

MINUTES
WAYS AND MEANS COMMITTEE
NEVADA STATE LEGISLATURE - 60th SESSION
March 20, 1979

Chairman Mello called the meeting to order at 8:10 a.m.

MEMBERS PRESENT: Chairman Mello, Vice-Chairman Bremner, Mr. Barengo, Mrs. Cavnar, Mr. Glover, Mr. Hickey, Mr. Mann, Mr. Rhoads, Mr. Vergiels, Mrs. Wagner, and Mr. Webb

ALSO PRESENT: Bill Bible, Fiscal Analyst; Judy Matteucci, Deputy Fiscal Analyst; Mike Alastuey, Deputy Budget Director; Bud Campos, Parole and Probation; Vernon Bennett, Public Employees Retirement System; Ross Culbertson, PERS; Sam Palazzolo, PERS; Assemblyman Paul May, and Assemblyman Robinson. See attached guest list.

AB 473

Mr. Bud Campos, Chief of Parole and Probation, said that this bill retains parole and probation officers in definition of "police Officer" for early retirement purposes. Mr. Campos said that Parole and Probation Department appeared before the Legislative Interim Retirement Committee, and the Police and Firemen's Retirement Fund Advisory, with information explaining why parole officers should be included in the early retirement provisions. He said that both groups unanimously endorsed the concept.

Mr. Campos furnished the Committee with a handout (EXHIBIT A) detailing the Parole Officers' role in the criminal justice system, a sample list of crimes committed by persons under the supervision of this Agency, and some similarities and differences between police, jail, prison and parole officer personnel. Mr. Campos said that 77% of the persons that Parole and Probation deal with have prior criminal records. He added that in 1978, 1/3 of the prisoners received at the Nevada State Prison were via Parole and Probation. Mr. Campos said that the Parole and Probation officers meet the stress criteria which is one of the factors often considered in early retirement provisions. He pointed out that in 1977 the Department had approximately 10% of it's work force lost to heart attacks and that three more officers had had attacks in 1978.

He also explained that paroled probation officers also do custody work, especially in the return of fugitives, which is another early retirement consideration. He said parole officers make more critical arrests than anyother police officer group. He concluded by saying that the main reason for early retirement of police officers is to prevent the officer from endangering himself, the offender, his partner and security.

Mr. Mann asked if the new positions being requested in the Department's budget has been included in the projected figures for special retirement as shown under that expenditure ledger. Mr. Campos said that they had been included in the figures. Mr. Mann then asked if any of the positions are cut, could this expenditure ledger be correspondingly reduced. Mr. Campos said that was correct.

Mr. Campos pointed out that so far the Department has had no officer deaths in the line of duty. Chairman Mello asked how many injuries there had been. Mr. Campos replied that there had been no serious injuries, but that there had been some close calls.

Mrs. Wagner asked if the employee pays an additional ~~contribution~~ contribution to the retirement system for early retirement. Mr. Campos said that the employee pays an additional 1/4%.

Mr. Vernon Bennett, Executive Officer of Public Employees Retirement System, said that the Police and Firemen Fund Retirement Committee and the State Retirement System are in favor of this bill. Mr. Bennett corrected by stating that the amount paid is now 1/2% employee deduction and 1/2% employer contribution.

A.B. 474

Mr. Bennett introduced L. Ross Culbertson, Retirement Board Chairman; and Sam A. Palazzolo, Vice Chairman; to the Committee. Mr. Bennett furnished the Committee with information concerning AB 473, AB 474, AB 475, SB 34, and SB 258 which is included as Exhibit "B". Mr. Bennett said that AB 474 makes fiscal changes to the Public Employees' Retirement Act and requires retirement contributions on holiday pay, standby pay, and call back pay. He said that according to an Attorney General's opinion, retirement contributions cannot be taken from this pay as the law is currently written. Mr. Bennett referred to Page 1 of Exhibit "B" which details changes in Sections 1, 2, and 3. Mr. Bennett explained AB 474 would allow an employee to get full time retirement credit if that employee held two related halftime jobs; it provides that a member or an employee cannot make retirement contributions on a bonus paid to an employee to encourage early retirement or on a specific date; it provides survivor benefit coverage for minor children of a disabled retired employee who is not eligible for regular service retirement. He said that it also provides a beneficiary an option benefit when a member has been approved for disability retirement but deceases before his effective date and survivor benefits for a regular part time employee based upon equivalent service the person would have received if fulltime. He cited the case of lunchroom workers who would, under this provision, get two years retirement credit for two and one half years service who worked regularly on a half-time basis.

Mr. Bennett explained Amendment 208 (Exhibit "C") as a technical amendment to the title of this bill. He said that the deletions contained within are now contained in AB 140.

Amendment 326 - Mr. Bennett said that this amendment (Exhibit "D") was drafted at the request of Speaker Paul May. Mr. Bennett explained that one of the Retirement Board members whose regular pay was being reduced by the \$40 fee he received for Board attendance by his employer each time he went to a Board meeting: Mr. Bennett said that another Board member who had received his full salary and retained the \$40 fee was now being advised by his employer that the total back fees of \$1,450 was to be returned. Mr. Bennett further explained that under this amendment that the fee will be raised from \$40 a day to \$50 per day and that this fee would be paid in addition to any salary received as public officers or employees. In addition, Mr. Bennett said, Section 4 of the amendment will provide that this payment to members be in addition to any salary received as public officers or employees retroactive to May 19, 1975.

Mr. Mann asked the justification for a public employee receiving his pay when not at work and getting the \$40 or \$50 fee in addition. Mr. Bennett said that a great deal of time is needed for preparation for these meetings by the Board members. He said that the two full days each month and from \$5 million to \$15 million in mortgage and real estate investments and other investments. Chairman Mello said that many legislators on the Committee also serve on interim committees and have a great deal of material to read while their per diem rate is \$40 per day. He added that those legislators employed privately do not get paid while serving on the interim committees. Chairman Mello added that if people go into government for the salary, they had better get out.

Mrs. Wagner asked the justification for changing the fee from \$40 to \$50 per day. Mr. Bennett said that the reason is to more adequately compensate the Board members for the amount of time and effort that they put in. By way of example he pointed out that the State Board of Nursing draws \$50 per day. Chairman Mello said that the Board of Nursing draws this money from the dues they charge members. Mrs. Cavnar added that the \$50 per day provision had been amended out of the bill. Mr. Culbertson said that even though members are serving on the Board that the public employment is continued when at Board meetings. He added that through the work done on the retirement system other agencies have saved large sums of money. Chairman Mello reminded Mr. Culbertson that legislators also save a great deal of money but cannot draw salaries from their jobs while in session. In effect, Chairman Mello said, getting this fee in addition to their salaries is a form of "double-dipping". Mr. Culbertson said that this fee comes from the investment return of the fund. Mr. Bennett corrected that statement by saying employer and employee contributions to cover administrative costs are the funds from which these salaries are paid.

Mr. Mann requested that the record show that both he and Assemblyman Sena lose their pay when serving on interim committees. He added that he thought the same should apply to Retirement Board members.

Chairman Mello introduced Speaker Paul May to give testimony regarding this. Speaker May said that the expertise and the time spent by the Board Members has contributed immeasurably to the growth of this fund from \$9 million to \$39.3 million during the past five years. Speaker May's remarks are attached as Exhibit "E". Speaker May said that he will submit a slightly revised amendment to this bill with clearer intent which will provide that the \$40 per day be paid through June 30, 1979, thereafter the \$50 fee would be paid.

Mr. Mann said that for quite some time, school district employees have not been allowed to draw their salaries when representing the legislature on interim subcommittees which are certainly as important as Retirement Board membership. Speaker May said that serving in the legislature must be regarded as a public service and that when a legislator is elected, he realizes he will forego certain private sufer payments. He said that people who serve on the Retirement Board deserve some sort of recognition for serving on the Board.

Chairman Mello referred to the Retirement Board member who is now being asked to repay \$1,450 and said that if the Committee so desires, legislation could be passed stating that those monies would not be recouped as it is not the fault of the employee that those funds were paid in error over a long period of time. Chairman Mello also said that if the fee is raised to \$50 per day, the employee could draw either his regular pay or the fee, whichever is greater, but could not draw both. Chairman Mello said that there are inequities to this job and if an individual is concerned about the monetary value of the appointments that they are to receive, they should not accept those appointments.

Mr. Bennett said that Amendments 327 and 328 (Exhibits F & G) were being withdrawn at this time he requested that those amendments be considered by the Legislative Interim Retirement Committee.

Chairman Mello clarified for the Committee by stating that the original intent of these amendments was to allow elected officials to vest in 8 years but that due to legal problems, the drafts had included all employees.

S. B. 34

Mr. Bennett said that S. B. 34 creates a fund to provide investment income to pay for additional post-retirement increases and that in so doing, \$20 million of the current surplus could be set aside for future needs of Nevada taxpayers. Further information concerning S. B. 34 is detailed on Page 15 of Exhibit "B".

Mr. Bennett said two approaches were considered: those being finding the increases through increases in present employee/ employer deductions; or establishing a separate fund with which the increases could be funded.

Mr. Mann asked if the post-retirement increases would put any strain on the Retirement System's Fund in the future. Mr. Bennett said that the \$20 million will be invested in mortgage and real estate investments in Nevada at 12% interest which will create a surplus after the seventh year mainly because retirement costs will go down as employees decrease. He referred the Committee to page 17 of Exhibit "B" which indicates investment income actions of 10% but he said that had now been revised to 12% by utilizing the 12% investment return, Mr. Bennett said that there should be no period of time when investment returns could not support the increases. He added however that if, in the future, the principle amount of \$20 million were needed by the State and withdrawn, Retirement contributions would increase on half of one percent.

Mr. Mann asked what authority Interim Finance would need to take all or part of that \$20 million and use it in other areas. Mr. Bennett said that Interim Finance has that authority and that it is also provided in S. B. 34. Chairman Mello pointed out that the wording of this bill did not authorize the Legislature to use this money in other areas and suggested an amendment to that effect should be drawn.

Mr. Glover asked the rationale of investing in mortgages and real estate rather than keeping with the same investment percentages used in the regular retirement funds. Mr. Bennett said that these investments would yield 12% interest and comprise 20% of the regular portfolio. He said approximately 10% of the Retirement funds are currently invested in casino loans. Mr. Bennett said that the \$20 million would be a totally different investment with the major portion going into real estate loans due to the high yield. Mr. Glover said that some diversification might be advisable in the event the economy took a downturn in real estate.

Mr. Hickey asked if there are any restrictions as to the type of loans that can be made with this money. Mr. Bennett said that the Retirement Fund presently contains many restrictions and that these same restrictions would apply to the \$20 million trust fund. Mr. Bennett said that on a recent real estate loan, the appraiser listed 18 requirements to be met before the loan could be approved. Mr. Bennett said that desirable and undesirable loans are listed and that some balance is maintained in the portfolio regarding the types of investment.

Mr. Culbertson added that the Board is trying to maximize their returns.

Mr. Rhoads asked what increase in deductions would be required if this bill is not passed. Mr. Bennett said that the cost would be about 1/2 of 1% preferably to be paid by the employer. He said that if it were to be split it would be 1/4 of one percent for both the employee and the employer.

Mr. Mann asked the reason for establishment of a separate fund. Mr. Bennett said that the group drafting this bill felt that it should be a separate fund as it is not comprised of retirement funds. He added that the greater diversification could yield a higher

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return of 11-12% whereas the retirement board investment return on current funds is 8.36%.

Mr. Vergiels asked the name of the financial consultants for PERS. Mr. Bennett said that Funds Advisory of Houston, Texas is used for stocks and bonds, short term investments, and portfolio maintenance. He said the firm is on a \$200,000 annual salary. He explained that mortgage & real estate investments are made by contract individuals at a fee of \$50 per hour plus expenses.

Chairman Mello asked if the investment firm of Scudder, Stevens had made investments for PERS. Mr. Bennett said that this company had worked for PERS in the past but their services had been terminated. Mr. Bennett said that Scudder, Stevens did not believe in taking profits. He referred to a 16% increase in the stock portfolio which was held prior to their taking it over and noted that the portfolio subsequently showed a 10% loss, \$2 million was lost on one stock, Polaroid, \$2 million on one stock, Xerox; he said that the firm had been asked to sell to cut the losses which they did not do. Chairman Mello mentioned the fact that Scudder, Stevens is handling investments for Nevada Industrial Commission.

Mrs. Wagner asked the amount currently invested by PERS. Mr. Bennett said that the amount is \$560 million with about 65% in bonds, 15% in mortgage and real estate, 15% in stock, and 5% in cashed short-term loans.

Chairman Mello requested that Mr. Bennett prepare a short-term history of investments made by Scudder, Stevens for PERS. Mr. Bennett said that he would furnish this information for the Committee. Mr. Glover added the request for information about the financial firm currently handling investments for PERS. Mr. Bennett said that he would supply this information.

S. B. 258

Mr. Bennett said that this bill extends and adds increases in post-retirement allowances and benefits which will assist approximately 5200 retired employees and benefit recipients. The specific provisions are included in Exhibit "B" on pages 19 through 25. Ms. Joyce Woodhouse, representing the Nevada State Education Association, furnished the Committee with a letter supporting S. B. 258 which is included as Exhibit "H".

Chairman Mello introduced Mr. Warren Fowler, State President of Retired Public Employees, to speak in support of S.B. 258. Mr. Fowler said that the problem of inflation concerns all retired public employees. He explained that these bills do not answer all the problems of inflation but that they would help. He added that the retirees request was a modest one. Mr. Fowler explained that with the surplus of funds, no increase in employee-employer contributions will be necessary if SB 34 is passed.

Chairman Mello referred to an error in this bill on lines 11 and 12, pointing out that the correct base benefit amount on line 12 should be \$301. Chairman Mello referred to the large spread of the last amount of \$301 to \$1600 for a \$3 increase in benefits. Mr. Bennett said that the reason for this spread was the theory that the bill was not designed to help the higher paid retired employee. Chairman Mello suggested another category of \$301 to \$600 be added. Mr. Bennett proposed that \$201 to \$300 would receive a \$10 increase, \$301 to \$500 would receive a \$5 increase, and \$501 and up would receive \$3. Chairman Mello requested the approximate cost for these changes.

Mr. Bennett estimated this cost at approximately \$50,000 per year, and would provide the cost of a \$5 increase for those persons receiving benefits of \$301 to \$500 as soon as possible.

Mr. Bremner agreed with the Chairman's suggestion that the last group be worked down to two categories.

A. B. 475

Mr. Bennett said that this bill is the system's administrative corrections bill, has no fiscal impact, and a section by section breakdown is included in Exhibit "B" on Pages 8 through 11. Mr. Bennett explained that section 1 removes the requirement that an employee receive all customary benefits to qualify for membership in PERS and cited the case of four agencies who withheld insurance from employees to avoid paying retirement contributions. He explained that the next change provided specifically for the inclusion of independent contractors from making retirement contributions. He explained that the third change provided that Administrative Assistant, currently in the classified service be made unclassified. He added that this had already been approved by State Personnel. He said that another provision would allow the Executive officer to perform other work on his own time and be compensated for it. Amendment 329 (Exhibit "I") provides that the Executive officer could not participate in any real or personal property business that the System has dealings with it.

Mrs. Wagner referred to Section 5 which concerns assessment of an administrative fee to pay the operating expense of the system and asked what the proposed change would produce in increased funds. Mr. Bennett said by deleting the words "contributing to" 8000 inactive members would be assessed at \$2 per month. He explained that this would increase the fund by \$16,000 each month. Mr. Hickey inquired about the liason officer referred to in Section 6 wherein the system would not legally be responsible for incorrect information provided by the officer. Mr. Bennett said that the liason officer is selected by the agency department head and are not under PERS control. He added that these persons have given misleading information which have caused members to lose benefits and service they are not under PERS control, PERS should not be held responsible.

Chairman Mello introduced Assemblyman Robert E. Robinson to give testimony to the Committee regarding an amendment to A.B. 475 concerning members of the Legislator's retirement system to have the same options, privileges and benefits which are provided to members of PERS. Assemblyman Robinson referred the Committee to page 13 in Exhibit "B" and furnished the Committee with his testimony which is included as Exhibit "J". He explained that the benefits could not be duplicated from both retirement systems.

Mr. Bennett referred to changes in Section 7, page 4, which concerns CETA employees buying said retirement credit in PERS after changing to a regular State job. He explained that the employer or the Department of Labor could then pay the employee contribution with CETA funds provided the election to pay back the credit is made within 90 days after going to a regular job. (Exhibit "I") Chairman Mello asked if this change had been agreed to by the Department of Labor. Mr. Bennett said that this change is in concurrence with present regulations. He said that if the Federal government does not pay their contribution, the employer can pay it, and if it is not paid, the employee cannot get credit for this service time.

Mr. Bennett explained that Section 9 prohibits membership to persons assigned to intermittent or temporary positions unless the assignment exceeds 120 consecutive days. Mr. Glover asked how this change affects legislative employees. Mr. Bennett said that this means employees would not be required to enroll in the retirement system for the first 120 days but if the session lasts more than 120 days, they would then have to enroll. Mr. Glover asked if this change would help retired public employees who could no longer work at the legislature during session and receive retirement benefits. Mr. Bennett said that these persons would be able to work at the legislature for 120 days but that the retirement system philosophy is that you should not be able to draw full benefits and also be employed in a regular position that would be eligible for membership.

Mr. Bennett said that the proposed change to Section 23 would prohibit a person convicted of murder or voluntary manslaughter of a member from receiving any benefit provided by the Retirement Chapter by reason of the death of that member. Mr. Mann asked how this change would affect minor children of this person. Mr. Bennett said that this change would only affect the person who committed the crime.

Mr. Barengo referred to Section 24, item 3 which states that any agreement for a greater rate of interest than specified in the section is void as to the excess as opposed to the previous wording which referred to the excess rate of interest. He said that this amendment changes the whole interpretation of the section and he suggested that the Retirement Board review the interpretation that change would be subject to.

Mr. Bennett said that AB 475 would allow classified retirement system employees to have employer paid retirement as opposed to the current split between employee and employer contribution. He explained that by a vote of 29-1 the employees had voted for employer paid retirement and that by changing to this method of retirement deductions it would save the system \$35,000.

Chairman Mello said that this item and others taken up in this meeting point out the need for a Subcommittee on Retirement. He added that many of the decisions made on retirement are merely gentlemen's agreements. He named the Subcommittee consisting of Mr. Bremner, Mr. Barengo, Mr. Webb, Mr. Mello, and Mrs. Cavnar.

Chairman Mello stated that the rest of AB 475 would be heard on Wednesday, March 21, 1979 at 10 a.m.

The meeting was adjourned at 11:00 a.m.

ELBERT B. EDWARDS
CHAIRMAN EMERITUS

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569

CARSON CITY, NEVADA 89701

TELEPHONE (702) 885-4200

RETIREMENT BOARD
L. ROSS CULBERTSON
CHAIRMAN
SAM A. PALAZZOLO
VICE CHAIRMAN

MEMBERS

DARREL R. DAINES
WILLIS A. DEISS
ELBERT B. EDWARDS
BOYD D. MANNING
DONALD L. REAM

March 8, 1979

TO: All Assemblymen

RE: AB 473

During the 1977 Session, the Legislature approved continued membership in the early retirement program for police and firemen for state Parole and Probation officers only until June 30, 1979. The sunset provision was enacted to allow the Legislative Interim Retirement Committee, the Police and Firemen's Retirement Fund Advisory Committee and the Retirement System two years to study this in depth and make a recommendation regarding their continued eligibility.

We have received considerable testimony regarding the group and thoroughly evaluated their job descriptions and activities. The Legislative Interim Retirement Committee, Police and Firemen's Retirement Fund Advisory Committee and the Retirement System all recommend that Parole and Probation officers be enrolled under the early retirement program for police and firemen on a permanent basis.

AB 473 will remove the sunset provision and provide permanent coverage for the Parole and Probation officers. The Parole and Probation officers are not involved in the current police and firemen lawsuit which was filed by groups removed from coverage by the 1977 Legislature.

Therefore, we urge your favorable consideration of AB 473.

Exhibit "A"

1062

THE PAROLE OFFICERS ROLE

IN THE

CRIMINAL JUSTICE SYSTEM

There are four (4) categories of persons within the Criminal Justice System which deal with the criminal element on a daily, close contact and personal basis. This includes police, jailers, prison personnel, and parole and probation officers. There are differences and similarities in all of these roles. For example, jailers and prison personnel deal with people in a controlled environment, while police and parole officers deal with these offenders in the community.

According to latest Crime Commission and State figures, there is a total of two thousand seventy-one (2,071) peace officers in the four (4) categories. The breakdown is as follows:

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|-------------------------------|-------|
| Police | 1,534 |
| Jailers | 157 |
| Prison | 315 |
| Parole and Probation Officers | 71 |

Thus, the parole and probation officers represent three point four per cent (3.4%) in these categories, and excluding jail and prison personnel, we represent four point four per cent (4.4%).

Of all persons handled by this Department in 1977, seventy-seven per cent (77%) had prior arrest records and thirty-two per cent (32%) of all persons received at the Nevada State Prison were parole or probation violators.

We spend the majority of our time in dealing with the recalcitrant offender.

Recidivism is the major problem in the criminal justice field. It is very definitely our problem, and one which all of our officers deal with on a daily basis. Criminals in the community, whether under our jurisdiction or not, are continually involved in the commission of new offenses. The relatively low percentage of crimes cleared by arrest and conviction certainly bears this out, as does the continually proven antisocial behavior of persons under our supervision. In a recent study of career criminals it was found that the probability of arrest for crimes committed by this group was five per cent (5%).*

In looking at which offenders the officers of this Department will supervise, we have only to recognize that seven per cent (70%) of all convicted persons are receiving probation (61% last year), and at least ninety-five per cent (95%) of all persons sentenced to prison will be released. That, coupled with the fact that one-third (1/3) of all prison commitments are from this Agency, parole or probation violators, should leave no doubt in any one's mind as to the caliber of person with whom we are dealing, primarily in the role of an enforcement officer, whose first concern is community protection.

*Criminal Careers of Habitual Felons - United States Department of Justice

The list on the following pages is a sample list of crimes committed by persons under the supervision of this Agency during the last twelve (12) month period. It excludes property, drug, and other types of offenses, and speaks directly to those offenses which are characteristically committed by people who are potentially dangerous to anyone around them, and particularly to anyone who carries a badge.

We have identified the following occurrences by the identification number of the Department of Parole and Probation. The letter "L" designates Nevada parolees, the letter "N" designates Nevada probationers, the letters "NL" represent parolees from other states being supervised in Nevada and the letters "XN" would represent probationers from other states being supervised in Nevada.

1. N76-171 ----- MURDER
2. L77-112 ----- MURDER
3. N76-736 ----- MURDER
4. L77-110 ----- MURDER
5. L77-248 ----- MURDER
6. L76-012 ----- KIDNAPPING, ROBBERY, MURDER
7. N76-085 ----- VOLUNTARY MANSLAUGHTER
8. N76-843 ----- ATTEMPTED MURDER
9. N76-1211 ----- ATTEMPTED MURDER
10. N77-195 ----- ASSAULTING A POLICE OFFICER
11. L77-342 ----- BATTERY WITH A DEADLY WEAPON
12. L77-306 ----- ASSAULT ON A PEACE OFFICER (Parole and Probation Officer)
13. L75-268 ----- CONSPIRACY TO COMMIT ROBBERY, EX-PEACE OFFICER
POSSESSION OF FIREARM
14. NL76-092 ----- ARMED ROBBERY
15. N77-113 ----- ARMED ROBBERY, BATTERY WITH A DEADLY WEAPON
16. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
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79. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
80. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
81. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
82. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
83. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
84. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
85. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
86. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
87. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
88. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
89. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
90. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
91. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
92. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
93. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
94. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
95. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
96. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
97. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
98. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
99. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER
100. N77-342 ----- BATTERY ON A PEACE OFFICER, EX-PEACE OFFICER

20. L77-075 ----- ROBBERY AND USE OF DEADLY WEAPON
21. L75-146 ----- ROBBERY WITH USE OF DEADLY WEAPON
22. N75-023 ----- ASSAULT WITH DEADLY WEAPON
23. N76-1297 ----- CARRYING A CONCEALED WEAPON
24. XL76-050 ----- STRONG ARM ROBBERY
25. N77-1244 ----- KIDNAPPING WITH USE OF DEADLY WEAPON
26. N77-991 ----- ROBBERY, KIDNAPPING WITH USE OF DEADLY WEAPON
27. N77-519 ----- ROBBERY WITH USE OF DEADLY WEAPON
28. N76-1085 ----- INFANOUS CRIME AGAINST NATURE WITH
VIOLENCE
29. N77-038 ----- POSSESSION OF FIREARM, POSSESSION OF DEADLY
WEAPON, KIDNAPPING
30. N75-870 ----- POSSESSION OF FIREARM
31. N76-867 ----- BATTERY WITH A DEADLY WEAPON
32. N76-1187 ----- ASSAULT AND BATTERY
33. XL77-056 ----- POSSESSION OF FIREARM AND DEADLY WEAPON
34. N77-200 ----- ARMED ROBBERY
35. N75-1041 ----- EX-FELON IN POSSESSION OF FIREARM
36. N76-1105 ----- ASSAULT AND BATTERY, RESISTING ARREST
37. L72-169 ----- SUICIDE
38. N76-1104 ----- POSSESSION OF FIREARM
39. XN76-144 ----- EX-FELON IN POSSESSION OF FIREARMS
40. L73-137 ----- POSSESSION OF DEADLY WEAPON
41. L74-187 ----- ARMED ROBBERY, BATTERY WITH
WEAPON
42. N76-530 ----- EX-FELON IN POSSESSION OF WEAPON
43. L76-079 ----- ROBBERY, USE OF A DEADLY WEAPON, RESISTING

Exhibit "A"

(Page 4 of 8 Pages)

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- FIREARM BY EX-PRISON, FIRST DEGREE MURDER
44. L75-241 ----- AGGRAVATED ASSAULT, POSSESSION OF FIREARM
 45. N77-813 ----- POSSESSION OF FIREARMS
 46. L74-199 ----- POSSESSION OF FIREARMS
 47. N75-112 ----- ARMED ROBBERY, USE OF DEADLY WEAPON
 48. L77-415 ----- KIDNAPPING
 49. L75-163 ----- RAPE, CRIMES AGAINST NATURE, BATTERY WITH A WEAPON
TO COMMIT A CRIME, ROBBERY
 50. L77-113 ----- POSSESSION OF FIREARMS
 51. N75-1095 ----- ROBBERY, USE OF DEADLY WEAPON
 52. N76-1196 ----- ASSAULT AND BATTERY

SOME SIMILARITIES AND DIFFERENCES BETWEEN

POLICE, JAIL, PRISON AND

PAROLE OFFICER PERSONNEL

While it is not completely feasible, nor necessarily desirable to compare the roles in the above categories, there are differences and similarities which should be mentioned.

STRESS is one of the factors often mentioned in police or parole officer retirement systems. Hazard is common to all of the above and one of the measurements of stress has been the occurrence of physical ailments such as heart attacks etcetera. Frankly, it is impossible to accurately assess this Agency in this particular category because we have only been in existence since 1945, and only of any size in the past ten (10) years. Therefore, our data would be highly questionable. However, in our Las Vegas Office, we have thirty-one (31) sworn officers and three (3) of these officers have suffered heart attacks within the last twelve (12) month period. This represents an average of just under ten per cent (10%), the average age of the officers suffering of these attacks has been thirty-nine (39) years of age. Two (2) have been able to return to duty, the third is currently hospitalized in serious condition.

The armed exchange of fire is unusual in police work, still more unusual in parole and probation work, and just about non-existent in jail or prison work. It has not normally been considered a justification for early retirement.

Custody of individuals is of course a primary function of prisons and jails. To some extent, both police and parole and probation officers are in custodial situations following arrests, transportation of prisoners either from a fugitive status, to court etcetera. It would appear that parole and probation officers are in the fugitive transportation business to a degree higher than any of the other three (3) categories. Last year we transported some ninety-three (93) fugitives to the State of Nevada with a departmental size of seventy-one (71) officers, while Washoe County transported ninety-one (91) prisoners with a personnel of one hundred and twenty-seven (127) officers. Of movement of prisoners from within the State, either following arrest, transferred to or from jails, or to hospitals, is common.

Other areas of comparison could be situations such as stakeouts, surveillance, residential searches and arrests. While there is no accurate data for comparison, in my observation it could be safely stated that parole and probation officers probably do a little more in the area of stakeouts, surveillance and arrests than most police officers and not nearly as much of that activity as other specialized police officers.

Arrests:

Officers within this three point four per cent (3.4%) ratio are more heavily involved with the criminal element in the community and make more arrests directly resulting in imprisonment than any of the above entities.

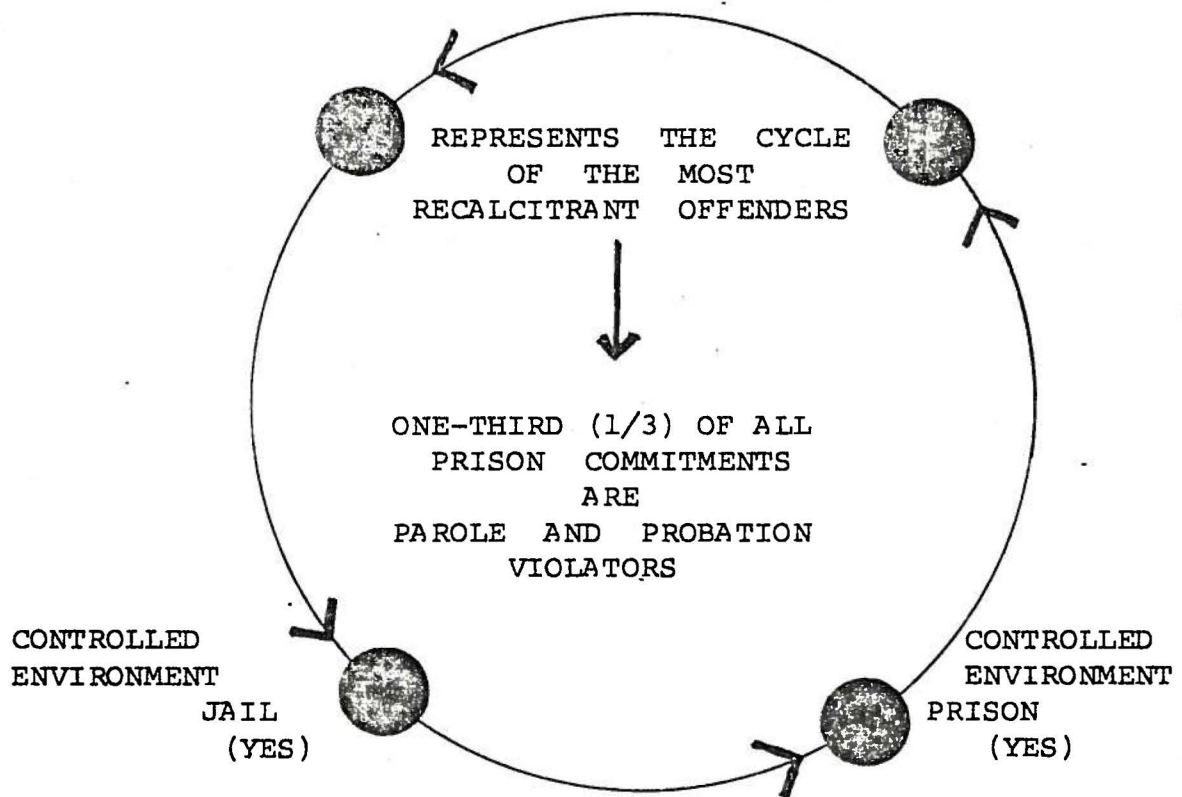
It is mandatory that our officers make unannounced home visits on most persons under our jurisdiction monthly. If an officer has seventy (70) cases, he is then doing this 70 times per month. In this capacity, we walk into drugs, stolen property, guns, fugitives, etc. Or, we are walking into someone's home who, unknown to us, has just committed a serious crime and we are there to make an arrest.

When we view these four (4) roles realistically, there does not appear to be justification for denying the protection of early retirement to officers of the Department of Parole and Probation or the Agency itself.

THE ETERNAL CIRCLE

NON-CONTROLLED ENVIRONMENT
POLICE
(YES)

NON-CONTROLLED ENVIRONMENT
PAROLE AND PROBATION
(NO)



ELBERT B. EDWARDS
CHAIRMAN EMERITUS

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE NEVADA



PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569
CARSON CITY, NEVADA 89701
TELEPHONE (702) 885-4200

RETIREMENT BOARD
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ELBERT B. EDWARDS
BOYD D. MANNING
DONALD L. REAM

March 8, 1979

TO: All Assemblymen

RE: AB 474

AB 474 is the System's fiscal bill. It requires retirement contributions on holiday pay, standby pay and call back pay. It provides that a member who is employed half time by two separate public employers can contribute on both employments and receive full time credit. It clarifies that an employer or member may not contribute on any bonus or additional salary that is an encouragement to retire early or on a specific date. The projected cost of including holiday pay, standby pay and call back pay, and allowing a member to contribute on two separate half time employments is estimated to be \$74,104 in 1979-80 and \$77,089 in 1980-81.

Section 2 of the bill tightens up the procedures for application for disability retirement and places the System's current Rules and Regulations regarding disability procedures into the law. This bill provides survivor benefit coverage for the minor children of a disabled retired employee who is not eligible for regular service retirement. It also provides a beneficiary an option benefit where a member has been approved for disability retirement but deceases before his effective date. The projected cost of the latter two benefits is estimated to be \$3,444 in 1979-80 and \$3,548 in 1980-81.

Section 3 provides survivor benefit coverage for a regular part-time employee based upon the equivalent service the person would have received if full time. Our actuary has indicated the cost of this provision to be so minor that it would be impossible to figure accurately. This is due to the small number of deaths which would occur under these circumstances each year. Because of the limited number of potential occurrences of each of these instances, these additional benefits can be provided without any increase in the contribution rate.

Therefore, we urge your favorable consideration of AB 474.

EXHIBIT B --

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ELBERT B. EDWARDS
CHAIRMAN EMERITUS

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



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DONALD L. REAM

PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569

CARSON CITY, NEVADA 89701

TELEPHONE (702) 685-4200

March 7, 1979

An Amendment to Provide for 8-Year Vesting With .50% Increase

AB 474, Fiscal Change Bill, should be amended to provide a new section as follows:

1. Subparagraph 1 of NRS 286.510 should be amended as follows:

1. Except as provided in subsection 2, a member of the system is eligible to retire at age 65 if he has at least 8 years of service, excluding service as a police officer or fireman, at age 60 if he has at least 30 years of service.

2. NRS 286.6793 should be amended as follows:

Vesting of retirement, survivor benefits. All retirement or survivor benefits offered pursuant to this chapter become vested on the date that the employee completes 10 years of creditable service or becomes entitled to begin receiving such benefits or on the date of his death, whichever event occurs first. A member who has 8 years of creditable service, excluding service as a police officer or fireman, has a vested right to receive a service retirement allowance offered pursuant to this chapter at age 65. Unless otherwise specifically provided by the amendatory act, any change in the provisions of this chapter is retroactive for all service of any member prior to the date of vesting, but no such change may impair any vested benefit.

3. NRS 286.410, Amount of contribution by member of system.

1. The employee contribution rate is 8.5 percent of compensation for police officers and firemen and [8] 8.25 percent of compensation for all other members.

4. NRS 286.450, Amount of contributions by public employers.

1. The employer contribution rate is 8.5 percent of compensation for police officers and firemen and [8] 8.25 percent of compensation for all other members.

5. NRS 286.421, Payment of contributions by employer on behalf of employee; compensation adjustments.

6. If an employer elects to pay the basic contribution on behalf of its employees, the total contribution rate is, in lieu of the amounts specified in subsection 1 of NRS 286.410 and subsection 1 of NRS 286.450:

(a) For all employees except police officers and firemen, [15] 15.5

EXHIBIT B

1071 3

percent of compensation.

(b) For police officers and firemen 17 percent of compensation.

A public employer which has elected to pay the basic contribution on behalf of its employees may, to the extent that the respective percentage rates of such contribution are increased above the rates set forth in this section on May 19, 1975, require each employee to pay one-half of the amount of such increase as provided in subsection 2.

ELBERT B. EDWARDS
CHAIRMAN EMERITUS

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



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DONALD L. REAM

PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569

CARSON CITY, NEVADA 89701

TELEPHONE (702) 555-4200

March 7, 1979

An Amendment to Provide for 8-Year Vesting With Cost Absorbed

AB 474, Fiscal Change Bill, should be amended to provide a new section as follows:

1. Subparagraph 1 of NRS 286.510 should be amended as follows:

1. Except as provided in subsection 2, a member of the system is eligible to retire at age 65 if he has at least 8 years of service, excluding service as a police officer or fireman, at age 60 if he has at least 30 years of service.

2. NRS 286.6793 should be amended as follows:

Vesting of retirement, survivor benefits. All retirement or survivor benefits offered pursuant to this chapter become vested on the date that the employee completes 10 years of creditable service or becomes entitled to begin receiving such benefits or on the date of his death, whichever event occurs first. A member who has 8 years of creditable service, excluding service as a police officer or fireman, has a vested right to receive a service retirement allowance offered pursuant to this chapter at age 65. Unless otherwise specifically provided by the amendatory act, any change in the provisions of this chapter is retroactive for all service of any member prior to the date of vesting, but no such change may impair any vested benefit.

EXHIBIT B

1973

ELBERT B. EDWARDS
CHAIRMAN

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



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PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569

CARSON CITY, NEVADA 89701

TELEPHONE (702) 885-4200

March 16, 1979

Mr. Frank Daykin
Legislative Counsel
Legislative Building
Carson City, Nevada 89710

Dear Frank:

Please refer to our letter to Speaker Paul May dated March 7, 1979 regarding an amendment to NRS 286.180. We understand that Speaker May has discussed this matter with you in detail. We have also discussed the matter with Attorney General Dick Bryan and Bill Isaeff. Mr. Isaeff advised me yesterday afternoon that it is the interpretation of the Attorney General's Office that NRS 286.180 clearly provides that the System shall pay the \$40 per day fee to all members of the Board. However, the law makes no mention regarding whether or not a public employer is required to pay a public employee's salary while he is attending a meeting of the Retirement Board as a member. The Attorney General also felt that they should not render an opinion regarding the retroactive application. Therefore, a corrective amendment seems definitely to be in order. Speaker May has advised me that he definitely wants a corrective amendment if the Attorney General is not able to resolve the matter by opinion. We have discussed a suggested amendment with the Attorney General's Office which is reflected as follows:

NRS 286.180, Compensation, expenses of board members.

1. When necessarily absent from home attending to their duties, the members of the board are entitled to receive their actual and necessary traveling expenses and other expenses within the limit fixed by law.
2. Members of the board are entitled to receive a fee of \$40 per day for attendance at meetings until June 30, 1979 and \$50 per day thereafter.
3. [Salaries] Fees and reimbursement for expenses shall be paid from the public employees' retirement administrative fund.
4. Effective May 19, 1975, and thereafter, members of the board who are public employees are entitled to receive the above fee for attendance at meetings in addition to their regular public salary.
5. Fees and reimbursement for expenses must be paid from commitment fees obtained from borrowers whenever the members of the board hold special meetings limited solely to mortgage and real estate investments.

EXHIBIT B

1074

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Mr. Frank Daykin
March 16, 1979
page 2

The new section 5 is the amendment listed and currently appearing in AB 475. We would then suggest that you consider deleting the amendment to NRS 286.180 in AB 475 which is on page 2, lines 15 through 27. If it is more practical, the amendment could be made to AB 475. However, this would then make AB 475 a fiscal bill which was not our original intent, due to the request to change the fee from \$40 to \$50 per day. The fiscal impact to the Retirement System will be approximately \$3,400 for 1980 and \$4,000 for 1981.

Please consider this an official request from Speaker Paul May, through me, to draft the above amendment to AB 474 or AB 475, as appropriate. Speaker May has advised that he would appreciate very much if the amendment could be drawn in time for the hearing on AB 474 and AB 475 which is scheduled by the Ways and Means Committee at 7:30 a.m. on March 20, 1979. If this is not possible, we will present this information to the Committee with the suggestion that they request the amendment, if approved.

We appreciate your continued cooperation and assistance to the Retirement System and its program.

Sincerely

VERNON BENNETT
Executive Officer

c.c.: Speaker Paul May
Assemblyman Donald R. Mello
Retirement Board
Mr. William E. Isaeff

VB:bb

EX HIBIT B

1075

ELBERT B. EDWARDS
CHAIRMAN

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



RETIREMENT BOARD
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DONALD L. REAM

PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569

CARSON CITY, NEVADA 89701

TELEPHONE (702) 885-4200

March 8, 1979

TO: All Assemblymen

RE: AB 475

AB 475 is the System's administrative corrections bill. There is no fiscal impact. Due to the length of the bill, we will provide an analysis by section as follows:

1. Removes the requirement that an employee must receive all customary employee benefits to qualify for membership. We will still require membership for persons employed in a position which is half time or more.
2. Adds the Administrative Assistant as an unclassified member of the staff. This was approved by the State Personnel Division and the Retirement Board last year. Allows the Executive Officer to perform other work on his own time or on leave approved in advance, provided it does not conflict with his present position.
3. Allows the System to pay Board expenses from commitment fees obtained from borrowers for special meetings limited to mortgage and real estate investment considerations.
4. Establishes a biennial audit of the System per recommendation of the Legislative Auditor and makes technical corrections regarding the Board's ability to adjust errors regarding records.
5. Technical correction only.
6. States that the System shall not be legally responsible for inaccurate information provided by a liaison officer or employee of a public employer. The System is responsible for the actions of the Retirement staff.

EX HIBIT B

1076

All Assemblymen
AB 475
March 8, 1979
Page Two

7. Clarifies purchase of service procedures while on temporary/total disability with NIC. Clarifies that a person may purchase service in our System that was cancelled in another system even though Social Security is still credited. Allows the employer to pay any portion of the cost, but does not require them to do so.
8. Technical correction only.
9. Eliminates the prohibition for membership in the System if the person is over age 55 at time of employment due to a recent act of Congress. Prohibits membership for CETA employees who are enrolled on or after July 1, 1979. Prohibits membership to persons assigned to intermittent or temporary positions unless the assignment exceeds 120 consecutive days.
10. Allows the classified employees of the Retirement staff the option to go to employer pay. The unclassified employees elected employer pay in 1977.
11. Provides full credit to a member while on sabbatical leave, provided the person is receiving full compensation and benefits.
12. Clarifies employment of retired employees. Removes current exemption that a retired employee can serve as a Councilman, County Commissioner or Legislator without forfeiting his retirement benefit. There is no affect for a retired employee of PERS to serve as a Legislator because that service is not eligible for membership in our System.
13. Merely requires that average compensation shall be based on the monthly amounts certified by the public employer.
14. Adds two new retirement options. Option 6 allows the retired employee to establish a specific sum per month to the beneficiary which will then actuarially reduce the monthly benefit for the retired employee. Option 7 provides the same flexibility with benefits that would not begin to the surviving beneficiary until said person attains age 60.
15. Clarifies the requirements for disability retirement to specify that the person must be totally unable to perform a comparable job because of injury or mental illness and determine that the disability must be of a permanent nature.
16. Extends survivor benefit coverage to a member who dies while on leave without pay and before termination.

All Assemblymen
AB 475
March 8, 1979
Page Three

17. Clarifies survivor benefit coverage to minor children.
18. Allows a surviving spouse to select a survivor benefit rather than have the staff determine which is the better benefit.
19. Clarifies the 100% limitation on survivor benefits to be applicable only to benefits purchased by a public employer of Nevada and eliminates lump-sum group insurance payments from consideration. This section shall be retroactive to May 19, 1977.
20. Allows the System to change the percentage of appraised value that may be invested in a first deed of trust from 70% to 80%. The System has been unable to consider several very attractive loans based on the 70% limitation. 80% is standard in the industry. This will allow the System to invest in more single family dwelling mortgages in Nevada. Allows System to reimburse staff expenses for consideration of real estate investments from commitment fees paid to the System by prospective borrowers.
21. Technical correction only.
22. Exempts the Retirement System from the state usury laws. The System recently forfeited \$250,000 on one hotel/casino first deed of trust because we could not accept the one point and the 12% rate. This will allow the System to compete with lenders from other states in real estate investments in Nevada.
23. Prohibits a person convicted of murder or voluntary manslaughter of a member from receiving any benefit provided by the Retirement Chapter by reason of the death of that member. Authorizes the System to withhold payment to a person who has been charged with murder or voluntary manslaughter pending a final determination.
24. Exempts the Retirement System from the State Usury Statute without specifically changing the current meaning of that statute. Refer to page 15, lines 22 and 23.
25. Technical corrections regarding the Legislators Retirement System.
26. Places the same employment restrictions on retired legislators as provided to retired employees of PERS. See section 12.
27. Allows a member employed prior to July 1, 1979 who was previously excluded from membership because he was over age 55 at time of employment to enter the System on or after July 1, 1979. Provides that the employee and employer contributions must be paid. This

All Assemblymen
AB 475
March 8, 1979
Page Four

section became necessary when Congress passed a law extending the mandatory retirement age from age 65 to age 70 for all workers.

This bill is a result of two years of meetings with the various employee, employer and retired employee groups throughout Nevada. The bill is endorsed by most if not all of the members and retired employees. Therefore, we urge your favorable consideration of this bill.

1979

EXHIBIT B

11

ELBERT S. EDWARDS
CHAIRMAN

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



RETIREMENT BOARD
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PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569

CARSON CITY, NEVADA 89701

TELEPHONE (702) 885-4200

March 7, 1979

Recommended Amendments to AB 475

1. Section 2, page 2, line 14, add the following: The executive officer is prohibited from participating in any active investment that the retirement system either owns or has a direct financial involvement in.
2. Section 2, page 2, line 22, delete "Salaries" and insert Fees.
3. Add a new section as follows:

A member may purchase periods of employment performed for a Nevada public employer under the Comprehensive Employment and Training Act on or after July 1, 1979. The cost to purchase shall be equivalent to the employee and employer contributions that would have been made had the member been eligible for membership in PERS during the CETA employment plus 7% per annum simple interest. The employer contributions may be made by the Department of Labor or the current public employer. However, no service may be validated unless and until all contributions plus interest are paid.

4. Section 28, page 18, line 1, delete the words "Section 27" and insert Sections 2, 3, 10, 16, 17, 19, 20, 21, 22, 23, 24, 25 and 26.

EXHIBIT E

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12

ELBERT B. EDWARDS
CHAIRMAN EMERITUS

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



LEGISLATORS' RETIREMENT SYSTEM

P.O. Box 1569

CARSON CITY, NEVADA 89701

TELEPHONE (702) 885-4200

RETIREMENT BOARD
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VICE CHAIRMAN

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BOYD D. MANNING
DONALD L. REAM

February 5, 1979

The Honorable Robert E. Robinson
Assemblyman, State of Nevada
Legislative Building
Carson City, Nevada 89701

Dear Bob:

Please refer to our letter to you dated February 1, 1979 regarding the Legislators' Retirement System. I am concerned that my suggested amendment has a loophole that might indicate that a Legislator could receive duplicate benefits as provided in NRS 218 and 286. I would like to suggest clarifying language in addition to section 1 as follows:

"However, nothing in this act shall be construed to authorize duplication of benefits under both Chapters 218 and 286. Whenever both chapters provide a benefit, the provisions of Chapter 218 shall prevail."

I think that this will resolve the concern. The suggested amendment as changed would be a new section to NRS 218 as follows:

Membership and benefit rights:

1. Members of this system shall have the same options, privileges and benefits which are provided in Chapter 286 to members of the public employees retirement system. However, nothing in this act shall be construed to authorize duplication of benefits under both Chapter 218 and 286. Whenever both chapters provide a benefit, the provisions of Chapter 218 shall prevail.
2. The retirement board shall have the authority to adopt necessary rules and regulations to administer this section.

Please advise if we can be of further assistance.

Sincerely

Vernon Bennett

VERNON BENNETT
Executive Officer

c.c.: Retirement Board
Senator Keith Ashworth
Assemblyman Roger Bremner

VB:bb

1981

O-137

EXHIBIT B

13

ELBERT B. EDWARDS
CHAIRMAN

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



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BOYD D. MANNING
DONALD L. REAM

PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569

CARSON CITY, NEVADA 89701

TELEPHONE (702) 885-4200

March 8, 1979

TO ALL ASSEMBLYMEN:

SB 34 has been unanimously approved by the Senate and referred to the Assembly Ways and Means Committee. It provides that \$20 million of the current surplus shall be set aside for future needs of Nevada taxpayers. Passage of this bill will assist approximately 5,200 retired employees. The funds will be placed in a trust fund and invested by the Retirement Board. The investment return is dedicated to payment of new post-retirement increases provided in SB 258, which will begin 7/1/79 and again 7/1/80. The Retirement Board has indicated that they will invest the funds in first deeds of trust in Nevada. The System will be required to keep separate accounting records for the fund and the income account, and prepare an annual report for the Governor, each member of the Legislature and the Legislative Auditor. If the interest income is ever insufficient to pay for the new post-retirement increases, the Board shall pay the deficiency from the Retirement System's funds. This procedure is in keeping with indications provided by the 1977 Legislature that the Retirement System would continue to pay the costs for all previous post-retirement benefit increases in effect before 7/1/79, and that a separate source of funding be obtained for any new increases beginning 7/1/79 and thereafter. Therefore, I would appreciate your support of SB 34.

Either I, or some other person representing the Retirement System, will attempt to meet with each member of the Assembly to discuss this proposal prior to the final vote. However, please feel free to call me if you have a specific question or concern.

We appreciate your continued support of the Retirement System and its program.

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EXHIBIT B

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ELBERT S. EDWARDS

CHAIRMAN

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



RETIREMENT BOARD

ROSS CULBERTSON
CHAIRMAN

SAM A. PALAZZOLO
VICE CHAIRMAN

MEMBERS

DARREL R. DAINES
WILLIS A. DEISS
ELBERT S. EDWARDS
BOYD D. MANNING
DONALD L. REAM

PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569

CARSON CITY, NEVADA 89701

TELEPHONE (702) 885-4200

March 16, 1979

Mr. Frank Daykin
Legislative Counsel
Legislative Building
Carson City, Nevada 89710

Dear Frank:

We are enclosing a letter from Mr. Ken Buck dated March 14, 1979 which points out some problems regarding reemployment of retired employees as provided under AB 475. We feel that Mr. Buck has two valid points in the letter which merit correction. Therefore, we request amendments to AB 475 as follows:

1. On page 9, line 12, delete the words "calendar or".
2. On page 9, delete line 13 in its entirety and insert the words duration of that employment.
3. On page 9, between lines 27 and 28 insert the following:
 4. Nothing in this section shall provide a retroactive affect upon employment that was initiated by a retired employee prior to the effective date of this act.

This will relieve the major concerns expressed by Mr. Buck and several other retired employees.

Sincerely

Vernon Bennett

VERNON BENNETT
Executive Officer

Encl:

c.c.: Assemblyman Donald Mello
Retirement Board
Mr. Warren Fowler
Mr. Kenneth Buck

VB:bb

1083

EXHIBIT B

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INFORMATION REGARDING SB 34 PRESENTED
TO THE ASSEMBLY WAYS & MEANS COMMITTEE
3-20-79

1084

EXHIBIT B --

ESTIMATED COST OF POST-RETIREMENT INCREASES
TO BE PAID THROUGH INVESTMENT YIELD AS PROVIDED IN SB 34

| <u>YEAR</u> | <u>INVESTMENT INCOME AT 10%</u> | <u>COST OF POST- RETIREMENT INCREASES</u> | <u>BALANCE</u> |
|-------------|---|---|----------------|
| 1. | \$2,000,000 | \$1,157,436 | \$842,564 |
| 2. | 2,000,000 | 2,526,268 | 316,296 |
| 3. | 2,000,000 | 2,349,429 | (33,133) |
| 4. | 2,000,000 | 2,184,969 | (218,102) |
| 5. | 2,000,000 | 2,032,021 | (250,123) |
| 6. | 2,000,000 | 1,889,779 | (139,902) |
| 7. | 2,000,000 | 1,757,495 | 102,603 |
| 8. | 2,000,000 | 1,634,470 | 468,133 |
| 9. | 2,000,000 | 1,520,057 | 948,076 |
| 10. | 2,000,000 | 1,413,653 | 1,534,423 |
| 11. | 2,000,000 | 1,314,697 | 2,219,726 |
| 12. | 2,000,000 | 1,222,668 | 2,997,058 |
| 13. | 2,000,000 | 1,137,081 | 3,859,997 |
| 14. | 2,000,000 | 1,057,485 | 4,802,512 |

1985

EXHIBIT B

ELBERT B. ARDS
CHAIRMAN

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE NEVADA



PUBLIC EMPLOYEES RETIREMENT SYSTEM

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RETIREMENT BOARD
L. S. CULBERTSON
CHAIRMAN
SAM A. PALAZZOLO
VICE CHAIRMAN

MEMBERS

DARREL R. DAINES
WILLIS A. DEISS
ELBERT B. EDWARDS
BOYD D. MANNING
DONALD L. REAM

March 7, 1979

TO ALL SENATORS:

SB 258 has been unanimously approved by the Senate Finance Committee. It provides for a program of post-retirement increases which will assist approximately 5200 retired employees and benefit recipients. The specific provisions of SB 258 are as follows:

Section 1 - SB 418 of 1977 provided lump sum monthly post-retirement increases to those who began receiving benefits on or before January 1, 1977. This section of SB 258 would provide for extension of this increase from July 1, 1979 through June 30, 1981 only for those already receiving the increase. This would affect approximately 4000 retired employees with 349 continuing to receive \$20.00 per month, 1003 continuing to receive \$15.00 per month, 936 continuing to receive \$5.00 per month and 1742 continuing to receive \$3.00 per month. The projected cost of this section is \$709,826, which will be borne by the Retirement System.

Section 2 - This would provide a sliding scale of percentage post-retirement increases for approximately 5200 retired employees, beneficiaries and benefit recipients effective July 1, 1979 and July 1, 1980. There are significant changes in this bill over past post-retirement increase programs. These are:

1. Calculation Base: In the past, the base for calculation for post-retirement increases has been the base benefit. The base benefit is the amount paid at the time that benefits were first initiated. This would be changed to provide that the calculation base be the cumulative benefit. Cumulative benefit is base benefit plus all post-retirement increases added since date of retirement.
2. Percent of Increase: Previously, the sliding scale of percentages has ranged from two to five percent of base benefit for from 6 months to 12 or more years of retirement. This would be changed to a sliding scale of three to five percent for from 1 to 5 or more years of retirement as reflected by the following table:

1986

EXHIBIT B

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To All Senators

-2-

March 7, 1979

| <u>YEARS OF RETIREMENT</u> <u>(AS OF JULY 1)</u> | <u>PERCENT OF BASE</u> <u>FOR PERIOD 7/1/77-6/30/79</u> | <u>PERCENT OF CUMULATIVE</u> <u>FOR PERIOD 7/1/79-6/30/81</u> |
|---|--|--|
| More than 6 months less than 1 year | 2.00 | -0- |
| 1 | 2.25 | 3.00 |
| 2 | 2.50 | 3.50 |
| 3 | 2.75 | 4.00 |
| 4 | 3.00 | 4.50 |
| 5 | 3.25 | 5.00 |
| 6 | 3.50 | 5.00 |
| 7 | 3.75 | 5.00 |
| 8 | 4.00 | 5.00 |
| 9 | 4.25 | 5.00 |
| 10 | 4.50 | 5.00 |
| 11 | 4.75 | 5.00 |
| 12 or more | 5.00 | 5.00 |

The projected cost of SB 258 for the next two fiscal years is as follows:

| | | |
|-----------------------------|-------------|--------------------|
| 7/7/79 - 6/30/80 | | \$1,157,436 |
| 7/1/80 - 6/30/81 | \$1,368,832 | |
| Extension of 7/1/79 inc. | \$1,157,436 | \$2,526,268 |
| | | <u>\$3,683,704</u> |

Funding for the percentage increases described in Section 2 of SB 258 will be through the provisions of SB 34, which has been approved unanimously by the Senate. This would provide that \$20,000,000 of the current surplus be set aside and placed in a trust fund by the Retirement Board. The investment return is dedicated to payment of these new post-retirement increases. If SB 34 is not passed by the Assembly and signed by the Governor, some other form of dedicated funding will be provided to pay for these new post-retirement increases.

Either I, or some other person representing the Retirement System will attempt to meet with each member of the Senate to discuss this proposal prior to the final vote; however, please feel free to call me if you have a specific question or concern.

We appreciate your continued support of the Retirement System and its program.

Sincerely,

Vernon Bennett

Vernon Bennett
Executive Officer

LG:lf

EXHIBIT B --

2687

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INFORMATION REGARDING SB 258 PRESENTED
TO THE ASSEMBLY WAYS & MEANS COMMITTEE
3-20-79

1088

EXHIBIT D

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NUMBER OF INDIVIDUALS RECEIVING
BENEFIT AUTHORIZED BY SB 418 OF 1977

| <u>BENEFIT</u> | <u>AMOUNT</u> | <u>NO. RECEIVING</u> |
|----------------|---------------|----------------------|
| \$0 - \$100 | \$20.00 | 349 |
| 101 - 200 | 15.00 | 1003 |
| 201 - 300 | 5.00 | 936 |
| 301 & UP | 3.00 | <u>1742</u> |
| | | 4030 |

NOTE: This refers to Section 1 of SB 258

1089

EFFECT OF POSTRETIREMENT INCREASES AUTHORIZED BY SB 258
IF RETIRED PRIOR TO 7-1-63

| Postretirement Increase Effective: | \$100/mo | Base Benefits | |
|--|-----------------|-----------------|-----------------|
| | | \$300/mo | \$500/mo |
| 7-1-64 | 1.50 | 4.50 | 7.50 |
| 7-1-65 | 1.50 | 4.50 | 7.50 |
| 7-1-66 | 1.50 | 4.50 | 7.50 |
| 7-1-67 | 1.50 | 4.50 | 7.50 |
| 7-1-68 | 1.50 | 4.50 | 7.50 |
| 7-1-69 | 1.50 | 4.50 | 7.50 |
| 7-1-70 | 1.50 | 4.50 | 7.50 |
| 7-1-72 | 1.50 | 4.50 | 7.50 |
| 7-1-73 | 1.50 | 4.50 | 7.50 |
| 7-1-74 | 1.50 | 4.50 | 7.50 |
| 7-1-75 | 50.00 | 50.00 | 50.00 |
| 7-1-76 | -0- | -0- | -0- |
| 7-1-77 | 5.00 | 15.00 | 25.00 |
| SB 418 7-1-77 | 20.00 | 5.00 | 3.00 |
| 7-1-78 | 5.00 | 15.00 | 25.00 |
| Total of all Postretirement increases through 7-1-78 | <u>\$96.50</u> | <u>\$134.50</u> | <u>\$185.50</u> |
| Percent of Postretirement increases to Base Benefit | 96.50% | 44.83% | 37.10% |
| Current Benefit 7-1-78 | 196.50 | 434.50 | 685.00 |
| Projected Postretirement Increases Effective | | | |
| 7-1-79 | 9.83 | 21.73 | 34.28 |
| 7-1-80 | 10.32 | 22.81 | 35.99 |
| Current Benefit 7-1-80 | <u>\$216.65</u> | <u>\$479.04</u> | <u>\$755.76</u> |
| Percent of Postretirement Increases To Base Benefit | 116.65% | 59.68% | 51.15% |

NOTE: This refers to Section 2 of SB 258.

EFFECT OF POSTRETIREMENT INCREASES AUTHORIZED BY SB 258
IF RETIRED PRIOR TO 7-1-70

| | | Base Benefit | | |
|--|--|--------------|--------------|--------------|
| Post-Retirement Increase Effective: | | \$100/mo | \$300/mo | \$500/mo |
| 7-1-71 | | \$ 1.50 | \$ 4.50 | \$ 7.50 |
| 7-1-72 | | 1.50 | 4.50 | 7.50 |
| 7-1-73 | | 1.50 | 4.50 | 7.50 |
| 7-1-74 | | 1.50 | 4.50 | 7.50 |
| 7-1-75 | | 3.00 | 9.00 | 15.00 |
| 7-1-76 | | 3.00 | 9.00 | 15.00 |
| 7-1-77 | | 3.25 | 9.75 | 16.25 |
| SB418 7-1-77 | | 20.00 | 5.00 | 3.00 |
| 7-1-78 | | <u>3.50</u> | <u>10.50</u> | <u>17.50</u> |
| Total of all Post-Retirement Increases through 7-1-78 | | \$38.50 | \$61.25 | \$96.75 |
| Percent of Post-Retirement Increases to Base Benefit 7-1-78 | | 38.50% | 20.42% | 19.35% |
| Current Benefit 7-1-78 | | 138.50 | 361.25 | 596.75 |
| Projected Post-Retirement Increases Effective 7-1-79 | | 6.93 | 18.06 | 29.84 |
| 7-1-80 | | <u>7.27</u> | <u>18.97</u> | <u>31.33</u> |
| Current Benefit 7-1-80 | | \$ 152.70 | \$ 398.28 | \$ 657.92 |
| Percent of Post-Retirement Increases to Base Benefit 7-1-80 | | 52.70% | 32.76% | 31.58% |

NOTE: This refers to Section 2 of SB 258

EFFECT OF POST-RETIREMENT INCREASES AUTHORIZED BY SB 258
IF RETIRED PRIOR TO 7-1-76

| Post-Retirement Increase Effective: | \$100/mo | \$300/mo | \$500/mo |
|---|----------|----------|----------|
| 7-1-77 | \$ 2.25 | \$ 6.75 | \$ 11.25 |
| SB418 7-1-77 | 20.00 | 5.00 | 3.00 |
| 7-1-78 | 2.50 | 7.50 | 12.50 |
| Total of all Post-Retirement Increases through 7-1-78 | \$24.75 | \$19.25 | \$ 26.75 |
| Percent of Post Retirement Increases to Base Benefit | 24.75% | 6.42% | 5.35% |
| Current Benefit 7-1-78 | \$124.75 | \$319.25 | \$526.75 |
| Projected Post-Retirement Increase Effective: 7-1-79 | 4.00 | 12.00 | 20.00 |
| 7-1-80 | 4.25 | 13.50 | 22.50 |
| Current Benefit 7-1-80 | \$133.00 | \$344.75 | \$569.25 |
| Total of all Post-Retirement Increases to Base Benefit | 33.00% | 14.92% | 13.85% |

NOTE: This refers to Section 2 of SB 258 .

1092

EX HIBIT E

24

1979 REGULAR SESSION (60TH)

| ASSEMBLY ACTION | | SENATE ACTION | | Assembly | AMENDMENT BLANK |
|------------------|--------------------------|------------------|--------------------------|---------------|-----------------------------|
| Adopted | <input type="checkbox"/> | Adopted | <input type="checkbox"/> | AMENDMENTS to | Assembly |
| Lost | <input type="checkbox"/> | Lost | <input type="checkbox"/> | | Joint |
| Date: | | Date: | | Bill No. 474 | Resolution No. |
| Initial: | | Initial: | | BDR 23-847 | |
| Concurred in | <input type="checkbox"/> | Concurred in | <input type="checkbox"/> | Proposed by | Committee on Ways and Means |
| Not concurred in | <input type="checkbox"/> | Not concurred in | <input type="checkbox"/> | | |
| Date: | | Date: | | | |
| Initial: | | Initial: | | | |

Amendment N^o 208

Amend the title of the bill, 2nd and 3rd lines by deleting:

"authorizing refunds to certain employees of deductions
taken under former law;".

To: E & E
LCB File
Journal
Engrossment
Bill

Date 3-1-79 Drafted by JSP:sl

Exhibit "C"

1893

1979 REGULAR SESSION (60TH)

| ASSEMBLY ACTION | SENATE ACTION | Assembly AMENDMENT BLANK |
|---|---|---|
| Adopted <input type="checkbox"/> | Adopted <input type="checkbox"/> | AMENDMENTS to <u>Assembly</u> |
| Lost <input type="checkbox"/> | Lost <input type="checkbox"/> | Bill No. <u>474</u> Joint |
| Date: <input type="checkbox"/> | Date: <input type="checkbox"/> | Resolution No. |
| Initial: <input type="checkbox"/> | Initial: <input type="checkbox"/> | BDR <u>23-847</u> |
| Concurred in <input type="checkbox"/> | Concurred in <input type="checkbox"/> | Proposed by <u>Committee on Ways and Means</u> |
| Not concurred in <input type="checkbox"/> | Not concurred in <input type="checkbox"/> | |
| Date: <input type="checkbox"/> | Date: <input type="checkbox"/> | |
| Initial: <input type="checkbox"/> | Initial: <input type="checkbox"/> | |

Amendment N^o 326

Consistent with Amendments Nos. 208, 327
and 328

Amend the bill as a whole by inserting a new section designated section 1.1, following section 1, to read as follows:

"Sec. 1.1. NRS 286.180 is hereby amended to read as follows:

286.180 1. When necessarily absent from home attending to their duties, the members of the board are entitled to receive their actual and necessary traveling expenses and other expenses within the limit fixed by law.

2. Members of the board are entitled to receive a fee of [\$40] \$50 per day for attendance at meetings [.] in addition to any salary as public officers or employees.

3. [Salaries] Fees and reimbursement for expenses shall be paid from the public employees' retirement administrative fund."

Amend the bill as a whole by inserting a new section designated section 4, as the last section of the bill to read as follows:

"Sec. 4. The payment to members of the public employees' retirement board of fees for attendance at meetings of the board in

To: E & E
LCB File
Journal
Engrossment
Bill

Exhibit "D" 1094

Date 3-19-79 Drafted by FWD:ml

addition to any salary as public officers or employees, from
May 19, 1975, to June 30, 1979, is hereby ratified."

EX HIBIT D

1035

474
475
474

TESTIMONY REGARDING PROPOSED AMENDMENTS TO ASSEMBLY BILL
Before the ASSEMBLY WAYS & MEANS COMMITTEE, March 20, 1979
by SPEAKER PAUL MAY

THREE MEMBERS OF THE RETIREMENT BOARD HAVE CONTACTED ME REGARDING A PROBLEM WHICH HAS RECENTLY DEVELOPED. TWO AGENCIES HAVE DETERMINED THAT THEY CANNOT PAY THE MEMBER'S SALARY WHILE HE IS ATTENDING MEETINGS OF THE RETIREMENT BOARD. ONE AGENCY HAS BEEN DEDUCTING AN EQUIVALENT AMOUNT FROM THE SALARY OF THE MEMBER SINCE JULY 1, 1978. THE OTHER AGENCY HAS BEEN PAYING THE SALARY FOR APPROXIMATELY SIX YEARS AND DECIDED ABOUT THREE WEEKS AGO TO NOT ONLY STOP THE PRACTICE, BUT TO DEMAND REIMBURSEMENT IN THE AMOUNT OF \$1,450. THE 1975 LEGISLATURE PASSED A PROVISION IN NRS 286.180 WHICH ELIMINATED THE PREVIOUS PROHIBITION AND SPECIFICALLY PROVIDED THAT ALL MEMBERS OF THE BOARD WOULD RECEIVE THE \$40 PER DAY FEE FOR ATTENDANCE AT MEETINGS. PRIOR TO THAT, ONLY BOARD MEMBERS WHO WERE NOT ENROLLED IN THE RETIREMENT SYSTEM RECEIVED THE \$40 PER DAY FEE. MY SUGGESTED AMENDMENT WILL REMOVE ANY CONCERN REGARDING THE MATTER AND CLEARLY SPELL OUT THAT MEMBERS OF THE BOARD RECEIVE THE FEE IN ADDITION TO THEIR REGULAR PUBLIC SALARY. FIVE MEMBERS OF THE BOARD ARE ALREADY ENJOYING THAT SITUATION.

IN ADDITION, MY AMENDMENT WILL RAISE THE DAILY FEE FROM \$40 TO \$50 PER DAY. I DO NOT FEEL THAT THIS IS AN EXCESSIVE FEE. THE STATE BOARD OF NURSING ALREADY RECEIVES \$50 PER DAY FOR ATTENDANCE AT THEIR MEETINGS. I DO NOT KNOW OF ANY OTHER BOARD THAT WORKS HARDER OR PROVIDES BETTER RESULTS FOR THEIR MEMBERS, PUBLIC EMPLOYERS AND RETIRED EMPLOYEES AND THE NEVADA TAXPAYERS THAN DOES THE RETIREMENT BOARD. FOR EXAMPLE, THEY HAVE INCREASED INVESTMENT INCOME FROM \$9 MILLION TO \$39.3 MILLION DURING THE PAST FIVE YEARS AND HAVE INVESTED OVER \$60 MILLION IN REAL ESTATE INVESTMENTS IN NEVADA DURING THE PAST YEAR. THESE ACTIVITIES TAKE MUCH OF THEIR TIME AND REQUIRE A HIGH LEVEL OF EXPERTISE. THEY HAVE INDICATED THAT THE FISCAL IMPACT WILL BE \$3,400 IN 1980 AND \$4,000 IN 1981 WHICH WILL BE PAID OUT OF THEIR ADMINISTRATIVE FUND. THEREFORE, I FEEL THIS IS A WORTHWHILE AMENDMENT AND URGE YOUR FAVORABLE CONSIDERATION.

1096

Exhibit "E"

Withdrawn

1979 REGULAR SESSION (60TH)

| ASSEMBLY ACTION | | SENATE ACTION | | Assembly | AMENDMENT BLANK |
|------------------|--------------------------|------------------|--------------------------|---------------|-----------------------------|
| Adopted | <input type="checkbox"/> | Adopted | <input type="checkbox"/> | AMENDMENTS to | Assembly |
| Lost | <input type="checkbox"/> | Lost | <input type="checkbox"/> | Bill No. | 474 Joint |
| Date: | | Date: | | | Resolution No. |
| Initial: | | Initial: | | BDR | 23-847 |
| Concurred in | <input type="checkbox"/> | Concurred in | <input type="checkbox"/> | Proposed by | Committee on Ways and Means |
| Not concurred in | <input type="checkbox"/> | Not concurred in | <input type="checkbox"/> | | |
| Date: | | Date: | | | |
| Initial: | | Initial: | | | |

Amendment N^o 327

Consistent with Amendments Nos. 208 and 326
Conflicts with Amendment No. 328

Amend the bill as a whole by inserting new sections designated sections 1.3 through 1.7, preceding section 2, to read as follows:

"Sec. 1.3. NRS 286.410 is hereby amended to read as follows:

286.410 1. The employee contribution rate is 8.5 percent of compensation for police officers and firemen and [8] 8.25 percent of compensation for all other members.

2. From each payroll during the period of his membership, the employer shall deduct the amount of the member's contributions and transmit the deduction to the board at intervals designated and upon forms prescribed by the board. Such contributions shall be paid on compensation earned by a member from his first day of service.

3. Any employee whose position is determined after July 1, 1971, to be eligible under the early retirement provisions for police officers and firemen shall contribute an additional 0.5 percent of compensation earned in this position from July 1, 1971, to the date of his enrollment under the police and firemen's retirement fund,

To: E & E
LCB File
Journal
Engrossment
Bill

Date 3-19-79 Drafted by FWD:MLG

Exhibit "F"

if employment in this position occurred prior to July 1, 1971, or from date of employment in this position to the date of his enrollment under the police and firemen's retirement fund, if employment occurs later.

4. The system shall guarantee to each member the return of at least the total employee contributions which the member has made and which was credited to his individual account. These contributions may be returned to the member, his estate or beneficiary or a combination thereof in monthly benefits, a lump sum refund or both.

5. Disabled members who are injured on the job and receive industrial insurance benefits for temporary total disability [shall] remain contributing members of the system for the duration of such benefits if and while the public employer continues to pay the difference between these benefits and his regular compensation. The public employer shall pay the employer contributions on these benefits.

Sec. 1.4. NRS 286.421 is hereby amended to read as follows:

286.421 1. Except as limited in this section, any participating public employer may pay on behalf of its employees the employee contributions required by subsection 1 of NRS 286.410. The state board of examiners shall elect on behalf of all state agencies which have employees within the classified service of the state, as

EXHIBIT F

1998

established by chapter 284 of NRS, whether to pay such contributions. The public employees' retirement board shall elect whether to pay such contributions on behalf of its employees in the unclassified service. The board of regents shall elect whether to pay such contributions on behalf of the professional staff of the University of Nevada System.

2. Payment of employee contributions shall be:

(a) Made in lieu of equivalent basic salary increases or cost of living increases, or both; or

(b) Counterbalanced by equivalent reductions in employee salaries.

3. The average compensation from which the amount of benefits payable pursuant to this chapter is determined shall be increased with respect to each month beginning after June 30, 1975, by 50 percent of the contribution made by the public employer, and shall not be less than it would have been if contributions had been made by the member and the public employer separately.

4. Employee contributions made by a public employer shall be deposited in either the public employees' retirement fund or the police and firemen's retirement fund as is appropriate. These contributions shall not be credited to the individual account of the

1039

EXHIBIT F --

member and may not be withdrawn by the member upon his termination.

5. The membership of an employee who became a member on or after July 1, 1975, and all contributions on whose behalf were made by his public employer shall not be canceled upon the termination of his service.

6. If an employer elects to pay the basic contribution on behalf of its employees, the total contribution rate is, in lieu of the amounts specified in subsection 1 of NRS 286.410 and subsection 1 of NRS 286.450:

(a) For all employees except police officers and firemen, [15] 15.5 percent of compensation.

(b) For police officers and firemen , 17 percent of compensation. A public employer which has elected to pay the basic contribution on behalf of its employees may, to the extent that the respective percentage rates of such contribution are increased above the rates set forth in this section on May 19, 1975, require each employee to pay one-half of the amount of such increase as provided in subsection 2.

7. For the purposes of adjusting salary increases and cost of living increases or of salary reduction, the total contribution shall be equally divided between employer and employee.

1100

EXHIBIT F --

8. An election by an employer to begin or to discontinue paying the basic contribution on behalf of its employees becomes effective at the beginning of the next fiscal year or established payroll adjustment period.

Sec. 1.5. NRS 286.450 is hereby amended to read as follows:

286.450 1. The employer contribution rate is 8.5 percent of compensation for police officers and firemen and [8] 8.25 percent of compensation for all other members.

2. The public employer of any employee whose position is determined after July 1, 1971, to be eligible under the early retirement provisions for police officers and firemen shall contribute an additional 0.5 percent of compensation earned in this position from July 1, 1971, to the date of his enrollment under the police and firemen's retirement fund, if employment in this position occurred prior to July 1, 1971, or from date of employment in this position to the date of his enrollment under the police and firemen's retirement fund, if employment occurs later.

Sec. 1.6. NRS 286.510 is hereby amended to read as follows:

286.510 1. Except as provided in subsection 2, a member of the system is eligible to retire at [age] :

(a) Age 65 if he has at least 8 years of creditable service, excluding service as a police officer or fireman;

(b) Age 60 if he has at least 10 years of service [, and at age] ; and

(c) Age 55 if he has at least 30 years of service.

2. A police officer or fireman is eligible to retire at age 55 if he has at least 10 years of service, and at age 50 if he has at least 20 years of service.

3. Eligibility for retirement, as provided in this section, does not require the member to have been a participant in the system at the beginning of his credited service.

4. Any member who has the years of creditable 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 shall be reduced 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 under this subsection shall be reduced 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.

EXHIBIT F

Sec. 1.7. NRS 286.570 is hereby amended to read as follows:

286.570 Any person employed by the state or its political subdivisions who is a participating member of the system, who has been employed for a period of [10] 8 or more [continuous] years, and who leaves the employ of the state or its political subdivisions prior to the attainment of the minimum service retirement age, may elect to refuse the return of his contributions, and in place thereof, upon reaching [minimum service retirement age,] :

(a) Age 60 if he has at least 10 years of creditable service; or

(b) Age 65 if he has only 8 or 9 years of creditable service,

may receive the same benefits to which he would otherwise have been entitled had he continued membership in the system."

EXHIBIT F

1103

W. H. H. H.

1979 REGULAR SESSION (60TH)

| ASSEMBLY ACTION | SENATE ACTION | Assembly | AMENDMENT BLANK |
|---|---|---------------|-----------------------------|
| Adopted <input type="checkbox"/> | Adopted <input type="checkbox"/> | AMENDMENTS to | Assembly |
| Lost <input type="checkbox"/> | Lost <input type="checkbox"/> | | Joint |
| Date: | Date: | Bill No. 474 | Resolution No. |
| Initial: | Initial: | BDR 23-847 | |
| Concurred in <input type="checkbox"/> | Concurred in <input type="checkbox"/> | Proposed by | Committee on Ways and Means |
| Not concurred in <input type="checkbox"/> | Not concurred in <input type="checkbox"/> | | |
| Date: | Date: | | |
| Initial: | Initial: | | |

Amendment N^o 328

Consistent with Amendments Nos. 208 and 326
Conflicts with Amendment No. 327

Amend the bill as a whole by inserting new sections designated sections 1.6 and 1.7, preceding section 2, to read as follows:

"Sec. 1.6. NRS 286.510 is hereby amended to read as follows:

286.510 1. Except as provided in subsection 2, a member of the system is eligible to retire at [age] :

(a) Age 65 if he has at least 8 years of creditable service, excluding service as a police officer or fireman;

(b) Age 60 if he has at least 10 years of service [, and at age] ; and

(c) Age 55 if he has at least 30 years of service.

2. A police officer or fireman is eligible to retire at age 55 if he has at least 10 years of service, and at age 50 if he has at least 20 years of service.

3. Eligibility for retirement, as provided in this section, does not require the member to have been a participant in the system at the beginning of his credited service.

To: E & E
LCB File
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Bill

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Exhibit "G"

4. Any member who has the years of creditable 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 shall be reduced 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 under this subsection shall be reduced 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. 1.7. NRS 286.570 is hereby amended to read as follows:

286.570 Any person employed by the state or its political subdivisions who is a participating member of the system, who has been employed for a period of [10] 8 or more [continuous] years, and who leaves the employ of the state or its political subdivisions prior to the attainment of the minimum service retirement age, may elect to refuse the return of his contributions, and in place thereof, upon reaching [minimum service retirement age,] :

EXHIBIT 6 --

(a) Age 60 if he has at least 10 years of creditable service; or

(b) Age 65 if he has only 8 or 9 years of creditable
service,

may receive the same benefits to which he would otherwise have been
entitled had he continued membership in the system."

EXHIBIT 6

1208

WAYS AND MEANS COMMITTEE

S.B. 34 AND S.B. 258

MARCH 20, 1979

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I AM JOYCE WOODHOUSE REPRESENTING THE NEVADA STATE
EDUCATION ASSOCIATION.

AT ITS STATE CONVENTION, REPRESENTATIVES OF THE NSEA
VOTED OVERWHELMINGLY FOR THE CONCEPT OF PAYMENT FOR POST
RETIREMENT INCREASES FOR RETIREES. THEREFORE, WE EARNESTLY
BRING TO YOU OUR ENDORSEMENT OF S.B. 34 AND ITS COMPANION,
S.B. 258.

WE BELIEVE THESE MEASURES ARE FAIR AND JUST. WE URGE YOUR
SUPPORT. THANK YOU.

Exhibit "H"

2207

1979 REGULAR SESSION (60TH)

| ASSEMBLY ACTION | SENATE ACTION | Assembly | AMENDMENT BLANK |
|---|---|---------------|---------------------------------|
| Adopted <input type="checkbox"/> | Adopted <input type="checkbox"/> | AMENDMENTS to | Assembly |
| Lost <input type="checkbox"/> | Lost <input type="checkbox"/> | Bill No. 475 | Joint Resolution No. |
| Date: | Date: | BDR 23-846 | |
| Initial: | Initial: | Proposed by | Committee on Ways and Means |
| Concurred in <input type="checkbox"/> | Concurred in <input type="checkbox"/> | | |
| Not concurred in <input type="checkbox"/> | Not concurred in <input type="checkbox"/> | | |
| Date: | Date: | | |
| Initial: | Initial: | | |

Amendment N^o 329

Consistent with Amendments Nos. 318, 319, 320 and 321

Amend section 2, page 2, line 14 by inserting after the period:
"The executive officer shall not participate in any business enterprise or investment in real or personal property if system owns or has a direct financial interest in that enterprise or property."

Amend section 3, page 2, line 22 by deleting "Salaries" and inserting "[Salaries] Fees".

Amend section 7, page 4, by deleting lines 27 through 32 and inserting:

"[5.] 6. A member may purchase service performed for a public employer under the Comprehensive Employment Training Act on or after July 1, 1979. The member must pay or cause to be paid an amount equal to the total employee and employer contributions which would have been required had he been a member of the system during that employment, plus interest on each contribution at the rate of 7 percent per annum from the date it would have been made to the date of purchase."

To: E & E
 LCB File
 Journal
 Engrossment
 Bill

Date 3-19-79 Drafted by FWD:ml

Exhibit "I"

1108

The present public employer may pay the employer contributions, but no such purchased service may be validated until all required contributions and interest are paid."

Amend section 8, page 5, line 36, by deleting "subsection 6 of NRS 286.300" and inserting "subsection 1 of section 24 of this act".

Amend section 12, page 9, line 12 by deleting "calendar or".

Amend section 12, page 9, by deleting line 13 and inserting: "duration of that employment.".

Amend section 21, page 15, line 8, by deleting "22 and 23" and inserting "22, 23 and 23.5".

Amend the bill as a whole by inserting a new section designated section 23.5, following section 23, to read as follows:

"Sec. 23.5. 1. A member who participated in a system combined with Social Security may purchase service pursuant to NRS 286.300 if he cancels his membership in the other retirement system, and the fact that Social Security coverage cannot be canceled does not affect his rights under this section. A member may also purchase service performed in another public employment which provided only Social Security coverage.

2. A member who provides proper documentation and establishes the right to purchase any of the service listed in NRS 286.300 may

EX HIBIT I

1109

defer payment until actual retirement. Under this subsection, the purchase of service must be based on the normal employee and employer contribution rates which are in effect at the time of the member's retirement times his final average compensation, and without interest. Service purchased under this subsection may not be credited until retirement. This service can be used for service retirement eligibility.

3. The employing agency may pay any portion of the cost to validate service under this section, but is not required to do so. No credit, however, may be validated unless both the employer and employee contributions have been paid.

4. The member or public employer, or both, purchasing credit under this section shall pay the full current administrative fees for each month of service purchased."

Amend section 26, page 17, line 25 by deleting "calendar or".

Amend section 26, page 17, by deleting line 26 and inserting "the duration of that employment.".

Amend the bill as a whole by inserting a new section designated section 27.5, following section 27, to read as follows:

"Sec. 27.5. The removal of former subsection 5 of NRS 286.520 from the law does not affect any retired employee whose term as a state legislator, county commissioner or city councilman began before July 1, 1979."

Amendment No. 329 to Assembly Bill No. 475 (BDR 23-846) Page 4

Amend section 28, page 18, line 1, by deleting "Section 27" and inserting "This section and sections 2, 3, 10, 16, 17, 19 to 23, inclusive, 24 to 27, inclusive,".

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TESTIMONY REGARDING PROPOSED AMENDMENTS TO ASSEMBLY BILL 475

Before the ASSEMBLY WAYS & MEANS COMMITTEE, March 20, 1979

by ASSEMBLYMAN ROBERT E. ROBINSON

I AM PROPOSING AN AMENDMENT TO AB 475 WHICH WOULD ALLOW MEMBERS OF THE LEGISLATOR'S RETIREMENT SYSTEM TO HAVE THE SAME OPTIONS, PRIVILEGES AND BENEFITS WHICH ARE PROVIDED TO MEMBERS OF PERS. HOWEVER, THE AMENDMENT SPECIFICALLY PROHIBITS DUPLICATION OF BENEFITS UNDER BOTH CHAPTERS 218 AND 286. WHENEVER BOTH CHAPTERS PROVIDE A BENEFIT, THE PROVISIONS OF CHAPTER 218 SHALL PREVAIL.

I THINK IT IS ONLY FAIR THAT MEMBERS OF THE LEGISLATOR'S RETIREMENT SYSTEM RECEIVE EQUAL BENEFITS TO OTHER PUBLIC EMPLOYEES. THERE IS NO FISCAL IMPACT TO THIS AMENDMENT BECAUSE ANY SUCH ACTIONS WOULD BE FULLY FUNDED. THEREFORE, I URGE YOUR FAVORABLE CONSIDERATION TO

To AB 475.

Exhibit "J"

1113