

SENATE BILL NO. 181—COMMITTEE ON JUDICIARY

(ON BEHALF OF ADMINISTRATIVE OFFICE OF THE COURTS)

FEBRUARY 15, 2001

Referred to Committee on Judiciary

SUMMARY—Makes various changes to retirement benefits of justices of supreme court and judges of district court. (BDR 1-518)

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

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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 the judiciary; authorizing justices of the supreme court and judges of the district court 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; revising the formula for the calculation of retirement benefits of justices and judges; allowing a justice or judge who retired under the public employees' retirement system and who is recalled to active service to earn credit toward a supplemental pension; 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.** NRS 1.365 is hereby amended to read as follows:
2 1.365 All of the following claims must be submitted to the court
3 administrator, who shall act as administrative officer in processing the
4 claims:
5 1. Claims of justices of the supreme court ~~under~~ *pursuant to* NRS
6 2.050 and 2.060.
7 2. Claims of surviving spouses of justices of the supreme court ~~under~~
8 *pursuant to* NRS 2.070.
9 3. *Claims of beneficiaries of justices of the supreme court pursuant*
10 *to section 3 of this act.*
11 4. Claims of judges of the district courts ~~under~~ *pursuant to* NRS
12 3.030 and 3.090.
13 ~~4.~~ 5. Claims of surviving spouses of judges of the district courts
14 ~~under~~ *pursuant to* NRS 3.095.
15 6. *Claims of beneficiaries of judges of the district court pursuant to*
16 *section 9 of this act.*



1 **Sec. 2.** Chapter 2 of NRS is hereby amended by adding thereto the
2 provisions set forth as sections 3 and 4 of this act.

3 **Sec. 3.** *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*
10 *this section is entitled to receive post-retirement increases in an amount*
11 *equal to the amount provided for persons retired under the public*
12 *employees' 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 *justices of the supreme court.*

18 **Sec. 4.** *1. If a justice of the supreme court elects to receive his*
19 *pension pursuant to subsection 4 of NRS 2.060 and his designated*
20 *beneficiary predeceases him, the payments to be made to the justice*
21 *pursuant to subsection 4 of NRS 2.060 must automatically be adjusted to*
22 *equal the amount provided pursuant to subsection 1, 2 or 3 of NRS*
23 *2.060, as appropriate.*

24 *2. A retired justice of the supreme court may cancel his election to*
25 *receive his pension pursuant to subsection 4 of NRS 2.060 and his*
26 *designation of beneficiary and may elect to receive his pension pursuant*
27 *to subsection 1, 2 or 3 of NRS 2.060, as appropriate. The retired justice*
28 *shall make this election by written designation, acknowledged and filed*
29 *with the court administrator. The written election must be accompanied*
30 *by a written, notarized acknowledgment of the change by the beneficiary*
31 *if the beneficiary is the spouse of the retired justice of the supreme court.*
32 *A retired justice who cancels his election to receive his pension pursuant*
33 *to subsection 4 of NRS 2.060 and to receive his pension pursuant to*
34 *subsection 1, 2 or 3 of NRS 2.060, as appropriate, does not abrogate any*
35 *obligation respecting community property.*

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

40 **Sec. 5.** NRS 2.060 is hereby amended to read as follows:

41 2.060 1. ~~Any~~ *Except as otherwise provided in subsection 4, a*
42 *justice of the supreme court who has served as a justice or judge of a*
43 *district court in any one or more of those courts for a period or periods*
44 *aggregating 22 years and has ended such service is, after reaching the age*
45 *of 60 years, entitled to receive annually from the State of Nevada, as a*
46 *pension during the remainder of his life, a sum of money equal in amount*
47 *to three-fourths the sum received as a salary for his judicial services during*
48 *the last year thereof, payable every 2 weeks from money provided by direct*
49 *legislative appropriation.*



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1 2. ~~Any~~ *Except as otherwise provided in subsection 4, a* justice of the
2 supreme court who has served as a justice or judge of a district court in any
3 one or more of those courts for a period or periods aggregating 5 years and
4 has ended such service is, after reaching the age of 60 years, entitled to
5 receive annually from the State of Nevada, as a pension during the
6 remainder of his life, a sum of money equal in amount to ~~4.1666~~ *3.4091*
7 percent of the sum received as a salary for his judicial services during the
8 last year thereof, payable every 2 weeks from money provided by direct
9 legislative appropriation.

10 3. ~~Any~~ *Except as otherwise provided in subsection 4, a* justice of the
11 supreme court who qualifies for a pension under the provisions of
12 subsection 2 is entitled to receive, for each year served ~~beyond 5 years~~ up
13 to a maximum of 22 years, an additional ~~4.1666~~ *3.4091* percent of the
14 sum received as a salary for his judicial services during the last year
15 thereof, payable as provided in subsection 2.

16 4. ~~Any justice~~ *In lieu of receiving a pension pursuant to subsection*
17 *1, 2 or 3, a justice of the supreme court may elect to receive as a pension*
18 *reduced payments that:*
19 *(a) Are payable every 2 weeks during the remainder of his life from*
20 *money provided by direct legislative appropriation; and*
21 *(b) Continue after his death for the life of the beneficiary whom he*
22 *nominates by written designation acknowledged and filed with the court*
23 *administrator at the time of retirement if the beneficiary survives him.*

24 5. *A justice of the supreme court* who has retired pursuant to
25 subsection 3 *or 4* and is thereafter recalled to additional active service in
26 the court system is entitled to receive :
27 *(a) If he retired pursuant to subsection 3, credit toward accumulating*
28 *22 years' service for the maximum pension ; or*
29 *(b) If he retired pursuant to subsection 4, credit toward the amount of*
30 *his pension,*
31 *based upon the time he actually spends in the additional active service.*

32 ~~5-~~ 6. *Any justice who has retired pursuant to chapter 286 of NRS*
33 *and is thereafter recalled to additional active service in the court system*
34 *is entitled to receive annually from the State of Nevada, as a*
35 *supplemental pension during the remainder of his life, a sum of money*
36 *equal in amount to 3.4091 percent of the sum received as a salary for his*
37 *judicial services during the last year thereof, for each year of additional*
38 *active service up to a maximum of 22 years, payable every 2 weeks from*
39 *money provided by direct legislative appropriation. Each year of*
40 *additional active service must be calculated based upon the time the*
41 *justice actually spends in the additional active service.*

42 7. Any justice *of the supreme court* who has the years of service
43 necessary to retire but has not attained the required age may retire at any
44 age with a benefit actuarially reduced to the required retirement age. A
45 benefit under this subsection must be reduced in the same manner as
46 benefits are reduced for persons retired under the public employees'
47 retirement system.

48 ~~6-~~ 8. Any person receiving a pension pursuant to the provisions of
49 this section is entitled to receive post-retirement increases equal to those



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1 provided for persons retired under the public employees' retirement
2 system.

3 ~~17-1~~ 9. Any justice *of the supreme court* who desires to receive the
4 benefits of this section must file with the state controller and the state
5 treasurer an affidavit setting forth the fact that he is ending his service, the
6 date and place of his birth, and the years he has served in any district court
7 or the supreme court.

8 ~~18-1~~ 10. Upon such notice and filing of the affidavit, the state
9 controller shall draw his warrant, payable to the justice *of the supreme*
10 *court* who has thus ended his service, upon the state treasurer for the sum
11 due to him, and the state treasurer shall pay the sum out of money provided
12 by direct legislative appropriation.

13 ~~19-1~~ 11. 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 justice *of the*
15 *supreme court* who may have ended his service pursuant to it.

16 **Sec. 6.** NRS 2.070 is hereby amended to read as follows:

17 2.070 1. If a justice of the supreme court at the time of his death had
18 retired and was then receiving a pension under the provisions of *subsection*
19 *1, 2 or 3 of* NRS 2.060, or if at the time of his death the justice had not
20 retired but had performed sufficient service for retirement under the
21 provisions of NRS 2.060, the surviving spouse, if the spouse has attained
22 the age of 60 years, is entitled, until his death or remarriage, to receive
23 monthly payments of \$2,500 per month.

24 2. ~~11-1~~ *Unless* a surviving spouse of a justice *of the supreme court is*
25 *receiving benefits as a beneficiary pursuant to section 3 of this act, if the*
26 *surviving spouse* is not eligible to receive benefits pursuant to subsection
27 1, he is entitled, until his death or remarriage or until he becomes eligible
28 to receive those benefits, to receive payments equal in amount to the
29 payment provided in subsection 1 of NRS 286.674 for the spouse of a
30 deceased member of the public employees' retirement system.

31 3. To obtain these benefits, the surviving spouse must ~~1make~~
32 *application* *apply* to the ~~1board, commission or authority entrusted with~~
33 ~~the administration of the judges' pensions~~ *court administrator* and furnish
34 such information as may be required pursuant to reasonable regulations
35 adopted ~~1for the 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
39 system.

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

45 **Sec. 7.** NRS 2.075 is hereby amended to read as follows:

46 2.075 1. ~~1Each~~ *Unless* a child of a deceased justice of the supreme
47 court *is receiving benefits as a beneficiary pursuant to section 3 of this*
48 *act, the child* is entitled to receive payments equal in amount to the



1 payments provided in NRS 286.673 for the child of a deceased member of
2 the public employees' retirement system.

3 2. In determining whether a child is a full-time student or financially
4 dependent and physically or mentally incompetent, as provided in NRS
5 286.673, the court administrator shall use any applicable standards and
6 procedures established by the public employees' retirement board.

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

11 **Sec. 8.** Chapter 3 of NRS is hereby amended by adding thereto the
12 provisions set forth as sections 9 and 10 of this act.

13 **Sec. 9.** *1. A person who is named as a beneficiary pursuant to*
14 *subsection 4 of NRS 3.090 is entitled to receive the payments described*
15 *therein until his death. To obtain such payments, a beneficiary must file*
16 *an application with the court administrator and furnish such information*
17 *as may be required pursuant to reasonable regulations adopted to carry*
18 *out the intent of this section.*

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

23 *3. It is the intent of this section that no special fund be created for*
24 *the purpose of paying benefits to a beneficiary pursuant to the provisions*
25 *of this section and that all such payments must be made out of and*
26 *charged to any fund created for the purpose of paying pension benefits to*
27 *judges of the district court.*

28 **Sec. 10.** *1. If a judge of the district court elects to receive his*
29 *pension pursuant to subsection 4 of NRS 3.090 and his designated*
30 *beneficiary predeceases him, the payments to be made to the judge*
31 *pursuant to subsection 4 of NRS 3.090 must automatically be adjusted to*
32 *equal the amount provided pursuant to subsection 1, 2 or 3 of NRS*
33 *3.090, as appropriate.*

34 *2. A retired judge of the district court who elects to receive his*
35 *pension pursuant to subsection 4 of NRS 3.090 may relinquish his right*
36 *and the right of the beneficiary under that pension and apply for a*
37 *refund of his remaining contributions at any time. If the designated*
38 *beneficiary is the spouse of the retired judge of the district court, or if the*
39 *right of the beneficiary is the subject of a court order, the retired judge of*
40 *the district court shall provide an acknowledged release by the*
41 *beneficiary of any claim against the pension of the judge of the district*
42 *court or the contributions of the judge of the district court when applying*
43 *for a refund.*

44 *3. A retired judge of the district court may cancel his election to*
45 *receive his pension pursuant to subsection 4 of NRS 3.090 and his*
46 *designation of beneficiary and may elect to receive his pension pursuant*
47 *to subsection 1, 2 or 3 of NRS 3.090, as appropriate. The retired judge of*
48 *the district court shall make this election by written designation,*
49 *acknowledged and filed with the court administrator. The written*



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1 *election must be accompanied by a written, notarized acknowledgment of*
2 *the change by the beneficiary if the beneficiary is the spouse of the*
3 *retired judge of the district court. A retired judge of the district court who*
4 *cancels his election to receive his pension pursuant to subsection 4 of*
5 *NRS 3.090 and to receive his pension pursuant to subsection 1, 2 or 3 of*
6 *NRS 3.090, as appropriate, does not abrogate any obligation respecting*
7 *community property.*

8 4. *The termination or adjustment of a retirement allowance resulting*
9 *from the death of a retired judge of the district court or beneficiary must*
10 *not become effective until the first day of the month immediately*
11 *following the death of the retired judge of the district court or*
12 *beneficiary.*

13 **Sec. 11.** NRS 3.090 is hereby amended to read as follows:

14 3.090 1. ~~{Any}~~ *Except as otherwise provided in subsection 4, a*
15 *judge of the district court who has served as a justice of the supreme court*
16 *or judge of a district court in any one or more of those courts for a period*
17 *or periods aggregating 22 years and has ended such service is, after*
18 *reaching the age of 60 years, entitled to receive annually from the State of*
19 *Nevada, as a pension during the remainder of his life, a sum of money*
20 *equal in amount to three-fourths the sum received as a salary for his*
21 *judicial services during the last year thereof, payable every 2 weeks from*
22 *money provided by direct legislative appropriation.*

23 2. ~~{Any}~~ *Except as otherwise provided in subsection 4, a judge of the*
24 *district court who has served as a justice of the supreme court or judge of a*
25 *district court in any one or more of those courts for a period or periods*
26 *aggregating 5 years and has ended such service is, after reaching the age of*
27 *60 years, entitled to receive annually from the State of Nevada, as a*
28 *pension during the remainder of his life, a sum of money equal in amount*
29 *to ~~{4.1666}~~ 3.4091 percent of the sum received as a salary for his judicial*
30 *services during the last year thereof, payable every 2 weeks from money*
31 *provided by direct legislative appropriation.*

32 3. ~~{Any}~~ *Except as otherwise provided in subsection 4, a judge of the*
33 *district court who qualifies for a pension under the provisions of subsection*
34 *2 is entitled to receive, for each year served ~~{beyond 5 years}~~ up to a*
35 *maximum of 22 years, an additional ~~{4.1666}~~ 3.4091 percent of the sum*
36 *received as a salary for his judicial services during the last year thereof,*
37 *payable as provided in subsection 2.*

38 4. ~~{Any judge}~~ *In lieu of receiving a pension pursuant to subsection*
39 *1, 2 or 3, a judge of the district court may elect to receive as a pension*
40 *reduced payments that:*

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

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

46 5. *A judge of the district court who has retired pursuant to subsection*
47 *3 or 4 and is thereafter recalled to additional active service in the court*
48 *system is entitled to receive :*



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1 (a) If he retired pursuant to subsection 3, credit toward accumulating
2 22 years' service for the maximum pension ; or

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

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

6 ~~{5. Any district judge}~~

7 6. Any judge of the district court who has retired pursuant to chapter
8 286 of NRS and is thereafter recalled to additional active service in the
9 court system is entitled to receive annually from the State of Nevada, as a
10 supplemental pension during the remainder of his life, a sum of money
11 equal in amount to 3.4091 percent of the sum received as a salary for his
12 judicial services during the last year thereof, for each year of additional
13 active service up to a maximum of 22 years, payable every 2 weeks from
14 money provided by direct legislative appropriation. Each year of
15 additional active service must be calculated based upon the time the
16 judge actually spends in the additional active service.

17 7. Any judge of the district court who has the years of service
18 necessary to retire but has not attained the required age may retire at any
19 age with a benefit actuarially reduced to the required retirement age. A
20 retirement benefit under this subsection must be reduced in the same
21 manner as benefits are reduced for persons retired under the public
22 employees' retirement system.

23 ~~{6.}~~ 8. Any person receiving a pension pursuant to the provisions of
24 this section is entitled to receive post-retirement increases equal to those
25 provided for persons retired in the public employees' retirement system.

26 ~~{7.}~~ 9. Any judge of the district court who desires to receive the
27 benefits of this section must file with the state controller and the state
28 treasurer an affidavit setting forth the fact that he is ending his service, the
29 date and place of his birth, and the years he has served in any district court
30 or the supreme court.

31 ~~{8.}~~ 10. Upon such notice and filing of the affidavit, the state
32 controller shall draw his warrant, payable to the judge of the district court
33 who has thus ended his service, upon the state treasurer for the sum due to
34 him, and the state treasurer shall pay the sum out of money provided by
35 direct legislative appropriation.

36 ~~{9.}~~ 11. The faith of the State of Nevada is hereby pledged that this
37 section shall not be repealed or amended so as to affect any judge of the
38 district court who may have ended his service pursuant to it.

39 Sec. 12. NRS 3.095 is hereby amended to read as follows:

40 3.095 1. If a ~~{district}~~ judge of the district court at the time of his
41 death had retired and was then receiving a pension under the provisions of
42 subsection 1, 2 or 3 of NRS 3.090, or if at the time of his death the judge
43 had not retired but had performed sufficient service for retirement under
44 the provisions of NRS 3.090, the surviving spouse, if the spouse has
45 attained the age of 60 years, is entitled, until his death or remarriage, to
46 receive monthly payments of \$2,500 per month.

47 2. ~~{H}~~ Unless a surviving spouse of a judge of the district court is
48 receiving benefits as a beneficiary pursuant to section 9 of this act, if the
49 surviving spouse is not eligible to receive benefits pursuant to subsection



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1 1, he is entitled, until his death or remarriage or until he becomes eligible
2 to receive those benefits, to receive payments equal in amount to the
3 payment provided in subsection 1 of NRS 286.674 for the spouse of a
4 deceased member of the public employees' retirement system.

5 3. To obtain these benefits, the surviving spouse must ~~make~~
6 ~~application~~ *apply* to the ~~board, commission or authority entrusted with~~
7 ~~the administration of the judges' pensions~~ *court administrator* and furnish
8 such information as may be required pursuant to reasonable regulations
9 adopted ~~for the purpose of carrying~~ *to carry* out the intent of this section.

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

14 5. It is the intent of this section that no special fund be created for the
15 purpose of paying these benefits, and all payments made under the
16 provisions of this section are to be made out of and charged to any fund
17 created for the purpose of paying pension benefits to ~~district judges.~~
18 *judges of the district court.*

19 **Sec. 13.** NRS 3.097 is hereby amended to read as follows:

20 3.097 1. ~~Each~~ *Unless a* child of a deceased ~~district~~ judge *of the*
21 *district court is receiving benefits as a beneficiary pursuant to section 9*
22 *of this act, the child* is entitled to receive payments equal in amount to the
23 payments provided in NRS 286.673 for the child of a deceased member of
24 the public employees' retirement system.

25 2. In determining whether a child is a full-time student or financially
26 dependent and physically or mentally incompetent, as provided in NRS
27 286.673, the court administrator shall use any applicable standards and
28 procedures established by the public employees' retirement board.

29 3. It is the intent of this section that no special fund be created for the
30 payment of benefits, and all payments made under the provisions of this
31 section are to be made out of and charged to any fund created for the
32 purpose of paying pension benefits to ~~district judges.~~ *judges of the*
33 *district court.*

34 **Sec. 14.** NRS 286.305 is hereby amended to read as follows:

35 286.305 1. Any justice of the supreme court and any ~~district~~ judge
36 *of the district court* who became a member before July 1, 1977, may
37 remain a member of the system. Those justices ~~for district judges~~ *of the*
38 *supreme court or judges of the district court* may choose to gain service
39 credit for previous service as provided in NRS 286.300.

40 2. The State of Nevada shall be deemed, for the purpose of this
41 chapter, to be the public employer of such justice or judge, and shall
42 contribute to the public employees' retirement fund and the public
43 employees' retirement administrative fund, in the manner provided in this
44 chapter for public employers.

45 3. Any justice of the supreme court and any ~~district~~ judge *of the*
46 *district court* who is a member of the system and who qualifies for a
47 pension under the provisions of NRS 2.060 or 3.090 may withdraw from
48 the public employees' retirement fund the amount credited to him in the
49 account. ~~No~~ *Except as otherwise provided in subsection 6 of NRS 2.060*



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1 *and subsection 6 of NRS 3.090, no* justice or judge may receive benefits
2 under both this chapter and under NRS 2.060 or 3.090.

3 **Sec. 15.** The amendatory provisions of this act, which provide for
4 certain increases in the benefits of surviving spouses, children and other
5 beneficiaries of justices of the supreme court and judges of the district
6 court, apply only to payments of benefits made on or after July 1, 2001.

7 **Sec. 16.** This act becomes effective on July 1, 2001.

