

ASSEMBLY BILL NO. 319—COMMITTEE ON WAYS AND MEANS

MARCH 14, 2007

Referred to Committee on Ways and Means

SUMMARY—Pledges that the retirement benefits for certain public employees will not be increased without adequate funding. (BDR 23-750)

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 employees' retirement; pledging that the Legislature will not increase the retirement benefits for certain public employees unless the retirement fund from which the benefits will be paid is funded at or above a certain level; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Under existing law, the retirement benefits of public employees under the
2 Public Employees' Retirement System are generally governed by the provisions of
3 chapter 286 of NRS. There are two separate retirement funds established under the
4 System pursuant to chapter 286 of NRS, the Public Employees' Retirement Fund
5 and the Police and Firefighters' Retirement Fund. (NRS 286.220, 286.225) This bill
6 sets forth the pledge of the Legislature that it will not increase any benefit or
7 allowance payable under the System pursuant to chapter 286 of NRS unless the
8 actuarial value of the assets of the retirement fund from which the benefit or
9 allowance will be paid is equal to or greater than 85 percent of the actuarial accrued
10 liabilities of that retirement fund.

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

Section 1. Chapter 286 of NRS is hereby amended by adding thereto a new section to read as follows:

The Legislature hereby pledges that it will not enact any law which has the effect of increasing any benefit or allowance payable under the System pursuant to this chapter unless the



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1 *actuarial value of the assets of the retirement fund from which the*
2 *benefit or allowance will be paid is equal to or greater than 85*
3 *percent of the actuarial accrued liabilities of that retirement fund,*
4 *as determined in accordance with generally accepted accounting*
5 *principles for government as prescribed by the Governmental*
6 *Accounting Standards Board.*

7 **Sec. 2.** This act becomes effective upon passage and approval.

