

SENATE BILL NO. 406—SENATOR ROBERSON

MARCH 17, 2015

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to public retirement systems. (BDR 23-1049)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
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 public retirement systems; providing that certain members of public retirement systems who are convicted of or plead guilty or nolo contendere to a felony forfeit, with limited exceptions, all rights and benefits under the relevant system; amending the amount of postretirement increases for persons who become members of public retirement systems on or after July 1, 2015; providing an additional benefit option for a surviving spouse of a police officer or firefighter killed in the line of duty or other member killed in the course of employment, judicial service or legislative service; amending the age of eligibility to receive retirement benefits for persons, other than police officers or firefighters, who become members of the Public Employees' Retirement System or Judicial Retirement Plan on or after July 1, 2015; 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; limiting the amount of compensation that may be used to determine retirement benefits for persons who become members of public retirement systems on or after July 1, 2015; revising the formula for calculating retirement allowances for persons who become members of certain public retirement systems on or after July 1, 2015; clarifying that the term "spouse" includes a domestic partner for purposes of eligibility for survivor benefits from a public retirement system; and providing other matters properly relating thereto.



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### Legislative Counsel's Digest:

Retired public employees receive retirement allowances through membership in and contributions to the Public Employees' Retirement System. (Chapter 286 of NRS) Retired justices of the Supreme Court, judges of the Court of Appeals, district judges, justices of the peace and municipal judges receive retirement allowances through membership in and contributions to the Judicial Retirement Plan. (Chapter 1A of NRS) Legislators receive retirement allowances through membership in and contributions to the Legislators' Retirement System. (Chapter 218C of NRS) This bill makes a number of changes to these public retirement systems.

**Sections 2, 17 and 26** of this bill provide that if a person becomes a member of the Public Employees' Retirement System, Judicial Retirement Plan or Legislators' Retirement System, respectively, on or after July 1, 2015, and that member is convicted of or pleads guilty or nolo contendere to any felony, the member forfeits, with limited exceptions, all rights and benefits under the relevant retirement system.

Existing law provides for postretirement increases for members of the Public Employees' Retirement System, Judicial Retirement Plan and Legislators' Retirement System (NRS 1A.240, 286.571, 218C.510) **Section 3** of this bill reduces the postretirement increases for retirees who become members of the retirement systems on or after July 1, 2015.

Existing law sets forth several benefit options for surviving spouses of deceased members of the Public Employees' Retirement System, the Judicial Retirement Plan and the Legislators' Retirement System. (NRS 1A.590-1A.610, 218C.580, 286.674-286.676) **Sections 4, 16 and 27** of this bill provide an additional benefit option for the spouse of a member who is killed in the line of duty, the course of employment, the course of judicial service or the course of legislative service, as applicable. This additional option authorizes the surviving spouse to receive a benefit that is equivalent to the greater of: (1) fifty percent of the salary of the member on the date of the member's death; or (2) one hundred percent of the retirement allowance that the member was eligible to receive based on the member's years of service obtained before the member's death without any reduction for age for the deceased member.

Under existing law, a person who becomes a member of the Public Employees' Retirement System on or after January 1, 2010, other than a police officer or firefighter, is eligible to retire at 65 years of age if he or she has at least 5 years of service, at 62 years of age if he or she has at least 10 years of service and at any age if he or she has at least 30 years of service. (NRS 286.510) **Section 5** of this bill provides that a person who becomes a member of the System on or after July 1, 2015, other than a police officer or firefighter, is eligible to retire at 65 years of age if he or she has at least 5 years of service, at 62 years of age if he or she has at least 10 years of service, at 55 years of age if he or she has at least 30 years of service, and at any age if he or she has at least 33 1/3 years of service. **Section 20** of this bill makes the eligibility requirements for retirement relating to age and service consistent between public employees and justices of the Supreme Court, judges of the Court of Appeals, district judges, justices of the peace and municipal judges.

**Sections 5, 20 and 28** of this bill provide, respectively, that for a member of the Public Employees' Retirement System, Judicial Retirement Plan or Legislators' Retirement System, the calculation of the member's years of service for the purpose of determining the age at which the member may retire with an unreduced benefit must not include any year or part of a year of service credit purchased by the member or on behalf of the member.

Under existing law, the amount of a member's monthly retirement benefit is based on the member's compensation while employed, subject to certain limitations. (NRS 1A.390, 1A.400, 1A.410, 286.535, 286.537, 286.551, 218C.520, 218C.530) **Sections 6, 21 and 29** of this bill limit the amount of compensation used



to determine the retirement benefit of a person who becomes a member of a public retirement system on or after July 1, 2015, to \$200,000, plus certain adjustments based on changes in the Consumer Price Index.

Under existing law, the monthly retirement allowance for a person who became a member of the Public Employees' Retirement System on or after January 1, 2010, is calculated by multiplying a member's average compensation, over the member's 36 consecutive months of highest compensation, by 2.5 percent for every year of service earned. (NRS 286.551) **Section 7** of this bill provides that the monthly retirement allowance for each person who has an effective date of membership on or after July 1, 2015, other than a police officer or firefighter, will be determined by multiplying the member's average compensation by 2.25 percent for every year of service with the member's eligibility for service credit ceasing at 33 1/3 years of service.

Under existing law, members of the Judicial Retirement Plan do not pay contributions into the Plan. (NRS 1A.180) **Section 15** of this bill requires members of the Plan who have an effective date of membership on or after July 1, 2015, to pay 50 percent of the required contributions to the Plan.

Under existing law, the monthly retirement allowance for a member of the Judicial Retirement Plan is calculated by multiplying a member's average compensation, over the member's 36 consecutive months of highest compensation, by 3.4091 percent for every year of service earned (NRS 1A.440). **Section 22** of this bill provides that the monthly retirement allowance for each person who has an effective date of membership on or after July 1, 2015, will be determined by multiplying the member's average compensation by 3.1591 percent for every year of service.

**Sections 10, 14, 24 and 27** of this bill clarify that the term "spouse" includes a domestic partner for purposes of determining eligibility to receive survivor benefits from a public retirement system.

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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 the provisions set forth as sections 2, 3 and 4 of this act.

**Sec. 2. 1.** *Except as otherwise provided in subsections 2 and 3, a member who is convicted of or pleads guilty or nolo contendere to any felony forfeits all rights and benefits under the System.*

**2.** *Upon a conviction described in subsection 1, the System must return to the member, without interest, all contributions which the member has made and which were credited to the member's individual account.*

**3.** *The provisions of subsections 1 and 2 apply only to persons who become members of the System on or after July 1, 2015.*

**Sec. 3. 1.** *For a person who retires and who has an effective date of membership on or after July 1, 2015, allowances or benefits must be increased once each year on the first day of the month immediately following the anniversary date the person began receiving the allowance or benefit:*



1 (a) By 2 percent following the 3rd, 4th and 5th anniversaries  
2 of the commencement of benefits.

3 (b) By 2.5 percent following the 6th, 7th and 8th anniversaries  
4 of the commencement of benefits.

5 (c) By the lesser of 3 percent or the increase, if any, in the  
6 Consumer Price Index (All Items) published by the United States  
7 Department of Labor for the preceding calendar year following  
8 the 9th anniversary of the commencement of benefits and each  
9 year thereafter.

10 2. The base from which the increase provided by this section  
11 must be calculated is the allowance or benefit in effect on the day  
12 before the increase becomes effective.

13 **Sec. 4.** 1. The spouse of a member who is a police officer or  
14 firefighter killed in the line of duty or the spouse of any other  
15 member killed in the course of employment is entitled to receive a  
16 monthly allowance equivalent to the greater of:

17 (a) Fifty percent of the salary of the member on the date of the  
18 member's death; or

19 (b) One hundred percent of the retirement allowance that the  
20 member was eligible to receive based on the member's years of  
21 service obtained before the member's death without any reduction  
22 for age for the deceased member.

23 2. The benefits provided by this section must be paid to the  
24 spouse for the remainder of the spouse's life.

25 3. The spouse may elect to receive the benefits provided by  
26 any one of the following only:

27 (a) This section;

28 (b) NRS 286.674;

29 (c) NRS 286.676;

30 (d) NRS 286.6765; or

31 (e) NRS 286.6766.

32 4. For the purposes of this section, the Board shall define by  
33 regulation "killed in the line of duty" and "killed in the course of  
34 employment."

35 **Sec. 5.** NRS 286.510 is hereby amended to read as follows:

36 286.510 1. Except as otherwise provided in subsections 2 and  
37 3, a member of the System:

38 (a) Who has an effective date of membership before January 1,  
39 2010, is eligible to retire at age 65 if the member has at least 5 years  
40 of service, at age 60 if the member has at least 10 years of service  
41 and at any age if the member has at least 30 years of service.

42 (b) Who has an effective date of membership on or after  
43 January 1, 2010, **and before July 1, 2015**, is eligible to retire at age  
44 65 if the member has at least 5 years of service, at age 62 if the



1 member has at least 10 years of service and at any age if the  
2 member has at least 30 years of service.

3 *(c) Who has an effective date of membership on or after*  
4 *July 1, 2015, is eligible to retire at age 65 if the member has at*  
5 *least 5 years of service, at age 62 if the member has at least 10*  
6 *years of service, at age 55 if the member has at least 30 years of*  
7 *service and at any age if the member has at least 33 1/3 years of*  
8 *service. For the purposes of this paragraph, any year or part of a*  
9 *year of service purchased by a member pursuant to subsection 2 or*  
10 *3 of NRS 286.300 or purchased on behalf of the member pursuant*  
11 *to subsection 4 of NRS 286.300 or as authorized by NRS 286.3005*  
12 *and 286.3007 must not be considered in determining the number*  
13 *of years of service of a member.*

14 2. A police officer or firefighter:

15 (a) Who has an effective date of membership before  
16 January 1, 2010, is eligible to retire at age 65 if the police officer or  
17 firefighter has at least 5 years of service, at age 55 if the police  
18 officer or firefighter has at least 10 years of service, at age 50 if the  
19 police officer or firefighter has at least 20 years of service and at any  
20 age if the police officer or firefighter has at least 25 years of service.

21 (b) Who has an effective date of membership on or after  
22 January 1, 2010, *and before July 1, 2015*, is eligible to retire at age  
23 65 if the police officer or firefighter has at least 5 years of service, at  
24 age 60 if the police officer or firefighter has at least 10 years of  
25 service and at age 50 if the police officer or firefighter has at least  
26 20 years of service.

27 *(c) Who has an effective date of membership on or after*  
28 *July 1, 2015, is eligible to retire at age 65 if the police officer or*  
29 *firefighter has at least 5 years of service, at age 60 if the police*  
30 *officer or firefighter has at least 10 years of service and at age 50*  
31 *if the police officer or firefighter has at least 20 years of service.*  
32 *For the purposes of this paragraph, any year or part of a year of*  
33 *service purchased by a police officer or firefighter pursuant to*  
34 *subsection 2 or 3 of NRS 286.300 or subsection 7 of NRS 286.367*  
35 *or purchased on behalf of the police officer or firefighter as*  
36 *authorized by NRS 286.3005 and 286.3007 must not be considered*  
37 *in determining the number of years of service of a police officer or*  
38 *firefighter.*

39 ➤ Only service performed in a position as a police officer or  
40 firefighter, established as such by statute or regulation, service  
41 performed pursuant to subsection 3 and credit for military service,  
42 may be counted toward eligibility for retirement pursuant to this  
43 subsection.

44 3. Except as otherwise provided in subsection 4, a police  
45 officer or firefighter who has at least 5 years of service as a police



1 officer or firefighter and is otherwise eligible to apply for disability  
2 retirement pursuant to NRS 286.620 because of an injury arising out  
3 of and in the course of the police officer's or firefighter's  
4 employment remains eligible for retirement pursuant to subsection 2  
5 if:

6 (a) The police officer or firefighter applies to the Board for  
7 disability retirement and the Board approves the police officer's or  
8 firefighter's application;

9 (b) In lieu of a disability retirement allowance, the police officer  
10 or firefighter accepts another position with the public employer with  
11 which the police officer or firefighter was employed when the police  
12 officer or firefighter became disabled as soon as practicable but not  
13 later than 90 days after the Board approves the police officer's or  
14 firefighter's application for disability retirement;

15 (c) The police officer or firefighter remains continuously  
16 employed by that public employer until the police officer or  
17 firefighter becomes eligible for retirement pursuant to subsection 2;  
18 and

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

24 4. If a police officer or firefighter who accepted another  
25 position with the public employer with which the police officer or  
26 firefighter was employed when the police officer or firefighter  
27 became disabled pursuant to subsection 3 ceases to work for that  
28 public employer before becoming eligible to retire pursuant to  
29 subsection 2, the police officer or firefighter may begin to receive a  
30 disability retirement allowance without further approval by the  
31 Board by notifying the Board on a form prescribed by the Board.

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

35 6. Any member who has the years of creditable service  
36 necessary to retire but has not attained the required age, if any, may  
37 retire at any age with a benefit actuarially reduced to the required  
38 retirement age. Except as otherwise required as a result of NRS  
39 286.537, a retirement benefit pursuant to this subsection must be  
40 reduced:

41 (a) If the member has an effective date of membership before  
42 January 1, 2010, by 4 percent of the unmodified benefit for each full  
43 year that the member is under the appropriate retirement age, and an  
44 additional 0.33 percent for each additional month that the member is  
45 under the appropriate retirement age.



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

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

**Sec. 6.** NRS 286.535 is hereby amended to read as follows:

286.535 Notwithstanding any other provision of law, the amount of compensation used to determine the retirement benefit of a member of the System must not exceed:

1. For persons who first became members of the System before July 1, 1996, the limitation provided by section 401(a)(17) of the Internal Revenue Code (26 U.S.C. § 401(a)(17)), as that section existed on July 1, 1993.

2. For persons who first became members of the System on or after July 1, 1996, the limitation provided by section 401(a)(17) of the Internal Revenue Code (26 U.S.C. § 401(a)(17)), as that section existed on July 1, 1996.

*3. For persons who first became members of the System on or after July 1, 2015, the lesser of:*

*(a) The limitation provided by section 401(a)(17) of the Internal Revenue Code (26 U.S.C. § 401(a)(17)), as that section existed on July 1, 2015; or*

*(b) Two hundred thousand dollars. The limitation set forth in this paragraph must be adjusted by the Board every year by an amount equal to the average percentage increase in the Consumer Price Index (All Items) for the immediately preceding 3-year period.*

**Sec. 7.** NRS 286.551 is hereby amended to read as follows:

286.551 Except as otherwise required as a result of NRS 286.535 or 286.537:

1. Except as otherwise provided in subsection 2:

(a) For a member who has an effective date of membership before January 1, 2010, a monthly service retirement allowance must be determined by multiplying ~~fat~~ the member's average compensation by 2.5 percent for each year of service earned before July 1, 2001, and 2.67 percent for each year of service earned on or after July 1, 2001.

(b) *For a member who is a police officer or firefighter and who has an effective date of membership on or after January 1, 2010, a monthly service retirement allowance must be determined*



1 *by multiplying the member's average compensation by 2.5 percent*  
2 *for each year of service earned.*

3 (c) For a member who *is not a police officer or firefighter and*  
4 *who* has an effective date of membership on or after January 1,  
5 2010, *and before July 1, 2015*, a monthly service retirement  
6 allowance must be determined by multiplying ~~the~~ *the* member's  
7 average compensation by 2.5 percent for each year of service  
8 earned.

9 (d) *For a member who is not a police officer or firefighter and*  
10 *who has an effective date of membership on or after July 1, 2015,*  
11 *a monthly service retirement allowance must be determined by*  
12 *multiplying the member's average compensation by 2.25 percent*  
13 *for each year of service earned.*

14 2. A member:

15 (a) *Who is not a police officer or firefighter and who has an*  
16 *effective date of membership on or after July 1, 2015, is entitled to*  
17 *a benefit of not more than 75 percent of the member's average*  
18 *compensation with the member's eligibility for service credit*  
19 *ceasing at 33 1/3 years of service.*

20 (b) Who *is not a police officer or firefighter and who* has an  
21 effective date of membership on or after July 1, 1985, *and before*  
22 *July 1, 2015*, is entitled to a benefit of not more than 75 percent of  
23 the member's average compensation with the member's eligibility  
24 for service credit ceasing at 30 years of service.

25 ~~(b)~~ (c) *Who is a police officer or firefighter and who has an*  
26 *effective date of membership on or after July 1, 1985, is entitled to*  
27 *a benefit of not more than 75 percent of the member's average*  
28 *compensation with the member's eligibility for service credit*  
29 *ceasing at 30 years.*

30 (d) Who has an effective date of membership before July 1,  
31 1985, and retires on or after July 1, 1977, is entitled to a benefit of  
32 not more than 90 percent of the member's average compensation  
33 with the member's eligibility for service credit ceasing at 36 years  
34 of service.

35 ➤ In no case may the service retirement allowance determined  
36 pursuant to this section be less than the allowance to which the  
37 retired employee would have been entitled pursuant to the  
38 provisions of this section which were in effect on the day before  
39 July 3, 1991.

40 3. For the purposes of this section, except as otherwise  
41 provided in subsections 4, 5 and 6, "average compensation" means  
42 the average of a member's 36 consecutive months of highest  
43 compensation as certified by the public employer.

44 4. Except as otherwise provided in subsection 5, for an  
45 employee who becomes a member of the System on or after





1 January 1, 2010, the following limits must be observed when  
2 calculating the member's average compensation based on a 60-  
3 month period that commences 24 months immediately preceding the  
4 36 consecutive months of highest compensation:

5 (a) The compensation for the 13th through the 24th months may  
6 not exceed the actual compensation amount for the 1st through the  
7 12th months by more than 10 percent;

8 (b) The compensation for the 25th through the 36th months may  
9 not exceed by more than 10 percent the lesser of:

10 (1) The maximum compensation amount allowed pursuant to  
11 paragraph (a); or

12 (2) The actual compensation amount for the 13th through the  
13 24th months;

14 (c) The compensation for the 37th through the 48th months may  
15 not exceed by more than 10 percent the lesser of:

16 (1) The maximum compensation amount allowed pursuant to  
17 paragraph (b); or

18 (2) The actual compensation amount for the 25th through the  
19 36th months; and

20 (d) The compensation for the 49th through the 60th months may  
21 not exceed by more than 10 percent the lesser of:

22 (1) The maximum average compensation amount allowed  
23 pursuant to paragraph (c); or

24 (2) The actual compensation amount for the 37th through the  
25 48th months.

26 5. Compensation attributable to a promotion and assignment-  
27 related compensation must be excluded when calculating the limits  
28 pursuant to subsection 4.

29 6. The average compensation of a member who has a break in  
30 service or partial months of compensation, or both, as a result of  
31 service as a Legislator during a regular or special session of the  
32 Nevada Legislature must be calculated on the basis of the average of  
33 the member's 36 consecutive months of highest compensation as  
34 certified by the member's public employer excluding each month  
35 during any part of which the Legislature was in session. This  
36 subsection does not affect the computation of years of service.

37 7. The retirement allowance for a regular part-time employee  
38 must be computed from the salary which the employee would have  
39 received as a full-time employee if it results in greater benefits for  
40 the employee. A regular part-time employee is a person who works  
41 half-time or more, but less than full-time:

42 (a) According to the regular schedule established by the  
43 employer for the employee's position; and

44 (b) Pursuant to an established agreement between the employer  
45 and the employee.



**Sec. 8.** NRS 286.571 is hereby amended to read as follows:

286.571 1. Except as otherwise provided in subsection 2, for a person who retires and who has an effective date of membership on or after January 1, 2010, *and before July 1, 2015*, allowances or benefits must be increased once each year on the first day of the month immediately following the anniversary of the date the person began receiving the allowance or benefit, by the lesser of:

(a) Two percent following the 3rd anniversary of the commencement of benefits, 3 percent following the 6th anniversary of the commencement of benefits, 3.5 percent following the 9th anniversary of the commencement of benefits, 4 percent following the 12th anniversary of the commencement of benefits and each year thereafter; or

(b) The average percentage of increase in the Consumer Price Index (All Items) for the 3 preceding years, unless a different index is substituted by the Board.

2. In any event, the allowance or benefit of a member must be increased by the percentages set forth in paragraph (a) of subsection 1 if the allowance or benefit of a member has not increased at a rate greater than or equal to the average of the Consumer Price Index (All Items), unless a different index is substituted by the Board, for the period between the date of the member's retirement and the date specified in subsection 1.

3. The Board may use a different index for the calculation made pursuant to paragraph (b) of subsection 1 if:

(a) The substituted index is compiled and published by the United States Department of Labor; and

(b) The Board determines that the substituted index represents a more accurate measurement of the cost of living for retired employees.

4. The base from which the increase provided by this section must be calculated is the allowance or benefit in effect on the day before the increase becomes effective.

**Sec. 9.** NRS 286.5756 is hereby amended to read as follows:

286.5756 1. ~~1A~~ *Except as otherwise provided in NRS 286.571 and section 3 of this act*, a person is entitled to the increase provided in this section if the person began receiving an allowance or benefit:

(a) Before September 1, 1983, and has received the allowance or benefit for at least 6 continuous months in the 12 months preceding the effective date of the increase; or

(b) At least 3 years before the increase.

2. Except as otherwise provided in subsection 3, allowances or benefits increase once each year on the first day of the month



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1 immediately following the anniversary of the date the person began  
2 receiving the allowance or benefit, by the lesser of:

3 (a) Two percent following the 3rd anniversary of the  
4 commencement of benefits, 3 percent following the 6th anniversary  
5 of the commencement of benefits, 3.5 percent following the 9th  
6 anniversary of the commencement of benefits, 4 percent following  
7 the 12th anniversary of the commencement of benefits and 5 percent  
8 following the 14th anniversary of the commencement of benefits; or

9 (b) The average percentage of increase in the Consumer Price  
10 Index (All Items) for the 3 preceding years, unless a different index  
11 is substituted by the Board.

12 3. In any event, the allowance or benefit of a member must be  
13 increased by the percentages set forth in paragraph (a) of subsection  
14 2 if the allowance or benefit of a member has not increased at a rate  
15 greater than or equal to the average of the Consumer Price Index  
16 (All Items), unless a different index is substituted by the Board, for  
17 the period between the date of the member's retirement and the date  
18 specified in subsection 2.

19 4. The Board may use a different index for the calculation  
20 made pursuant to paragraph (b) of subsection 2 if:

21 (a) The substituted index is compiled and published by the  
22 United States Department of Labor; and

23 (b) The Board determines that the substituted index represents a  
24 more accurate measurement of the cost of living for retired  
25 employees.

26 5. The base from which the increase provided by this section  
27 must be calculated is the allowance or benefit in effect on the day  
28 before the increase becomes effective.

29 **Sec. 10.** NRS 286.671 is hereby amended to read as follows:

30 286.671 As used in NRS 286.671 to 286.679, inclusive **†**,  
31 *and section 4 of this act:*

32 1. "Child" means an unmarried person under 18 years of age  
33 who is the issue or legally adopted child of a deceased member. As  
34 used in this subsection, "issue" means the progeny or biological  
35 offspring of the deceased member.

36 2. "Dependent parent" means the surviving parent of a  
37 deceased member who was dependent upon the deceased member  
38 for at least 50 percent of the surviving parent's support for at least 6  
39 months immediately preceding the death of the deceased member.

40 3. *"Domestic partner" means a person who is in a domestic*  
41 *partnership that is registered pursuant to chapter 122A of NRS,*  
42 *and that has not been terminated pursuant to that chapter.*

43 4. "Spouse" means the surviving husband or wife *or domestic*  
44 *partner* of a deceased member.



**Sec. 11.** NRS 286.672 is hereby amended to read as follows:

286.672 1. Except as otherwise provided in subsection 3 **†** *and section 4 of this act*, if a deceased member had 2 years of accredited contributing service in the 2 1/2 years immediately preceding the member's death or was a regular, part-time employee who had 2 or more years of creditable contributing service before and at least 1 day of contributing service within 6 months immediately preceding the member's death, or if the employee had 10 or more years of accredited contributing service, certain of the deceased member's dependents are eligible for payments as provided in NRS 286.671 to 286.679, inclusive **†**, *and section 4 of this act*. If the death of the member resulted from a mental or physical condition which required the member to leave the employ of a participating public employer or go on leave without pay, eligibility pursuant to the provisions of this section extends for 18 months after the member's termination or commencement of leave without pay.

2. If the death of a member occurs while the member is on leave of absence granted by the member's employer for further training and if the member met the requirements of subsection 1 at the time the member's leave began, certain of the deceased member's dependents are eligible for payments as provided in subsection 1.

3. If the death of a member is caused by an occupational disease or an accident arising out of and in the course of the member's employment, no prior contributing service is required to make the deceased member's dependents eligible for payments pursuant to NRS 286.671 to 286.679, inclusive, *and section 4 of this act*, except that this subsection does not apply to an accident occurring while the member is traveling between the member's home and the member's principal place of employment or to an accident or occupational disease arising out of employment for which no contribution is made.

4. As used in this section, "dependent" includes a survivor beneficiary designated pursuant to NRS 286.6767.

**Sec. 12.** NRS 286.679 is hereby amended to read as follows:

286.679 1. If payments to a beneficiary pursuant to NRS 286.671 to 286.679, inclusive, *and section 4 of this act*, cease before the total contributions of a deceased member have been paid in benefits, and there is no person entitled to receive such benefits pursuant to any provision of this chapter, the surplus of such contributions over the benefits actually received may be paid in a lump sum to:

(a) The beneficiary whom the deceased member designated for this purpose in writing on a form approved by the System.



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(b) If no such designation was made or the person designated is deceased, the beneficiary who previously received the payments.

(c) If no payment may be made pursuant to paragraphs (a) and (b), the persons entitled as heirs or residuary legatees to the estate of the deceased member.

2. A lump-sum payment made pursuant to this section fully discharges the obligations of the System.

**Sec. 13.** Chapter 1A of NRS is hereby amended by adding thereto the provisions set forth as sections 14 to 17, inclusive, of this act.

**Sec. 14.** *“Domestic partner” means a person who is in a domestic partnership which is registered pursuant to chapter 122A of NRS and which has not been terminated pursuant to that chapter.*

**Sec. 15.** *For members of the Judicial Retirement Plan who have an effective date of membership on or after July 1, 2015:*

*1. A member must pay 50 percent of the total contribution rate that is actuarially determined for members of the Judicial Retirement Plan pursuant to NRS 1A.180.*

*2. The amount described in subsection 1 must be deducted from each payroll during the period of the member’s membership in the Judicial Retirement Plan and transmitted to the Board at intervals designated and upon forms prescribed by the Board. The contributions must be paid on compensation earned by a member from the member’s first day of service.*

*3. The Judicial Retirement Plan shall guarantee to each member the return of at least the total contributions which the member has made and which were credited to the member’s individual account. These contributions may be returned to the member, the member’s estate or beneficiary or a combination thereof in monthly benefits, a lump-sum refund or both. The relevant provisions of NRS 286.430 apply to a member of the Judicial Retirement Plan who withdraws his or her contributions to the Plan pursuant to this section.*

**Sec. 16.** *1. The spouse of a member killed in the course of judicial service is entitled to receive a monthly allowance equivalent to the greater of:*

*(a) Fifty percent of the salary of the member on the date of the member’s death; or*

*(b) One hundred percent of the retirement allowance that the member was eligible to receive based on the member’s years of service obtained before the member’s death without any reduction for age for the deceased member.*

*2. The benefits provided by this section must be paid to the spouse for the remainder of the spouse’s life.*



1       3. *The spouse may elect to receive the benefits by any one of*  
2 *the following only:*

- 3       (a) *This section;*  
4       (b) *NRS 1A.590;*  
5       (c) *NRS 1A.600; or*  
6       (d) *NRS 1A.610.*

7       4. *For the purposes of this section, the Board shall define by*  
8 *regulation "killed in the course of judicial service."*

9       **Sec. 17.** 1. *Except as otherwise provided in subsections 2*  
10 *and 3, a member of the System who is convicted of or pleads guilty*  
11 *or nolo contendere to any felony forfeits all rights and benefits*  
12 *under the System.*

13       2. *Upon a conviction described in subsection 1, the System*  
14 *must return to the member, without interest, all contributions*  
15 *which the member has made and which were credited to the*  
16 *member's individual account.*

17       3. *The provisions of subsections 1 and 2 apply only to persons*  
18 *who become members of the System on or after July 1, 2015.*

19       **Sec. 18.** NRS 1A.160 is hereby amended to read as follows:

20       1A.160 1. The Judicial Retirement Fund is hereby  
21 established as a trust fund.

22       2. It is hereby declared to be the policy of the Legislature that  
23 the Judicial Retirement Fund is established to afford a degree of  
24 security to long-time justices of the Supreme Court, judges of the  
25 Court of Appeals, district judges, justices of the peace and  
26 municipal judges in this State. The money in the Fund must not be  
27 used or appropriated for any purpose incompatible with the  
28 provisions of this chapter or NRS 2.060 to 2.083, inclusive, 2A.100  
29 to 2A.150, inclusive, or 3.090 to 3.099, inclusive. The Fund must be  
30 invested and administered to ensure the highest return consistent  
31 with safety in accordance with accepted investment practices.

32       3. All money appropriated by the Legislature to the Judicial  
33 Retirement Fund, all money submitted to the System for deposit in  
34 the Fund pursuant to NRS 1A.180 *and section 15 of this act*, and all  
35 income accruing to the Fund from all other sources must be  
36 deposited in the Fund.

37       4. The interest and income earned on the money in the Judicial  
38 Retirement Fund, after deducting any applicable charges, must be  
39 credited to the Fund.

40       5. The System must pay all retirement allowances, benefits,  
41 optional settlements and other obligations or payments payable by  
42 the System pursuant to this chapter and NRS 2.060 to 2.083,  
43 inclusive, 2A.100 to 2A.150, inclusive, and 3.090 to 3.099,  
44 inclusive, from the Judicial Retirement Fund. The money in the



1 Fund must be expended by the Board for the payment of expenses  
2 authorized by law to be paid from the Fund.

3 **Sec. 19.** NRS 1A.180 is hereby amended to read as follows:

4 1A.180 *Except as otherwise provided in section 15 of this act:*

5 1. The Court Administrator shall submit to the System for  
6 deposit in the Judicial Retirement Fund on behalf of each justice of  
7 the Supreme Court, judge of the Court of Appeals or district judge  
8 who is a member of the System the percentage of compensation of  
9 the member that is determined by the actuary of the System to be  
10 required to pay the normal cost incurred in making payments for  
11 such members pursuant to subsection 5 of NRS 1A.160 and the  
12 administrative expenses of the System that are attributable to such  
13 members. Such payments must be:

14 (a) Accompanied by payroll reports that include information  
15 deemed necessary by the Board to carry out its duties; and

16 (b) Received by the System not later than 15 days after the  
17 calendar month for which the compensation and service credits of  
18 members of the System are reported and certified by the Court  
19 Administrator. The compensation must be reported separately for  
20 each month that it is paid.

21 2. The State of Nevada shall make an appropriation to the  
22 Court Administrator and the Court Administrator shall pay to the  
23 System for deposit in the Judicial Retirement Fund from any fund  
24 created for the purpose of paying pension benefits to justices of the  
25 Supreme Court, judges of the Court of Appeals or district judges an  
26 amount as the contribution of the State of Nevada as employer  
27 which is actuarially determined to be sufficient to provide the  
28 System with enough money to pay the benefits for justices of the  
29 Supreme Court, judges of the Court of Appeals and district judges  
30 for which the System will be liable.

31 3. Upon the participation of a justice of the peace or municipal  
32 judge in the Judicial Retirement Plan pursuant to NRS 1A.285, the  
33 county or city shall submit to the System for deposit in the Judicial  
34 Retirement Fund on behalf of each justice of the peace or municipal  
35 judge who is a member of the System the percentage of the  
36 compensation of the member that is determined by the actuary of the  
37 System to be required to pay the normal cost incurred in making  
38 payments for such members pursuant to subsection 5 of NRS  
39 1A.160 and the administrative expenses of the System that are  
40 attributable to such members. Such payments must be:

41 (a) Accompanied by payroll reports that include information  
42 deemed necessary by the Board to carry out its duties; and

43 (b) Received by the System not later than 15 days after the  
44 calendar month for which the compensation and service credits of  
45 members of the System are reported and certified by the county or





city. The compensation must be reported separately for each month that it is paid.

4. Upon the participation of a justice of the peace or municipal judge in the Judicial Retirement Plan pursuant to NRS 1A.285, the county or city shall pay to the System for deposit in the Judicial Retirement Fund an amount as the contribution of the county or city as employer which is actuarially determined to be sufficient to provide the System with enough money to pay the benefits for justices of the peace and municipal judges for which the System will be liable.

5. Except as otherwise provided in this subsection, the total contribution rate that is actuarially determined for members of the Judicial Retirement Plan must be adjusted on the first monthly retirement reporting period commencing on or after July 1 of each odd-numbered year based on the actuarially determined contribution rate indicated in the biennial actuarial valuation and report. The adjusted rate must be rounded to the nearest one-quarter of 1 percent. The total contribution rate must not be adjusted pursuant to this subsection if the existing rate is within one-half of 1 percent of the actuarially determined rate.

**Sec. 20.** NRS 1A.350 is hereby amended to read as follows:

1A.350 1. A member of the Judicial Retirement Plan :

*(a) Who has an effective date of membership before July 1, 2015, is eligible to retire at the age of 65 years if the member has at least 5 years of service, at the age of 60 years if the member has at least 10 years of service and at any age if the member has at least 30 years of service.*

*(b) Who has an effective date of membership on or after July 1, 2015, is eligible to retire at the age of 65 years if the member has at least 5 years of service, at the age of 62 years if the member has at least 10 years of service and at age 55 if the member has at least 30 years of service and at any age if the member has at least 33 1/3 years of service. For the purposes of this paragraph, any year or part of a year of service purchased pursuant to NRS 1A.310 by a member of the Judicial Retirement Plan who has an effective date of membership on or after July 1, 2015, must not be considered in determining the number of years of service of the member.*

2. Any member of the Judicial Retirement Plan who has the years of creditable service necessary to retire, but has not attained the required age, if any, may retire at any age with a benefit actuarially reduced to the required retirement age. Except as otherwise required as a result of NRS 1A.410, a retirement benefit pursuant to this subsection must be reduced by 4 percent of the unmodified benefit for each full year that the member is under the





1 appropriate retirement age, and an additional 0.33 percent for each  
2 additional month that the member is under the appropriate  
3 retirement age. Any option selected pursuant to this subsection must  
4 be reduced by an amount proportionate to the reduction provided in  
5 this subsection for the unmodified benefit. The Board may adjust the  
6 actuarial reduction based upon an experience study of the System  
7 and recommendation by the actuary.

8 **Sec. 21.** NRS 1A.400 is hereby amended to read as follows:

9 1A.400 Notwithstanding any other provision of law, the  
10 amount of compensation used to determine the retirement benefit of  
11 a member of the Judicial Retirement Plan must not exceed :

12 *1. If the member has an effective date of membership before*  
13 *July 1, 2015, the limitation provided by section 401(a)(17) of the*  
14 *Internal Revenue Code, 26 U.S.C. § 401(a)(17).*

15 *2. If the member has an effective date of membership on or*  
16 *after July 1, 2015, the lesser of:*

17 *(a) The limitation provided by section 401(a)(17) of the*  
18 *Internal Revenue Code, 26 U.S.C. § 401(a)(17); or*

19 *(b) Two hundred thousand dollars. The limitation set forth in*  
20 *this paragraph must be adjusted by the Board every year by an*  
21 *amount equal to the average percentage increase in the Consumer*  
22 *Price Index (All Items) for the immediately preceding 3-year*  
23 *period.*

24 **Sec. 22.** NRS 1A.440 is hereby amended to read as follows:

25 1A.440 Except as otherwise required as a result of NRS  
26 1A.400 or 1A.410:

27 1. Except as otherwise provided in this subsection, a monthly  
28 service retirement allowance must be determined by multiplying a  
29 member of the Judicial Retirement Plan's average compensation  
30 ~~by~~ :

31 *(a) If the member has an effective date of membership before*  
32 *July 1, 2015, by 3.4091 percent for each year of service, except that*  
33 *a member of the Plan is entitled to a benefit of not more than 75*  
34 *percent of the member's average compensation.*

35 *(b) If the member has an effective date of membership on or*  
36 *after July 1, 2015, by 3.1591 percent for each year of service,*  
37 *except that a member of the Plan is entitled to a benefit of not*  
38 *more than 75 percent of the member's average compensation.*

39 2. For the purposes of this section, "average compensation"  
40 means the average of a member of the Plan's 36 consecutive months  
41 of highest compensation as certified by the Court Administrator if  
42 the member is a justice of the Supreme Court, a judge of the Court  
43 of Appeals or a district judge, by the county if the member is a  
44 justice of the peace or by the city if the member is a municipal  
45 judge.



1     **Sec. 23.** NRS 1A.530 is hereby amended to read as follows:

2     1A.530 As used in NRS 1A.530 to 1A.670, inclusive, *and*  
3     *sections 14 and 16 of this act*, unless the context otherwise requires,  
4     the words and terms defined in NRS 1A.540, 1A.550 and 1A.560  
5     *and section 14 of this act* have the meanings ascribed to them in  
6     those sections.

7     **Sec. 24.** NRS 1A.560 is hereby amended to read as follows:

8     1A.560 “Spouse” means the surviving husband , ~~for~~ wife *or*  
9     *domestic partner* of a deceased member of the Judicial Retirement  
10    Plan.

11    **Sec. 25.** Chapter 218C of NRS is hereby amended by adding  
12    thereto the provisions set forth as sections 26 and 27 of this act.

13    **Sec. 26. 1.** *Except as otherwise provided in subsections 2*  
14    *and 3, a Legislator who is a member of the Legislators’ Retirement*  
15    *System who is convicted of or pleads guilty or nolo contendere to*  
16    *any felony forfeits all rights and benefits under the System.*

17    *2. Upon a conviction described in subsection 1, the*  
18    *Legislators’ Retirement System must return to the member,*  
19    *without interest, all contributions which the member has made*  
20    *and which were credited to the member’s individual account.*

21    *3. The provisions of subsections 1 and 2 apply only to*  
22    *Legislators who become members of the Legislators’ Retirement*  
23    *System on or after July 1, 2015.*

24    **Sec. 27. 1.** *The spouse of a Legislator killed in the course*  
25    *of legislative service is entitled to receive a monthly allowance*  
26    *equivalent to the greater of:*

27    *(a) Fifty percent of the salary of the member on the date of the*  
28    *member’s death; or*

29    *(b) One hundred percent of the retirement allowance that the*  
30    *member was eligible to receive based on the member’s years of*  
31    *service obtained before the member’s death without any reduction*  
32    *for age for the deceased member.*

33    *2. The benefits provided by this section must be paid to the*  
34    *spouse for the remainder of the spouse’s life.*

35    *3. The spouse may elect to receive the benefits by any one of*  
36    *the following only:*

37    *(a) This section; or*

38    *(b) NRS 218C.580.*

39    *4. For the purposes of this section, the Board shall define by*  
40    *regulation “killed in the course of legislative service.”*

41    *5. As used in this section:*

42    *(a) “Domestic partner” means a person who is in a domestic*  
43    *partnership which is registered pursuant to chapter 122A of NRS*  
44    *and which has not been terminated pursuant to that chapter.*



*(b) "Spouse" means the surviving husband, wife or domestic partner of a Legislator killed in the course of legislative service.*

**Sec. 28.** NRS 218C.450 is hereby amended to read as follows:  
218C.450 1. The minimum requirement for retirement is :

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

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

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

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

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

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

**Sec. 29.** NRS 218C.530 is hereby amended to read as follows:

218C.530 Notwithstanding any other provision of law, the amount of compensation used to determine the retirement benefit of a member of the Legislators' Retirement System must not exceed :

*1. If the member has an effective date of membership before July 1, 2015, the limitation provided by section 401(a)(17) of the Internal Revenue Code, 26 U.S.C. § 401(a)(17).*

*2. If the member has an effective date of membership on or after July 1, 2015, the lesser of:*

*(a) The limitation provided by section 401(a)(17) of the Internal Revenue Code, 26 U.S.C. § 401(a)(17); or*

*(b) Two hundred thousand dollars. The limitation set forth in this paragraph must be adjusted by the Board every year by an amount equal to the average percentage increase in the Consumer Price Index (All Items) for the immediately preceding 3-year period.*



1      **Sec. 30.**    This act becomes effective on July 1, 2015.

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