ASSEMBLY BILL NO. 92–COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE NEVADA SUPREME COURT)

Prefiled December 15, 2008

Referred to Committee on Ways and Means

SUMMARY—Revises the provisions governing the benefits of a retired justice or judge. (BDR 1-400)

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

~

EXPLANATION - Matter in **bolded italics** is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to the judiciary; revising the provisions governing the benefits of a retired justice or judge; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Sections 1, 3 and 10 of this bill permit a retired justice or judge who has not reached the maximum service time allowable under the Judicial Retirement System or the Public Employees' Retirement System and who is reemployed and commissioned as a senior justice, senior judge, senior justice of the peace or senior municipal court judge to reenroll in any retirement plan in which he was previously enrolled. (NRS 1A.260, 1A.370, 286.525) Sections 2, 3 and 5-10 of this bill provide that a retired justice or judge who is reemployed and commissioned as a senior justice senior judge, senior justice of the peace or senior municipal court judge is entitled to receive a retirement allowance in addition to compensation for his service. (NRS 1A.360, 1A.370, 2.060, 3.090, 286.520, 286.525) Sections 3, 5-8 and 10 provide that a retired justice or judge who is reemployed and commissioned as a senior justice, senior judge, senior justice of the peace or senior municipal court judge and who reenrolled in a retirement plan is entitled to receive additional service credit for actual time served. (NRS 1A.370, 2.060, 3.090, 286.525)

Finally, **section 4** of this bill clarifies that a member of the Judicial Retirement Plan who is receiving a pension is entitled to receive postretirement increases equal to those provided for members retired under the Public Employees' Retirement System. (NRS 1A.440)



10

11

12 13

15

16

17



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

Section 1. NRS 1A.260 is hereby amended to read as follows: 1A.260 [1.] No person may become a member of the System unless he is [a]:

- 1. A justice of the Supreme Court [or a];
- 2. A district judge [, or a];

- 3. A justice of the peace or municipal judge who is allowed and elects to participate in the Judicial Retirement Plan pursuant to NRS 1A.285 [-
 - 2. Except as otherwise provided in NRS 1A.370, persons retired under the provisions of this chapter who are employed as a justice of the Supreme Court, district judge, justice of the peace or municipal judge in any judicial capacity, including, without limitation, employment as a senior justice, senior judge, senior justice of the peace or senior municipal judge of the Nevada Court System, are not eligible to become members of the System.]; or
 - 4. A retired justice or judge who is recalled to active service as a senior justice, senior judge, senior justice of the peace or senior municipal judge in the Nevada Court System and who was previously enrolled in the Judicial Retirement Plan.
 - **Sec. 2.** NRS 1A.360 is hereby amended to read as follows:
 - 1A.360 1. [Except as otherwise provided in subsection 4 and NRS 1A.370, if a retired justice or judge accepts employment as a justice of the Supreme Court, district judge, justice of the peace or municipal judge in any judicial capacity, including, without limitation, employment] A retired justice or judge may, pursuant to rules adopted by the Supreme Court, be recalled to active service, reemployed and issued a commission as a senior justice, senior judge, senior justice of the peace or senior municipal judge of the Nevada Court System [, he is disqualified from receiving any allowances under the Judicial Retirement Plan for the duration of his active service.] and be compensated for serving as a senior justice, senior judge, senior justice of the peace or senior municipal judge of the Nevada Court System.
 - 2. [If a] A retired justice or judge who accepts [any] employment [other than that described in subsection 1, the justice or judge] as a senior justice, senior judge, senior justice of the peace or senior municipal judge of the Nevada Court System is entitled to the same retirement allowances under the Judicial Retirement Plan as a retired justice or judge who has no employment.
 - 3. If a retired justice or judge who accepts employment as a justice of the Supreme Court, district judge, justice of the peace or municipal judge in a judicial capacity pursuant to this section elects





not to reenroll in the Judicial Retirement Plan pursuant to subsection 1 of NRS 1A.370, the Court Administrator if the retired justice or judge is a justice of the Supreme Court or a district judge, the county if the retired justice or judge is a justice of the peace or the city if the retired justice or judge is a municipal judge, may pay contributions on behalf of the retired justice or judge to a retirement fund which is not a part of the Judicial Retirement Plan in an amount not to exceed the amount of the contributions that the Court Administrator, county or city would pay to the System on behalf of a participating justice or judge who is employed in a similar position.

[4. The System may waive, for one period of 30 days or less, a retired justice of the Supreme Court's or district judge's disqualification under this section if the Chief Justice of the Supreme Court certifies in writing, in advance, that the retired justice of the Supreme Court or district judge is recalled to meet an emergency and that no other qualified person is immediately available. The System may waive, for one period of 30 days or less, a retired justice of the peace's disqualification under this section if the board of county commissioners of the jurisdiction in which the justice of the peace is to be assigned certifies in writing, in advance, that the retired justice of the peace is recalled to meet an emergency and that no other qualified person is immediately available. The System may waive, for one period of 30 days or less, a retired municipal judge's disqualification under this section if the city council of the jurisdiction in which the municipal judge is to be assigned certifies in writing, in advance, that the retired municipal judge is recalled to meet an emergency and that no other qualified person is immediately available.]

Sec. 3. NRS 1A.370 is hereby amended to read as follows:

1A.370 1. A retired justice or judge who accepts employment as a justice of the Supreme Court, district judge, justice of the peace or municipal judge [in any judicial capacity, including, without limitation, employment as a senior justice, senior judge, senior justice of the peace or senior municipal judge of the Nevada Court System,] may enroll in the Judicial Retirement Plan as of the effective date of that employment. As of the date of enrollment:

(a) [He] Except as otherwise provided in subsection 5, he forfeits all retirement allowances for the duration of that employment; and

(b) Except as otherwise required as a result of NRS 1A.400 or 1A.410, if the duration of the employment is at least 6 months, he gains additional service credit for that employment and is entitled to have a separate service retirement allowance calculated based on his





compensation and service, effective upon the termination of that employment. If the duration of the employment is:

- (1) Less than 5 years, the additional allowance must be added to his original allowance and must be under the same option and designate the same beneficiary as the original allowance; or
- (2) Five years or more, the additional allowance may be under any option and designate any beneficiary in accordance with NRS 1A.430.
- 2. The original service retirement allowance of such a retired justice or judge must not be recalculated based upon the additional service credit, nor is he entitled to any of the rights of membership that were not in effect at the time of his original retirement. The accrual of service credit pursuant to this section is subject to the limits imposed by:
 - (a) NRS 1A.440; and

- (b) Section 415 of the Internal Revenue Code, 26 U.S.C. § 415.
- 3. Except as otherwise required as a result of NRS 1A.400 or 1A.410, a retired justice or judge who has been receiving a retirement allowance pursuant to the Judicial Retirement Plan and who is reemployed and is enrolled in the Plan for at least 5 years may have his additional credit for service added to his previous credit for service. This additional credit for service must not apply to more than one period of employment after the original retirement.
- 4. The survivor of a deceased member of the Judicial Retirement Plan who had previously retired and was reemployed and enrolled in the Plan, who qualifies for benefits pursuant to NRS 1A.340 and 1A.530 to 1A.670, inclusive, is eligible for the benefits based on the service accrued through the second period of employment.
- 5. The provisions of subsections 1 to 4, inclusive, apply to a retired justice or judge who is reemployed and receives a commission as a senior justice, senior judge, senior justice of the peace or senior municipal court judge, except that such a person does not forfeit retirement allowances for the duration of that employment.
 - **Sec. 4.** NRS 1A.440 is hereby amended to read as follows:
- 1A.440 Except as otherwise required as a result of NRS 1A.400 or 1A.410:
- 1. Except as otherwise provided in this subsection, a monthly service retirement allowance must be determined by multiplying a member of the Judicial Retirement Plan's average compensation by 3.4091 percent for each year of service, except that a member of the Plan is entitled to a benefit of not more than 75 percent of his average compensation.





- 2. A member of the Plan who is receiving a pension pursuant to the provisions of this section is entitled to receive postretirement increases equal to those provided for members retired under the Public Employees' Retirement System.
- 3. For the purposes of this section, "average compensation" means the average of a member of the Plan's 36 consecutive months of highest compensation as certified by the Court Administrator if the member is a justice of the Supreme Court or a district judge, by the county if the member is a justice of the peace or by the city if the member is a municipal judge.
 - **Sec. 5.** NRS 2.060 is hereby amended to read as follows:
- 2.060 1. Any justice of the Supreme Court who has served as a justice or judge of a district court in any one or more of those courts for a period or periods aggregating 22 years and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to three-fourths the sum received as a salary for his judicial services during the last year thereof, payable monthly from the Judicial Retirement Fund established pursuant to NRS 1A.160.
- 2. Any justice of the Supreme Court who has served as a justice or judge of a district court in any one or more of those courts for a period or periods aggregating 5 years and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to 4.1666 percent of the sum received as a salary for his judicial services during the last year thereof, payable monthly from the Judicial Retirement Fund established pursuant to NRS 1A.160.
- 3. Any justice of the Supreme Court who qualifies for a pension under the provisions of subsection 2 is entitled to receive, for each year served beyond 5 years up to a maximum of 22 years, an additional 4.1666 percent of the sum received as a salary for his judicial services during the last year thereof, payable as provided in subsection 2.
- 4. Any justice who has retired pursuant to subsection 3 and is thereafter recalled to additional active service in the court system is entitled to receive credit toward accumulating 22 years' service for the maximum pension based upon the time he actually spends in the additional active service.
- 5. Any justice who has the years of service necessary to retire but has not attained the required age may retire at any age with a benefit actuarially reduced to the required retirement age. A benefit under this subsection must be reduced in the same manner as





benefits are reduced for persons retired under the Public Employees' Retirement System.

- 6. Any person receiving a pension pursuant to the provisions of this section is entitled to receive postretirement increases equal to those provided for persons retired under the Public Employees' Retirement System.
- 7. Any justice who desires to receive the benefits of this section must file with the Executive Officer of the Public Employees' Retirement Board an affidavit setting forth the fact that he is ending his service, the date and place of his birth, and the years he has served in any district court or the Supreme Court.
- 8. Any justice who has retired and is thereafter recalled to additional active service in the court system as a senior justice is entitled to receive a retirement allowance during the period of reemployment in addition to compensation for services.
- 9. The faith of the State of Nevada is hereby pledged that this section shall not be repealed or amended so as to affect any justice who may have ended his service pursuant to it.
- [9.] 10. As used in this section, "salary" includes a salary received for service on a Supreme Court commission created by statute.

Sec. 6. NRS 2.060 is hereby amended to read as follows:

- 2.060 1. Any justice of the Supreme Court who has served as a justice or judge of a district court in any one or more of those courts for a period or periods aggregating 22 years and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to three-fourths the sum received as a salary for his judicial services during the last year thereof, payable monthly from the Judicial Retirement Fund established pursuant to NRS 1A.160.
- 2. Any justice of the Supreme Court who has served as a justice or judge of a district court in any one or more of those courts for a period or periods aggregating 5 years and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to 4.1666 percent of the sum received as a salary for his judicial services during the last year thereof, payable monthly from the Judicial Retirement Fund established pursuant to NRS 1A.160.
- 3. Any justice of the Supreme Court who qualifies for a pension under the provisions of subsection 2 is entitled to receive, for each year served beyond 5 years up to a maximum of 22 years, an additional 4.1666 percent of the sum received as a salary for his





judicial services during the last year thereof, payable as provided in subsection 2.

- 4. Any justice who has retired pursuant to subsection 3 and is thereafter recalled to additional active service in the court system is entitled to receive credit toward accumulating 22 years' service for the maximum pension based upon the time he actually spends in the additional active service.
- 5. Any justice who has the years of service necessary to retire but has not attained the required age may retire at any age with a benefit actuarially reduced to the required retirement age. A benefit under this subsection must be reduced in the same manner as benefits are reduced for persons retired under the Public Employees' Retirement System.
- 6. Any person receiving a pension pursuant to the provisions of this section is entitled to receive postretirement increases equal to those provided for persons retired under the Public Employees' Retirement System.
- 7. Any justice who desires to receive the benefits of this section must file with the Executive Officer of the Public Employees' Retirement Board an affidavit setting forth the fact that he is ending his service, the date and place of his birth, and the years he has served in any district court or the Supreme Court.
- 8. Any justice who has retired and is thereafter recalled to additional active service in the court system as a senior justice is entitled to receive a retirement allowance during the period of reemployment in addition to compensation for services.
- 9. The faith of the State of Nevada is hereby pledged that this section shall not be repealed or amended so as to affect any justice who may have ended his service pursuant to it.
 - Sec. 7. NRS 3.090 is hereby amended to read as follows:
- 3.090 1. Any judge of the district court who has served as a justice of the Supreme Court or judge of a district court in any one or more of those courts for a period or periods aggregating 22 years and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to three-fourths the sum received as a salary for his judicial services during the last year thereof, payable monthly from the Judicial Retirement Fund established pursuant to NRS 1A.160.
- 2. Any judge of the district court who has served as a justice of the Supreme Court or judge of a district court in any one or more of those courts for a period or periods aggregating 5 years and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to 4.1666





percent of the sum received as a salary for his judicial services during the last year thereof, payable monthly from the Judicial Retirement Fund established pursuant to NRS 1A.160.

- 3. Any judge of the district court who qualifies for a pension under the provisions of subsection 2 is entitled to receive, for each year served beyond 5 years up to a maximum of 22 years, an additional 4.1666 percent of the sum received as a salary for his judicial services during the last year thereof, payable as provided in subsection 2.
- 4. Any judge who has retired pursuant to subsection 3 and is thereafter recalled to additional active service in the court system is entitled to receive credit toward accumulating 22 years' service for the maximum pension based upon the time he actually spends in the additional active service.
- 5. Any district judge who has the years of service necessary to retire but has not attained the required age may retire at any age with a benefit actuarially reduced to the required retirement age. A retirement benefit under this subsection must be reduced in the same manner as benefits are reduced for persons retired under the Public Employees' Retirement System.
- 6. Any person receiving a pension pursuant to the provisions of this section is entitled to receive postretirement increases equal to those provided for persons retired in the Public Employees' Retirement System.
- 7. Any judge of the district court who desires to receive the benefits of this section must file with the Executive Officer of the Public Employees' Retirement Board an affidavit setting forth the fact that he is ending his service, the date and place of his birth, and the years he has served in any district court or the Supreme Court.
- 8. Any judge who has retired and is thereafter recalled to additional active service in the court system as a senior judge, senior justice of the peace or senior municipal court judge is entitled to receive a retirement allowance during the period of reemployment in addition to compensation for services.
- **9.** The faith of the State of Nevada is hereby pledged that this section shall not be repealed or amended so as to affect any judge of the district court who may have ended his service pursuant to it.
- [9.] 10. As used in this section, "salary" includes a salary received for service on a District Court Commission created by statute.
 - **Sec. 8.** NRS 3.090 is hereby amended to read as follows:
- 3.090 1. Any judge of the district court who has served as a justice of the Supreme Court or judge of a district court in any one or more of those courts for a period or periods aggregating 22 years





and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to three-fourths the sum received as a salary for his judicial services during the last year thereof, payable monthly from the Judicial Retirement Fund established pursuant to NRS 1A.160.

- 2. Any judge of the district court who has served as a justice of the Supreme Court or judge of a district court in any one or more of those courts for a period or periods aggregating 5 years and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to 4.1666 percent of the sum received as a salary for his judicial services during the last year thereof, payable monthly from the Judicial Retirement Fund established pursuant to NRS 1A.160.
- 3. Any judge of the district court who qualifies for a pension under the provisions of subsection 2 is entitled to receive, for each year served beyond 5 years up to a maximum of 22 years, an additional 4.1666 percent of the sum received as a salary for his judicial services during the last year thereof, payable as provided in subsection 2.
- 4. Any judge who has retired pursuant to subsection 3 and is thereafter recalled to additional active service in the court system is entitled to receive credit toward accumulating 22 years' service for the maximum pension based upon the time he actually spends in the additional active service.
- 5. Any district judge who has the years of service necessary to retire but has not attained the required age may retire at any age with a benefit actuarially reduced to the required retirement age. A retirement benefit under this subsection must be reduced in the same manner as benefits are reduced for persons retired under the Public Employees' Retirement System.
- 6. Any person receiving a pension pursuant to the provisions of this section is entitled to receive postretirement increases equal to those provided for persons retired in the Public Employees' Retirement System.
- 7. Any judge of the district court who desires to receive the benefits of this section must file with the Executive Officer of the Public Employees' Retirement Board an affidavit setting forth the fact that he is ending his service, the date and place of his birth, and the years he has served in any district court or the Supreme Court.
- 8. Any judge who has retired and is thereafter recalled to additional active service in the court system as a senior judge, senior justice of the peace or senior municipal court judge is





entitled to receive a retirement allowance during the period of reemployment in addition to compensation for services.

- 9. The faith of the State of Nevada is hereby pledged that this section shall not be repealed or amended so as to affect any judge of the district court who may have ended his service pursuant to it.
 - **Sec. 9.** NRS 286.520 is hereby amended to read as follows:
- 286.520 1. Except as otherwise provided in this section and NRS 286.525, the consequences of the employment of a retired employee are:
- (a) A retired employee who accepts employment or an independent contract with a public employer under this System is disqualified from receiving any allowances under this System for the duration of that employment or contract if:
- (1) He accepted the employment or contract within 90 calendar days after the effective date of his retirement; or
- (2) He is employed in a position which is eligible to participate in this System.
- (b) If a retired employee accepts employment or an independent contract with a public employer under this System more than 90 calendar days after the effective date of his retirement in a position which is not eligible to participate in this System, his allowance under this System terminates upon his earning an amount equal to one-half of the average salary for participating public employees who are not police officers or firefighters in any fiscal year, for the duration of that employment or contract.
- (c) If a retired employee accepts employment with an employer who is not a public employer under this System, the employee is entitled to the same allowances as a retired employee who has no employment.
- 2. The retired employee and the public employer shall notify the System:
- (a) Within 10 days after the first day of an employment or contract governed by paragraph (a) of subsection 1.
- (b) Within 30 days after the first day of an employment or contract governed by paragraph (b) of subsection 1.
- (c) Within 10 days after a retired employee earns more than one-half of the average salary for participating public employees who are not police officers or firefighters in any fiscal year from an employment or contract governed by paragraph (b) of subsection 1.
- 3. For the purposes of this section, the average salary for participating public employees who are not police officers or firefighters must be computed on the basis of the most recent actuarial valuation of the System.
- 4. If a retired employee who accepts employment or an independent contract with a public employer under this System





pursuant to this section elects not to reenroll in the System pursuant to subsection 1 of NRS 286.525, the public employer with which the retired employee accepted employment or an independent contract may pay contributions on behalf of the retired employee to a retirement fund which is not a part of the System in an amount not to exceed the amount of the contributions that the public employer would pay to the System on behalf of a participating public employee who is employed in a similar position.

- 5. If a retired employee is chosen by election or appointment to fill an elective public office, he is entitled to the same allowances as a retired employee who has no employment, unless he is serving in the same office in which he served and for which he received service credit as a member. A public employer may pay contributions on behalf of such a retired employee to a retirement fund which is not a part of the System in an amount not to exceed the amount of the contributions that the public employer would pay to the System on behalf of a participating public employee who serves in the same office.
- 6. The System may waive for one period of 30 days or less a retired employee's disqualification under this section if the public employer certifies in writing, in advance, that the retired employee is recalled to meet an emergency and that no other qualified person is immediately available.
- 7. A person who accepts employment or an independent contract with either house of the Legislature or by the Legislative Counsel Bureau or who is recalled to active service in the court system as a senior justice, senior judge, senior justice of the peace or senior municipal court judge is exempt from the provisions of subsections 1 and 2 for the duration of that employment or contract.
 - **Sec. 10.** NRS 286.525 is hereby amended to read as follows:
- 286.525 1. A retired employee who accepts employment in a position eligible for membership may enroll in the System as of the effective date of that employment. As of the date of enrollment:
- (a) [He] Except as otherwise provided in subsection 7 of NRS 286.520, he forfeits all retirement allowances for the duration of that employment.
- (b) He is entitled to receive, after the termination of the employment and upon written request, a refund of all contributions made by him during the employment. Except as otherwise required as a result of NRS 286.535 or 286.537, if he does not request the refund and the duration of the employment was at least 6 months, he gains additional service credit for that employment and is entitled to have a separate service retirement allowance calculated based on his compensation and service, effective upon the termination of that employment. If the duration of the employment was:





- (1) Less than 5 years, the additional allowance must be added to his original allowance and must be under the same option and designate the same beneficiary as the original allowance.
- (2) Five years or more, the additional allowance may be under any option and designate any beneficiary in accordance with NRS 286.545.
- 2. The original service retirement allowance of such a retired employee must not be recalculated based upon the additional service credit, nor is he entitled to any of the rights of membership that were not in effect at the time of his original retirement. The accrual of service credit pursuant to this section is subject to the limits imposed by:
 - (a) NRS 286.551; and

- (b) Section 415 of the Internal Revenue Code, 26 U.S.C. § 415, if the member's effective date of membership is on or after January 1, 1990.
- 3. Except as otherwise required as a result of NRS 286.470, 286.535 or 286.537, a retired employee who has been receiving a retirement allowance and who is reemployed and is enrolled in the System for at least 5 years may have his additional credit for service added to his previous credit for service. This additional credit for service must not apply to more than one period of employment after the original retirement.
- 4. The survivor of a deceased member who had previously retired and was rehired and enrolled in the System, who qualifies for benefits pursuant to NRS 286.671 to 286.6793, inclusive, is eligible for the benefits based on the service accrued through the second period of employment.
 - **Sec. 11.** This act becomes effective on July 1, 2009.





