
 - b. The day the completed application is filed with the System;
 - c. The day immediately following the applicant's last day of creditable service; or
 - d. The retirement effective date requested on the application.
- 218.2391 8.9 In order to complete a retirement application, an applicant must elect one of the following retirement plans:
- a. Unmodified retirement allowance, which pays full monthly benefit to the retired employee for life but provides no protection for the beneficiary.
 - b. Option 2 - Actuarially reduced allowance for the lifetime of the retired employee. After the retired employee's death, the same allowance will continue for the lifetime of the beneficiary.
 - c. Option 3 - Actuarially reduced allowance for the lifetime of the retired employee. After the retired employee's death, 50% of the allowance will continue for the lifetime of the beneficiary.
- Benefits are subject to the applicable Internal Revenue Code limitations including IRC 401(a).
- 218.2374 8.10 Retirement allowances must be paid until the end of the month following the death of the retired employee or the beneficiary.
- 218.2374 8.11 A retired employee may designate that his monthly benefit check be transmitted as follows:
- a. Mailed directly to any residence address or personal Post Office box; or
 - b. Through an electronic funds transfer (EFT) to his account in his financial institution.
- 218.2391 8.12 A retired employee may not change the selected retirement plan, except a retired employee's benefit is automatically changed to the unmodified allowance beginning the first day of the following month if a named beneficiary under an optional plan dies before the retired employee.
- 218.2374 8.13 A member may name any person as beneficiary under a retirement plan, unless otherwise prohibited by applicable law.

- 218.2374 8.14 Upon the death of a retired employee, the benefits earned but not paid and/or the surplus of employee contributions over the benefits received, will be disbursed as follows:
- a. If the retired employee is survived by a spouse or registered domestic partner, for those retired under the unmodified plan, any surplus of contributions in excess of benefits received shall be paid in one lump sum to the spouse or registered domestic partner. If there is no surviving spouse or registered domestic partner, payment will be made to the estate of the retired employee.
 - b. If the beneficiary designated for this purpose on the retirement application is not a spouse or registered domestic partner, any surplus of employee contributions in excess of benefits received shall be paid to the named beneficiary or to the estate of the retired employee if the named beneficiary is deceased.
 - c. If communication is received that reasonably establishes that no probate will be established for the deceased, any benefits earned or employee contributions in excess of benefits received shall be paid to the heirs of the deceased.
 - d. If there is no living named beneficiary, heir, devisee, or legatee capable of receiving the amount owing, the funds shall be transferred to the System.

REEMPLOYMENT

- 218.2393 8.15
- a. A person receiving a retirement allowance under NRS 218.2371 to 218.2395, inclusive, who is elected or appointed to the Legislature may not receive a retirement allowance during the period in which he serves as a Legislator. Upon reentry into retirement, he may receive a retirement allowance based upon his previous service and his added service, if he is a member of the System during the period of his added service.
 - b. If a retired Legislator is chosen by election or appointment to fill another elective office, he is entitled to the same allowances as a retired Legislator who has no employment.

MISCELLANEOUS

- 218.23901 8.16 The CPI-U (all items/all cities) shall be the index used by the Board, in accordance with NRS 218.23901 and NRS 286.5756 (post-retirement increases), for determining average percentage increases in the CPI.
- 218.23901 8.17 The allowance or benefit of a retired employee must be increased by the percentages set forth in NRS 286.5756 if the allowance or benefit of a retired employee has not increased at a rate greater than or equal to the

average of the CPI-U for the period between the date of his retirement and the end of the month prior to the effective date of the increase.

- 218.23901 8.18 The moving average for the three preceding years shall be determined by averaging the annual percentage increases of the CPI-U.
- 218.23901 8.19 a. For members with an effective date of membership before January 1, 2010, if the allowance of a benefit recipient has not kept pace with the CPI-U, a post-retirement increase will be based on the following: 2% in years 4 through 6; 3% in years 7 through 9; 3.5% in years 10 through 12; 4% in years 13 and 14, and 5% in the 15th year and thereafter.
- b. For members with an effective date of membership on or after January 1, 2010, if the allowance of a benefit recipient has not kept pace with the CPI-U, a post-retirement increase will be based on the following: 2% in years 4 through 6; 3% in years 7 through 9; 3.5% in years 10 through 12; and 4% in the 13th year and thereafter.
- 218.23901 8.20 If the allowance of a benefit recipient increased faster than the CPI-U, the post-retirement increase shall be capped by the moving average of the CPI-U at June 30th for the preceding three years. Any adjustment due under this policy shall remain in effect for one year.
- 218.23901 8.21 A retired employee must receive a net benefit of at least \$10.00. If deductions are authorized by a retired employee, the retired employee's benefit must be at least \$10.00 plus the total of the deductions or the retired employee must make arrangements to pay the vendor or employer direct.

GENERAL

- 218.2374 9.1 All policies previously adopted are hereby rescinded.
- 218.2374 9.2 Policies 1.1 through 11.11 reflect staff procedures, Board policy, Attorney General Opinions, Board interpretation of Chapter 218 of NRS, and the procedures necessary to implement the intent of the Nevada Revised Statutes.
- 218.2374 9.3 The Executive Officer is responsible for the administration of the System in accordance with the Nevada Revised Statutes, Retirement System Policies, and directives approved by the Board.
- 218.2374 9.4 Any member, retired employee, benefit recipient, respective spouse, registered domestic partner, or any person having a claim against the System who has had the request denied by Staff, may request an appeal of the Staff decision to the Board. Requests for appeal shall be processed as follows:
- a. Appeals regarding the constitutionality or legality of any provisions of Chapter 218 of NRS cannot be granted by the Board and, therefore, will be denied by Staff. The Board will be provided with a copy of the denial and the issue will be included with requests for legislative change to be considered by the Board prior to the next legislative session. If a Board member disagrees with Staff interpretation of the Retirement Act, that Board member may request that the matter be presented for Board consideration at a future meeting.
 - b. Appeals that dispute Staff's interpretation of the Retirement Act, including the challenge of a Board Policy not specific in the Retirement Act, shall be submitted to the Board for their consideration.
 - c. Claims of "error or inequity" shall be submitted to the Board if there is a compelling reason that an "error or inequity" exists. "Error or inequity" means the existence of extenuating circumstances including, but not limited to, a member's reasonable and detrimental reliance on representations made by the System or by the public employer, which prove to be erroneous, or the mental incapacity of the member. In the event Staff determines there is not a compelling reason that an error or inequity as defined above exists, the Board will be provided a copy of the denial and, if a Board member disagrees with Staff determination, that Board member can request that the matter be presented for Board consideration at a future meeting.

- 218.2374 9.5 Any person whose appeal was denied by Staff or the Board shall have the right to one reconsideration of the appeal if he can present new evidence which was not available or the existence of which was not known to him at the time the matter was originally presented.
- 218.2374 9.6 The presentation of an appeal before the Board shall be conducted as follows:
- a. The Chairman shall instruct all parties involved in the presentation of an appeal to confine their remarks to the subject at hand, be concise, and acknowledge rather than repeat previous testimony. The Chairman has the prerogative to interrupt a speaker if, in the Chairman's mind, the speaker has deviated from the instructions.
 - b. Staff will provide a brief objective summary of the problem and the reasons for Staff decisions. Also, Staff must submit a written statement for the record listing the legal basis for their determination, the chronological development of events, the situation as indicated by the records and documents submitted, and any legal references which may be relevant to the decision making process.
 - c. The appellant, or his representative, will give a brief presentation advising the Board of the basis for the appeal and the legal or equity reason for requesting relief, together with the specific relief being requested from the Board.
 - d. The Deputy Attorney General shall provide a legal interpretation and state whether or not he feels the board has the authority to act in the matter.
 - e. Individual Board members may then ask questions of Staff, appellant, and/or the Deputy Attorney General.
 - f. The Board Chairman will then request whether or not Staff, appellant, or Deputy Attorney General has any additional statements to make.
 - g. The Board Chairman will then state that the matter will be taken under advisement by the Board and that a decision will probably be made before adjournment of the meeting, with the decision to be provided to the appellant in writing, by Staff, in the form of findings and opinions.
- 218.23781 9.7 The Board may:
- a. Adjust the service or correct the records of any member, retired employee, or beneficiary after an error or inequity has been determined and require payment of any money determined to have been paid by the System in error within six years before demand for its payment. As used in this paragraph, "error or inequity" means the existence of extenuating circumstances, including, but

not limited to, a member's reasonable and detrimental reliance on representations made by the System or by the public employer, which prove to be erroneous, or the mental incapacity of the member.

- b. Consider appeals and grant relief to the claimant provided it is not in violation of the Nevada Revised Statutes.
- c. Require an annual notarized statement from a retired employee or beneficiary that he is in fact receiving an allowance or benefits and withhold the payment if he fails to provide the statement.

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| 218.23781 | 9.8 | The System will not make payment of a member's contributions or benefits to any community property claimant until and unless the member applies for a refund, retirement benefit, or dies. |
| 218.2374 | 9.9 | The System will not provide estimates of the present or future value of an individual's retirement benefits. |
| 218.23781 | 9.10 | All records maintained for a member, retired employee, or beneficiary may be reviewed and copied only by the System, the member, the member's public employer, spouse, or registered domestic partner, the retired employee, or the retired employee's spouse or registered domestic partner, pursuant to a court order, or by a beneficiary after the death of the employee on whose account benefits are received. |
| 218.23781 | 9.11 | Any member, retired employee, beneficiary, or respective spouse or registered domestic partner must submit a written authorization to the System before a representative of said individual will be allowed to review or copy records. An attorney who has provided written notice of representation of a member, retired employee, benefit recipient, or respective spouse or registered domestic partner may review and copy the records of the client without further written authorization from the client. |
| 218.2374 | 9.12 | After the System has received an official written notice from the member, retired employee, benefit recipient, or the legal representative, the System will provide future consultation and correspondence directly with the legal representative until the matter in question has been resolved or until a written cancellation of legal representation is received from the member, retired employee, or benefit recipient. |
| 218.2374 | 9.13 | The official correspondence records, minutes, and books of the System, except for the files of individual members and retired employees and certain documents related to investments, are public records and are available for public inspection. |

218.23781 9.14 The System may withhold money from a refund or benefit when the person applying for or receiving that refund or benefit owes money to the System.

DOMESTIC RELATIONS ORDER

- 218.2374 10.1 The System will acknowledge receipt of and honor written community property claims made under NRS 123.240 against a member's contributions or benefits.
- 218.23781 10.2 A person may submit a judgment, decree, or order of a district court or the Supreme Court of the State of Nevada relating to child support, alimony, or the disposition of community property to the Executive Officer or his designee for a determination of whether the judgment, decree, or order entitles an alternate payee to receive from the System all or a portion of the allowance or benefit of a member or a retired employee.
- 218.23781 10.3 The judgment, decree, or order submitted to the Executive Officer must be signed by a District Judge or by the Justices of the Supreme Court and entered and certified by the Clerk of the District Court or the Clerk of the Supreme Court.
- 218.23781 10.4 The System shall, in accordance with rules prescribed by the Board, determine whether the judgment, decree, or order entitles the alternate payee to receive an allowance or benefit from the System.
- 218.23781 10.5 The System shall provide a written notice to the parties to the action of any determination that a judgment, decree, or order is not in compliance with retirement statutes or rules adopted by the Board.
- 218.23781 10.6 An alternate payee is entitled to receive an allowance or benefit from the System if the judgment, decree, or order:
- a. Specifies clearly the names and last known mailing address, if any, of the member or retired employee and the alternate payee;
 - b. Specifies clearly the amount, percentage, or manner of determining the amount of the allowance or benefit of the member or retired employee that must be paid by the System to each alternate payee;
 - c. Specifically directs the System to pay an allowance or benefit to the alternate payee;
 - d. Does not require the System to provide an allowance, benefit, or any option not otherwise provided in Chapter 218 of NRS; and
 - e. Does not require the payment of an allowance or benefit to an alternate payee before the retirement of a member or the distribution to or withdrawal of contributions by a member.

- 218.23781 10.7 The Social Security Numbers of the member or retired employee and the alternate payee must be submitted to the System at the time of submission of the judgment, decree, or order. The System will not process the judgment, decree, or order until the required Social Security Numbers are submitted.
- 218.23781 10.8 Receipt of a judgment, decree, or order which does not comply with NRS 218.2371–.2395 or the System’s Official Policies will serve as a temporary notice to the System of a forthcoming order regarding distribution of a member’s benefit. Any attempts to obtain a refund of contributions or retirement allowance from such member’s account will not be allowed for a period of 90 days from receipt by the System of such judgment, decree, or order.
- 218.23781 10.9 If the judgment, decree, or order awards 100% of the benefit to the alternate payee, the alternate payee shall receive 100%, less a minimum check of \$10.00 to the retired employee.
- 218.23781 10.10 If a retired employee submits a judgment, decree, or order awarding a portion of their benefit to an alternate payee, the benefit change will be effective with the next monthly check run following the receipt of the approved certified copy of the order.
- 218.23781 10.11 If a judgment, decree, or order indicates that arrearages are owed by the member or retired employee to an alternate payee, the System will not participate in the collection of these arrearages. Arrangements for payment must be made between the two parties.
- 218.23781 10.12 If the retired employee’s account is suspended for any reason, his alternate payee’s account shall also be suspended. If the retired employee’s account is canceled, the alternate payee’s benefit shall be stopped indefinitely unless the alternate payee is the beneficiary under one of the Options 2 or 3.
- 218.23781 10.13 If the judgment, decree, or order indicates that the System is to pay the alternate payee for a specific period of time, it is the responsibility of the retired employee to apprise the System 30 days prior to the date the payments to the alternate payee are to stop or change.

ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001

Adopted pursuant to Section 3 of Assembly Bill 555 (2001) providing the Retirement Board with the authority to adopt policies for compliance with federal law.

Preamble

This amendment to the Legislators' Retirement System Official Policies is adopted to reflect certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"). These policies as adopted, are intended as good faith compliance with the requirements of EGTRRA and are to be construed in accordance with EGTRRA and guidance issued thereunder.

Except as otherwise provided, these policies shall be effective on January 16, 2002, in accordance with NRS 218.2374.

These policies are intended to supersede the provisions of the plan to the extent those provisions are inconsistent with the provisions of these policies.

GENERAL

- 218.2374 11.1 **Increase in limit.** Except as otherwise provided at NRS 286.535(1), the annual compensation of each participant taken into account in determining benefit accruals in any plan year beginning after December 31, 2001, shall not exceed \$200,000. Annual compensation means compensation during the plan year or such other consecutive 12-month period over which compensation is otherwise determined under the plan. For purposes of determining benefit accruals in a plan year beginning after December 31, 2001, compensation for any prior determination shall be limited to the compensation limits in effect at the time.
- 218.2374 11.2 **Cost of living adjustments.** The \$200,000 annual compensation limit in Policy 11.1 shall be adjusted for cost of living increases in accordance with section 401(a)(17)(B) of the Internal Revenue Code (IRC). The cost of living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.
- 218.2374 11.3 **Benefit limits.** The defined benefit dollar limitation and maximum permissible benefit have the meaning ascribed to them in IRC 415(d) as amended by EGTRRA of 2001.

DIRECT ROLLOVERS OF PLAN DISTRIBUTIONS

- 218.2374 11.4 **Effective Date.** This section shall apply to distributions made after December 31 2001.
- 218.2374 11.5 **Modification of definition of eligible retirement plan.** For purposes of the direct rollover provisions in Policy 11.7, an eligible retirement plan shall also mean an annuity contract described in section 403(b) of the Internal Revenue Code and an eligible plan under section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse or registered domestic partner, or to a spouse or registered domestic partner, or former spouse or former registered domestic partner, who is the alternate payee under a qualified domestic relations order, as defined in Policy 10.1.
- 218.2374 11.6 **Modification of definition of eligible rollover distribution to include after-tax employee contributions.** For purposes of the direct rollover provisions in Policy 11.7, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in section 408(a) or (b) of the Internal Revenue Code or to a qualified defined contribution plan described in section 401(a) or 403(b) of the Internal Revenue Code that agrees to separately account for amounts so transferred, including to separately account for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

ROLLOVERS FROM OTHER PLANS

- 218.2374 11.7 The System will accept participant rollover contributions and direct rollovers of distributions made after December 31, 2001, from the types of plan specified herein, beginning on the effective date of these policies.
- 218.2374 11.8 **Direct Rollovers:**

The System will accept a direct rollover of an eligible rollover distribution from:

- (a) A qualified plan described in section 401(a) or 403(b) of the Internal Revenue Code.
- (b) An annuity contract described in section 403(b) of the Internal Revenue Code.
- (c) An eligible plan under section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state.

218.2374 11.9 **Participant Rollover Contributions from Other Plans:**

The System will accept a participant contribution of an eligible rollover from:

- (a) A qualified plan described in section 401(a) or 403(b) of the Internal Revenue Code.
- (b) An annuity contract described in section 403(b) of the Internal Revenue Code.
- (c) An eligible plan under section 457 of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

218.2374 11.10 **Participant Rollover Contributions from IRAs:**

The System will accept a participant rollover contribution of the portion of a distribution from an individual retirement account or annuity described in section 408(a) of the Internal Revenue Code that is eligible to be rolled over and would otherwise be includible in gross income.

218.2374 11.11 **Effective Date of Direct Rollover and Participant Rollover Contribution Provisions.** Policies 11.3 to 11.10 shall be effective on October 1, 2008, in compliance with NRS with the notification and filing requirements of NRS 286.200.