

ASSEMBLY BILL NO. 387—ASSEMBLYWOMAN KIRKPATRICK

MARCH 17, 2015

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to the calculation of the years of service of certain members of the Public Employees’ Retirement System, the Judicial Retirement Plan and the Legislators’ Retirement System. (BDR 23-1061)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to public retirement systems; revising provisions relating to the calculation of the years of service of certain members of the Public Employees’ Retirement System, the Judicial Retirement Plan and the Legislators’ Retirement System; providing generally that the purchase of service credit cannot be used to reduce the number of years of service a member of each respective retirement system must earn to retire with an unreduced benefit; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law establishes the minimum age which must be attained and the
2 minimum number of years of service which must be earned by a member of the
3 Public Employees’ Retirement System, including a police officer or firefighter, to
4 retire with an unreduced benefit. Existing law also provides for the purchase of
5 years of service credit by a member or on behalf of a member under certain
6 circumstances. (NRS 286.300, 286.367, 286.551, 286.3005, 286.3007) **Section 1** of
7 this bill provides that, for a member, including a police officer or firefighter, who
8 has an effective date of membership in the System on or after July 1, 2015, the
9 calculation of the member’s years of service for the purpose of determining the age
10 at which the member may retire with an unreduced benefit must not include any
11 year or part of a year of service credit purchased by the member or on behalf of the
12 member.

13 Existing law establishes the minimum age which must be attained and the
14 minimum number of years of service which must be earned by a member of the
15 Judicial Retirement Plan to retire with an unreduced benefit. Existing law also
16 provides for the purchase of years of service credit by a member of the Judicial



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17 Retirement Plan under certain circumstances. (NRS 1A.310, 1A.350) **Section 2** of
18 this bill provides that, for a member who has an effective date of membership in the
19 Judicial Retirement Plan on or after July 1, 2015, the calculation of the member's
20 years of service for the purpose of determining the age at which the member may
21 retire with an unreduced benefit must not include any year or part of a year of
22 service credit purchased by the member.

23 Existing law provides that a Legislator who is a member of the Legislators'
24 Retirement System may retire after 10 years of accredited service and, if the
25 Legislator retires at the age of 60 years or older, he or she may retire with a full
26 allowance. Existing law also authorizes a Legislator to purchase years of service
27 credit under certain circumstances. (NRS 218C.370, 218C.450) **Section 3** of this
28 bill provides that, for a Legislator who has an effective date of membership in the
29 Legislators' Retirement System on or after July 1, 2015, the calculation of the
30 Legislator's years of service must not include any year or part of a year of service
31 credit purchased by the Legislator.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 286.510 is hereby amended to read as follows:
2 286.510 1. Except as otherwise provided in subsections 2 and
3 3, a member of the System:

4 (a) Who has an effective date of membership before January 1,
5 2010, is eligible to retire at age 65 if the member has at least 5 years
6 of service, at age 60 if the member has at least 10 years of service
7 and at any age if the member has at least 30 years of service.

8 (b) Who has an effective date of membership on or after
9 January 1, 2010, *and before July 1, 2015*, is eligible to retire at age
10 65 if the member has at least 5 years of service, at age 62 if the
11 member has at least 10 years of service and at any age if the
12 member has at least 30 years of service.

13 *(c) Who has an effective date of membership on or after*
14 *July 1, 2015, is eligible to retire at age 65 if the member has at*
15 *least 5 years of service, at age 62 if the member has at least 10*
16 *years of service and at any age if the member has at least 30 years*
17 *of service. For the purposes of this paragraph, any year or part of*
18 *a year of service purchased by a member pursuant to subsection 2*
19 *or 3 of NRS 286.300 or purchased on behalf of the member*
20 *pursuant to subsection 4 of NRS 286.300 or as authorized by NRS*
21 *286.3005 and 286.3007 must not be considered in determining the*
22 *number of years of service of the member.*

23 2. A police officer or firefighter:

24 (a) Who has an effective date of membership before January 1,
25 2010, is eligible to retire at age 65 if the police officer or firefighter
26 has at least 5 years of service, at age 55 if the police officer or
27 firefighter has at least 10 years of service, at age 50 if the police



1 officer or firefighter has at least 20 years of service and at any age if
2 the police officer or firefighter has at least 25 years of service.

3 (b) Who has an effective date of membership on or after
4 January 1, 2010, *and before July 1, 2015*, is eligible to retire at age
5 65 if the police officer or firefighter has at least 5 years of service, at
6 age 60 if the police officer or firefighter has at least 10 years of
7 service and at age 50 if the police officer or firefighter has at least
8 20 years of service.

9 (c) *Who has an effective date of membership on or after*
10 *July 1, 2015, is eligible to retire at age 65 if the police officer or*
11 *firefighter has at least 5 years of service, at age 60 if the police*
12 *officer or firefighter has at least 10 years of service and at age 50*
13 *if the police officer or firefighter has at least 20 years of service.*
14 *For the purposes of this paragraph, any year or part of a year of*
15 *service purchased by a police officer or firefighter pursuant to*
16 *subsection 2 or 3 of NRS 286.300 or subsection 7 of NRS 286.367*
17 *or purchased on behalf of the police officer or firefighter as*
18 *authorized by NRS 286.3005 and 286.3007 must not be considered*
19 *in determining the number of years of service of the police officer*
20 *or firefighter.*

21 ➤ Only service performed in a position as a police officer or
22 firefighter, established as such by statute or regulation, service
23 performed pursuant to subsection 3 and credit for military service,
24 may be counted toward eligibility for retirement pursuant to this
25 subsection.

26 3. Except as otherwise provided in subsection 4, a police
27 officer or firefighter who has at least 5 years of service as a police
28 officer or firefighter and is otherwise eligible to apply for disability
29 retirement pursuant to NRS 286.620 because of an injury arising out
30 of and in the course of the police officer's or firefighter's
31 employment remains eligible for retirement pursuant to subsection 2
32 if:

33 (a) The police officer or firefighter applies to the Board for
34 disability retirement and the Board approves the police officer's or
35 firefighter's application;

36 (b) In lieu of a disability retirement allowance, the police officer
37 or firefighter accepts another position with the public employer with
38 which the police officer or firefighter was employed when the police
39 officer or firefighter became disabled as soon as practicable but not
40 later than 90 days after the Board approves the police officer's or
41 firefighter's application for disability retirement;

42 (c) The police officer or firefighter remains continuously
43 employed by that public employer until the police officer or
44 firefighter becomes eligible for retirement pursuant to subsection 2;
45 and



1 (d) After the police officer or firefighter accepts a position
2 pursuant to paragraph (b), the police officer's or firefighter's
3 contributions are paid at the rate that is actuarially determined for
4 police officers and firefighters until the police officer or firefighter
5 becomes eligible for retirement pursuant to subsection 2.

6 4. If a police officer or firefighter who accepted another
7 position with the public employer with which the police officer or
8 firefighter was employed when the police officer or firefighter
9 became disabled pursuant to subsection 3 ceases to work for that
10 public employer before becoming eligible to retire pursuant to
11 subsection 2, the police officer or firefighter may begin to receive a
12 disability retirement allowance without further approval by the
13 Board by notifying the Board on a form prescribed by the Board.

14 5. Eligibility for retirement, as provided in this section, does
15 not require the member to have been a participant in the System at
16 the beginning of the police officer's or firefighter's credited service.

17 6. Any member who has the years of creditable service
18 necessary to retire but has not attained the required age, if any, may
19 retire at any age with a benefit actuarially reduced to the required
20 retirement age. Except as otherwise required as a result of NRS
21 286.537, a retirement benefit pursuant to this subsection must be
22 reduced:

23 (a) If the member has an effective date of membership before
24 January 1, 2010, by 4 percent of the unmodified benefit for each full
25 year that the member is under the appropriate retirement age, and an
26 additional 0.33 percent for each additional month that the member is
27 under the appropriate retirement age.

28 (b) If the member has an effective date of membership on or
29 after January 1, 2010, by 6 percent of the unmodified benefit for
30 each full year that the member is under the appropriate retirement
31 age, and an additional 0.5 percent for each additional month that the
32 member is under the appropriate retirement age.

33 ➤ Any option selected pursuant to this subsection must be reduced
34 by an amount proportionate to the reduction provided in this
35 subsection for the unmodified benefit. The Board may adjust the
36 actuarial reduction based upon an experience study of the System
37 and recommendation by the actuary.

38 **Sec. 2.** NRS 1A.350 is hereby amended to read as follows:

39 1A.350 1. A member of the Judicial Retirement Plan is
40 eligible to retire at the age of 65 years if the member has at least 5
41 years of service, at the age of 60 years if the member has at least 10
42 years of service and at any age if the member has at least 30 years of
43 service. *For the purposes of this subsection, any year or part of a*
44 *year of service purchased pursuant to NRS 1A.310 by a member of*
45 *the Judicial Retirement Plan who has an effective date of*



1 *membership on or after July 1, 2015, must not be considered in*
2 *determining the number of years of service of the member.*

3 2. Any member of the Judicial Retirement Plan who has the
4 years of creditable service necessary to retire, but has not attained
5 the required age, if any, may retire at any age with a benefit
6 actuarially reduced to the required retirement age. Except as
7 otherwise required as a result of NRS 1A.410, a retirement benefit
8 pursuant to this subsection must be reduced by 4 percent of the
9 unmodified benefit for each full year that the member is under the
10 appropriate retirement age, and an additional 0.33 percent for each
11 additional month that the member is under the appropriate
12 retirement age. Any option selected pursuant to this subsection must
13 be reduced by an amount proportionate to the reduction provided in
14 this subsection for the unmodified benefit. The Board may adjust the
15 actuarial reduction based upon an experience study of the System
16 and recommendation by the actuary.

17 **Sec. 3.** NRS 218C.450 is hereby amended to read as follows:

18 218C.450 1. The minimum requirement for retirement is :

19 *(a) For a Legislator who has an effective date of membership*
20 *before July 1, 2015, 10 years of accredited service ~~H~~ ; and*

21 *(b) For a Legislator who has an effective date of membership*
22 *on or after July 1, 2015, 10 years of service. For the purposes of*
23 *this paragraph, any year or part of a year of service purchased by*
24 *a Legislator pursuant to NRS 218C.370 must not be considered in*
25 *determining the number of years of service of the Legislator.*

26 ↪ A lapse in service as a Legislator does not operate to forfeit any
27 retirement rights accrued before the lapse.

28 2. A Legislator who meets ~~this requirement~~ *the requirements*
29 *of subsection 1* may retire:

30 (a) At the age of 60 years or older with a full allowance.

31 (b) At any age less than 60 years with an allowance or benefit
32 actuarially reduced to the age of 60 years. Except as otherwise
33 required as a result of NRS 218C.340, an allowance or benefit under
34 this paragraph must be reduced by 6 percent of the unmodified
35 amount for each full year that the member is under the age of 60
36 years, and an additional 0.5 percent for each additional month that
37 the member is under the age of 60 years. Any option selected must
38 be reduced by an amount proportionate to the reduction provided in
39 this subsection for the unmodified allowance or benefit. The Board
40 may adjust the actuarial reduction based upon an experience study
41 of the System and recommendation by the actuary.

42 **Sec. 4.** This act becomes effective on July 1, 2015.



