



Employer News

Winter 2011

Retirement Board

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Defined Contribution Plan Study

The Retirement Board recently studied defined contribution plans as compared to the current defined benefit structure to ensure that all interested parties are aware of the costs and regulatory impacts of a transition to a defined contribution plan and to qualify the efficiency of the current benefit structure in meeting the mission of the System.

The study showed that the current method of delivering retirement benefits is an efficient way to fulfill PERS' mission and a conversion to a defined contribution plan would carry a significant cost to members and employers in the next biennium.

A copy of the study is available on our website at www.nvpers.org.

7th Annual Liaison Officer Conference

The 7th Annual PERS Liaison Officer Conference was held at the Peppermill in Reno this past November.

We had our biggest turnout this year, with over 200 liaison officers, payroll clerks, human resource specialists, and administrators attending. Every year, we see a wide range of attendees ranging from PERS agency veterans to those who have been newly assigned to perform PERS related duties. It is our goal to continue to provide useful information that addresses the basics of PERS as well as providing updates on new processes and legislative changes.

Thank you to all who helped make this year's Liaison Officer Conference a success. Plans are already underway for this year's conference which will be held in Las Vegas.

The Liaison Officer Conference registration packet is mailed and emailed to Liaison and Deputy Liaison Officers in early September of each year. The registration packet is also posted to our website. Please keep your contact information up to date so that you are sure to receive the conference notification.

If you have any suggestions or ideas for the conference, please feel free to share them with us. We want to ensure that the conference continues to be beneficial and informative to all attendees.

Hope to see you there!

PERS' Investment Program One of the Lowest Cost in the Country

Maintaining a low cost investment program is critical to an investor's long term success because every dollar paid out in fees is no longer available to generate compound interest. For this reason, a key component of PERS' investment philosophy is to maintain a low cost program.

Nevada's all inclusive investment costs are 0.13% of total assets, which is 65% below the industry average for large public pension plans. In contrast to PERS' fees, the average large public pension plan pays 0.39% of assets, the average public plan (including smaller funds) pays 0.52% of assets, and the typical 401(k) plan pays between 0.75% and 1.50% of assets for investment expenses.

To put the savings in dollar terms, PERS' fees are over \$54 million per year below the average large public pension plan. Over the course of a 10 year period, compounded at an 8% annual investment rate of return, this savings equates to over \$750 million.

The very low cost structure of the program is due to a number of factors. One is PERS' investment strategy is primarily focused on gaining pure capital market exposure through the ownership of global stocks and bonds, typically through index funds. The majority of the value added in the

program is generated from the Board's asset rebalancing program, which is managed by PERS' staff. This approach is much less expensive than a strategy that makes heavy use of actively managed portfolios and alternative investments such as hedge funds.

The Board also re-evaluates the fees it pays to all providers on an annual basis. At every opportunity the System takes advantage of its position as one of the larger asset pools in the country to pursue fee concessions. This effort ensures that costs for all components of the portfolio stay well below industry average.

However, always paying the lowest cost is only one piece of the puzzle. We never want to sacrifice service or performance for low fees. In order to ensure PERS receives top tier results from its providers the Board conducts comprehensive performance and service reviews at least quarterly.

Overall, the Board strikes a balance between receiving superior service and keeping costs low. This is an important component of our efforts to protect the hard earned retirement savings of PERS' members.

Electronic Distribution of Newsletters and Contact Information

The Member and Employer Newsletters are now distributed electronically through the Liaison Officers every quarter. The newsletter is electronically distributed to the designated Liaison Officer for each agency with instructions to distribute via email to all eligible members within the agency. An archive of all newsletters is also located on our website.

This is a fast and easy way of distributing newsletters to members, not to mention very cost effective. Therefore, it is very important for employers to update us with their contact information, especially when a Liaison Officer and/or Deputy Liaison Officer is newly designated. Forms are located on our website: www.nvpers.org under **PERS Forms** and then under the heading of **Employer**. The change forms are entitled: Liaison Officer Designation Form, Deputy Liaison Officer-Signature Authorization Form, and Deputy Liaison Officer Signature Authorization Change Form.

If you have any questions, please contact the PERS Employer Services representative assigned to your agency. The Employer Services representatives are a great resource for employers and can assist with any questions regarding processing or updating PERS information.

Wage and Contribution Reporting

Wage and contribution reporting is a vital part of the operations at PERS. We depend on accurate and timely reporting from our employers in order to build each member's service credit history. Retirement benefit calculations that we provide to potential retirees are based on the reporting we receive from employers. Along with service credit, we also calculate a member's average monthly compensation using the reported wages. Correct wage and contribution reporting is paramount for us to accurately calculate the retiring member's monthly benefit. The retiring member uses this information in order to make important decisions and plans for their retirement.

Below we have provided some helpful definitions of compensation for your reference.

HOLIDAY PAY - Compensation for work actually performed during an official holiday, as defined by NRS 236.015, which is in addition to the compensation paid to all employees who do not work, provided the total working hours do not exceed the working hours of a normal workweek or pay period as certified by the public employer.

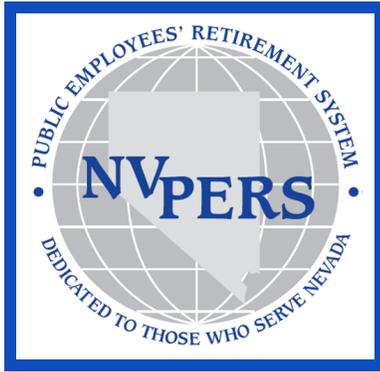
OFFICIAL HOLIDAYS - The definition of a holiday, for the purpose of PERS reporting, includes holidays that are official state holidays as defined by NRS 236.015. For example, the State recognized holiday for July 4th was on Monday, July 5th. Therefore, if an employee worked July 4th of this year, that day would not be considered working a holiday because the 'State recognized official holiday' was July 5th (the day everyone was off). **The official state recognized holidays for 2011 are:**

New Year's Day	Friday, December 31, 2010
Martin Luther King, Jr.'s Birthday	Monday, January 17, 2011
Presidents' Day	Monday, February 21, 2011
Memorial Day	Monday, May 30, 2011
Fourth of July	Monday, July 4, 2011
Labor Day	Monday, September 5, 2011
Nevada Day	Friday, October 28, 2011
Veterans' Day	Friday, November 11, 2011
Thanksgiving	Thursday, November 24, 2011
Family Day	Friday, November 25, 2011
Christmas	Monday, December 26, 2011

LONGEVITY PAY - Additional compensation provided to all eligible employees by a public employer based on years of service not including any payment based, in whole or in part, upon any pay type that does not meet the definition of compensation in NRS 286.025.

ANNUAL AND SICK LEAVE PAYOUTS - Pay outs for annual leave/vacation time or sick leave pay are not eligible for wage and contribution reporting.

If you have questions with regards to what is eligible for wage and contribution reporting, please contact your Employer Services representative assigned to your agency.



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Customized PERS Programs

PERS provides customized retirement programs designed for all members of the system ranging from those who are newly hired to those who are ready to file their application to retire.

Programs are held at all three PERS office locations in Las Vegas and Carson City. Agency representatives may also schedule a PERS program to be given at your agency location.

2011 Retirement Board Meeting Dates

January 19, 2011, Las Vegas

February 16, 2011, Carson City

March 16, 2011, Carson City

April 20, 2011, Carson City

May 18, 2011, Carson City

June 15, 2011, Carson City

July 20, 2011, Las Vegas

August 17, 2011, Carson City

September 21, 2011, Carson City

October 19, 2011, Las Vegas

November 16, 2011, Carson City

December 14, 2011, Carson City

Board Meeting dates are subject to change. Please refer to our website for any updates:
www.nvpers.org

This publication is intended to provide general information. If there is any conflict between this information and Nevada laws or PERS policies, the laws and policies will supersede this information. *Employer News* is a quarterly newsletter for retired members and benefit recipients 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