



Member News

Winter/Spring 2009

Retirement Board

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Economic Impact of Nevada PERS

Recently, Nevada Public Employees' Retirement System (PERS) participated in an economic impact study with the National Institute on Retirement Security. This study details the economic impact Nevada PERS pension benefits have on our state. This study reaches far beyond the public employees (active, inactive, and retired) who provide valuable and essential functions in the state. The economic study reveals the multiplying effect pension benefits spent in our state have on the state's overall economy.

Key findings:

- Nevada PERS paid more than \$981 million in pension benefits last year.
- Expenditures resulting from Nevada PERS pension payments supported more than \$390 million in income for state residents other than Nevada PERS retirees.
- More than 5,700 private sector jobs statewide can be attributed to Nevada PERS pension payments.
- Nevada PERS pension payments supported more than \$1 billion in total economic output in the state and more than \$433 million in value added.
- Payments made to Nevada PERS retirees supported more than \$196 million in federal, state, and local tax revenue.
- Each dollar paid out in pension benefits to Nevada PERS retirees residing in the state supports \$1.28 in total economic output in Nevada.
- Each dollar in taxpayer contributions to Nevada PERS supported \$6.21 in total economic output in Nevada.

For more detailed information regarding the results and to view the complete study on the economic impact of Nevada PERS, please visit our website at www.nvpers.org and click on the [Important New Information](#) link.

2008 ANNUAL REPORT SUMMARY

Each year the Public Employees' Retirement System of Nevada publishes an annual report, which is submitted to the Governor, members of the Nevada Legislature, public employers, as well as employee and employer associations. The following pages include some of the pertinent information contained in the 2008 annual report. Any member who would like a copy of the report should contact the Public Employees' Retirement System.

2008 ANNUAL REPORT SUMMARY

Legislature

The Nevada Legislature convenes on a biennial basis in odd-numbered years. During the interim between legislative sessions, PERS worked with legislative staff on pension-related issues. Following the 2007 legislative session, the Retirement Board reviewed the System's Official Policies and determined that no changes were necessary as a result of legislative action.

System Governance

During this past year the Board completed a self-assessment process with the assistance of executive staff and a consultant. The Board also completed a review of compliance with the governance policies. The review covered more than 100 separate provisions of the governance policies. The compliance review report concluded that the Board and staff are adhering to the spirit and letter of the governance policies. No major exceptions were identified.

Operational Initiatives

Operations of the System are conducted in accordance with the Operational Yearly Plan. This plan is designed to organize all agency functions by department and to ensure that all duties are performed within the fiscal year. PERS' performance is measured, in part, by total member and retiree workload. During fiscal year 2008, the System completed approximately 92,500 pieces of work. Of this group, 74,000 were directly related to customer requests, with the remainder relating to back office support. Approximately 92% of all work was performed within the ten working day benchmark.

Information Technology

The System continued to work to improve the functionality of the website for our members, retirees, and employers. On-line programs were developed for PERS' service retirement, disability retirement, and purchase of service programs.

Strategic Planning

Annually, the Retirement Board reviews the System's strategic plan for updates, including both additions and deletions. Beginning in 2006, after research in strategic planning within the public pension community, the strategic plan for Nevada PERS was significantly modified to better reflect the core nature of the business of the agency. This new format proved helpful in the fiscal year 2008 revision to the strategic plan which included the following sections: Introduction, Mission, Philosophy, Core Values, Organization and History, Goals and Objectives, Strategies, Internal Assessment, External Assessment, and Performance and Caseload Indicators. Language was modified in the Internal Assessment and External Assessment sections to include progress updates on legal management and information technology as well as a section on social investing issues. The updated Strategic Plan is available on PERS' website.

Retirement System Statistics from 2008 Annual Report

Our motto at PERS is "Dedicated to Those Who Serve Nevada." To that end, during fiscal year 2008 we:

- Answered 126,434 telephone inquiries from members and benefit recipients
- Received 496,645 hits at the PERS website
- Responded to more than 2,069 emails
- Provided individual counseling to approximately 11,411 members and benefit recipients

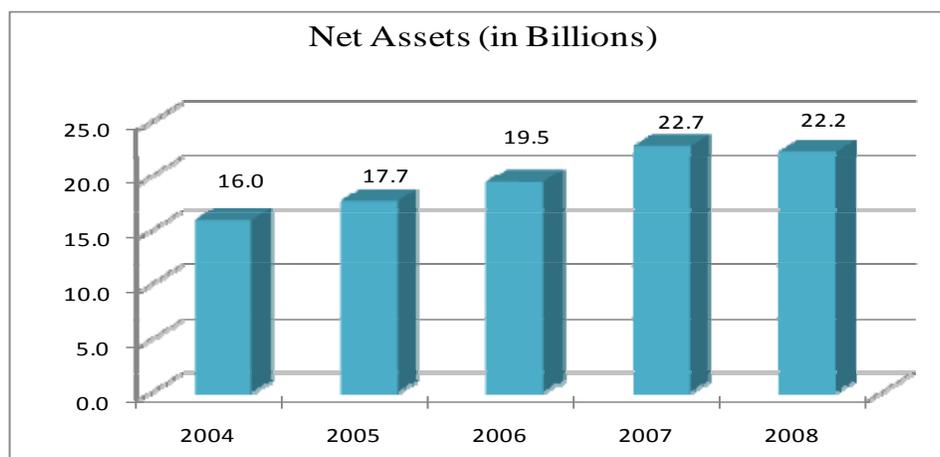
- Conducted 198 informational programs that were attended by more than 9,704 PERS members
- Processed 2,936 retirement, survivor, and disability benefit applications
- Made benefit payments to approximately 38,000 beneficiaries with a total annual benefit payroll exceeding \$1 billion
- Hosted an employer conference that was attended by 146 representatives from 74 employers

2008 ANNUAL REPORT SUMMARY continued

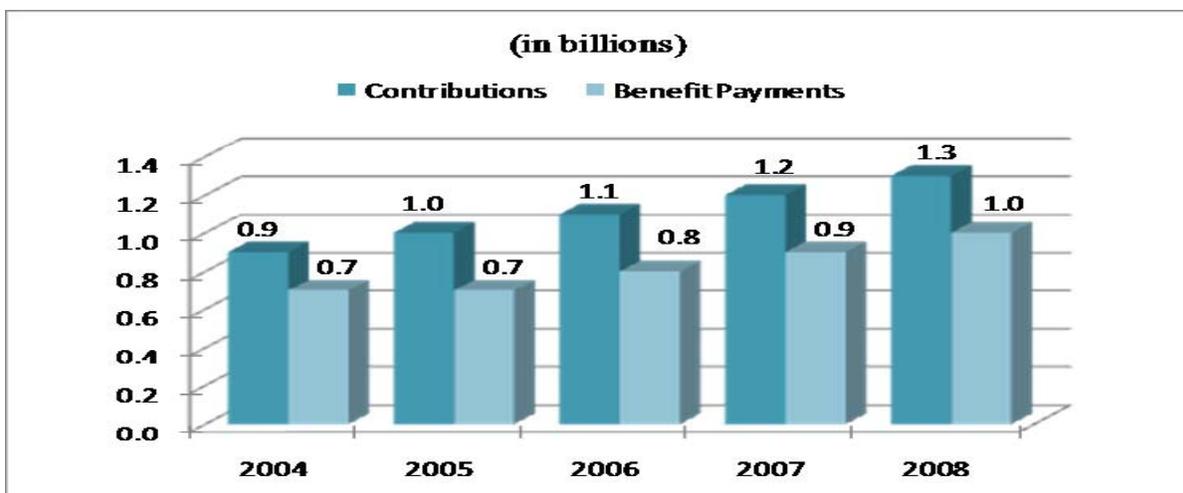
Financial Highlights

	June 30, 2007	June 30, 2008
Total Investments	\$22.7 billion	\$22.2 billion
Actuarial Valuation	77.2%	76.2%
Total Contributions	\$1.2 billion	\$1.3 billion
Benefit Payments	\$900 million	\$1.0 billion
Refunds of Contributions	\$17.4 million	\$16.8 million

Although the PERS investment program was unable to generate the 8% actuarial goal for fiscal year 2008, the fund did outperform its market objective and ended this year with approximately \$22.0 billion in investment assets, as compared to fiscal year 2007's \$22.8 billion. After four consecutive years of positive investment returns, due to the weakening economy and severe credit market crisis, PERS posted negative results. However, this single year does not harm the long term health or viability of the program.



The State of Nevada as a whole continues to experience steady growth. Contributions have grown along with this trend. Fiscal year 2008 contributions increased 10.5% from the previous year. Other income decreased 27.4% from 2007. Most of this change can be attributed to a decrease in purchases of service between the two years.





Active Member Statistics

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 Fax (775) 687-5131

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 Las Vegas, NV 89119
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 (702) 486-3900
 Fax (702) 304-0697

Toll Free 1-866-473-7768
 Website: nvpers.org

	<u>1999</u>	<u>2008</u>
Regular members:		
Average age	43.9	45.1
Average years of service	8.3	8.4
Average salary	\$33,397	\$46,159
Police/Fire members:		
Average age	39.3	39.3
Average years of service	9.6	9.8
Average salary	\$45,283	\$70,194

Retirement System Membership 1999 to 2008

<u>June 30</u>	<u>Active Members</u>	<u>Inactive Members</u>	<u>Retired and Disabled Members</u>	<u>Beneficiaries and Survivors</u>	<u>Total Membership</u>
1999	77,252	5,212	18,038	2,984	103,486
2000	80,834	5,592	19,482	3,153	109,061
2001	82,890	6,276	20,827	3,250	113,243
2002	85,224	6,965	22,011	3,524	117,724
2003	87,327	7,687	23,371	3,669	122,054
2004	90,242	7,829	24,938	3,830	126,839
2005	93,995	9,182	26,962	4,037	134,176
2006	98,187	10,309	29,025	4,237	141,758
2007	103,693	10,990	31,262	4,425	150,370
2008	106,123	11,593	33,479	4,651	155,846

Questions? Call us toll free
1-866-473-7768

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. *Member 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