

ASSEMBLY CONCURRENT RESOLUTION NO. 8—
ASSEMBLYMAN MABEY

MARCH 23, 2005

Referred to Committee on Elections, Procedures, Ethics,
and Constitutional Amendments

SUMMARY—Creates interim study regarding long-term financial
stability of Public Employees' Retirement System.
(BDR R-998)

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

ASSEMBLY CONCURRENT RESOLUTION—Creating an
interim study regarding the long-term financial stability of
the Public Employees' Retirement System.

1 WHEREAS, With national focus on the possibility of a crisis in
2 the Social Security system, attention is being directed toward
3 increasing retirement savings nationwide, the efforts of which will
4 not only benefit employees, retirees and their beneficiaries, but also
5 state and local economies; and

6 WHEREAS, The Public Employees' Retirement System was
7 created with the intent to provide a reasonable base income to
8 qualified employees whose ability to earn a living is removed or
9 substantially reduced by age or disability; and

10 WHEREAS, The System was also designed as a benefit to attract
11 qualified employees to state employment and to encourage those
12 employees to remain in government service for such time that it
13 would give employers and the State the full benefit of the training
14 and experience gained by those employees while employed in the
15 public service; and

16 WHEREAS, With approximately 87,500 active members and over
17 27,000 benefit recipients, the long-term financial stability of the
18 Public Employees' Retirement System is an issue of great concern
19 to the State of Nevada and the members of the System; now,
20 therefore, be it

21 RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE
22 SENATE CONCURRING, That the Legislative Commission is hereby



1 directed to appoint a committee to conduct an interim study of the
2 long-term financial stability of the Public Employees' Retirement
3 System, to consist of:

4 1. Three members of the Assembly and three members of the
5 Senate;

6 2. One member who is employed within the private sector;

7 3. One member who is employed by a public employer within
8 this State; and

9 4. One member who is a member of a public employees'
10 union; and be it further

11 RESOLVED, That the Legislative Commission shall appoint a
12 technical committee, which shall assist the committee with the
13 interim study, to consist of:

14 1. One member from the private sector who works with
15 pension benefits;

16 2. One member from a county within this State;

17 3. One member from a city within this State;

18 4. One member from the State of Nevada Employees'
19 Association; and

20 5. One member from the largest local government employees'
21 association; and be it further

22 RESOLVED, That the interim study must include, without
23 limitation:

24 1. A determination of the extent to which the Public
25 Employees' Retirement System is fulfilling the public policy as set
26 forth in NRS 286.015, which includes providing:

27 (a) A reasonable base income to qualified retired or disabled
28 employees;

29 (b) An equitable separation procedure for employees who are
30 retiring or who become disabled; and

31 (c) A System which will attract qualified employees and will
32 encourage those employees to remain in government service for
33 such time as to gain the full benefit from their training and
34 experience;

35 2. A review of the manner in which employees and employers
36 are contributing to the System, particularly their contribution rates,
37 and the feasibility and benefits of changing those contribution rates;

38 3. An analysis of the present benefit structure and funding of
39 the System, including a review of asset allocation and investment
40 return, with the goal of achieving full financial solvency;

41 4. A determination of the feasibility, benefits and actuarial
42 soundness of:

43 (a) Moving from a defined benefit plan to a mandated defined
44 contribution plan for new employees;



1 (b) Providing a hybrid plan, such as combining a pared-down
2 pension and a private account; and

3 (c) Allowing existing public employees to opt-in to full or
4 partial private accounts;

5 5. A review of the long-term financial impact of requiring state
6 and local employers to pay a portion of the premiums for their
7 retirees who enroll in the Public Employees' Benefits Program;

8 6. A review of the current membership of the Public
9 Employees' Retirement Board for the purpose of recommending any
10 necessary changes to the composition of the Board; and

11 7. A review of the regulations of the Board for the purpose of
12 recommending any necessary regulatory reform; and be it further

13 RESOLVED, That the Public Employees' Retirement System
14 shall provide such advice and assistance to the committee as may be
15 requested by the committee to conduct the interim study; and be it
16 further

17 RESOLVED, That any recommended legislation proposed by the
18 committee must be approved by a majority of the members of the
19 Assembly and a majority of the members of the Senate appointed to
20 the committee; and be it further

21 RESOLVED, That the Legislative Commission shall submit a
22 report of the results of the study and any recommendations for
23 legislation to the 74th Session of the Nevada Legislature.



