

PERS NEWS

PERS News 2025 | Volume I



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Investments

Nevada PERS' portfolio generated an 11.94% net of fee return for the fiscal year ended June 2024. PERS finished the period with \$64.1 billion in assets, which represents a \$6.1 billion increase from the

prior fiscal year, net of retirement benefits paid. Over all time periods in the table below ended June 2024, PERS' return exceeds the System's 7.25% long-term investment return assumption.

Nevada PERS Return Detail - Periods ended June 30, 2024

Market Value: \$64,127,803,221

	FY 2024	Last 5 Years	Last 10 Years	Last 20 Years	Since Inception
PERS Total Fund (NET)*	11.94%	9.60%	8.30%	7.79%	9.29%

*Private Equity IRR Reported by Pathway Capital Management. FY, 5, 10, 20 and Inception Lagged from 03/31/24. Final PERS Fiscal Year Total Fund and Private Equity Returns to be reported in November performance report annually.

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In addition to strong absolute returns, PERS' performance compares favorably on a relative basis. The System's 2024 fiscal year return ranked in the top 19th percentile of Callan's database of large public pension funds. Over the past 5, 7 and 10-year periods through June, PERS' return ranks in the top 3rd percentile or better. The ultimate job of the investment portfolio is to meet the System's long-term objectives rather than compete with industry peers. However, the success of the program on both an absolute and relative basis over extended time horizons proves the effectiveness of the System's simple, low-cost approach.

The past decade has been a particularly strong period for PERS, with returns well above the System's long-term objectives and among the best in the industry. However, it is important to remember that while we remain confident the System's simple approach will work well over time, we expect both absolute and relative returns to fluctuate significantly over short-time periods. Historically periods of market strength driven by equity multiple expansion have

been followed by periods of weakness and vice versa. With equity valuations near historic highs at the end of the fiscal year, a period of modest or even challenged returns would not be surprising.

Whether or not the strong market environment continues into the near future is anyone's guess. However, we believe the portfolio is well positioned for a wide range of potential outcomes. During the 2024 fiscal year the System took advantage of higher interest rates by reducing exposure to publicly traded stocks and reallocating those assets into a new 12% allocation to short duration U.S. Treasury securities. The new asset allocation represents the most conservative risk posture for the portfolio in the past two decades. Should financial markets enter a period of increased volatility the portfolio is better insulated to weather a storm. Conversely, the portfolio will continue to benefit if equity market strength endures. In addition to a higher starting total fund yield, the new asset allocation maintains a relative industry overweight to publicly traded U.S. Stocks.

Contribution Rates Effective July 1, 2025

By Constitution and statute, the Retirement Board must hire an independent actuary to perform actuarial valuations. While contribution rates are only set every other year, by Board policy, these valuations are performed on an annual basis. The Board adopted the annual valuation process in order to keep abreast of the assets and liabilities of the System, measure trends, and provide yearly detailed information to aid in the fiscally responsible management of the pension trust. At its November 21,

2024, meeting, the Retirement Board approved the June 30, 2024, actuarial valuation report submitted by the System's actuary. The report reflects the actuarially determined contribution rates needed to fund the System on an actuarial reserve basis for both Employer-pay (EPC) and Employee/Employer contribution plans.

The 2024 actuarial valuation shows contribution rate increases for both the Regular and Police/Fire funds. Factors to the increases include economic and demographic experience. In addition,

there were significant assumption changes in the 2021 Experience Study, such as changes to inflation, investment return, and mortality tables. Contribution rates for Regular and Police/ Fire members contributing under the EPC and Employee/Employer plans are scheduled to increase. There will also be an increase in the rate for Volunteer Fire members. All rate changes are effective with the first monthly retirement reporting period beginning on or after July 1, 2025. Contribution Rate Changes –

Employee/Employer Contribution Plan

Regular Members – will increase from 17.5% to 19.25%.

Police/Fire Members – will increase from 25.75% to 30.00%.

Contribution Rate Changes – Employer-Pay Contribution (EPC) Plan

Regular Members – will increase from 33.50% to 36.75

Police/Fire Members – will increase from 50.00% to 58.75%

Volunteer Fire Members – will increase from 35.00 % to 38.50%

Re-Employed Retiree Earnings Limitation for Fiscal Year 2025

The earnings limitation for retired employees returning to employment with a Nevada public employer in a non-eligible position for fiscal year 2025 is \$31,335.00. Fiscal year 2025 begins July 1, 2024, and ends on June

30, 2025. A retired employee who exceeds the earnings limitation in any fiscal year must have his/her benefit suspended for the duration of the employment, independent contract, or any subsequent employment during

the fiscal year, even if it extends into the next fiscal year. Both the public employer and retired employee must notify PERS within ten days after the retired employee exceeds the earnings limitation.

Post-Retirement Increases and new C.P.I. Cap % for Fiscal year 2025

Post-retirement increases are due in the month following the month in which you retired starting 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. As required by NRS 286.5756(2)(b), the cap is based on the average rate of

inflation as provided by the Consumer Price Index (All Items) for the 3 preceding years. Using the published percentages, we calculate the three-year average by comparing percentages in effect for June of the first year and June of the following year.

This calculation is completed for three consecutive years and the totals from each year are averaged together. The

result is the new PRI cap which becomes effective for the next 12 months starting in September and ending in August of the following year. We have verified the new three-year capped average to be 5.00% effective 9/1/2024. Everyone will receive their scheduled post-retirement increase this Fiscal year.

In-House Informational Programs

In-house programs are in full swing in both our Carson City and Las Vegas offices. You may reserve a space for yourself and one companion through our online reservations at nvpers.org. We offer two programs based on a member's status in PERS. First is our Planning for Your Retirement Program. This program is for all members who are not yet ready to retire but want to learn more about the benefits

payable to members of PERS. Attend this program before the Ready to Retire Program. Topics include the PERS mission and plan structure, eligibility for benefits, the benefit formula, beneficiary benefits, disability retirement, survivor benefits, purchase of service and refund repayment, the timeline to retire and information about the PERS website. The second program we offer is our Ready to Retire

Program. This program is for members who are within one year of retirement. Topics include a brief review of the benefit formula, the timeline for retirement, the application completion process, check deductions, post-retirement increases, reemployment, and the PERS website. Attend this program after the Planning for Your Retirement Program.

2025 Legislative Session NVPERS Bill Tracking

You can now access the PERS Legislative Bill Tracker by going to the NVPERS website under www.nvpers.org/legislative-sessions. The complete

Bill Draft Request (BDR) list for the 2025 Legislative Session is available on the Legislature's website (www.leg.state.nv.us). The bills are being tracked by

PERS staff for potential impact to the Retirement System. This list will be updated periodically.

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This publication is intended to provide general information. If there is any conflict between this information and Nevada law or PERS' policies, the laws and policies will supersede this information. *PERS News* is a newsletter for benefit recipients and members of the Public Employees' Retirement System of Nevada. Comments or suggestions may be directed to: PERS, Newsletter, 693 W. Nye Lane, Carson City, Nevada 89703.



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Benefit Check Mail Dates for 2025

PERS benefits are mailed or electronically deposited to your bank account four working days before the end of each month. Check mail dates can be found on the PERS website homepage under the Benefit Recipient link. The check mail dates for 2025 are listed below:

January 28, 2025

May 27, 2025

September 25, 2025

February 25, 2025

June 25, 2025

October 27, 2025

March 26, 2024

July 28, 2025

November 21, 2025

April 25, 2025

August 26, 2025

December 26, 2025