

MINUTES OF MEETING - COMMITTEE ON GOVERNMENT AFFAIRS - 55TH
NEVADA ASSEMBLY SESSION - MARCH 5, 1969

Present: Smith, Getto, B. Hafen, Dini and Wood

Absent: Hilbrecht, Lingenfelter, Branch and Mello

Also Present: Edward Usnick, NSEA
Edward Greer, Clark County School Teacher
Dick VanderWoude, NSEA
Carl E. Smith, Chairman of the Retirement
Program Committee with NSEA
Frank Valdes, CCCTA
Marcella Rundus, CCCTA
Gary Hafen, NSEA

Chairman Smith convened the meeting at 5:15 p.m., introduced witnesses, and presented A.B. 9, reducing vesting period for benefits under public employees' retirement system.

Mr. Carl Smith noted that his committee had done a research in the field of the retirement program with regard to the earlier vesting period and furnished copies to the members of the Government Affairs Committee. He noted that they had research all states using the retirement plans and also that at the present time there is discussion on a possibility of a federal plan in this regard.

The actuary reports would be out approximately March 17 and he suggested that the committee might prefer to wait for them before they do anything on A.B. 9. He said that from their survey they noted that 75% of the retirement plans are using the 10 year vesting program. It is believed that this assures competent people within the field of education. With today's needs the changes are so wide spread that there are 50% new classifications of jobs and these people have to be able to move. He felt that Nevada should not be left out in this respect.

This type of occupation cannot be considered in the "failure" category, meaning "failure" due to financial difficulties which would apply to the industrial field. Nevada is considered to be somewhat of a "welfare state". The public employees who can choose their own retirement program are going to do so. Nevada should consider those persons who can put in only 10 years for any reason. This will be of benefit to the state. We should not put these people on welfare because of our retirement program. He said the program is a good one but time marches on and there needed changes to keep up with these times. There have been no new changes for some 10 years. He noted that there inequities and discriminations in the present program.

Gary Hafen addressed the committee and asked what they could supply to the committee to help them in arriving at their decision. He asked if the committee found this program to be actuarily sound would they affect the change.

Assembly

Page -2- Government Affairs Committee

March 5, 1969

Chairman Smith stated that he was sure the committee would take all matters into consideration. Up to now they have had no figures to go by and they are definitely needed in their deliberations. In the absence of any indication that the state could afford to do this, there could be no decisions; this has to be based on actual fact.

Mr. Wood stated that the legislators are under an obligation to remain firm no matter how warm their hearts may be in the situation. From all indications the income and outgo seems to be almost equal now.

Chairman Smith said this transfer of funds to different occupations mentioned by Carl Smith wherein the people move on to new classifications was the first he had heard of.

The Chairman recognized Marcella Rundus who stated that she felt that any educator who teaches our children in Nevada should have the right to leave their money in the fund if they desire. She said she believed that whether a person works for 25 years or for 1 year they should be allowed to leave their funds in the program if they want to.

Mr. Valdez thanked the committee for giving them the time to speak and to meet with them.

Mr. VanderWoude stated that when looking at the retirement program in Nevada they should decide whether or not they want it to continue to do the things that are needed in the state. He said in his opinion when you come in to the state and are forced to remove your funds when you move is bad practice. Even a small percentage of funds should be allowed to remain. He noted that possibly the way to handle the situation would be to change the program a little bit at a time. He said he did not think when the actuary report came in it would show any substantial changes in the fund. He noted that programs have been introduced whereby persons participating in the program would receive a rate of return on their investment. The Employees' Pension Fund has guaranteed to handle the bonds on the Tahoe Sewage program. He believed that the teachers are putting their money in for the purpose of providing for their futures.

Marcella cited an example wherein a teacher may teach for 18 years she is not paying under social security, and at 60 her health broke down. The only way she could draw her retirement is if she had worked for six months in that classroom prior to her departure. She knows it would be ridiculous for her to go back and ask them to hire her back for six months more so she could draw her retirement. They aren't about to do it. By that time she would probably be 63 years of age.

Assembly

Page -3- Government Affairs Committee

March 5, 1969

Chairman Smith said that they would be better prepared to go into this situation next week. They have had four hearing on this bill now and there would be more before they made any decisions.

Mr. Vanderwoude noted that A.B. 186, 188 and 302 all dealt with group insurance plans on public employees.

A.B. 186 would allow the employer to provide 100% of the insurance premium on employees and 188 allows dependents to be covered under the group insurance plan. He said this is all permissive legislation and the organization needs this to assure new talent coming in. He further stated that this was not a cost to the state or the decision as to how it is applied. It is basic to their point of view that the right to decide how their funds should be applied should remain with the school districts.

Meeting adjourned.