



# Retiree News

## Spring 2008

### 2007 ANNUAL REPORT SUMMARY

#### Retirement Board

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#### Executive Staff

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Executive Officer  
  
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Operations Officer  
  
Ken Lambert  
Investment Officer

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Each year the System 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 is some of the pertinent information contained in the 2007 annual report. Any member who would like a copy of the report should contact the System.

**Member/Retiree Demographics** - The annual report shows interesting trends in membership and retirement data, as follows:

	<u>Member/Retiree Demographics</u>		
	<u>1998</u>	<u>2007</u>	Annual Compound Increase (%)
Active Members	74,693	103,693	3.7%
Public Employer Payroll (millions)	\$ 2,556.2	\$ 4,769.6	7.2
Average Annual Salary:			
Regular	\$ 32,714	\$ 43,355	3.2
Police/Fire	\$ 44,987	\$ 66,316	4.4
Retirees, Beneficiaries, & Survivors	19,836	35,687	6.7
Ratio: Active Members/ Retirees & Survivors	3.8	2.9	
Average Annual Retirement Benefit:*			
Regular	\$ 17,592	\$ 26,592	4.7
Police/Fire	\$ 26,748	\$ 42,588	5.3
Total Benefits (millions)	\$ 336.1	\$ 929.4	12.0

\*Excludes survivors and beneficiaries

In 1998, the System had 4.4 active members for each retiree. This ratio decreased to 3.3 active members per retiree by 2007.

# 2007 ANNUAL REPORT SUMMARY continued

## Principal Participating Employers

The number of participating employers has risen from 139 in 1998 to 166 in 2007, an increase of 19.4%. As the following chart shows, the make-up and ranking of our ten largest employers changed only slightly from 1998 to 2007.

### 1998

Clark County School District  
State of Nevada  
Washoe County School District  
Clark County  
Las Vegas Metropolitan Police Dept.  
University Medical Center of So. Nevada  
Washoe County  
City of Las Vegas  
University of Nevada Reno  
Department of Transportation

### 2007

Clark County School District  
State of Nevada  
Clark County  
Washoe County School District  
Las Vegas Metropolitan Police Dept.  
University Medical Center of So. Nevada  
Washoe County  
City of Las Vegas  
University of Nevada Reno  
City of Henderson

The top ten participating employers at June 30, 2007 accounted for 80,148 members, or just over 77%, of the total System membership of 103,693.

**Contribution Rates** - As of July 1, 2007, contribution rates for regular and police/fire members under the two contribution plans were as follows:

<u>Contribution Rates:</u>	<u>7/1/07</u>
<u>Employer Pay</u>	
Regular	20.50%
Police/Fire	33.50%
<u>Employee/Employer (Matching Rates)</u>	
Regular	10.50%
Police/Fire	17.25%

Contribution rates will remain the same through June 2009 for all members regardless of contribution plan.

**Investments** - The System has a funding objective to provide a total rate of return which exceeds the Consumer Price Index (CPI) by 4.5% each year over the long-term future. Our investment objective to achieve that funding is to capture market returns for each asset class. For example, regarding domestic common stocks, it is the return of the S & P 500; for U.S. bonds, the Lehman Aggregate Index; and for real estate, the National Council of Real Estate Investment Fiduciaries (NCREIF) index. International stocks are measured against the Morgan Stanley Capital International Europe, Australia, Far East Index, and International Bonds against the Citigroup Non-Dollar Government Bond Index. Total return for fiscal year 2007 was 15.0%.

## 2007 ANNUAL REPORT SUMMARY continued

**Financial** - During the 2007 fiscal year, the total fund balance changed as follows:

### 2007 Statement of Changes

#### In Plan Net Assets

(\$ in millions)

Fund Balance June 30, 2006			\$19,542.9
Revenues:	Contributions	\$	1,175.4
	Investments		2,937.1
	Other		<u>3.3</u>
	Total		4,115.8
Expenses:	Benefits		929.4
	Refunds		17.4
	Administration		8.6
	Transfers into PERS from JRS		<u>2.0</u>
	Total		\$ 957.4
Excess, Revenues over Expenses			<u>3,158.4</u>
Fund Balance June 30, 2007			<u><u>\$22,701.3</u></u>

### Major Initiatives

#### Legislation

The Nevada Legislature convenes on a biennial basis in odd-numbered years. During the 2007 legislative session, the Public Employees' Retirement Board (Board) sought only technical legislation changing the title of the statutory administrative assistant position to administrative services coordinator to better reflect the duties of this position.

Approximately fifteen separate pieces of legislation were introduced that could have affected the System. Highlights include the gradual phasing-out of the program to purchase one-fifth of a year of retirement service credit for certain education personnel. No other benefit modifications affecting PERS were approved in the 2007 session.

## 2008 Federal Income Tax Withholding

The 2008 tax tables have been received and your tax withholding has been updated using the instructions we currently have on file for you. You may change your withholding at any time by completing and submitting a new Federal Income Tax Withholding form to our office. This form can be found on our website homepage under "PERS Forms." You may also change your tax withholding online once you have created an account through the secure site.

**Website:**

[www.nvpers.org](http://www.nvpers.org)

## 2007 ANNUAL REPORT SUMMARY continued

### System Governance

Over the past two years, the System conducted a review of its governance process that encompassed Board and staff relations, fiduciary review, education, and the individual roles played by the Board and staff. During this past fiscal 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 charters for the Board, Board chair, vice-chair, and executive officer. The compliance review report prepared by the System's governance consultant showed a high degree of compliance with the charters. This review resulted in minor revisions to the Board and executive officer charters in the area of disaster recovery planning to reflect current industry practices.

### 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 insure that all duties are performed within the fiscal year. PERS' performance is measured, in part, by total member and retiree workload. During fiscal year 2007 the System completed approximately 96,000 pieces of work. Of this group, 87,000 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.

Benefit payments were made to approximately 33,000 benefit recipients monthly. The System completed 6,454 one-fifth of a year purchases for educational employees and 647 service credit audits for the Public Employees' Benefits Program. The System continued its project to move employers to web based reporting which requires employers to filter their own data before submission to the System. The System continues training employers on this tool. During fiscal year 2007 approximately 140 agencies were reporting wage and contribution information in this manner.

PERS now has a full year of experience with Las Vegas counselors connected to the call center. This project enhanced our service to members and retirees through the reduction in wait time on the telephone and provided better uniformity in service for the northern and southern regions of the state. PERS continued participation in a benchmarking analysis service in fiscal year 2007. The purpose of the analysis was to help PERS understand how our total administrative costs and service levels compare to our peers. The most recently completed report shows that PERS provides a good level of service to the members and beneficiaries at a cost below the median for its peers.

The Third Annual Liaison Officer Conference was held in Reno on November 14, 2006. The conference gave the System an opportunity to provide valuable information about the System to the liaison officers as a group. This conference included break-out sessions tailored to the different roles performed by the liaison officer and payroll personnel. Reviewing the conference attendee surveys completed at the end of the conference reveals 97% of attendees rated the conference good or excellent.

### Information Technology

The System continued to work to improve the functionality of the website for our members, retirees, and employers. Significant modifications were made to reduce browsing complexities for members and retirees. PERS' forms were made available online in PDF format to allow members and retirees to type their information directly on the form prior to printing the form. In addition, loading speed of wage and contribution reporting was increased to improve efficiency for employers. PERS maintained its security certification through an information technology security consultant and continues to participate in this security review on an ongoing basis.

## 2007 ANNUAL REPORT SUMMARY continued

### Strategic Planning

Strategic and tactical planning are key to the successful management of the System. These plans must address both external and internal elements ranging from financial market analysis to federal legislative efforts to member relations. The System annually reviews the Strategic Plan for updates, including both additions and deletions. The revision of the Strategic Plan made during fiscal year 2007 was the first revision after the Board adopted the policy regarding strategic planning and budgeting through the governance initiative.

The revision to the Strategic Plan 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. Three of these sections (Introduction, Core Values, and Organization and History) are new to this year's Strategic Plan. The order of the sections was revised to enhance usability and language was modified in the Internal Assessment and External Assessment sections to reflect legislative changes and provide a progress update. The Strategic Plan was made available on the System's website for the first time this fiscal year.

## **PERS Reemployment Guidelines**

Retirees who return to work for a PERS employer are subject to restrictions under NRS 286.520-525. In most situations, if you return to work for a public employer, your monthly retirement benefit is stopped or you are limited in the amount you can earn in the re-employment position. However, the following situations are exempt from these restrictions:

- Employment with either house of the Legislature or by the Legislative Counsel Bureau,
- Employment of certain retirees to fill positions for which there is a critical labor shortage, and
- Election to a public office, unless serving in the same office in which service credit was earned as a member.

In these situations, a retiree may be employed with no restrictions and continue to receive their monthly retirement benefit. To obtain employment opportunity information regarding one of these positions, you should contact the public employer directly.

Returning to work for a public employer may have serious consequences on your retirement benefit. If you are considering returning to work with a Nevada public employer, you are encouraged to contact our Member and Retiree Services Department at 1-866-473-7768.

### Benefit Check Mail Dates

**May 27, 2008**

**June 25, 2008**

**July 28, 2008**

**August 26, 2008**

**September 25, 2008**

**October 27, 2008**

**November 21, 2008**

**December 26, 2008**



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Featured Retiree Article....

### Dream On

“I have a dream” has always been my favorite Martin Luther King speech, because I always had a dream about what retirement would be like. After 36 years of teaching, retirement knocked and I opened. And you guessed it. My dream wasn’t at all as I imagined it would be. All of a sudden I found myself involved in community services, committees and clubs and busier than when I was gainfully employed. So now I’m back to having the same dream, wondering what retirement will really be like, or is there really such a thing!

Lawrence (Larry) Luna

*If you would like to be one of our 'Featured Retirees', please submit your articles to: PERS, Featured Retiree Article, 693 W. Nye Lane, Carson City, NV 89703.*

**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. *Retiree 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