

SENATE BILL NO. 514—COMMITTEE ON JUDICIARY

(ON BEHALF OF NEVADA DISTRICT JUDGES ASSOCIATION)

MARCH 22, 1999

Referred to Committee on Judiciary

SUMMARY—Makes various changes to judicial retirement pension plan. (BDR 1-1370)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

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

AN ACT relating to the judiciary; authorizing justices of the supreme court and district judges to receive reduced retirement payments during their retirement in exchange for providing payments to a designated beneficiary who survives the justice or judge for the lifetime of the designated beneficiary; and providing other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 2 of NRS is hereby amended by adding thereto the
2 provisions set forth as sections 2 and 3 of this act.
- 3 **Sec. 2. 1.** *A person who is named as a beneficiary pursuant to*
4 *subsection 4 of NRS 2.060 is entitled to receive the payments described*
5 *therein until his death. To obtain such payments, a beneficiary must file*
6 *an application with the court administrator and furnish such information*
7 *as may be required pursuant to reasonable regulations adopted to carry*
8 *out the intent of this section.*
- 9 **2.** *A beneficiary receiving payments pursuant to the provisions of this*
10 *section is entitled to receive post-retirement increases in an amount equal*
11 *to the amount provided for persons retired under the public employees'*
12 *retirement system.*
- 13 **3.** *It is the intent of this section that no special fund be created for*
14 *the purpose of paying benefits to a beneficiary pursuant to the provisions*
15 *of this section and that all such payments must be made out of and*

1 *charged to any fund created for the purpose of paying pension benefits to*
2 *justices of the supreme court.*

3 **Sec. 3. 1.** *If a justice of the supreme court elects to receive his*
4 *pension pursuant to subsection 4 of NRS 2.060 and his designated*
5 *beneficiary predeceases him, the payments to be made to the justice*
6 *pursuant to subsection 4 of NRS 2.060 must automatically be adjusted to*
7 *equal the amount provided pursuant to subsection 1, 2 or 3 of NRS*
8 *2.060, as appropriate.*

9 **2.** *A retired justice of the supreme court may cancel his election to*
10 *receive his pension pursuant to subsection 4 of NRS 2.060 and his*
11 *designation of beneficiary and may elect to receive his pension pursuant*
12 *to subsection 1, 2 or 3 of NRS 2.060, as appropriate. The retired justice*
13 *shall make this election by written designation, acknowledged and filed*
14 *with the court administrator. The written election must be accompanied*
15 *by a written, notarized acknowledgment of the change by the beneficiary*
16 *if the beneficiary is the spouse of the retired justice of the supreme court.*
17 *A retired justice who cancels his election to receive his pension pursuant*
18 *to subsection 4 of NRS 2.060 and to receive his pension pursuant to*
19 *subsection 1, 2 or 3 of NRS 2.060, as appropriate, does not abrogate any*
20 *obligation respecting community property.*

21 **3.** *The termination or adjustment of a retirement allowance resulting*
22 *from the death of a retired justice or beneficiary must not become*
23 *effective until the first day of the month immediately following the death*
24 *of the retired justice or beneficiary.*

25 **Sec. 4.** NRS 2.060 is hereby amended to read as follows:

26 2.060 1. ~~{Any}~~ *Except as otherwise provided in subsection 4, a*
27 *justice of the supreme court who has served as a justice or judge of a*
28 *district court in any one or more of those courts for a period or periods*
29 *aggregating 22 years and has ended such service is, after reaching the age*
30 *of 60 years, entitled to receive annually from the State of Nevada, as a*
31 *pension during the remainder of his life, a sum of money equal in amount to*
32 *three-fourths the sum received as a salary for his judicial services during*
33 *the last year thereof, payable every 2 weeks from money provided by direct*
34 *legislative appropriation.*

35 2. ~~{Any}~~ *Except as otherwise provided in subsection 4, a* justice of the
36 supreme court who has served as a justice or judge of a district court in any
37 one or more of those courts for a period or periods aggregating 5 years and
38 has ended such service is, after reaching the age of 60 years, entitled to
39 receive annually from the State of Nevada, as a pension during the
40 remainder of his life, a sum of money equal in amount to 4.1666 percent of
41 the sum received as a salary for his judicial services during the last year
42 thereof, payable every 2 weeks from money provided by direct legislative
43 appropriation.

1 3. ~~{Any}~~ *Except as otherwise provided in subsection 4, a* justice of the
2 supreme court who qualifies for a pension under the provisions of
3 subsection 2 is entitled to receive, for each year served beyond 5 years up
4 to a maximum of 22 years, an additional 4.1666 percent of the sum
5 received as a salary for his judicial services during the last year thereof,
6 payable as provided in subsection 2.

7 4. ~~{Any}~~ *In lieu of receiving a pension pursuant to subsection 1, 2 or*
8 *3, a justice of the supreme court may elect to receive as a pension*
9 *reduced payments that:*

10 *(a) Are payable every 2 weeks during the remainder of his life from*
11 *money provided by direct legislative appropriation; and*

12 *(b) Continue after his death for the life of the beneficiary whom he*
13 *nominates by written designation acknowledged and filed at the time of*
14 *retirement with the court administrator if the beneficiary survives him.*

15 5. *A justice of the supreme court* who has retired pursuant to
16 subsection 3 *or 4* and is thereafter recalled to additional active service in
17 the court system is entitled to receive :

18 *(a) If he retired pursuant to subsection 3, credit toward accumulating*
19 *22 years' service for the maximum pension ; or*

20 *(b) If he retired pursuant to subsection 4, credit toward the amount of*
21 *his pension,*

22 based upon the time he actually spends in the additional active service.

23 ~~{5.}~~ 6. Any justice who has the years of service necessary to retire but
24 has not attained the required age may retire at any age with a benefit
25 actuarially reduced to the required retirement age. A benefit under this
26 subsection must be reduced in the same manner as benefits are reduced for
27 persons retired under the public employees' retirement system.

28 ~~{6.}~~ 7. Any person receiving a pension pursuant to the provisions of
29 this section is entitled to receive post-retirement increases equal to those
30 provided for persons retired under the public employees' retirement system.

31 ~~{7.}~~ 8. Any justice who desires to receive the benefits of this section
32 must file with the state controller and the state treasurer an affidavit setting
33 forth the fact that he is ending his service, the date and place of his birth,
34 and the years he has served in any district court or the supreme court.

35 ~~{8.}~~ 9. Upon such notice and filing of the affidavit, the state controller
36 shall draw his warrant, payable to the justice who has thus ended his
37 service, upon the state treasurer for the sum due to him, and the state
38 treasurer shall pay the sum out of money provided by direct legislative
39 appropriation.

40 ~~{9.}~~ 10. The faith of the State of Nevada is hereby pledged that this
41 section shall not be repealed or amended so as to affect any justice who
42 may have ended his service pursuant to it.

1 **Sec. 5.** NRS 2.070 is hereby amended to read as follows:

2 2.070 1. If a justice of the supreme court at the time of his death had
3 retired and was then receiving a pension under the provisions of **subsection**
4 **1, 2, or 3 of** NRS 2.060, or if at the time of his death the justice had not
5 retired but had performed sufficient service for retirement under the
6 provisions of NRS 2.060, the surviving spouse, if the spouse has attained
7 the age of 60 years, is entitled, until his death or remarriage, to receive
8 monthly payments of \$2,000 per month.

9 2. ~~Each~~ **Unless** a surviving spouse of a justice **is receiving benefits as a**
10 **beneficiary pursuant to section 2 of this act, if the surviving spouse** is not
11 eligible to receive benefits pursuant to subsection 1, he is entitled, until his
12 death or remarriage or until he becomes eligible to receive those benefits,
13 to receive payments equal in amount to the payment provided in subsection
14 1 of NRS 286.674 for the spouse of a deceased member of the public
15 employees' retirement system.

16 3. To obtain these benefits, the surviving spouse must make application
17 to the ~~[board, commission or authority entrusted with the administration of~~
18 ~~the judges' pensions]~~ **court administrator** and furnish such information as
19 may be required pursuant to reasonable regulations adopted ~~[for the~~
20 ~~purpose of carrying]~~ **to carry** out the intent of this section.

21 4. Any person receiving a benefit pursuant to the provisions of this
22 section is entitled to receive post-retirement increases equal to those
23 provided for persons retired under the public employees' retirement system.

24 5. It is the intent of this section that no special fund be created for the
25 purpose of paying these benefits, and all payments made under the
26 provisions of this section are to be made out of and charged to any fund
27 created for the purpose of paying pension benefits to justices of the
28 supreme court.

29 **Sec. 6.** NRS 2.075 is hereby amended to read as follows:

30 2.075 1. ~~Each~~ **Unless a** child of a deceased justice of the supreme
31 court **is receiving benefits as a beneficiary pursuant to section 2 of this**
32 **act, the child** is entitled to receive payments equal in amount to the
33 payments provided in NRS 286.673 for the child of a deceased member of
34 the public employees' retirement system.

35 2. In determining whether a child is a full-time student or financially
36 dependent and physically or mentally incompetent, as provided in NRS
37 286.673, the court administrator shall use any applicable standards and
38 procedures established by the public employees' retirement board.

39 3. It is the intent of this section that no special fund be created for the
40 payment of benefits, and all payments made under the provisions of this
41 section are to be made out of and charged to any fund created for the
42 purpose of paying pension benefits to justices of the supreme court.

1 **Sec. 7.** Chapter 3 of NRS is hereby amended by adding thereto the
2 provisions set forth as sections 8 and 9 of this act.

3 **Sec. 8. 1.** *A person who is named as a beneficiary pursuant to*
4 *subsection 4 of NRS 3.090 is entitled to receive the payments described*
5 *therein until his death. To obtain such payments, a beneficiary must file*
6 *an application with the court administrator and furnish such information*
7 *as may be required pursuant to reasonable regulations adopted to carry*
8 *out the intent of this section.*

9 **2.** *A beneficiary receiving payments pursuant to the provisions of this*
10 *section is entitled to receive post-retirement increases in an amount equal*
11 *to the amount provided for persons retired under the public employees'*
12 *retirement system.*

13 **3.** *It is the intent of this section that no special fund be created for*
14 *the purpose of paying benefits to a beneficiary pursuant to the provisions*
15 *of this section and that all such payments must be made out of and*
16 *charged to any fund created for the purpose of paying pension benefits to*
17 *district judges.*

18 **Sec. 9. 1.** *If a district judge elects to receive his pension pursuant*
19 *to subsection 4 of NRS 3.090 and his designated beneficiary predeceases*
20 *him, the payments to be made to the judge pursuant to subsection 4 of*
21 *NRS 3.090 must automatically be adjusted to equal the amount provided*
22 *pursuant to subsection 1, 2 or 3 of NRS 3.090, as appropriate.*

23 **2.** *A retired district judge may cancel his election to receive his*
24 *pension pursuant to subsection 4 of NRS 3.090 and his designation of*
25 *beneficiary and may elect to receive his pension pursuant to subsection 1,*
26 *2 or 3 of NRS 3.090, as appropriate. The retired judge shall make this*
27 *election by written designation, acknowledged and filed with the court*
28 *administrator. The written election must be accompanied by a written,*
29 *notarized acknowledgment of the change by the beneficiary if the*
30 *beneficiary is the spouse of the retired district judge. A retired judge who*
31 *cancels his election to receive his pension pursuant to subsection 4 of*
32 *NRS 3.090 and to receive his pension pursuant to subsection 1, 2 or 3 of*
33 *NRS 3.090, as appropriate, does not abrogate any obligation respecting*
34 *community property.*

35 **3.** *The termination or adjustment of a retirement allowance resulting*
36 *from the death of a retired judge or beneficiary must not become*
37 *effective until the first day of the month immediately following the death*
38 *of the retired judge or beneficiary.*

39 **Sec. 10.** NRS 3.090 is hereby amended to read as follows:

40 3.090 1. ~~Any~~ *Except as otherwise provided in subsection 4, a*
41 *judge of the district court who has served as a justice of the supreme court*
42 *or judge of a district court in any one or more of those courts for a period*
43 *or periods aggregating 22 years and has ended such service is, after*

1 reaching the age of 60 years, entitled to receive annually from the State of
2 Nevada, as a pension during the remainder of his life, a sum of money
3 equal in amount to three-fourths the sum received as a salary for his judicial
4 services during the last year thereof, payable every 2 weeks from money
5 provided by direct legislative appropriation.

6 2. ~~{Any}~~ *Except as otherwise provided in subsection 4, a* judge of the
7 district court who has served as a justice of the supreme court or judge of a
8 district court in any one or more of those courts for a period or periods
9 aggregating 5 years and has ended such service is, after reaching the age of
10 60 years, entitled to receive annually from the State of Nevada, as a
11 pension during the remainder of his life, a sum of money equal in amount to
12 4.1666 percent of the sum received as a salary for his judicial services
13 during the last year thereof, payable every 2 weeks from money provided
14 by direct legislative appropriation.

15 3. ~~{Any}~~ *Except as otherwise provided in subsection 4, a* judge of the
16 district court who qualifies for a pension under the provisions of subsection
17 2 is entitled to receive, for each year served beyond 5 years up to a
18 maximum of 22 years, an additional 4.1666 percent of the sum received as
19 a salary for his judicial services during the last year thereof, payable as
20 provided in subsection 2.

21 4. ~~{Any}~~ *In lieu of receiving a pension pursuant to subsection 1, 2 or*
22 *3, a district judge may elect to receive as a pension reduced payments*
23 *that:*

24 *(a) Are payable every 2 weeks during the remainder of his life from*
25 *money provided by direct legislative appropriation; and*

26 *(b) Continue after his death for the life of the beneficiary whom he*
27 *nominates by written designation acknowledged and filed at the time of*
28 *retirement with the court administrator if the beneficiary survives him.*

29 5. A judge who has retired pursuant to subsection 3 *or 4* and is
30 thereafter recalled to additional active service in the court system is entitled
31 to receive :

32 *(a) If he retired pursuant to subsection 3, credit toward accumulating*
33 *22 years' service for the maximum pension ; or*

34 *(b) If he retired pursuant to subsection 4, credit toward the amount of*
35 *his pension,*

36 based upon the time he actually spends in the additional active service.

37 ~~{5.}~~ 6. Any district judge who has the years of service necessary to
38 retire but has not attained the required age may retire at any age with a
39 benefit actuarially reduced to the required retirement age. A retirement
40 benefit under this subsection must be reduced in the same manner as
41 benefits are reduced for persons retired under the public employees'
42 retirement

system.

1 ~~[6.]~~ 7. Any person receiving a pension pursuant to the provisions of
2 this section is entitled to receive post-retirement increases equal to those
3 provided for persons retired in the public employees' retirement system.

4 ~~[7.]~~ 8. Any judge of the district court who desires to receive the
5 benefits of this section must file with the state controller and the state
6 treasurer an affidavit setting forth the fact that he is ending his service, the
7 date and place of his birth, and the years he has served in any district court
8 or the supreme court.

9 ~~[8.]~~ 9. Upon such notice and filing of the affidavit, the state controller
10 shall draw his warrant, payable to the judge who has thus ended his service,
11 upon the state treasurer for the sum due to him, and the state treasurer shall
12 pay the sum out of money provided by direct legislative appropriation.

13 ~~[9.]~~ 10. The faith of the State of Nevada is hereby pledged that this
14 section shall not be repealed or amended so as to affect any judge of the
15 district court who may have ended his service pursuant to it.

16 **Sec. 11.** NRS 3.095 is hereby amended to read as follows:

17 3.095 1. If a district judge at the time of his death had retired and was
18 then receiving a pension under the provisions of *subsection 1, 2 or 3 of*
19 NRS 3.090, or if at the time of his death the judge had not retired but had
20 performed sufficient service for retirement under the provisions of NRS
21 3.090, the surviving spouse, if the spouse has attained the age of 60 years,
22 is entitled, until his death or remarriage, to receive monthly payments of
23 \$2,000 per month.

24 2. ~~[If]~~ *Unless* a surviving spouse of a judge *is receiving benefits as a*
25 *beneficiary pursuant to section 8 of this act, if the surviving spouse* is not
26 eligible to receive benefits pursuant to subsection 1, he is entitled, until his
27 death or remarriage or until he becomes eligible to receive those benefits,
28 to receive payments equal in amount to the payment provided in subsection
29 1 of NRS 286.674 for the spouse of a deceased member of the public
30 employees' retirement system.

31 3. To obtain these benefits, the surviving spouse must make application
32 to the ~~[board, commission or authority entrusted with the administration of~~
33 ~~the judges' pensions]~~ *court administrator* and furnish such information as
34 may be required pursuant to reasonable regulations adopted ~~[for the~~
35 ~~purpose of carrying]~~ *to carry* out the intent of this section.

36 4. Any person receiving a benefit pursuant to the provisions of this
37 section is entitled to receive post-retirement increases equal to those
38 provided for persons retired under the public employees' retirement system.

39 5. It is the intent of this section that no special fund be created for the
40 purpose of paying these benefits, and all payments made under the
41 provisions of this section are to be made out of and charged to any fund
42 created for the purpose of paying pension benefits to district judges.

- 1 **Sec. 12.** NRS 3.097 is hereby amended to read as follows:
2 3.097 1. ~~{Each}~~ *Unless a* child of a deceased district judge *is*
3 *receiving benefits as a beneficiary pursuant to section 8 of this act, the*
4 *child* is entitled to receive payments equal in amount to the payments
5 provided in NRS 286.673 for the child of a deceased member of the public
6 employees' retirement system.
7 2. In determining whether a child is a full-time student or financially
8 dependent and physically or mentally incompetent, as provided in NRS
9 286.673, the court administrator shall use any applicable standards and
10 procedures established by the public employees' retirement board.
11 3. It is the intent of this section that no special fund be created for the
12 payment of benefits, and all payments made under the provisions of this
13 section are to be made out of and charged to any fund created for the
14 purpose of paying pension benefits to district judges.
15 **Sec. 13.** The amendatory provisions of this act, which provide for
16 certain increases in the benefits of surviving spouses, children and other
17 beneficiaries of justices of the supreme court and district judges, apply only
18 to payments of benefits made on or after July 1, 1999.
19 **Sec. 14.** This act becomes effective on July 1, 1999.