COMPREHENSIVE ANNUAL FINANCIAL REPORT
of the
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
of NEVADA

A COMPONENT UNIT of
the STATE of NEVADA

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

NVPERS

DEDICATED TO THOSE WHO SERVE NEVADA

For the Fiscal Year Ended
June 30, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT
of the
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
of NEVADA

A COMPONENT UNIT of
the STATE of NEVADA

For the Fiscal Year Ended
June 30, 2015

Tina M. Leiss
Executive Officer

693 West Nye Lane
Carson City, Nevada 89703
(775) 687-4200

5820 South Eastern Avenue, Suite 220
Las Vegas, Nevada 89119
(702) 486-3900

7455 West Washington Avenue, Suite 150
Las Vegas, Nevada 89128
(702) 486-3900

www.nvpers.org

Prepared by PERS Staff

THIS PAGE INTENTIONALLY LEFT BLANK

MISSION STATEMENT

It is the mission of the Public Employees' Retirement System to:

- Provide public workers and their dependents with a retirement program that provides a reasonable base income for retirement or for periods where a disability has removed a worker's earning capacity.

- Encourage those workers to enter into and remain in government service for such periods of time to give public employers and the people of the State of Nevada the full benefit of their training and experience.

- Provide an orderly method of promoting and maintaining a high level of service to the public through an equitable separation procedure available to employees at retirement or upon becoming disabled.

THIS PAGE INTENTIONALLY LEFT BLANK

Table of Contents

Actuarial Section

Statistical Section

INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

December 4, 2015

Dear Chairman and Members of the Board:

It is a pleasure to present the Comprehensive Annual Financial Report (CAFR) of the Public Employees' Retirement System of Nevada (System or PERS), a component unit of the State of Nevada, for the fiscal year ended June 30, 2015.

The financial statements included in this report are the responsibility of the System's management and have been prepared in accordance with generally accepted accounting principles as promulgated or adopted by the Governmental Accounting Standards Board (GASB). In management's opinion, the financial statements present fairly the financial position of the System at June 30, 2015, and changes in fiduciary net position for the year then ended.

The System was established by the Nevada Legislature in 1947. By July 1, 1949, the System had approximately 3,000 members and 64 retirees. At the end of fiscal year 2015, the System had 195 participating employers, 103,108 active members, and 58,159 benefit recipients. The System is comprised of two sub-funds, Regular, consisting of members who are not police or fire employees, and Police and Firefighters (Police/Fire). The Regular sub-fund was established to provide retirement, disability, and survivor benefits for public employees with the exception of those who are police officers or firefighters. The Police/Fire sub-fund was established to segregate accounting for retirement and survivor benefits related to members who are police officers or firefighters. All services provided by staff are performed in order to meet those objectives. For more specific information on plan provisions, please refer to the Plan Summary, beginning on page 119.

Included in the Financial Section of this CAFR, beginning on page 24, is Management's Discussion and Analysis (MD&A). Users of the financial statements are encouraged to review the MD&A, which contains a statement overview, highlights for the year, and a short analysis of the statements comparing the current and previous year.

We hope that you and the members of the System will find this CAFR helpful in understanding your public employees' retirement system.

5820 S. Eastern Avenue, Suite 220
Las Vegas, NV 89119
(702) 486-3900
Fax: (702) 678-6934

693 W. Nye Lane
Carson City, NV 89703
(775) 687-4200
Fax: (775) 687-5131

7455 W. Washington Avenue, Suite 150
Las Vegas, NV 89128
(702) 486-3900
Fax: (702) 304-0697

Toll Free: 1-866-473-7768 Website: www.nvpers.org

Major Initiatives

Legislation

The Nevada Legislature convenes on a biennial basis in odd-numbered years. The Board's adopted legislative agenda for the 2015 session was very successful overall. In the current economic environment, the System was successful in having the State incorporate the contribution rate increase into the proposed budget.

There were several bills that were heard in the 2015 Legislative session that could have affected PERS and the benefits we provide. The most comprehensive bill that passed was Senate Bill 406. The bill generally affects members newly hired on or after July 1, 2015. The components of this bill include: various changes to eligibility for retirement, forfeiture of benefits for persons convicted of certain felonies, purchase of service, service time multiplier, post retirement increases, and reportable salary. This bill also makes various changes to the Judicial Retirement System and the Legislators' Retirement System. This bill also included an additional optional benefit for a spouse, domestic partner, or single survivor beneficiary of a member killed in the line of duty or in the course of employment and a repeal of the sunset on the critical labor shortage exception to the reemployment provisions.

Senate Bill 12 was passed changing PERS' Assistant Investment Officer position to Chief Financial Officer. Senate Bill 69 as passed provides changes to provisions on senior judges. Senate Bill 420 was passed which added a General Counsel position to the executive staff of PERS. Assembly Bill 180 revised the provisions governing biennial audit requirements for PERS.

Bills that were introduced but did not pass were: Assembly Bill 3 (to increase the number of Retirement Board members from seven to nine), Assembly Bill 105 (to add the State Treasurer to the Retirement Board), Assembly Bill 190 (to create a hybrid retirement plan for new members), Assembly Bill 312 (to revise the retirement age and calculation of the highest average compensation for members), Assembly Bill 363 (to provide an optional benefit to the surviving spouse of a deceased police officer or firefighter), Assembly Bill 378 (to make various changes relating to education which included a teacher "stipend" as part of compensation), and Assembly Bill 387 (to revise provisions relating to the calculation of the years of service for certain members).

Staff provided testimony in numerous committees and met individually with members of the Senate and Assembly maintaining strong working relationships with the elected officials as well as the staff who supports the legislative process.

System Governance

The System's existing governance principles, policies, and charters define the role of the Retirement Board and executive management, guide the conduct and decision-making of the Retirement Board, and document and preserve the System's policies.

Managing the funding issue internally to PERS is paramount to overall success of the System. Contribution rate stability and responsible funding are key goals of the System. The System continually reviews trends in actuarial liabilities and maintains a realistic recognition of plan costs in order to govern the plan in a fiscally sound manner. Staff will work to manage expectations of stakeholders and other interested parties on funding issues and contribution rates through continued public relations outreach and education regarding the financing and management of the System.

The System shall maintain effective internal controls over financial reporting and observe the highest standards in financial reporting. Staff will continue to diligently monitor and update internal controls as necessary as well as continue to evaluate enterprise-wide risk through an assessment process. The System will continue to maintain the standards necessary to receive the Public Pension Coordinating Council award in recognition of meeting professional standards for plan design and administration as set forth in the Public Pension Standards, the Government Finance Officers Award (GFOA) for excellence in financial reporting for the Comprehensive Annual Financial Report, and the Government Finance Officers Award (GFOA) for excellence in financial reporting for the Popular Annual Financial Report.

Benefit Administration

The System's benefit administration performance is measured by total workload. The System participates in a benchmarking analysis service in order to assess workload and service levels. The analysis shows that Nevada PERS provides a good level of service at a substantially lower administration cost than the peer average. Our adjusted administration cost was $57 per active member and annuitant versus the peer average of $92 and the average of all participating systems of $119.

The 11th Annual Liaison Officer Conference was held in Reno on November 6, 2014, at the Peppermill Hotel & Casino. Public employers from across the state attended this one-day conference. The conference included a general session followed by breakout sessions. A review of the conference evaluations showed the conference was well-received and informative.

Information Technology

The System is dedicated to maintaining a state of the art pension management system that is capable of providing for all operational needs. Technology efforts are driven by business goals as well as statutory and pension fund industry mandates. Highlights in the area of information technology this year include completion of an independent review of the information technology function, disaster recovery site testing including business processing and functionality testing, security certification testing, implementation of new batch processing system, and streamlined and strengthened policies and procedures for completion of work orders and change management.

Strategic Planning

Annually, PERS' executive staff reviews the System's strategic plan for updates, including both additions and deletions. The Strategic Plan covers a five-year period and is updated annually by the Executive Officer in consultation with the Board. Strategic Plan revisions are prepared in conjunction with the Operational Yearly Plan and management plans for the individual departments. The Operational Yearly Plan supports the Strategic Plan by setting forth the business plan for the System for the year.

Summary of Financial Information

The System's management is responsible for maintaining internal controls designed to provide reasonable assurance that transactions are executed according to management's authorization, recorded to maintain accountability for assets, and to allow the preparation of financial statements in accordance with generally accepted accounting principles. The internal controls include written policies and procedures and are reviewed periodically by independent auditors and the System's internal audit staff.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. We believe our internal control structure considers these risks and that we maintain a system of internal controls designed to provide reasonable assurance that assets are properly safeguarded, transactions are properly executed, and financial statements are reliable. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. The valuation of costs and benefits requires estimates and judgments by management.

The Retirement Act requires a biennial financial audit of the System by a certified public accountant. The Board chooses to conduct such audits on an annual basis, rather than biennially, to ensure proper financial controls are in place. The System is also required by statute to submit a biennial budget proposal to the Budget Division of the State of Nevada, which must be incorporated with the State Executive Budget and approved by the Nevada Legislature.

The following schedule is a summary of the pension trust funds' additions and deductions for the years ended June 30:

	2015	2014
Additions	$ 3,031,519,210	$ 6,590,792,195
Deductions	1,995,880,183	1,850,364,079
Change in net position	$ 1,035,639,027	$ 4,740,428,116

Additions decreased approximately $3.6 billion from fiscal year 2014, due primarily to a decrease in net investment gain. Deductions increased by $145.5 million between 2014 and 2015 due to increases in benefit payouts of $141.5 million, an increase in refunds of $2.6 million, and an increase in transfers of contributions of $1.4 million.

Funding

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due. Although the System receives an annual actuarial valuation indicating the contribution rates required to fund the System on an actuarial reserve basis, contributions actually made are in accordance with the rates derived from the actuarial rates and then rounded according to statute.

The actuarial funding method used is the Entry Age Normal Cost Method. This method is used to calculate liabilities using a year-by-year closed amortization period where each amortization period is set at the truncated average remaining period of all prior amortization layers until the average remaining amortization period is less than 20 years (at that point, amortization periods of 20 years will be used), in addition to other significant actuarial assumptions detailed beginning on page 79. Plan rates in effect for fiscal year ended

June 30, 2015, are presented on page 37 in the Financial Section of this report. In addition, Required Supplementary Information on page 46 shows changes in employers' net pension liability, related ratios, and ten-year schedules of employer contributions and the money-weighted rate of return on investments. The ten-year schedules of funding progress are on page 86 of the Actuarial Section. The actuarial funded ratio for all members is 73.2% in 2015, an increase from 71.5% in fiscal year 2014.

Investments

Investment performance plays an important role in the System's ability to provide retirement benefits to its members. Approximately 80% of the benefits the average member receives in retirement are funded from investment earnings. The remaining 20% is funded from contributions. The Board's investment philosophy centers on time tested investment principles and efficient, cost-effective portfolio management.

The investment portfolio is designed to meet the funding objectives of the System while taking the least possible risk. Investment of the System's assets is governed by the prudent person standard. This standard states that the Board may invest the System's funds in every type of investment which persons of prudence, discretion, and intelligence acquire or retain for their own account.

The System's investment portfolio is well diversified by asset class, investment structure, and individual security. In fact, the System's portfolio currently holds over 2,000 individual securities from 21 different countries. The Board uses these portfolio components to maintain strict control of the fund's risk/return profile.

Asset allocation is the most significant factor influencing the risk and return of the investment program. Since inception, 98% of the System's investment performance is explained by asset allocation. Determination of the fund's long-term asset allocation involves estimating the expected return and risk of major types of investments and blending them into a portfolio which meets the System's risk/return objectives.

The fair value of the System's investment assets at the end of fiscal year 2015 was $34.1 billion. The portfolio return objective includes a premium over the Consumer Price Index (CPI). This premium ranged from 3.0% to 4.5% over time. On that basis the total fiscal year 2015 inflation return objective was 4.6%. The System's total return (gross of fees) on investments for that same time period was 4.2%, which includes both realized and unrealized gains. Fiscal year 2015 returns were primarily driven by modest returns from U.S. stocks and bonds.

The fund's annualized rate of return (gross of fees) is 9.6% since inception (31 years) versus the long-term actuarial funding objective of 8%. The fund is competitive on a risk-adjusted basis, ranking in the top 10% of public funds for that same time frame. The investment section, beginning on page 58, addresses specific activity and results in the portfolio.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the System for its comprehensive annual financial report for the fiscal year ended June 30, 2014 (see page 17). This was the 25th consecutive year the System achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program requirements and are submitting it to the GFOA for consideration again this year.

PPCC Award

The Public Pension Coordinating Council awarded the Public Pension Standards Award to the System for the fiscal year ended June 30, 2015 (see page 18). The award is designed to commend public employee retirement systems for implementing and maintaining high professional standards. PERS has received the award every year it has been offered.

Professional Services

Professional consultants are hired to perform services essential to the efficient operation of the System. The Report of Independent Auditors, Consultant's Report of Investment Activity, and the actuary's certifications are included in this report. The System's consultants are listed on pages 15 and 58.

Acknowledgements

This report reflects the combined effort of the System's administrative staff. It is intended to provide both complete and reliable information as a basis for making management decisions, determining compliance with legal provisions, and determining the responsible stewardship of assets contributed by the members and their employers.

I would like to express my appreciation to the staff, consultants, Board, and other associates whose efforts ensured the successful operation of the System in 2015.

Respectfully submitted,

Tina M. Leiss

Tina M. Leiss
Executive Officer

ADMINISTRATIVE PERSONNEL
Current

PUBLIC EMPLOYEES' RETIREMENT BOARD

Mark R. Vincent	Chairman	2018
Katherine Ong	Vice Chairman	2019
Al Martinez	Member	2017
Rusty McAllister	Member	2019
Audrey Noriega	Member	2017
David Olsen	Member	2017
Timothy Ross	Member	2018

Terms expire on June 30 of year noted.

RETIREMENT STAFF

Tina M. Leiss	Executive Officer
Steve Edmundson	Investment Officer
Cheryl Price	Operations Officer
Lauren Larson	Chief Financial Officer
Christopher Nielsen	General Counsel

Division Supervisors:

Jean Barnett	Accounting
Sonya Hellwinkel	Employer & Production Services
Charlie Park	Information Technology
Dana Danforth	Internal Audit
Walter Zeron	Member & Retiree Services
Kristina Kibbe	Support Services

MEDICAL ADVISORS

B Bottenberg, D.O., Carson City, Nevada
Kathy Stoner, RN, CCM, Minden, Nevada

POLICE AND FIREFIGHTERS' RETIREMENT FUND ADVISORY COMMITTEE

Richard Tiran	Chairman	2018
Brian Wolfgram	Vice Chairman	2016
Bill Ames	Member	2016
Brett Fields	Member	2019
Robert Schreihans	Member	2019

Terms expire on June 30 of year noted.

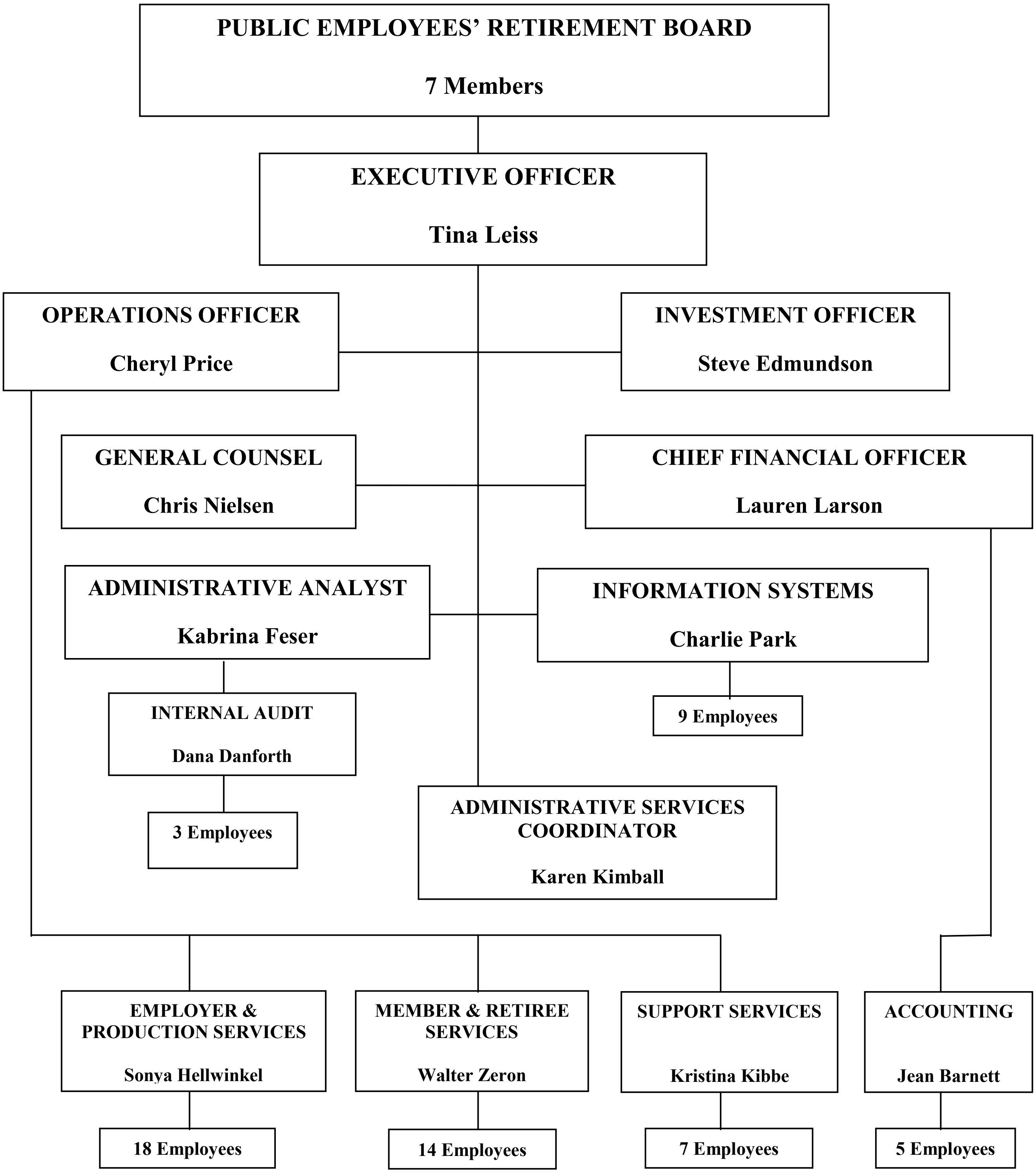
THE SYSTEM'S ADVISORS

Consulting Actuary – Segal Consulting, San Francisco, California
Independent Auditors – CliftonLarsonAllen LLP, Baltimore, Maryland
Investment Consultants – Callan Associates, Atlanta, Georgia
Peavine Capital, Reno, Nevada

Note: A list of investment professionals who provide services to PERS can be found on page 58. A schedule of fees and commissions paid to investment professionals can be found beginning on page 71.

ORGANIZATIONAL CHART

Current



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Public Employees Retirement System of Nevada

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

PPCC

Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2015

Presented to

Public Employees' Retirement System of Nevada

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle

Alan H. Winkle
Program Administrator

FINANCIAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

CliftonLarsonAllen

CliftonLarsonAllen LLP
www.claconnect.com

Independent Auditors' Report

Public Employees' Retirement Board
Of the State of Nevada
Carson City, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the Public Employees' Retirement System of Nevada (the System) a component unit of the State of Nevada, which comprise the statement of fiduciary net position as of June 30, 2015, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the System's financial statements for the year ended June 30, 2014, from which such partial information was derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of changes in net pension liability and related ratios, employer contributions and investment returns and related notes, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the System's basic financial statements. The schedule of administrative expenses – GAAP basis, schedule of administrative expenses – non-GAAP budgetary basis, reconciliation of GAAP basis administrative expenses to non-GAAP budgetary basis, schedule of investment expenses, schedule of payments to consultants and the combining schedules of fiduciary net position and changes in fiduciary net position, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, investment, actuarial and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
December 4, 2015

THIS PAGE INTENTIONALLY LEFT BLANK

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) of the financial performance of PERS provides an overview of the System's financial activities for the fiscal year ended June 30, 2015. The MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts while also showing three-year trends. Readers are encouraged to consider the information presented in conjunction with the financial statements as a whole, which follow the MD&A.

The System is responsible for administering retirement, disability, and survivor benefits for Regular members (consisting of employees within the State of Nevada and local governments which include schools, counties, cities, special districts, etc.) as well as Police/Fire members throughout the state.

Overview of Financial Statements

The basic financial statements consist of: (1) the Statement of Fiduciary Net Position, (2) the Statement of Changes in Fiduciary Net Position, (3) the Notes to the Financial Statements, and (4) the Required Supplementary Information. Other supplementary information is also presented.

The **Statement of Fiduciary Net Position** includes all of the System's pension trust fund assets, liabilities, and the net position at the end of the fiscal year.

The **Statement of Changes in Fiduciary Net Position** reports additions to and deductions from the pension trust fund during the fiscal year presented. Over time the increase or decrease in net position serves as a useful indicator of the health of the System's financial position.

The **Notes to the Financial Statements** provide additional information that is required by generally accepted accounting principles.

The **Required Supplementary Information** following the notes to the financial statements consists of schedules and related notes pertaining to changes in employers' net pension liability, employers' contributions, and the money-weighted rate of return (gross of fees) on investments. These schedules are intended to provide additional information useful in evaluating the condition of the defined benefit pension plan.

Other Supplementary Information details administrative expenses, investment expenses, consultant and professional service expenses, in addition to Schedules of Fiduciary Net Position and Changes in Fiduciary Net Position broken down between Regular and Police/Fire members.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights

As of June 30
(in millions)

	2015	2014	2013
Total investments	$ 34,148.2	$ 33,183.4	$ 28,311.0
Net investment income	1,395.3	5,031.4	3,193.9
Contributions	1,633.4	1,557.4	1,455.8
Benefit payments	1,958.2	1,816.7	1,680.8
Refunds of contributions	25.6	23.0	26.1
Transfers of contributions	2.4	1.0	0.9
Administrative expenses	9.6	9.6	9.6
Plan fiduciary net position	$ 34,610.7	$ 33,575.1	$ 28,834.7
Actuarial funded ratio	73.2%	71.5%	69.3%

Total pension liability as of June 30, 2015, was $46,070,157,029.

Plan fiduciary net position as a percentage of total pension liability was 75.1%.

Financial Analysis

Total investments for fiscal year 2015 increased by 2.9% from 2014; there was an increase of 17.2% from 2013 to 2014. Investment income for 2015 was $1,395.3 million compared to $5,031.4 million for 2014. The PERS investment program underperformed its actuarial goal of 8.0% and outperformed the total market return objective of 4.1% for the one-year period. The 9.6% annualized return since inception (31 years) exceeds the actuarial objective.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following are summary comparative statements of the System.

CONDENSED STATEMENT OF FIDUCIARY NET POSITION

	As of June 30, 2015	As of June 30, 2014	As of June 30, 2013	Percentage Increase/ (Decrease) from 2014 to 2015
Cash and cash equivalents	$ 264,196,276	$ 1,022,818,228	$ 686,553,439	(74.2) %
Receivables	212,623,231	219,035,861	207,593,778	(2.9)
Pending trades receivable	129,448,044	136,040,433	144,328,901	(4.9)
Investments, at fair value	34,148,195,967	33,183,431,470	28,311,032,584	2.9
Collateral on loaned securities, at fair value	373,833,323	541,523,662	4,867,492,944	(31.0)
Property and equipment, net	3,950,191	3,891,904	3,779,204	1.5
Other assets	3,633,781	2,240,330	2,060,547	62.2
Total assets	35,135,880,813	35,108,981,888	34,222,841,397	0.1
Accounts payable and accrued expenses	10,447,899	12,822,827	12,459,146	(18.5)
Pending trades payable	140,879,407	979,554,242	508,795,227	(85.6)
Obligations under securities lending activities	373,833,323	541,523,662	4,866,933,983	(31.0)
Total liabilities	525,160,629	1,533,900,731	5,388,188,356	(65.8)
Net position restricted for pensions	$ 34,610,720,184	$ 33,575,081,157	$ 28,834,653,041	3.1 %

With respect to the securities lending program, in September 2013 the Board elected to allow only overnight repurchase agreements collateralized by U.S. Government obligations issued or guaranteed by the U.S. Government, its agencies, or instrumentalities within the reinvestment portfolio. This change in the program accounts for the decrease in securities lending collateral between 2013 and 2015.

Pending trades payable decreased 85.6% between 2014 and 2015. Pending trades fluctuate from year to year and are unpredictable.

The net position increased between 2014 and 2015 by 3.1% and increased 16.4% between 2013 and 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CONDENSED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Years Ended June 30,

	2015	2014	2013	Percentage Increase/ (Decrease) from 2014 to 2015
Contributions	$ 1,633,441,048	$ 1,557,415,536	$ 1,455,781,422	4.9 %
Net investment gain	1,395,292,096	5,031,434,843	3,193,905,716	(72.3)
Other income	2,786,066	1,941,816	2,519,896	43.5
Total additions	3,031,519,210	6,590,792,195	4,652,207,034	(54.0)
Benefit payments	1,958,237,104	1,816,733,645	1,680,814,209	7.8
Refunds of contributions	25,637,753	23,047,743	26,126,061	11.2
Transfer of contributions	2,356,700	990,121	895,115	138.0
Administrative expenses	9,648,626	9,591,311	9,557,118	0.6
Other expenses	-	1,259	3,122	(100.0)
Total deductions	1,995,880,183	1,850,364,079	1,717,395,625	7.9
Change in net position	1,035,639,027	4,740,428,116	2,934,811,409	(78.2)
Net position, beginning of year	33,575,081,157	28,834,653,041	25,899,841,632	16.4
Net position, end of year	$ 34,610,720,184	$ 33,575,081,157	$ 28,834,653,041	3.1 %

Contributions increased between 2014 and 2015 by 4.9% as compared to 2013 and 2014, which increased 7.0%. Breaking this down into its components reveals that employer contributions increased by 2.3% between 2014 and 2015, employee contributions increased by 4.2%, and repayments and purchases of service increased by 92.9% between 2014 and 2015.

Benefit payments rose 7.8% between 2014 and 2015 as compared to an increase of 8.1% in 2014 from 2013. The increase in benefit payments can be attributed to cost of living increases and retirement inceptions. As of June 30, 2015, there were 51,853 retired members.

Refunds of contributions increased 11.2% between 2014 and 2015, compared to an 11.8% decrease in refunds between 2013 and 2014. Members no longer employed in a position eligible for membership in the System, who are eligible for a refund, may apply for a refund of contributions, making this number unpredictable from year to year.

Transfers of contributions consist of contributions associated with judges who choose to transfer from PERS to the Judicial Retirement System (JRS). The percentage increase of transfers of contributions from 2014 to 2015 was 138.0%. Similar to refund requests, the transfers of members and associated contributions from PERS to JRS are unpredictable from year to year.

All of the above factors contributed to the fiscal year 2015 net position restricted for pensions increasing by 3.1% from 2014. This is the sixth year in a row the System has increased its net position.

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2015
(With Comparative Totals for June 30, 2014)

ASSETS		2015		2014
Cash and cash equivalents	$	264,196,276	$	1,022,818,228
Receivables:				
Contributions receivable		121,288,992		118,903,642
Pending trades receivable		129,448,044		136,040,433
Accrued investment income		91,334,239		100,132,219
Total receivables		342,071,275		355,076,294
Investments, at fair value:				
Fixed income securities		9,449,725,984		8,765,972,447
Marketable equity securities		14,600,247,164		14,289,468,027
International securities		7,324,919,557		7,678,599,448
Real estate		1,454,303,113		1,337,751,979
Private equity		1,319,000,149		1,111,639,569
Total investments		34,148,195,967		33,183,431,470
Collateral on loaned securities, at fair value		373,833,323		541,523,662
Property and equipment		40,412,280		39,174,100
Accumulated depreciation		(36,462,089)		(35,282,196)
Net property and equipment		3,950,191		3,891,904
Other assets		3,633,781		2,240,330
Total plan assets		35,135,880,813		35,108,981,888
LIABILITIES				
Accounts payable and accrued expenses		10,447,899		12,822,827
Pending trades payable		140,879,407		979,554,242
		151,327,306		992,377,069
Obligations under securities lending activities		373,833,323		541,523,662
Total plan liabilities		525,160,629		1,533,900,731
NET POSITION				
Net position restricted for pensions and other purposes	$	34,610,720,184	$	33,575,081,157

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended June 30, 2015
(With Comparative Totals For the Year Ended June 30, 2014)

	2015	2014
ADDITIONS		
Contributions:		
Employer	$ 1,436,652,815	$ 1,405,006,553
Plan members	114,302,545	109,656,492
Repayment and purchase of service	82,485,688	42,752,491
Total contributions	1,633,441,048	1,557,415,536
Investment income:		
Net change in fair value of investments	520,754,925	4,175,149,677
Interest	261,392,850	279,130,969
Dividends	523,536,563	522,621,573
Other investment income	124,491,007	91,594,469
	1,430,175,345	5,068,496,688
Less investment fees and other expense:	(39,577,974)	(45,137,425)
Net investment income	1,390,597,371	5,023,359,263
Securities lending income	6,395,913	11,497,416
Change in fair value of securities lending	-	(1,155,897)
Less securities lending expense	(1,701,188)	(2,265,939)
Net securities lending income	4,694,725	8,075,580
Total net investment income	1,395,292,096	5,031,434,843
Other income	2,786,066	1,941,816
Total additions	3,031,519,210	6,590,792,195
DEDUCTIONS		
Benefit payments:		
Retirement and survivor benefits	1,855,326,226	1,721,740,266
Disability	102,897,584	94,978,675
Post-retirement increases	13,294	14,704
Refunds of contributions	25,637,753	23,047,743
Transfer of contributions	2,356,700	990,121
Administrative expenses	9,648,626	9,591,311
Other expenses	-	1,259
Total deductions	1,995,880,183	1,850,364,079
Change in net position	1,035,639,027	4,740,428,116
Net position restricted for pensions:		
Beginning of year	33,575,081,157	28,834,653,041
End of year	$ 34,610,720,184	$ 33,575,081,157

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies and Plan Asset Matters

Financial Reporting Entity

The Board is the governing body of the System with responsibility for administration and management. This autonomous, seven-member Board is appointed by the Governor of the State of Nevada.

The System has developed criteria in accordance with standards issued by GASB to determine whether other state agencies, boards, and commissions, which benefit the members of the System, should be included within its financial reporting entity as component units. A component unit is defined as a legally separate organization for which officials of the System are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the System are such that exclusion would cause the System's financial statements to be misleading or incomplete.

In accordance with GASB, the following criteria are used when evaluating financial accountability: The ability of the System to appoint a voting majority of the organization's governing body and (1) the ability to impose its will on the other organization or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the System. In addition, the System may be financially accountable if an organization is fiscally dependent on the System regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

The System has no relationship with another entity that meets the above criteria and has not included any other entity as a component unit of its financial reporting entity.

The System is classified as a component unit of the State of Nevada for financial reporting purposes in accordance with the provisions of GASB because the State Legislature retains certain significant governing powers over the System.

Basis of Accounting

The accompanying financial statements of the System have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America. The System has adopted the pronouncements of GASB, which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The System uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute, employee and employer contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

NOTES TO FINANCIAL STATEMENTS

Organization

The System is comprised of two sub-funds.

> Regular sub-fund – Established to provide retirement, disability, and survivor benefits for public employees with the exception of those who are police officers or firefighters.
>
> Police/Fire sub-fund – Established to segregate accounting for benefits related to members who are police officers or firefighters.

Assets of the System can legally be used to pay both Regular and Police/Fire beneficiaries.

Cash and Cash Equivalents

Cash and cash equivalents include both operating cash on deposit with the System's commercial bank and cash on deposit with the custodial bank. Cash on deposit at the System's custodial bank includes investments in Invesco Treasury Portfolio Short-Term Investments Trust. This fund invests in short-term, high credit quality money market instruments. These instruments are direct obligations of the U.S. Treasury and repurchase agreements backed by Treasury obligations.

Contributions Receivable

No allowance for doubtful accounts has been established since the System anticipates no material collection loss with respect to contribution receivables.

Benefits Payable

Benefits are paid during the month they are due; therefore, no benefit payable is recorded each month or at year-end.

Federal Income Tax

The System is a qualified pension plan under Section 401(a) of the Internal Revenue Code (IRC) and, as such, is required to withhold federal income tax from member and benefit recipient payments in accordance with IRC. As a public entity, the System is not required to file a federal income tax return with the Internal Revenue Service.

Investments

The Regular sub-fund and the Police/Fire sub-fund are accounted for separately, based upon actual funds contributed and an allocation of the combined investment earnings. Individual investments are not specifically identified as belonging to either the Regular sub-fund or the Police/Fire sub-fund.

NOTES TO FINANCIAL STATEMENTS

Plan investments are reported at fair value. Fair value is defined as the price at which an asset passes in a current transaction from a willing seller to a willing buyer, other than in a forced liquidation or sale. It is assumed that both buyer and seller are rational and have a reasonable knowledge of relevant facts. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. In general, however, fixed income securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings. The fair value of real estate investments is established by an independent third party valuation firm in conjunction with Member Appraisal Institute (MAI) independent appraisals. For private equity partnership investments, estimated fair value is determined in good faith and provided by the general partner of the respective investment partnership, based on the most recent financial information available for the underlying companies at the measurement date adjusted for subsequent cash flow activities through June 30, 2015. In addition, each partnership undergoes an independent audit on an annual basis.

Investment purchases and sales are recorded as of the trade date. Dividend income is recognized on the ex-dividend date. Investment income is recognized as earned. Net change in the fair value of investments is determined by calculating the change in fair value of investments between the beginning of the fiscal year and the end of the fiscal year, less purchases of investments at cost, plus sales of investments at fair value.

There are certain market risks, credit risks, foreign exchange currency risks, or event risks which may subject the System to economic changes occurring in certain industries, sectors, or geographies.

Property and Equipment

Property and equipment consists of furniture, equipment, computer hardware, and software at cost with accumulated depreciation. Assets are capitalized when the expected life is greater than one year and the initial cost is $5,000 or more per unit. Intangible assets are capitalized for the development stage only (design, configuration, installation, and testing). Depreciation is calculated using the straight-line depreciation method over five years. The term “depreciation” includes amortization of intangible assets.

Administrative Expenses

The funds for administering the System are provided by assessment of an administrative fee for each member and benefit recipient. Monthly fees at June 30, 2015, were $3.36 for each Regular member and benefit recipient and $3.58 for each Police/Fire member and benefit recipient. PERS is required by statute to submit a biennial budget proposal to the Budget Division of the State of Nevada, which must be incorporated with the State Executive Budget and approved by the Nevada Legislature.

Financial Statement Presentation

Comparative data shown for the prior year has been extracted from the June 30, 2014, financial statements. Fiscal year 2014 data has been presented to facilitate financial analysis but is not considered full disclosure of transactions for that year.

NOTES TO FINANCIAL STATEMENTS

The System accounts for securities using the "country of issue" methodology**.** Under this methodology, regardless of the manager's directive, if a manager invests funds and the underlying country of issue for the security is not the United States, then the security is classified as international.

New Accounting Pronouncement

For the year ended June 30, 2014, the System adopted Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25*. This GASB replaces the requirements of GASB statements 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The objective of GASB 67 is to improve financial reporting by state and local governmental pension plans. It requires enhancement to footnote disclosure and required supplementary information for pension plans.

In conjunction with GASB Statement No. 67, pension plan participating employers are required to implement GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* (effective for fiscal years beginning after June 15, 2014) . This Statement establishes accounting and financial reporting requirements for contributing employers related to the recognition of pension expense and pension liabilities.

Prior to these new standards, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be apportioned among the participating employers.

NOTE 2 – Plan Description

History and Purpose

PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability.

NOTES TO FINANCIAL STATEMENTS

Membership

At June 30, 2015, the number of participating public employers and active members was:

Entity Type	Number of Employers	Number of Members
State of Nevada and Related Agencies	21	18,205
University of Nevada System	2	3,639
Schools	56	47,462
Counties	16	12,207
Cities	19	8,777
Hospitals	7	4,006
Utility, Irrigation, and Sanitation Districts	18	800
Special Districts and Agencies	56	8,012
	195	103,108

A complete list of participating employers can be found in the Statistical Section.

NOTES TO FINANCIAL STATEMENTS

Any public employer in the State of Nevada may have its Regular or Police/Fire employees covered by the System. Retired, active, and inactive membership at June 30 was as follows:

	2015	2014
Regular retired members:		
Service retirees	45,508	43,136
Beneficiaries and survivors	5,369	5,147
	50,877	48,283
Police/Fire retired members:		
Service retirees	6,345	6,034
Beneficiaries and survivors	937	891
	7,282	6,925
Total benefit recipients	58,159	55,208
Inactive members:		
Regular	14,206	13,851
Police/Fire	826	782
Total inactive members	15,032	14,633
Active members:		
Regular	91,124	88,709
Police/Fire	11,984	11,813
Total active members	103,108	100,522
Total retired, active, and inactive membership	176,299	170,363

Benefits

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

NOTES TO FINANCIAL STATEMENTS

Post-retirement increases are provided by authority of NRS 286.575–.579. See Plan Summary for details.

Vesting

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Member Contributions

The authority for establishing and amending the obligation to make contributions, and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution plan.

Termination

Upon termination or partial termination of the System, all accrued benefits that are funded become 100% vested and non-forfeitable.

NOTE 3 – Contributions Required and Contributions Made

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

NOTES TO FINANCIAL STATEMENTS

Although the System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis, contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuarial funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contribution requirement as a percentage of salary.

Rates in effect for fiscal year ended June 30, 2015, were as follows:

Regular Employees	Funding Basis*	Statutory Rate
Employer-pay plan	27.99%	25.75%
Employee/employer plan (matching rate)	14.48	13.25
Police/Fire Employees		
Employer-pay plan	39.65%	40.50%
Employee/employer plan (matching rate)	20.40	20.75

* From June 30, 2014, actuarial valuation

For fiscal year 2015 contributions totaling $1,663,441,048 ($1,436,652,815 employer and $196,788,233 employee) were made in accordance with statutory rates.

The Public Employees' Retirement Act requires an adjustment in the statutory contribution rates on July 1 of each odd-numbered year, based on the actuarially determined rates indicated in the actuarial valuation report for the immediately preceding year. Rates are only adjusted upward if the new rates are more than 0.50% higher than the existing rate for Employer-Pay and more than 0.25% higher for Employee/Employer. Rates are only adjusted downward if the new rates are more than 2.00% lower than the existing rate for Employer-Pay (and adjusted only by the amount in excess of 2.00%) and more than 1.00% lower than the existing rate for Employee/Employer (and adjusted only by the amount in excess of 1.00%). Rates are rounded to the nearest 0.25% of payroll.

Under the Employer-Pay provisions, the contributions made by employers on behalf of employees are not credited to the member's account and are not refunded upon termination. For employees covered by the Employer-Pay provisions, average compensation is increased by half the total contributions made by the public employer and may not be less than it would have been if contributions had been made by the member and the employer separately.

The Judicial Retirement System (JRS) was established in 2001 to provide benefits for the retirement, disability, or death of all justices of the Supreme Court and district judges. In fiscal year 2006 justices of the peace and municipal court judges began participating in JRS on a voluntary, employer-by-employer basis. Each participating individual who has service credit in PERS may transfer, subject to statutory time frames and requirements, to JRS. At the time of transfer all of the individual's contributions and the related liability to the System for that individual are moved from PERS to JRS.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Retirement Fund Contributions of PERS' Employees

Administrative employees of PERS (as a participating employer) are members of the System. All participating public employers make contributions to the System at the same percentage of salary rate for Regular members as required by statute. Actuarially determined contribution requirements for administrative employees of the System are the same as all other employers within the System. Employer contributions for administrative employees were $723,261 for the year ended June 30, 2015.

NOTE 5 – Deposit and Investment Disclosures

Investment Policy

The investments of the System are governed primarily by the "prudent person" standard. The prudent person standard, as set forth in NRS 286.682, authorizes the Board to invest the System's funds in "every kind of investment which persons of prudence, discretion and intelligence acquire or retain for their own account." Additionally, the System has established limits on the concentration of investments in any single issuer or class of issuer or managed by a single investment firm.

The System's policies which determine the investment portfolio target asset allocation are established by the Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System. The following was the Board adopted policy target asset allocation as of June 30, 2015:

Asset Class	Target Allocation
Domestic equity	42%
International equity	18
Domestic fixed income	30
Private markets*	10
Total	100%

*As of June 30, 2015, the Private Markets allocation includes 5% Private Real Estate and 5% Private Equity.

Rate of Return

For the year ended June 30, 2015, the annual money-weighted return on pension plan investments was 4.18%. The money-weighted rate of return expresses investment performance adjusted for cash flows.

The majority of the System's investments are held by the Depository Trust Company (DTC) in DTC's nominee name, and trading is conducted through DTC's book-entry system. The holder of record for the System is The Bank of New York Mellon.

NOTES TO FINANCIAL STATEMENTS

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of its depository financial institution, the System will not be able to recover its deposits.

At June 30, 2015, the carrying amount of the System's commercial cash deposits was $6,015,324 and the commercial bank balance was $12,175,637. Of the bank balance, $250,000 was insured by the Federal Deposit Insurance Corporation (FDIC). The remaining commercial bank balance is, per a depository pledge agreement between the System and the System's commercial bank, collateralized at 102% of the collected funds on deposit (increased by the amount of accrued but uncredited interest, reduced by deposits covered by FDIC). These collateral securities are held by the System's agent in the System's name.

Custodial cash is swept nightly from the custodial bank to an overnight short-term investment fund held outside the bank. Funds arriving at the bank after the overnight sweep deadline are part of the custodial bank cash reserve and are covered up to the FDIC limit, any amount in the cash reserve in excess of this limit is subject to custodial credit risk. The custodial bank carries insurance covering destruction of cash or securities on or off premises (including securities or others held in custody) with a limit of $850,000,000.

Credit Risk – Investments

Credit risk for investments is the risk that an issuer or other counterparty will not fulfill its obligations to the System and *custodial credit risk for investments* is the risk that, in the event of the failure of the counterparty to a transaction, the System will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

System policies provide protection from undue investment credit risk as follows:

- Direct obligations of the U.S. Treasury including bills, bonds, and repurchase agreements secured by those obligations.

- U.S. Treasury money market mutual funds must be SEC registered 2(a)–7 and AAA rated by at least two of Moody's, Standard & Poor's, or Fitch and whose investment guidelines are substantially equivalent to and consistent with the System's overall short-term investment criteria.

There is no credit risk assigned to U.S. Treasury securities as these are explicitly guaranteed by the U.S. Government. It is important to note, however, that the value of U.S. Treasury obligations fluctuate based on non-credit-related factors, such as interest-rate movements, which could cause future price declines despite government backing.

- Short selling and the use of leverage is not permitted.

NOTES TO FINANCIAL STATEMENTS

The following table shows the credit rating of fixed income and short-term securities as of June 30, 2015.

QUALITY RATING

Investment Type (in millions)	AAA	AA	A	BBB	Not Rated	Total
Cash equivalents*	$ -	$ -	$ -	$ -	$ 224.2	$ 224.2
Corporate bonds and other	0.3	-	0.6	0.5	0.4	1.8
Non-U.S. markets	-	-	-	0.3	-	0.3
U.S. Government**	-	24.2	-	-	-	24.2
Total	$ 0.3	$ 24.2	$ 0.6	$ 0.8	$ 224.6	$ 250.5

*Cash equivalents include investments in Invesco Treasury Portfolio Short-Term Investments Trust.

**Quality Ratings of agency securities have been provided by the System's custodial bank, The Bank of New York Mellon. In addition, the System holds $9,423.7 million in Treasury securities which are explicitly guaranteed by the U.S. Government.

The above table does not include commercial cash of $6.0 million, cash in custodial of $33.5 million, and security lending cash reserves of $0.5 million.

International securities on the Statement of Fiduciary Net Position includes $0.3 million of fixed income securities.

Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System mitigates concentration of credit risk as policy requires 100% of the fixed income portfolio be invested in U.S. Treasury securities. There is no credit risk assigned to U.S. Treasury securities as these are explicitly guaranteed by the U.S. Government.

Equity portfolios shall be suitably diversified to the extent that an adversity affecting a particular sector or issuer will not impact a disproportionate share of counsel's portfolio. The System's investment policy requires no more than 10% of counsel's portfolio shall be invested in any one security.

In addition, investment policy requires that no more than 10% of the System's assets shall be managed on a permanent basis by a single investment firm in active strategies. A single firm may manage up to 30% of the System's assets on a permanent basis in index strategies. No asset manager may oversee more than 30% of the System's assets. The System's assets shall not permanently constitute more than 20% of any firm's assets within the asset class (equity, bonds, real estate, or private equity) managed for PERS.

No individual asset exceeded 5% of the total portfolio during the fiscal year.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. The System mitigates interest rate risk through portfolio diversification as discussed previously. The System's investment policy and investment portfolio counsel mandates permit investment in all securities within the Barclays U.S. Treasury Index.

NOTES TO FINANCIAL STATEMENTS

The actual years to maturity method is used to determine investment maturity time horizons. The following table shows the fair value of fixed income and short-term securities and the applicable investment maturities as of June 30, 2015.

INVESTMENT MATURITIES
(in years)

Investment Type (in millions)	**Less than 1**	**1 to 5**	**6 to 10**	**More than 10**	**Total**
Cash equivalents*	$ 224.2	$ -	$ -	$ -	$ 224.2
Corporate bonds and other	0.4	0.5	0.5	0.4	1.8
Non-U.S. markets	-	-	-	0.3	0.3
Treasury securities	36.6	6,441.5	1,691.6	1,254.0	9,423.7
U.S. Government**	3.6	-	1.3	19.3	24.2
Total	$ 264.8	$ 6,442.0	$ 1,693.4	$ 1,274.0	$ 9,674.2

*Cash equivalents include investments in Invesco Treasury Portfolio Short-Term Investments Trust.

**Investment maturities of agency securities have been provided by the System's custodial bank, The Bank of New York Mellon.

The above table does not include commercial cash of $6.0 million, cash in custodial of $33.5 million, and security lending cash reserves of $0.5 million.

International securities on the Statement of Fiduciary Net Position includes $0.3 million of fixed income securities.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The System mitigates foreign currency risk through portfolio diversification as discussed previously, along with asset allocation policy limits on international assets. The System's investment policy maintains a target allocation to international equities of 18% and allows investment in all securities within the MSCI EAFE Index.

NOTES TO FINANCIAL STATEMENTS

The System's exposure to foreign currency risk in U.S. dollars as of June 30, 2015, is summarized in the following table.

CURRENCY BY INVESTMENT AND FAIR VALUE
(in millions)

Currency Type	Equity	Pending Transactions	Cash	Total
Australian Dollar	$ 451.5	-	$ 0.9	$ 452.4
British Pound Sterling	1,336.9	3.3	3.5	1,343.7
Danish Krone	109.7	-	-	109.7
Euro	1,991.1	(0.8)	1.1	1,991.4
Hong Kong Dollar	215.1	-	3.4	218.5
Israeli Shekel	39.6	-	0.2	39.8
Japanese Yen	1,510.1	(6.6)	7.8	1,511.3
New Zealand Dollar	8.3	0.1	0.1	8.5
Norwegian Krone	42.3	-	0.4	42.7
Singapore Dollar	92.7	-	1.9	94.6
Swedish Krona	193.9	-	-	193.9
Swiss Franc	608.4	-	0.1	608.5
Total	$ 6,599.6	$ (4.0)	$ 19.4	$ 6,615.0

Derivatives

The System held no derivatives in the portfolio as of June 30, 2015.

NOTES TO FINANCIAL STATEMENTS

Securities Lending

The System maintains a securities lending program by authorization of NRS 286.682, the "prudent person" standard previously described. Securities loaned under this program consist of U.S. Treasury Obligations, corporate fixed income securities, international fixed income securities, equity securities, and international equity securities. Collateral received consists of cash and securities issued by the U.S. Government, its agencies, or instrumentalities. The System has no discretionary authority to sell or pledge collateral received.

At June 30, 2015, the weighted average maturities were 3 days for loans outstanding and 1 day for collateral/reinvestments. Collateral received for the lending of U.S. securities must equal at least 102% of market value, plus accrued interest in the case of fixed income securities. Collateral received for the lending of international securities must equal at least 105% of market value, plus accrued interest in the case of fixed income securities. In September 2013 the Board elected to allow only overnight repurchase agreements collateralized by U.S. government obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities within the reinvestment portfolio. This action effectively eliminated risk in the securities lending collateral reinvestment portfolio since securities issued or guaranteed by the United States government are considered to be free of credit risk. In addition, PERS' securities lending agent provides full indemnification against losses incurred in the collateral reinvestment program.

The System has no credit risk exposure to borrowers because the associated value of the collateral held exceeds the value of the securities borrowed. At June 30, 2015, the System had collateral, on an operational basis, of 102%. Collateral consisted of cash and securities issued by the U.S. Government, its agencies, or instrumentalities. In addition, securities loaned may not exceed 33⅓% of the total portfolio. Loss indemnification due to borrower default is provided by PERS' securities lending agent. There were no losses during the period resulting from borrower default.

The fair value of securities loaned at June 30, 2015, was $4,990,788,913. Cash collateral received in securities lending arrangements is reported on the Statement of Fiduciary Net Position as an asset with a related liability.

The following table represents the collateral received for the outstanding securities lending transactions as of June 30, 2015.

	Cash	Non-Cash	Total
Collateral Received	$ 373,833,323	$ 4,736,221,920	$ 5,110,055,243

For fiscal year 2015 the net income from security lending was $4,694,725.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – Net Pension Liability

The components of the net pension liability at June 30, 2015, were as follows:

Total pension liability	$ 46,070,157,029
Plan fiduciary net position	(34,610,720,184)
Net pension liability	$ 11,459,436,845
Plan fiduciary net position as a percentage of the total pension liability	75.1%

Actuarial Assumptions

The total pension liability was determined as part of the GASB Statement No. 67 actuarial valuation as of June 30, 2015. It is important to note that the new GASB rules only redefine pension liability for financial reporting purposes. The System continues to develop and adopt funding policies under current practices. The actuarial assumptions were based on the results of an experience study for the period from July 1, 2006, through June 30, 2012. When measuring the total pension liability, GASB uses the same actuarial cost method, all actuarial assumptions, and the same type of discount rate as the System uses for funding which can be found in the Notes to Required Supplementary Information.

The Board evaluates and establishes expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these capital market expectations annually. The System's current long-term geometric expected real rates of return for each asset class included in the fund's investment portfolio as of June 30, 2015, are included in the following table:

Asset Class	Long-Term Geometric Expected Real Rate of Return*
Domestic Equity	5.50%
International Equity	5.75%
Domestic Fixed Income	0.25%
Private Markets	6.80%

*As of June 30, 2015, PERS' long-term inflation assumption was 3.5%.

Discount Rate

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2015. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

NOTES TO FINANCIAL STATEMENTS

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015.

Future Payroll Growth

In projecting plan contributions as described above, Fund experience was projected to be consistent with the valuation assumptions, except that payroll was projected to grow at 5% per year.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
$ 17,461,886,995	$ 11,459,436,845	$ 6,467,980,371

NOTE 7 – Commitments and Contingencies

The System has entered into investment funding commitments related to private markets to fund an additional $1,073.3 million at some future date.

NOTE 8 – Risk Management

The System is exposed to various risks of loss related to theft of, damage to, and destruction of assets; injuries to employees and others; and court challenges to fiduciary decisions. To cover these risks, the System maintains commercial building and contents insurance, vehicle liability and collision/comprehensive insurance, general liability insurance, worker's compensation insurance, and employee fidelity bonds. For coverage included within the State of Nevada's policies, the System pays its premium directly to the State. The System's building/contents insurance is placed with a private insurance company. There have never been any insurance settlements which exceeded insurance coverage.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

2013 to 2015
(in millions)

	2015	2014	2013
Total pension liability			
Service cost	$ 1,063.5	$ 1,058.8	$ 1,038.7
Interest	3,525.4	3,369.8	3,103.2
Change of plan provisions	-	10.0	-
Difference between expected and actual experience	(529.6)	(585.2)	(514.3)
Change of assumptions	-	-	1,459.8
Benefit payments, including refunds	(1,983.9)	(1,839.8)	(1,707.8)
Other changes	(2.4)	(1.0)	-
Net change in total pension liability	2,073.0	2,012.6	3,379.6
Total pension liability-beginning	43,997.1	41,984.5	38,604.9
Total pension liability-ending (a)	$ 46,070.1	$ 43,997.1	$ 41,984.5
Plan fiduciary net position			
Contributions-employer	$ 1,436.6	$ 1,405.0	$ 1,310.1
Contributions-employee	196.8	152.4	145.7
Net investment income	1,395.3	5,031.4	3,193.9
Benefit payments, including refunds	(1,983.9)	(1,839.8)	(1,706.9)
Administration expenses	(9.6)	(9.6)	(9.6)
Other	0.4	1.0	1.7
Net change in plan fiduciary net position	1,035.6	4,740.4	2,934.9
Plan fiduciary net position-beginning	33,575.1	28,834.7	25,899.8
Plan fiduciary net position-ending (b)	$ 34,610.7	$ 33,575.1	$ 28,834.7
Net pension liability-ending (a) - (b)	$ 11,459.4	$ 10,422.0	$ 13,149.8
Plan fiduciary net position as a percentage of total pension liability	75.13%	76.31%	68.68%
Covered employee payroll *	$ 5,921.6	$ 5,753.1	$ 5,715.3
Net pension liability as a percentage of covered employee payroll	193.5%	181.2%	230.1%

*Measurement as of end of fiscal year.

Note: Complete data for this schedule is not available prior to 2013.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS
2006 to 2015
(in millions)

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions*	Contribution Deficiency (Excess)	Covered Employee Payroll**	Contributions as a Percentage of Covered Employee Payroll
2006	$ 925.8	$ 966.1	$ (40.3)	$ 4,566.5	21.2 %
2007	1,014.0	1,046.6	(32.6)	5,005.6	20.9
2008	1,123.5	1,167.4	(43.9)	5,347.1	21.8
2009	1,202.1	1,213.1	(11.0)	5,724.8	21.2
2010	1,339.5	1,281.7	57.8	5,958.9	21.5
2011	1,326.8	1,264.8	62.0	5,911.9	21.4
2012	1,425.8	1,332.3	93.5	5,817.6	22.9
2013	1,370.0	1,310.1	59.9	5,574.6	23.5
2014	1,508.8	1,405.0	103.8	5,715.3	24.6
2015	1,499.8	1,436.7	63.1	5,753.1	25.0

*Includes employer contributions towards administrative expenses.
**Measurement as of beginning of year.

Notes: All contributions shown reflect employer-paid contributions only. Member contributions are excluded. Actuarially Determined Contributions above are based on actuarially determined contributions rates (employer portion only) from most recent rate-setting year prior to year shown, applied to covered payroll for year shown.

Information provided by Segal Consulting, the System’s actuary.

SCHEDULE OF INVESTMENT RETURNS
2006 to 2015

For Fiscal Year Ended June 30	Annual Money-Weighted Rate of Return, Net of Investment Expenses
2006	8.73%
2007	14.99
2008	(3.26)
2009	(15.57)
2010	11.12
2011	21.08
2012	3.05
2013	12.39
2014	17.60
2015	4.18

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

There have been no changes in benefit terms since the last valuation. Legislation passed in the 2015 Legislative session made changes to a number of plan provisions. These changes are effective July 1, 2015, and generally applicable only to members whose effective date of membership is on or after July 1, 2015, and therefore are not reflected in the June 30, 2015, valuation. Changes to certain survivor benefit provisions were made effective for survivors of certain members killed in the line of duty or in the course of employment on or after July 1, 2013, for payments on or after July 1, 2015. The July 1, 2015, sunset on the critical labor shortage exception to the reemployment restrictions was repealed.

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, 2015. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule.

Actuarial cost method	Entry age normal
Amortization method	The UAAL as of June 30, 2011, shall continue to be amortized over separate 30-year period amortization layers based on the valuations during which each separate layer was previously established. Any new UAAL as a result of actuarial gains or losses identified in the annual valuation as of June 30 will be amortized over a period equal to the truncated average remaining amortization period of all prior UAAL layers. This would occur until the average remaining amortization period is less than 20 years. At that point, amortization periods of 20 years would be used for actuarial gains and losses. Any new UAAL as a result of change in actuarial assumptions or methods will be amortized over a period equal to the truncated average remaining amortization period of all prior UAAL layers. This would occur until the average remaining amortization period is less than 20 years. At that point, amortization periods of 20 years would be used for assumption or method changes. UAAL layers shall be amortized over “closed” amortization periods so that the amortization period for each layer decreases by one year with each actuarial valuation. UAAL layers shall be amortized as a level percentage of payroll.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

Asset valuation method		5-year smoothed market
Assumed inflation rate		3.5%
Payroll growth assumption for future years		6.5% per year for regular employees and 7.5% per year for police/fire employees
Assumed investment rate of return		8.0% (including 3.5% for inflation)
Mortality rates:		
Healthy:	*Regular*	RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females (no age setback for males).
	Police/Fire	RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year.
Disabled:	*Regular and Police/Fire*	RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

Salary increases

Inflation: 3.50% Plus

Productivity pay increases: 0.75% Plus

Promotional and merit salary increases:

Years of Service	Regular	Police/Fire
Less than 1	5.50%	10.25%
1	4.25	6.55
2	3.50	5.15
3	3.25	4.55
4	3.00	4.25
5	2.75	4.05
6	2.40	3.75
7	2.25	3.25
8	1.85	2.75
9	1.75	2.25
10	1.50	1.75
11	1.00	1.50
12	0.80	1.25
13 or More	0.35	1.00

Changes of Assumptions

There have been no changes in actuarial assumptions or methods since the last valuation.

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE OF ADMINISTRATIVE EXPENSES
For the Year Ended June 30, 2015
(GAAP Basis)

Personnel services:		
Staff payroll and benefits	$ 4,797,251	
Board fees	13,840	
Total personnel services		$ 4,811,091
Out-of-state travel:		
Staff	10,514	
Board	2,099	
Total out-of-state travel		12,613
In-state travel:		
Staff	32,905	
Board	20,597	
Police/Fire committee	3,747	
Total in-state travel		57,249
Operating:		
Office supplies	20,465	
Equipment less than $1,000	5,326	
Postage and freight	345,905	
Communications	37,436	
Printing	196,356	
Publications and periodicals	1,053	
Bonds and insurance premiums	15,920	
Contract services	781,342	
Vehicle expense	913	
Equipment rental and repair	19,016	
Building rental	280,925	
License and fees	1,595	
Client communication	61,494	
Dues and registration	29,055	
Medical expenses	36,037	
Litigation expense	104,236	
Total operating		1,937,074
Equipment and office furniture, net		25,606
Information technology, net		2,774,064
Training		30,929
Total administrative expenses		$ 9,648,626

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE OF ADMINISTRATIVE EXPENSES

For the Year Ended June 30, 2015
(Non-GAAP Budgetary Basis)
Budget vs. Actual

	Budget	Actual Expenditures	Variance Under (Over)
Personnel services	$ 5,104,993	$ 4,791,470	$ 313,523
Out-of-state travel	53,440	12,613	40,827
In-state travel	92,575	57,249	35,326
Operating	2,130,575	1,937,074	193,501
Equipment and office furniture	-	20,756	(20,756)
Information technology	3,114,185	2,837,201	276,984
Training	57,694	30,929	26,765
Unallocated budgetary authority	200,000	-	200,000
Total administrative expenses	$ 10,753,462	$ 9,687,292	$ 1,066,170

Reconciliation of GAAP Basis Administrative Expenses to Non-GAAP Budgetary Basis

For the Year Ended June 30, 2015

The budget and actual (non-GAAP budgetary basis) schedules present comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis sometimes differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resulting differences is presented for the year ended June 30, 2015.

Administrative Expenses (Non-GAAP Budgetary Basis)		$ 9,687,292
Adjustments:		
	Accrued payroll	19,621
	Depreciation expense	1,179,894
	Capitalization of system project	(1,238,181)
Administrative Expenses (GAAP Basis)		$ 9,648,626

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT EXPENSES
For the Year Ended June 30, 2015

Investment management fees	$ 38,474,956
Investment consulting fees	763,669
Subtotal investment management and consulting fees	39,238,625
Investment monitoring expenses	6,078
Administrative investment expenses	333,271
Total investment expenses	$ 39,577,974

SCHEDULE OF PAYMENTS TO CONSULTANTS
For the Year Ended June 30, 2015

Actuary	
Segal Consulting	$ 460,795
Cost Effectiveness Consultant	
CEM Benchmarking, Inc.	45,000
Fiduciary Consultant	
Cortex Applied Research, Inc.	47,941
Independent Auditors	
CliftonLarsonAllen LLP	117,750
Administrative Legal Counsel	
Groom Law Group	54,295
Woodburn and Wedge	116,686
Medical Consultant	
B Bottenberg, D.O.	34,476
Kathleen Stoner, R.N.	1,841
Total payments to consultants	$ 878,784

Note: Information on payments made to investment professionals can be found in the Investment Section.

OTHER SUPPLEMENTARY INFORMATION

COMBINING SCHEDULE OF FIDUCIARY NET POSITION

June 30, 2015
(With Comparative Totals for June 30, 2014)

	Regular	Police/Fire	Eliminations	Total Pension Trust Fund 2015	Total Pension Trust Fund 2014
ASSETS					
Cash and cash equivalents	$ 264,196,276	$ -	$ -	$ 264,196,276	$ 1,022,818,228
Contributions receivable	121,288,992	-	-	121,288,992	118,903,642
Pending trades receivable	129,448,044	-	-	129,448,044	136,040,433
Accrued investment income	91,334,239	-	-	91,334,239	100,132,219
Investments, at fair value	34,148,195,967	-	-	34,148,195,967	33,183,431,470
Collateral on loaned securities, at fair value	373,833,323	-	-	373,833,323	541,523,662
Property and equipment	40,412,280	-	-	40,412,280	39,174,100
Accumulated depreciation	(36,462,089)	-	-	(36,462,089)	(35,282,196)
Net property and equipment	3,950,191	-	-	3,950,191	3,891,904
Other assets	3,633,781	-	-	3,633,781	2,240,330
Due from other funds-equity in investments	-	7,635,342,043	(7,635,342,043)	-	-
Total plan assets	35,135,880,813	7,635,342,043	(7,635,342,043)	35,135,880,813	35,108,981,888
LIABILITIES					
Accounts payable and accrued expenses	10,447,899	-	-	10,447,899	12,822,827
Pending trades payable	140,879,407	-	-	140,879,407	979,554,242
Due to other funds - equity in investments	7,635,342,043	-	(7,635,342,043)	-	-
Obligations under securities lending activities	373,833,323	-	-	373,833,323	541,523,662
Total plan liabilities	8,160,502,672	-	(7,635,342,043)	525,160,629	1,533,900,731
Net position	$ 26,975,378,141	$ 7,635,342,043	$ -	$ 34,610,720,184	$ 33,575,081,157

OTHER SUPPLEMENTARY INFORMATION

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

	Regular	Police/Fire	Total Pension Trust Fund 2015	Total Pension Trust Fund 2014
ADDITIONS				
Contributions:				
Employer	$ 1,087,094,534	$ 349,558,281	$ 1,436,652,815	$ 1,405,006,553
Plan members	99,026,837	15,275,708	114,302,545	109,656,492
Repayment and purchase of service	48,565,482	33,920,206	82,485,688	42,752,491
Total contributions	1,234,686,853	398,754,195	1,633,441,048	1,557,415,536
Investment income:				
Net appreciation in fair value of investments	520,754,925	-	520,754,925	4,175,149,677
Interest	261,392,850	-	261,392,850	279,130,969
Dividends	523,536,563	-	523,536,563	522,621,573
Other investment income	124,491,007	-	124,491,007	91,594,469
	1,430,175,345	-	1,430,175,345	5,068,496,688
Less investment fees and other expense	(39,577,974)	-	(39,577,974)	(45,137,425)
Net investment income	1,390,597,371	-	1,390,597,371	5,023,359,263
Securities lending income	6,395,913	-	6,395,913	11,497,416
Change in fair value of securities lending	-	-	-	(1,155,897)
Less securities lending expense	(1,701,188)	-	(1,701,188)	(2,265,939)
Net securities lending income	4,694,725	-	4,694,725	8,075,580
Total net investment income	1,395,292,096	-	1,395,292,096	5,031,434,843
Other income	2,433,816	352,250	2,786,066	1,941,816
Total additions	2,632,412,765	399,106,445	3,031,519,210	6,590,792,195
DEDUCTIONS				
Benefit payments:				
Retirement and survivor benefits	1,491,174,608	364,151,618	1,855,326,226	1,721,740,266
Disability	81,318,112	21,579,472	102,897,584	94,978,675
Post-retirement increases	12,331	963	13,294	14,704
Refunds of contributions	19,047,109	6,590,644	25,637,753	23,047,743
Transfers of contributions	2,356,700	-	2,356,700	990,121
Administrative expenses	9,648,626	-	9,648,626	9,591,311
Other expenses	-	-	-	1,259
Total deductions	1,603,557,486	392,322,697	1,995,880,183	1,850,364,079
Increase (decrease) in net assets	1,028,855,279	6,783,748	1,035,639,027	4,740,428,116
Transfers:				
Interfund transfers	(1,572,377)	1,572,377	-	-
Transfer of annual investment income	(306,127,086)	306,127,086	-	-
Transfer of administrative fees	954,396	(954,396)	-	-
Total transfers	(306,745,067)	306,745,067	-	-
Net position - Beginning of year	26,253,267,929	7,321,813,228	33,575,081,157	28,834,653,041
Net position - End of year	$ 26,975,378,141	$ 7,635,342,043	$ 34,610,720,184	$ 33,575,081,157

THIS PAGE INTENTIONALLY LEFT BLANK

INVESTMENT SECTION

CURRENT INVESTMENT ADVISORS

INVESTMENT CONSULTANTS

Callan Associates, Inc.
Peavine Capital

INVESTMENT COUNSEL

<u>Domestic Equities</u>:
AllianceBernstein
BlackRock

<u>International Equities</u>:
Mellon Capital
State Street Global Advisors

<u>Domestic Fixed Income</u>:
Payden & Rygel
UBS Global Asset Management

<u>Private Equity</u>:
Pathway Capital Management

<u>Private Real Estate</u>:
AEW
Invesco Real Estate

<u>Securities Lending</u>:
The Bank of New York Mellon

PEAVINE
CAPITAL

October 29, 2015

Dear Reader,

We are pleased to report on the Public Employees' Retirement System of Nevada (PERS) investment portfolio for the fiscal year ended June 30, 2015.

Capital markets were weaker this fiscal year, which is reasonable following a number of years of strong results from risk assets. PERS did an effective job maximizing returns given the market environment. The fund generated a fiscal year 2015 return of 4.2%, ranking in the top 16% of peer pension funds. The Fund's 5-year annualized return was 11.4% and ranks in the top 22% of peer funds. Since inception (31 years), the portfolio has generated a return of 9.6%, capturing its actuarial return objective and ranking in the top 30% of peers on a total return basis and in the top 4% on a risk-adjusted return basis.

A primary reason for PERS' competitive results is the Retirement Board's patient, disciplined investment strategy. PERS' investment philosophy employs time tested investment principles, including a focus on asset allocation and index management. The fund maintains consistent exposure to primarily publicly traded global capital markets and emphasizes a simple structure with fewer, clearly diversified components. Priorities include investment in understandable, high quality assets, holding assets directly (as opposed to using commingled vehicles) and minimizing costs.

PERS' public market portfolio (92% of the total fund) is invested entirely in index funds, enhancing diversification and reducing costs. In fact, according to the Maryland Public Policy Institute, Nevada PERS' investment costs are the lowest in the country among similarly managed funds.

This year, PERS' bond allocation was transitioned to 100% U.S. Treasury bonds to reduce risk and enhance diversification. PERS' current asset allocation policy includes: 42% U.S. Stocks, 18% International Stocks, 30% U.S. Treasury Bonds, and 10% Private Markets.

Ken

Ken Lambert, CFA, CAIA
Chief Investment Officer

775.337.3900 // 100 W. Liberty Street / Suite 765 / Reno, NV 89501 // www.peavinecapital.com

INVESTMENT REVIEW

Introduction

The investment program is designed to generate an 8% long-term return while minimizing risk. The structure and administration of the portfolio is defined by the prudent person standard. The standard states that the Board may invest the System's funds in every type of investment which persons of prudence, discretion, and intelligence acquire or retain for their own account under similar circumstances. The Board's investment philosophy centers on time tested investment principles such as maintaining consistent exposure to the capital markets, buying assets at lower prices and selling them at higher prices through disciplined rebalancing, and keeping costs low by utilizing index management. Developing a sound long-term investment strategy and faithfully adhering to that strategy in both strong and weak market environments has been a key element in the fund's success.

The System's investment assets reported in the Investment Section are presented on the same basis of accounting as described in Note 1 of the Notes to Financial Statements, fair market value.

The System's Investment Objectives and Policies detail the fund's long-term investment goals, management responsibilities, return/risk expectations, and monitoring requirements. These policies are subject to change at any time by the Board and are reviewed thoroughly at least annually to ensure that they continue to reflect the System's expectations.

Objective

The investment objective of the System is to:

- Generate an 8% long-term investment return which exceeds the rate of inflation (CPI) by 4.5% by capturing market returns within each asset class.

- Invest so that the short-term volatility of returns will not cause the System to alter its long-term strategy.

- Structure an investment program which is sufficiently uncomplicated to control the ability to consistently meet return and risk objectives.

Chart 1, on page 64, demonstrates that the investment portfolio, over the last ten years, has captured the blended real return (inflation) objective in seven of those years. The objective was CPI + 3.0% until September 30, 2000; CPI + 3.5% from October 1, 2000 through September 30, 2002; CPI + 3.75% from October 1, 2002 through September 30, 2003; and CPI + 4.5% thereafter. Chart 2, on page 64, details annualized returns for long-term periods ended June 30, 2015. The System achieved the blended market objective for the 1, 3, 10, and 31-year periods. The System's 4.2% return for fiscal year 2015 was driven primarily by modest returns from U.S. stocks and bonds.

Note: Inception on Chart 2 refers to July 1, 1984, the date the System began calculating total return versus annual yield. For all other charts, inception refers to the point at which the System began including that particular investment vehicle in the portfolio.

Asset Allocation

Asset allocation is the most significant factor influencing the risk and return of the investment program. Since inception 98% of the System's investment performance is explained by asset allocation. Determination of the fund's long-term asset allocation involves estimating the expected return and risk of major types of investments and blending them into a portfolio which meets the System's risk/return objectives.

To establish an appropriate long-term asset allocation strategy, the Board evaluates expected return and risk for each of the major asset types (stocks, bonds, private markets). These asset classes are then combined in the most efficient manner possible to construct a portfolio that matches the risk and return needs of the fund. By diversifying the System's investments in multiple asset classes the Board is able to reduce the volatility of annual investment earnings. The Board reviews capital market expectations and asset allocation annually. In addition, the Board employs a disciplined rebalancing policy to manage market volatility and to ensure the portfolio's exposures are consistent with the System's long-term asset targets.

The long-term target allocation for the fund as of June 30, 2015, was 30% U.S. Fixed Income, 42% U.S. Equity, 18% International Equity, and 10% Private Markets. The June 30, 2015, asset class allocation by Manager Directive is shown in Chart 3, page 65.

Diversification

After the asset allocation strategy is established, the Board implements a portfolio management structure that is designed to capture the market objective in each asset class. The most efficient and cost effective way to capture market returns is by gaining market exposures through fully replicated index funds. As a result, historically the System has emphasized index management and in fiscal year 2014 the Board elected to move from 75% index management to 100% index management in U.S. and International Stocks. The U.S. Stock allocation is indexed to the S&P 500 Index, which represents roughly 80% of the total U.S. stock market capitalization. Similarly, the International Stock allocation is 100% indexed to the MSCI EAFE Index which represents 85% of the market capitalization within the 21 developed market countries included in the index. Combined, the System's total stock exposure represents more than 80% of the global public equity market.

Similar to the U.S. and International stock allocations, the System's fixed income allocation has historically emphasized index management and in fiscal year 2015 the Board elected to move to a 100% Barclays U.S. Treasury Index structure. The transition to a 100% Treasury Index structure removes credit risk from the fixed income allocation and increases total fund diversification. The System's overall portfolio is well diversified by asset class, investment structure, and individual security. The System's portfolio currently holds over 2,000 individual securities from 21 different countries.

Chart 4, on page 66, shows the market value of the assets under management by investment type, category, and manager. A list of the ten largest Equity and Fixed Income holdings based on fair market value at June 30, 2015, is included in Chart 5 on page 67. A complete list of security holdings is available upon request.

Investment Class Objectives

In order to achieve the total fund objectives, each asset type is assigned return objectives (listed below). Progress toward those benchmarks is closely monitored.

U.S. Equity	-	Produce a total return that captures the Standard & Poor's 500 Common Stock Index over rolling 10-year periods with commensurate volatility.
International Equity	-	Produce a total return that captures the unhedged Morgan Stanley Capital International Europe, Australia, Far East (MSCI EAFE) Index over rolling 10-year periods with commensurate volatility.
U.S. Fixed Income	-	Produce a total return that captures the Barclays U.S. Treasury Index over rolling 10-year periods with commensurate volatility.
Private Markets	-	Produce a total return that captures the blended return (based on PERS actual allocation) of: the National Council of Real Estate Investment Fiduciaries (NCREIF) Property Index -0.75%, and S&P 500 Index + 4% over rolling 10-year periods with commensurate volatility.

Each of the System's investment managers agrees to a performance benchmark which, when all the benchmarks in an investment class are combined, is expected to produce the class objective.

Investment Performance

The System's custody bank calculates performance for the total fund, each asset class, and individual investment management firms employed by the Board. Performance calculations are prepared using time-weighted rate of return based on market values. Returns in this report are gross of fees.

Chart 6, shown on page 68, shows a year-by-year comparison of how the total fund and each investment class compared with its corresponding objective.

Charts 7-9, on pages 69-70, compare 1, 3, 5, 10-year, and since-inception returns for each asset class to the corresponding objective for periods ended June 30, 2015.

Chart 10, on page 70, shows Private Markets returns for the fiscal year ended June 30, 2015, compared to since-inception returns using a blended objective.

Following two successive fiscal years with returns in excess of 20%, U.S. equity returns moderated in fiscal year 2015. Due to the volatility and cost structure associated with active management, in fiscal year 2014 the Board elected to move to 100% index management in U.S. Equity. As a result, the 7.4% return in fiscal year 2015 matched the performance objective and going forward we expect the U.S. Equity allocation will continue to closely track the market objective.

In fiscal year 2014, for the same reasons as in the U.S. Equity portfolio, the Board moved to 100% index management in the International Equity portfolio. The decision reduced fees and risk versus the market objective on a going forward basis. The International Equity allocation met the market objective in fiscal year 2015.

In fiscal year 2015 the Board elected to transition the fixed income allocation to a 100% Barclays U.S. Treasury Index structure. The decision removes credit risk from the fixed income allocation while increasing total fund diversification. The fixed income allocation met the market objective in fiscal year 2015 and because the allocation is now fully indexed we expect it will track the market objective closely in future years.

The Private Markets portfolio, which is comprised of private real estate and private equity, has 11¾ years of performance history as an asset class. The allocation experienced above average absolute returns during fiscal year 2015 and remains above the market objective since inception. The private real estate allocation outperformed the objective for the fiscal year and for the 5 and 10-year periods ending June 2015. The private equity portfolio outperformed the objective over the most recent 1-year period and continues to be above the market benchmark over longer time periods.

This report has been prepared in conjunction with the System's investment consultants, Peavine Capital and Callan Associates.

INVESTMENT PERFORMANCE VS. OBJECTIVE

CHART 1

Individual Fiscal Year Return vs. Inflation Objective
Periods Ended June 30

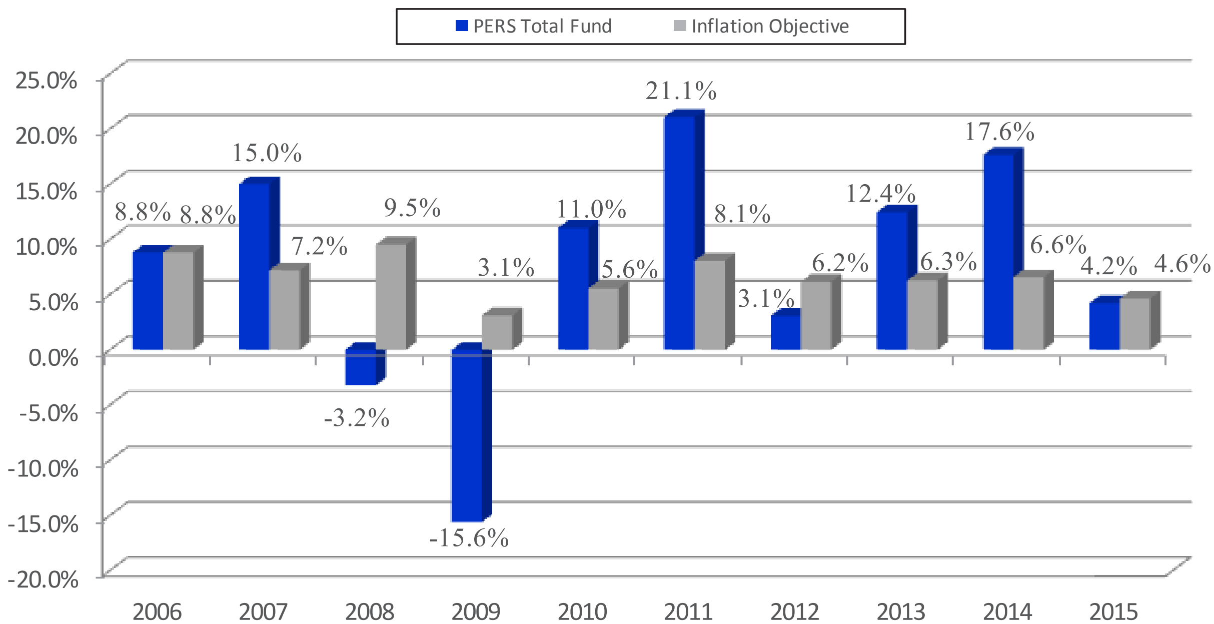
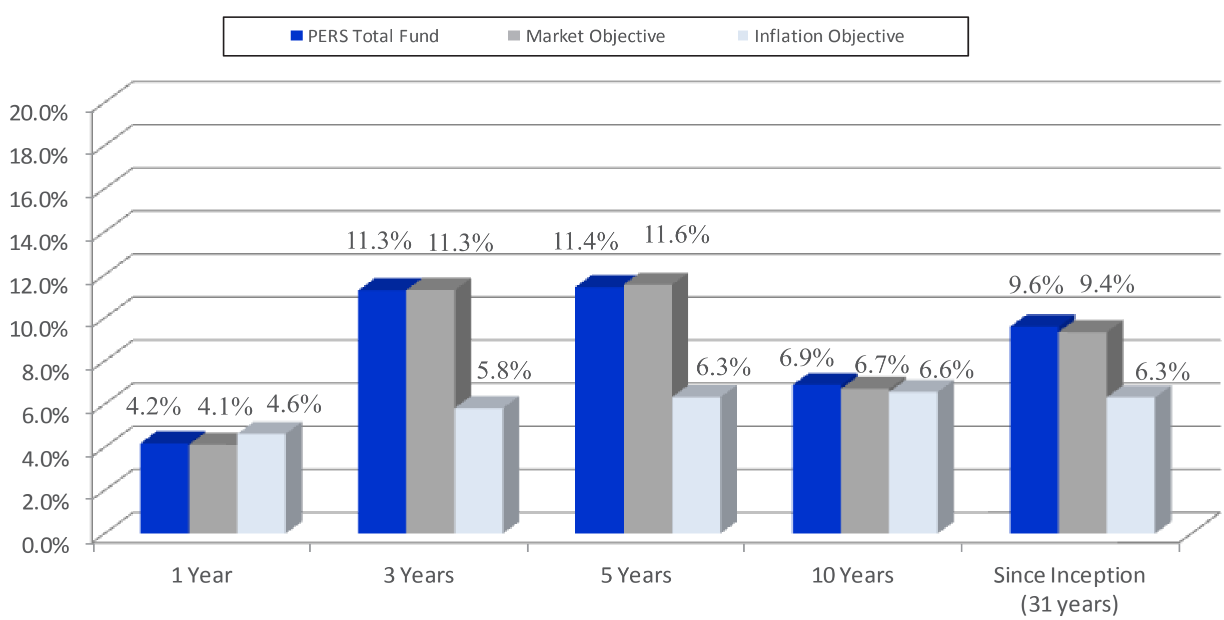


CHART 2

Annualized Total Returns vs. Market Objective and Inflation Objectives *
As of June 30, 2015



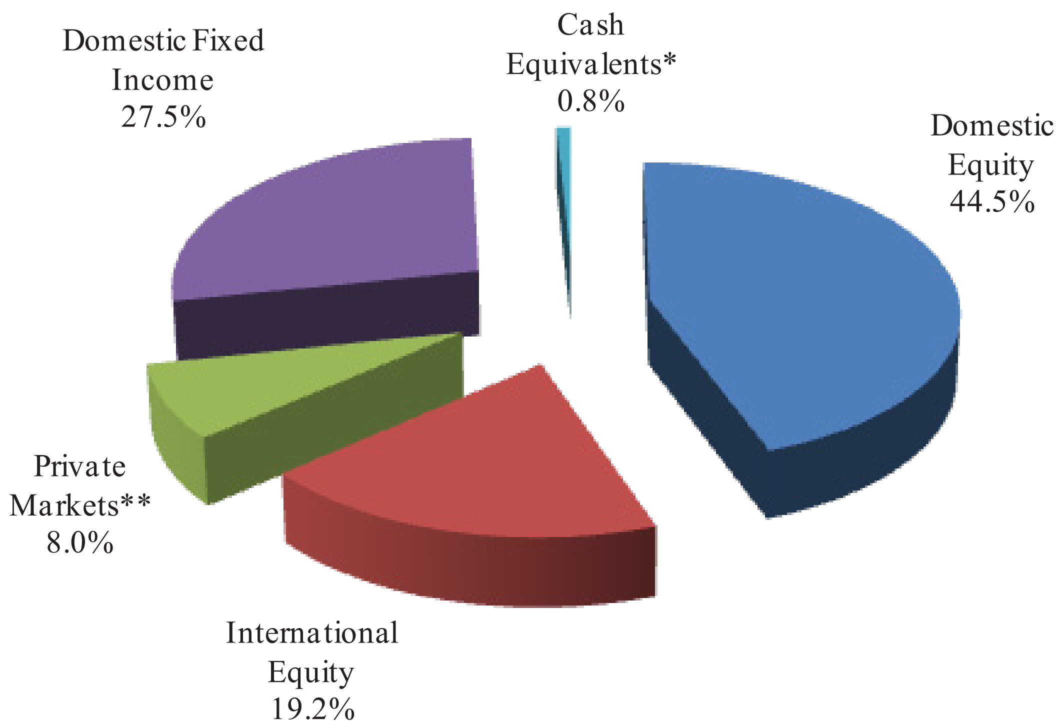
*CPI + 3.0% until September 2000, CPI + 3.5% from October 1, 2000 through September 30, 2002, CPI + 3.75% from October 1, 2002 through September 30, 2003, and CPI + 4.5% thereafter.

Performance calculations are prepared using time-weighted rate of return (gross of fees) based on market values.

CHART 3

ASSET MIX

JUNE 30, 2015



***Includes cash held by investment managers.**

****Includes 3.8% Private Equity and 4.2% Private Real Estate.**

CHART 4

Fair Value of Assets by Investment Directive
June 30, 2015

	Fair Value		Percent of Total Fair Value
EQUITIES			
Domestic Index Managers			
AllianceBernstein - S&P	7,648,514,605		
BlackRock - S&P 500	7,679,299,516		
Subtotal	15,327,814,121		44.5
International Index Managers			
Mellon Capital	4,507,558,914		19.2
State Street Global Advisors	2,089,459,203		
Subtotal	6,597,018,117		
Private Equity			
Pathway Capital Management	1,319,000,149		3.8
Total Equities		$ 23,243,832,387	67.5
FIXED INCOME			
Domestic Active Managers			
JP Morgan Asset Management	25,882,968		
Western Asset Management	11,702		
Subtotal	25,894,670		0.1
Domestic Index Managers			
Mellon Capital	511,706		
Payden & Rygel - US Bond Index	4,680,759,348		
UBS Global Asset Management - US Bond	4,742,894,743		
Subtotal	9,424,165,797		27.4
Total Fixed Income		9,450,060,467	27.5
PRIVATE REAL ESTATE			
AEW Realty	665,806,650		
Invesco Realty Advisors	786,163,719		
Invesco Realty Advisors Takeover	2,332,744		
Total Real Estate		1,454,303,113	4.2
SHORT-TERM INVESTMENTS			
Cash Equivalents	258,180,952		
Total Short-Term Investments		258,180,952	0.8
TOTAL PORTFOLIO		**$ 34,406,376,919**	**100.0** %

The Statement of Fiduciary Net Position contains $6,015,324 in administrative cash, which does not appear on this schedule.

Total portfolio less short-term investments (classified on the Statement of Fiduciary Net Position as cash equivalents) of $258,180,952 equals investments at fair value of $34,148,195,967.

CHART 5

LIST OF LARGEST ASSETS HELD

Largest Equity Holdings
June 30, 2015

Ranking	Name		Fair Value
1	APPLE INC	$	606,435,143
2	MICROSOFT CORP		299,869,891
3	EXXON MOBIL CORP		292,084,582
4	GOOGLE INC		255,157,129
5	JOHNSON & JOHNSON		226,855,108
6	GENERAL ELECTRIC CO		224,740,804
7	WELLS FARGO & CO		221,239,893
8	JPMORGAN CHASE & CO		211,072,127
9	BERKSHIRE HATHAWAY INC		208,410,407
10	PROCTER & GAMBLE CO.		178,187,062

Largest Fixed Income Holdings
June 30, 2015

Ranking	Name				Fair Value
1	U S TREASURY NOTE	0.875%	08/15/2017	$	197,908,737
2	U S TREASURY NOTE	0.875%	01/31/2017		170,565,910
3	U S TREASURY NOTE	2.625%	11/15/2020		150,311,409
4	U S TREASURY NOTE	0.625%	07/15/2016		150,309,827
5	U S TREASURY NOTE	0.875%	05/15/2017		149,668,371
6	U S TREASURY NOTE	1.250%	11/30/2018		146,530,412
7	U S TREASURY NOTE	1.000%	9/15/2017		144,731,886
8	U S TREASURY NOTE	0.750%	02/28/2018		138,195,228
9	U S TREASURY NOTE	1.625%	12/31/2019		136,238,838
10	U S TREASURY NOTE	1.500%	08/31/2018		135,008,774

Note: A complete list of the portfolio’s holdings can be obtained upon request.

CHART 6

SUMMARY OF ACTUAL PERFORMANCE VS. OBJECTIVES
(% Returns)

	U.S. EQUITY	INT'L EQUITY	U.S. FIXED INC.	INT'L FIXED INC.	PRIVATE MARKETS	TOTAL FUND
Fiscal Year 2006						
Total Return	9.7	27.1	-0.5	0.2	20.8	8.8
Objective	8.6	26.6	-0.8	-0.0*	19.3	8.8
Fiscal Year 2007						
Total Return	20.2	27.0	6.1	1.5	16.3	15.0
Objective	20.6	27.0	6.1	2.2	16.2	15.2
Fiscal Year 2008						
Total Return	-11.7	-10.9	6.4	18.4	3.5	-3.2
Objective	-13.1	-10.6	7.1	18.7	-2.5	-4.0
Fiscal Year 2009						
Total Return	-25.4	-31.5	5.9	3.4	-27.6	-15.6
Objective	-26.2	-31.4	6.1	3.5	-23.8	-16.1
Fiscal Year 2010						
Total Return	13.8	6.1	10.6	1.5	6.2	11.0
Objective	14.4	5.9	9.5	1.5	7.8	10.7
Fiscal Year 2011						
Total Return	31.8	30.5	4.2	14.1	22.9	21.1
Objective	30.7	30.4	3.9	14.0	24.0	20.8
Fiscal Year 2012						
Total Return	4.7	-13.6	7.5	0.4	10.4	3.1
Objective	5.5	-13.8	7.5	0.4	12.3	3.6
Fiscal Year 2013						
Total Return	21.3	19.4	-0.3	-5.8	7.7	12.4
Objective	20.6	18.6	-0.7	-5.7	15.8	12.6
Fiscal Year 2014						
Total Return	24.8	23.5	4.6	N/A	14.2	17.6
Objective	24.6	23.9	4.4	N/A	17.9	17.6
Fiscal Year 2015						
Total Return	7.4	-3.9	2.0	N/A	13.9	4.2
Objective	7.4	-4.2	2.0	N/A	11.8	4.1

Objectives
U.S. Equity – S&P 500
Int'l Equity – MSCI-EAFE
U.S. Fixed Income – Barclays U.S. Treasury Index
Private Markets – Portfolio weighted blend of NCREIF -0.75% and S&P 500 + 4%

Total Fund:
Until September 30, 2000 – CPI + 3%
October 1, 2000 – September 30, 2002 – CPI + 3.5%
October 1, 2002 – September 30, 2003 – CPI + 3.75%
October 1, 2003 thereafter – CPI + 4.5%

Performance calculations are prepared using time-weighted rate of return (gross of fees) based on market values.

* objective = -0.01

INVESTMENT PERFORMANCE VS. OBJECTIVE

CHART 7

U.S. Equity vs. S&P 500
As of June 30, 2015

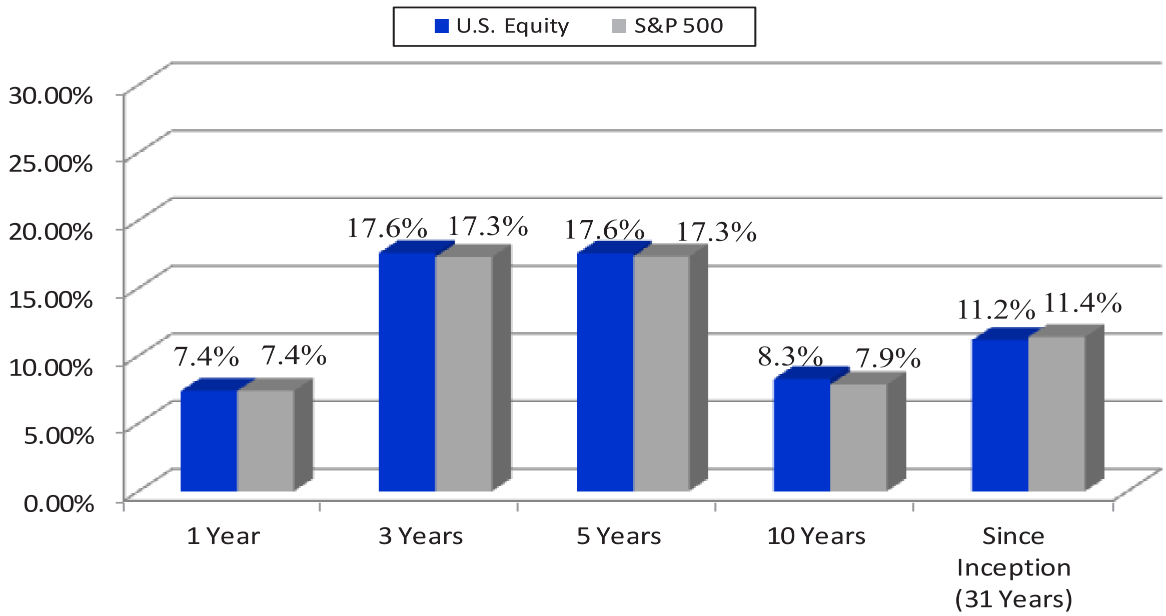
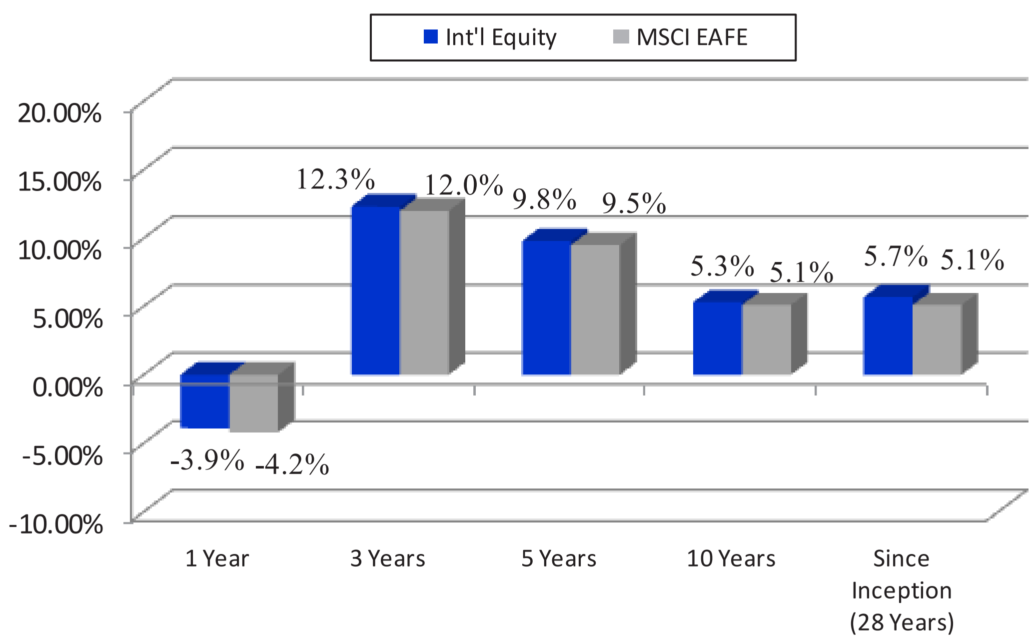


CHART 8

International Equity vs. MSCI EAFE
As of June 30, 2015



INVESTMENT PERFORMANCE VS. OBJECTIVE

CHART 9

U.S. Fixed Income vs. Barclays Aggregate
As of June 30, 2015

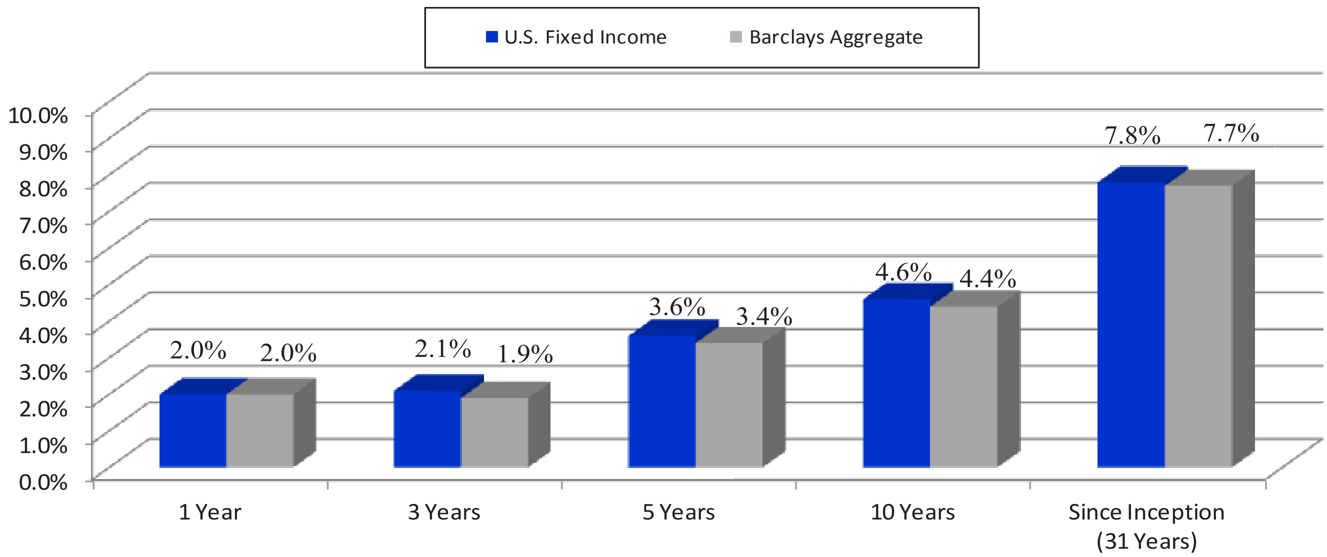
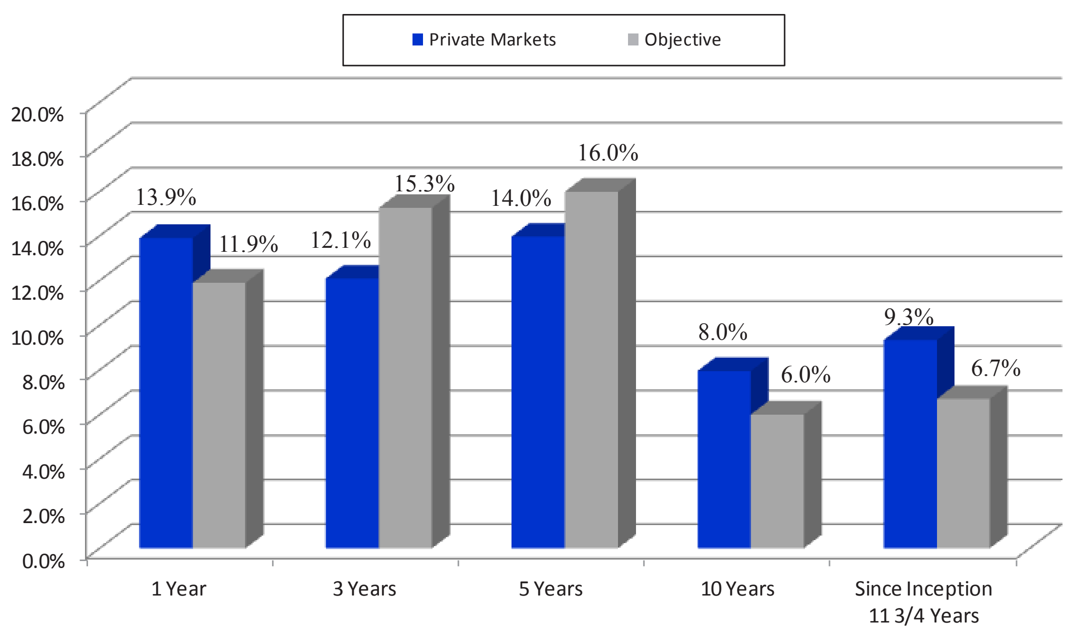


CHART 10

Private Markets vs. Blended Objective*
As of June 30, 2015



* Blended Objective:

56.9% NCREIF -0.75%
43.1% S&P 500 + 4.0%

Target adjusted quarterly, based on beginning market values.

CHART 11

SCHEDULE OF FEES AND COMMISSIONS

For the Year Ended June 30, 2015
(Page 1 of 2)

Name/Firm	Investment Mandate	Amount Under Management at June 30, 2015	Fees Incurred
Investment Management Fees			
Domestic and International Equity Managers			
AllianceBernstein S&P 500	U.S. Index	$ 7,670,105,354	$ 512,118
BlackRock S&P 500	U.S. Index	7,698,887,058	515,534
Mellon Capital	Int'l Index	4,539,553,597	702,917
Mellon Capital Temporary	Int'l Index	-	184,144
State Street Global Advisors	Int'l Index	2,099,248,592	299,402
Domestic and International Fixed Income Managers			
BlackRock Investors	U. S. Index	-	417,130
Mellon Capital	U. S. Index	-	300,618
Payden & Rygel	U. S. Index	4,738,871,134	544,859
UBS Global Asset Management	U. S. Index	4,736,290,327	446,562
Dodge & Cox	U.S. Active	-	738,645
JP Morgan Asset Management	U.S. Active	26,757,519	745,527
Western Asset Management	U.S. Active	-	881,428
Private Equity Manager			
Pathway Capital		1,332,326,301	4,205,599
Private Equity General Partner Fees			21,734,481
Private Real Estate Managers			
AEW Realty		665,118,177	2,571,807
Invesco Realty Advisors		785,291,468	3,663,136
Invesco Realty Advisors Takeover		2,330,123	11,049
Subtotal investment management fees			38,474,956
Investment Consulting Fees			
Investment Consultants			
Callan Associates			454,097
Peavine Capital			309,572
Subtotal investment consulting fees			763,669
Total investment management and consulting fees			$ 39,238,625

Other investment expenses of $339,349 are not included in the fees listed above.

CHART 11

SCHEDULE OF FEES AND COMMISSIONS
For the Year Ended June 30, 2015
(Page 2 of 2)

Brokerage Firm	Number of Shares Traded	Commissions Paid	Commission Per Share (rounded)
Barclays Capital	301,446	1,505	0.00 *
Cantor Clearing Services	27,216	68	0.00 *
CIMB GK Securities	112,200	61	0.00 *
Citigroup Global Markets	361,885	817	0.00 *
Cowen and Company	94,008	701	0.01
Credit Lyonnais Securities	50,000	34	0.00 *
Credit Suisse	7,074,882	9,248	0.00 *
Deutsche Bank	6,638,248	28,025	0.00 *
Fidelity Capital Markets	614,308	3,072	0.01
Goldman Sachs	3,428,214	15,302	0.00 *
HSBC Bank	222,047	389	0.00 *
Instinet	7,059,023	17,480	0.00 *
ITG	32,604,196	162,320	0.00 *
JP Morgan	9,836,438	29,529	0.00 *
Jefferies & Co.	558,205	2,839	0.01
MacQuarie Bank	263,107	627	0.00 *
Merrill Lynch	34,829,873	29,292	0.00 *
Morgan Stanley & Co.	9,392,694	13,323	0.00 *
Pershing Securities	53,096	701	0.01
RBC Capital Markets	39,308	-	- *
Sanford C. Bernstein	164,691	406	0.00 *
SG Securities	560,489	2,535	0.00 *
UBS	15,217,633	76,034	0.00 *
Wells Fargo Securities	567,436	1,702	0.00 *
Subtotal commissions		396,010	
Total fees and commissions		$ 39,634,635	

**Commission is less than one cent per share*

ACTUARIAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

Segal Consulting

100 Montgomery Street Suite 500 San Francisco, CA 94104-4308
T 415.263.8200 www.segalco.com

November 25, 2015

Public Employees' Retirement Board
State of Nevada
693 West Nye Lane
Carson City, Nevada 89703

Re: Certification Letter for Actuarial Section of Financial Report for Fiscal Year Ended June 30, 2015

Dear Retirement Board Members:

This letter is to certify that Segal has prepared an actuarial valuation of the Public Employees' Retirement System of the State of Nevada as of June 30, 2015 and that such valuation is accurate and fairly presents the actuarial position of the Public Employees' Retirement System of Nevada.

The unfunded actuarial accrued liability is being amortized by level percentage-of-payroll payments over a year-by-year closed amortization period where each amortization period will be set at the truncated average remaining period of all prior amortization layers until the average remaining amortization period is less than 20 years. At that point, amortization periods of 20 years will be used. As of June 30, 2015, the funded ratios are 72.4% for regular employees and 76.3% for police/fire employees.

Actuarial valuations are prepared annually by the independent actuary for the Public Employees' Retirement Board. The basic purposes of annual actuarial valuations are to determine the Retirement System's actuarial liabilities and the level percentage-of-payroll contribution rates required to fund the Retirement System on an actuarial reserve basis.

For funding purposes, to amortize the unfunded portion of actuarial accrued liability under the level percentage-of-payroll amortization method, the dollar amounts of calculated amortization payments increase in direct proportion to the assumed payroll growth rates of 6.5% per year for regular employees and 7.5% per year for police and firefighters. These payroll growth rates are based on a 3.5% per year inflation assumption.

The payroll growth assumptions are set by the Board and affect the timing of payments toward the unfunded liabilities. Considerations for setting these assumptions include future financial conditions that are difficult for Segal to evaluate. In recent years, payroll growth has been less than assumed. This has the effect of delaying contributions toward the unfunded liabilities and could result in increases to required contributions in future years. We recommend that the Board closely monitor actual payroll growth to verify that the assumptions remain valid.

Public Employees' Retirement Board
State of Nevada
November 25, 2015
Page 2

The most recent actuarial valuation prepared as of June 30, 2015 is based on the following major elements:

- Current benefit provisions (as specified in the Public Employees' Retirement Act).
- Membership data as of June 30, 2015 obtained from electronic files provided by the Retirement System. Membership data contained on the electronic files is examined and tested for reasonableness, but is not audited by the actuary.
- Assets as of June 30, 2015 obtained from the System's unaudited financial statements.
- Trend schedules for financial and actuarial sections of the Comprehensive Annual Financial Report (CAFR) as of June 30, 2015 (based upon data from the System, accepted without verification or audit, and upon results of the annual actuarial valuation).
- Actuarial assumptions and methods adopted by the Public Employees' Retirement Board.

A complete copy of the June 30, 2015 actuarial valuation is available from the System.

Each annual actuarial valuation involves a projection of the benefits expected to be paid in the future to all members of the Retirement System. The projection of expected future benefit payments is based on the benefit provisions in effect on the actuarial valuation date. (See the Plan Summary section of this Annual Financial Report for a summary of current benefit and contribution provisions.)

LIST OF SUPPORTING SCHEDULES

The following schedules and summaries prepared by Segal are included within this Actuarial Section:

- Summary of Actuarial Assumptions and Methods
- Schedules of Funding Progress
- Schedule 1 - Retirement System Membership
- Schedule 2 - Active Member Valuation Data
- Schedule 3 - Pay Status Participants Added to and Removed from the Rolls
- Schedule 4 - Solvency Test
- Schedule 5 - Analysis of Actuarial Experience
- Schedule 6 – Schedule of Employer Contributions

5402712v1/01068.001

Public Employees' Retirement Board
State of Nevada
November 25, 2015
Page 3

The Public Employees' Retirement Act requires an adjustment in the statutory contribution rates on July 1 of each odd-numbered year, based on the actuarially determined rates indicated in the actuarial valuation report for the immediately preceding year. Rates are only adjusted upward if the new rates are more than 0.50% higher than the existing rate for Employer-Pay and more than 0.25% higher for Employee/Employer. Rates are only adjusted downward if the new rates are more than 2.00% lower than the existing rate for Employer-Pay (and adjusted only by the amount in excess of 2.00%) and more than 1.00% lower than the existing rate for Employee/Employer (and adjusted only by the amount in excess of 1.00%). Rates are rounded to the nearest 0.25% of payroll.

Since this valuation year is an odd numbered year, no adjustment in the statutory contribution rates is required as a result of this valuation.

	Regular Employees	Police/Fire Employees
Employer-Pay		
Statutory Rate for Fiscal Years July 1, 2015 through June 30, 2017	28.00%	40.50%
Actuarially Determined Contribution Rate per June 30, 2015 Actuarial Valuation	27.80%	39.50%

	Regular Employees	Police/Fire Employees
Employee/Employer		
Statutory Rate for Fiscal Years July 1, 2015 through June 30, 2017	29.00%	41.50%
Actuarially Determined Contribution Rate per June 30, 2015 Actuarial Valuation	28.90%	40.67%

The actuarial calculations prepared for funding purposes were made in accordance with generally accepted actuarial principles and practices. The information supplied in this letter is based on the current provisions of the Public Employees' Retirement Act and on the actuarial assumptions and methods adopted by the Public Employees' Retirement Board. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Plan.

5402712v1/01068.001

Public Employees' Retirement Board
State of Nevada
November 25, 2015
Page 4

We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Sincerely,

Brad Ramirez, FSA, MAAA, EA
Vice President & Consulting Actuary

Thomas D. Levy, FSA, MAAA, EA
Senior Vice President & Chief Actuary

Mark Hamwee, FSA, MAAA, EA
Vice President & Actuary

JEM/hy
Enclosures

5402712v1/01068.001

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

The actuarial assumptions and methods used in the June 30, 2015 actuarial valuation were adopted by the Public Employees' Retirement Board and were based on the results of the experience review completed in 2013.

ECONOMIC ASSUMPTIONS

The economic assumptions for the 2015 actuarial valuation.

Investment return* - 8.0% per year.

Salary increases -

Inflation: 3.50% Plus

Productivity pay increases: 0.75% Plus

Promotional and merit salary increases:

Years of Service	Regular	Police/Fire
Less than 1	5.50%	10.25%
1	4.25	6.55
2	3.50	5.15
3	3.25	4.55
4	3.00	4.25
5	2.75	4.05
6	2.40	3.75
7	2.25	3.25
8	1.85	2.75
9	1.75	2.25
10	1.50	1.75
11	1.00	1.50
12	0.80	1.25
13 or More	0.35	1.00

Rate Payroll - The payroll for the coming year is based on actual annualized payroll for the actives as of the valuation date and projected by the salary scale.

Payroll growth* (Funding) - 6.5% per year for regular employees and 7.5% per year for police/fire employees.

---

* Includes inflation at 3.5% per year.

Post-retirement Benefit increases - For current retirees and beneficiaries, future Post-Retirement Benefit Increases reflect actual changes in historical CPI and are assumed to follow the formulas described below. For future retirees, those hired prior to 2010 are assumed to reach the cap after 24 years of retirement. Those hired in 2010 or later are assumed to reach the cap after 39 years of retirement. Underlying all of these assumptions is that CPI will grow over time at a rate of 3.50% per year.

For members with an effective date of membership before January 1, 2010:

The lesser of:

(a) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3 ½% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or

(b) The annual benefit increase is equal to the average percentage increase in the Consumer Price Index (or other Board approved index) for the three preceding years.

In any event, a member's benefit must be increased by the percentages in paragraph (a) if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All Items) (or other Board approved index) for the period between retirement and the date of increase.

For members with an effective date of membership on or after January 1, 2010:

Same as above, except the increases do not exceed 4% per year.

NON-ECONOMIC ASSUMPTIONS

The assumed retirement rates, which project the percentage of eligible employees who will retire, are shown below:

Regular Employees					
Years of Service					
Age	**5 - 9**	**10 - 19**	**20 - 24**	**25 - 29**	**30 or more**
45 – 49	--	--	1%	7%	20%
50 – 54	1%	2%	2%	10%	20%
55 – 59	2%	4%	6%	13%	25%
60 – 61	8%	12%	18%	25%	25%
62 – 64	10%	14%	18%	25%	25%
65 – 69	20%	20%	22%	25%	25%
70 – 74	40%	40%	60%	60%	60%
75 & older	100%	100%	100%	100%	100%

Police/Fire Employees					
Years of Service					
Age	**5 - 9**	**10 - 19**	**20 - 24**	**25 - 29**	**30 or more**
Less than 40	--	--	--	--	--
40 - 44	--	0.75%	3.00%	--	--
45 - 49	--	1.00%	5.00%	15.00%	15.00%
50 - 54	1.50%	5.00%	13.00%	18.00%	27.00%
55 - 59	3.50%	11.00%	20.00%	25.00%	35.00%
60 - 64	10.00%	18.00%	25.00%	32.00%	35.00%
65 – 69	60.00%	60.00%	65.00%	70.00%	70.00%
70 & older	100.00%	100.00%	100.00%	100.00%	100.0%

The retirement age for inactive vested members is equal to their earliest unreduced retirement age.

The assumed withdrawal rates are shown below:

Regular Employees	
Years of Service	**Rate**
0 – 1	16.50%
1 – 2	12.50%
2 – 3	9.70%
3 – 4	7.30%
4 – 5	6.60%
5 – 6	5.00%
6 – 7	4.00%
7 – 8	3.50%
8 – 9	3.25%
9 – 10	3.00%
10 – 11	2.75%
11 – 12	2.50%
12 – 13	2.25%
13 – 14	2.00%
14 – 15	1.75%
15 & over	1.50%

Police/Fire Employees	
Years of Service	**Rate**
0 – 1	14.00%
1 – 2	6.50%
2 – 3	5.75%
3 – 4	4.75%
4 – 5	4.25%
5 – 6	3.50%
6 – 7	3.00%
7 – 8	2.25%
8 – 9	1.90%
9 – 10	1.75%
10 – 11	1.50%
11 – 12	1.25%
12 – 13	1.00%
13 – 14	0.90%
14 – 15	0.80%
15 & over	0.50%

No withdrawal is assumed after a member reaches earliest unreduced retirement age.

The assumed disability rates are shown below for selected ages:

Age	Regular Employees	Police/Fire Employees
22	0.01%	0.00%
27	0.02%	0.06%
32	0.06%	0.10%
37	0.09%	0.18%
42	0.21%	0.35%
47	0.35%	0.56%
52	0.57%	0.75%
57	0.75%	0.50%
62	0.40%	0.50%

No disability rates are assumed after age 65.

Disability rates are applied only for members with more than 5 years of service and less than 30 years of service for Regular or 25 years for Police/Fire.

Mortality Table – For non-disabled male regular members it is the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA. For non-disabled female regular members it is the RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year. For all non-disabled police/fire members it is the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year. The schedules below show the assumed mortality rates and projected life expectancies for selected ages:

Regular Members				
	Mortality Rates		Expected Years of Life Remaining	
Age	Males	Females	Males	Females
40	0.10%	0.05%	41.1	44.4
50	0.17%	0.12%	31.6	34.7
60	0.55%	0.42%	22.4	25.4
70	1.82%	1.39%	14.3	17.0
80	5.65%	3.79%	7.7	10.1

Police/Fire Members				
	Mortality Rates		Expected Years of Life Remaining	
Age	Males	Females	Males	Females
40	0.10%	0.06%	40.2	42.5
50	0.19%	0.15%	30.7	32.8
60	0.63%	0.54%	21.5	23.6
70	2.02%	1.72%	13.5	15.5
80	6.41%	4.63%	7.1	9.0

The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members and all disabled police/fire members is the RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

Presence and Age of Beneficiary

It is assumed for purposes of the actuarial valuation that beneficiaries of female members are three years older than the female member. Beneficiaries of male members are assumed to be three years younger than the male member. Spouses are assumed to be of the opposite sex of the member.

Since pre-retirement death benefits are payable to a surviving beneficiary of an unmarried member, all members are assumed to have a beneficiary upon pre-retirement death.

The unmodified option is a straight life annuity except for “employer-pay” Police/Fire retirees, for whom it is a 50% joint and survivor annuity. Existing “employer-pay” Police/Fire retirees with an unmodified option who retired after June 30, 1981 and before July 1, 2011 have been valued assuming no surviving spouse, pending the results of an analysis and verification of spousal information.

75% of “employer-pay” police/fire male members and 60% of “employer-pay” police/fire female members are assumed to be married at retirement.

Dependent Children

The assumption for dependent children in the actuarial valuation is one dependent child who is 28 years younger than the employee.

Administrative Expenses

0.15% of payroll added to Normal Cost.

Actuarial Value of Assets

Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the actuarial value, and is recognized over a five-year period, further adjusted, if necessary, to be within 30% of the market value. Deferred gains and losses as of June 30, 2011 have been combined and will be recognized in equal amounts over a period of four years from that date.

Actuarial Cost Method

Entry Age Normal Actuarial Cost Method. Entry Age is the age at the time the participant commenced employment. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of salary, with Normal Cost determined based on the plan provisions and benefit accrual rate applicable to that individual.

AMORTIZATION POLICY

For funding purposes, the UAAL, (i.e., the difference between the Actuarial Accrued Liability and the Valuation Value of Assets), as of June 30, 2011 shall continue to be amortized over separate 30-year period amortization layers based on the valuations during which each separate layer was previously established.

Any new UAAL as a result of actuarial gains or losses identified in the annual valuation as of June 30 will be amortized over a period equal to the truncated average remaining amortization period of all prior UAAL layers. This will occur until the average remaining amortization period is less than 20 years. At that point, amortization periods of 20 years will be used for actuarial gains and losses.

Any new UAAL as a result of change in actuarial assumptions or methods will be amortized over a period equal to the truncated average remaining amortization period of all prior UAAL layers. This would occur until the average remaining amortization period is less than 20 years. At that point, amortization periods of 20 years would be used for assumption or method changes.

Unless an alternative amortization period is recommended by the Actuary and accepted by the Board based on the results of an actuarial analysis:

a. with the exception noted in b., below, the increase in UAAL as a result of any plan amendments will be amortized over a period of 15 years;

b. the increase in UAAL that would result from a temporary retirement incentive will be pre-funded by the participating employer(s).

UAAL layers shall be amortized over “closed” amortization periods so that the amortization period for each layer decreases by one year with each actuarial valuation.

UAAL layers shall be amortized as a level percentage of payroll so that the amortization amount in each year during the amortization period shall be expected to be a level percentage of covered payroll, taking into consideration the current assumption for general payroll increase.

If an overfunding exists (i.e., the total of all UAAL becomes negative so that there is a surplus), such surplus and any subsequent surpluses will be amortized over an “open” amortization period of 30 years. Any prior UAAL amortization layers will be considered fully amortized, and any subsequent UAAL will be amortized over 20 years as the first of a new series of amortization layers.

These amortization policy components will apply separately to each of the Regular and Police/Fire UAAL cost groups.

CHANGES IN ACTUARIAL ASSUMPTIONS AND METHODS SINCE THE PREVIOUS YEAR

There were no changes in actuarial assumptions or cost methods since the preceding valuation.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
2006 to 2015
(dollars in millions)

Actuarial Valuation Date June 30	Actuarial Value of Assets (AVA)	Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of AVA to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
2006	$19,282.0	$25,739.1	$6,457.1	74.9%	$4,366.1	147.9%
2007	21,359.0	27,671.6	6,312.6	77.2	4,769.6	132.4
2008	23,237.7	30,495.9	7,258.2	76.2	5,194.4	139.7
2009	23,971.9	33,075.2	9,103.3	72.5	5,373.1	169.4
2010	24,725.5	35,077.7	10,352.3	70.5	5,365.5	192.9
2011	25,871.1	36,876.2	11,005.1	70.2	5,214.6	211.0
2012	27,399.0	38,604.9	11,205.9	71.0	5,087.8	220.3
2013	29,108.5	41,984.5	12,875.9	69.3	5,100.2	252.5
2014	31,465.6	43,997.1	12,531.5	71.5	5,113.5	245.1
2015	33,717.9	46,070.1	12,352.2	73.2	5,227.2	236.3

	Unfunded Actuarial Accrued Liability (millions)		Unfunded Accrued Liability as % of Payroll		Actuarial Value of Assets as % of Total Actuarial Accrued Liability	
Actuarial Valuation Date June 30	Regular	Police/ Fire	Regular	Police/ Fire	Regular	Police/ Fire
2006	$4,778.0	$1,679.1	131.0%	234.0%	76.5%	68.9%
2007	4,615.8	1,696.8	116.0	214.4	78.8	71.1
2008	5,363.0	1,895.2	123.8	219.4	77.7	70.8
2009	6,929.3	2,173.9	155.1	240.1	73.4	68.9
2010	7,950.5	2,401.8	178.4	264.5	71.2	67.8
2011	8,514.1	2,491.0	196.5	282.4	70.6	68.4
2012	8,729.4	2,476.5	206.2	289.5	71.2	70.1
2013	10,331.9	2,544.0	243.7	295.7	68.9	71.1
2014	10,160.0	2,371.5	238.3	278.9	70.8	74.3
2015	10,041.1	2,311.1	230.3	266.3	72.4	76.3

5402712v1/01068.001 SEGAL CONSULTING

SCHEDULE 1

RETIREMENT SYSTEM MEMBERSHIP
2006 to 2015

June 30	Active Members	Inactive Members	Retired and Disabled Members	Beneficiaries & Survivors	Total Membership
2006	98,187	10,309	29,025	4,237	141,758
2007	103,693	10,990	31,262	4,425	150,370
2008	106,123	11,593	33,479	4,651	155,846
2009	105,417	11,574	37,095	4,810	158,896
2010	102,594	11,807	38,841	5,078	158,320
2011	99,911	12,632	41,259	5,319	159,121
2012	98,512	12,962	44,012	5,534	161,020
2013	99,038	13,739	46,653	5,777	165,207
2014	100,522	14,633	49,170	6,038	170,363
2015	103,108	15,032	51,853	6,306	176,299

SCHEDULE 2

ACTIVE MEMBER VALUATION DATA
2006 to 2015

	Number of Active Members		Annual Salary (millions)		Annual Average Salary		Percent Increase Average Salary	
June 30	Regular	Police/ Fire	Regular	Police/ Fire	Regular	Police/ Fire	Regular	Police/ Fire
2006	87,020	11,167	$3,648.6	$717.5	$41,929	$64,250	2.5%	4.9%
2007	91,757	11,936	3,978.1	791.6	43,355	66,316	3.4	3.2
2008	93,816	12,307	4,330.5	863.9	46,159	70,194	6.5	5.8
2009	92,784	12,633	4,467.7	905.4	48,151	71,669	4.3	2.1
2010	90,219	12,375	4,457.5	908.0	49,407	73,373	2.6	2.4
2011	87,975	11,936	4,332.6	882.0	49,248	73,895	(0.3)	0.7
2012	86,719	11,793	4,232.5	855.3	48,808	72,523	(0.9)	(1.9)
2013	87,193	11,845	4,239.8	860.4	48,626	72,637	(0.4)	0.2
2014	88,709	11,813	4,263.1	850.4	48,057	71,990	(1.2)	(0.9)
2015	91,124	11,984	4,359.4	867.8	47,840	72,417	(0.5)	0.6

SCHEDULE 3

PAY STATUS PARTICIPANTS ADDED TO AND REMOVED FROM THE ROLLS 2006 to 2015

RETIREES AND BENEFICIARIES

		Added to Rolls		Removed from Rolls		Rolls at End of Year			
June 30	Beginning Balance	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
2006	27,661	2,762	$81,562,280	(710)	($14,789,407)	29,713	$810,259,691	12.1%	$27,270
2007	29,713	3,005	91,153,219	(795)	(17,445,492)	31,923	906,337,590	11.9	28,391
2008	31,923	3,118	98,180,394	(875)	(18,596,824)	34,166	1,010,049,395	11.4	29,563
2009	34,166	4,395	153,318,503	(809)	(19,096,137)	37,752	1,172,786,193	16.1	31,066
2010	37,752	2,717	89,297,524	(915)	(22,834,942)	39,554	1,265,227,334	7.9	31,988
2011	39,554	3,443	114,677,405	(1,016)	(27,214,007)	41,981	1,379,326,118	9.0	32,856
2012	41,981	3,687	121,192,385	(932)	(24,956,200)	44,736	1,507,827,860	9.3	33,705
2013	44,736	3,665	115,060,841	(1,050)	(27,984,633)	47,351	1,632,417,296	8.3	34,475
2014	47,351	3,732	119,871,171	(1,142)	(34,060,824)	49,941	1,757,076,989	7.6	35,183
2015	49,941	4,110	143,218,449	(1,250)	(37,461,678)	52,801	1,901,374,760	8.2	36,010

DISABILITY RECIPIENTS

		Added to Rolls		Removed from Rolls		Rolls at End of Year			
June 30	Beginning Balance	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
2006	1,840	237	$4,610,636	(87)	($1,478,451)	1,990	$36,475,093	12.1%	$18,329
2007	1,990	243	5,357,238	(90)	(1,905,849)	2,143	40,799,325	11.9	19,038
2008	2,143	223	5,162,630	(121)	(2,175,505)	2,245	44,738,669	9.7	19,928
2009	2,245	267	6,957,349	(109)	(1,997,230)	2,403	50,775,027	13.5	21,130
2010	2,403	218	5,437,237	(106)	(2,128,188)	2,515	55,151,437	8.6	21,929
2011	2,515	266	7,149,107	(113)	(2,423,831)	2,668	61,000,876	10.6	22,864
2012	2,668	279	7,576,925	(122)	(2,462,375)	2,825	67,473,905	10.6	23,885
2013	2,825	323	8,863,323	(117)	(2,950,968)	3,031	74,890,587	11.0	24,708
2014	3,031	286	8,346,444	(133)	(3,001,371)	3,184	81,828,716	9.3	25,700
2015	3,184	279	7,843,123	(238)	(6,031,122)	3,225	85,166,914	4.1	26,408

SURVIVOR ANNUITANTS

		Added to Rolls		Removed from Rolls		Rolls at End of Year			
June 30	Beginning Balance	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
2006	1,498	147	$1,673,808	(86)	($651,337)	1,559	$19,303,127	8.7%	$12,382
2007	1,559	148	1,896,176	(86)	(792,804)	1,621	20,944,150	8.5	12,921
2008	1,621	161	1,905,857	(63)	(512,942)	1,719	22,920,123	9.4	13,333
2009	1,719	124	1,449,221	(93)	(751,205)	1,750	24,257,755	5.8	13,862
2010	1,750	174	1,977,291	(74)	(710,074)	1,850	26,115,812	7.7	14,117
2011	1,850	162	1,999,587	(83)	(825,074)	1,929	27,852,395	6.6	14,439
2012	1,929	140	1,764,977	(84)	(826,587)	1,985	29,436,963	5.7	14,830
2013	1,985	132	1,877,979	(69)	(706,398)	2,048	31,357,319	6.5	15,311
2014	2,048	139	1,699,773	(104)	(935,578)	2,083	32,868,928	4.8	15,780
2015	2,083	144	2,339,825	(94)	(1,085,422)	2,133	34,817,928	5.9	16,323

SCHEDULE 4

SOLVENCY TEST
(millions)

2006 to 2015

	Actuarial Accrued Liabilities						
June 30	Active Member Contributions (1)	Inactive and Pay-Status Members* (2)	Active Members Employer Financed Portion (3)	Actuarial Value of Assets	Portion of Actuarial Accrued Liabilities Covered by Assets (1)	(2)	(3)
2006	$483.3	$11,852.6	$13,403.2	$19,282.0	100%	100%	51.8%
2007	521.5	12,717.0	14,433.1	21,359.0	100	100	56.3
2008	574.8	14,258.6	15,662.5	23,237.7	100	100	53.7
2009	606.0	16,367.0	16,102.2	23,971.9	100	100	43.5
2010	650.5	17,574.5	16,852.7	24,725.5	100	100	38.6
2011	679.9	19,206.9	16,989.4	25,871.1	100	100	35.2
2012	708.5	20,519.7	17,376.7	27,399.0	100	100	35.5
2013	743.2	23,132.1	18,109.2	29,108.5	100	100	28.9
2014	775.4	24,781.5	18,440.1	31,465.6	100	100	32.0
2015	822.7	26,302.7	18,944.8	33,717.9	100	100	34.8

* Includes liability for post-retirement benefit increases.

SCHEDULE 5

ANALYSIS OF ACTUARIAL EXPERIENCE

Gains and Losses in Actuarial Accrued Liabilities (AAL) During Year Ended June 30, 2015 Resulting from Differences Between Assumed Experience and Actual Experience (Dollar Amounts in Millions)

	Regular		Police/Fire	
Type of Activity	**Amount**	**As Pct of AAL**	**Amount**	**As Pct of AAL**
Age and Service Retirements. If members retire at older ages or with lower final average pay than assumed, there is a gain. If retirements occur at younger ages with higher average pay, there is a loss.	($160.8)	(0.44%)	($29.7)	(0.30%)
Disability Retirements. If disability claims are less than assumed, there is a gain. If there are more claims, there is a loss.	(14.0)	(0.04%)	(2.9)	(0.03%)
Pre- and Post-Retirement Mortality. If retirees live longer than assumed, there is a loss. If retirees live shorter than assumed, there is a gain.	14.1	0.04%	(21.4)	(0.22%)
Post-Retirement Benefit Increases. If increases are more than assumed, there is a loss. If increases are less than assumed, there is a gain.	402.3	1.11%	104.9	1.08%
Withdrawal From Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If less liabilities are released, there is a loss.	(10.4)	(0.03%)	(5.6)	(0.06%)
Pay Increases. If there are smaller pay increases than assumed, there is a gain. If there are greater increases, there is a loss.	308.7	0.85%	75.4	0.77%
Active New Entrants. Cost due to new hires.	(53.6)	(0.15%)	(4.7)	(0.05%)
Active Rehires. Some new active members have past service credits reinstated, thereby increasing costs due to the unanticipated liabilities.	(29.2)	(0.09%)	(2.6)	(0.03%)
Retirees Return to Actives.	34.8	0.10%	1.2	0.01%
Inactive and Retiree Showups. Persons in inactive or pay status who are added to the valuation data during the year.	(48.6)	(0.13%)	(3.1)	(0.03%)
Data Adjustments.	0.0	0.00%	(27.7)	(0.28%)
Other. Miscellaneous gains and losses result from data changes and adjustments, and other miscellaneous impacts on the valuation results.	15.5	0.04%	(13.1)	(0.13%)
Total Liability Experience Gain (Loss) During Year.	458.8	1.26%	70.7	0.73%
Investment Income. If there is a greater investment income than assumed, there is a gain. If there is less income, there is a loss.	78.0	0.22%	34.1	0.35%
Total Experience Gain (Loss) During the Year.	536.8	1.48%	104.8	1.08%

SCHEDULE 6

SCHEDULE OF EMPLOYER CONTRIBUTIONS
2006 to 2015

	REGULAR		POLICE/FIRE		TOTAL	
Fiscal Year Ended June 30	Annual Required Contribution*	Percentage Contributed	Annual Required Contribution*	Percentage Contributed	Annual Required Contribution*	Percentage Contributed
2006	$795,295,700	97%	$259,810,300	91%	$1,055,106,000	96%
2007	861,341,800	97	279,177,100	91	1,140,518,900	96
2008	924,842,900	96	333,828,000	85	1,258,670,900	93
2009	993,985,400	93	346,562,200	85	1,340,547,600	90
2010	1,030,796,200	93	358,761,400	91	1,389,557,600	92
2011	1,057,566,978	89	372,888,833	88	1,430,455,811	88
2012	1,028,518,922	96	356,627,690	96	1,385,146,612	96
2013	1,140,004,053	86	377,692,041	88	1,517,696,095	86
2014	1,223,519,948	87	354,604,416	96	1,578,124,364	89
2015	1,243,009,888	87	357,365,587	98	1,600,375,475	90

* *Reflects employer contributions only. Determined using 5% assumed payroll growth and 30-year frozen period for amortizing unfunded actuarial accrued liability.*

THIS PAGE INTENTIONALLY LEFT BLANK

Segal Consulting

100 Montgomery Street Suite 500 San Francisco, CA 94104-4308
T 415.263.8200 www.segalco.com

November 25, 2015

Public Employees' Retirement Board
693 West Nye Lane
Carson City, Nevada 89703

Dear Retirement Board Members:

We are pleased to submit this Governmental Accounting Standards Board (GASB) Statement No. 67 Actuarial Valuation as of June 30, 2015. It contains various information that will need to be disclosed in order to comply with GASB Statement No. 67.

This report was prepared in accordance with applicable Actuarial Standards of Practice at the request of the Board to assist in administering the Plan. We are not accountants, but are familiar with the GASB requirements and believe that the calculations are consistent with those requirements. The census and financial information on which our calculations were based was prepared by the Retirement Office. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

The actuarial cost method used in the calculation of the Total Pension Liability (Entry Age Method) is the same cost method used for funding purposes. All actuarial assumptions for these calculations are the same as for funding purposes, with the exception of the payroll growth assumption, which is 5% per year for GASB 67 calculations.

The assumed rate of return on assets for funding purposes is 8% per year, net of investment fees, and this is also the assumed rate used to discount the Total Pension Liability.

The following supporting schedules were prepared by Segal:

- Schedule of Net Pension Liability
- Schedule of Sensitivity of the Net Pension Liability to Changes in the Discount Rate
- Schedule of Changes in Net Pension Liability
- Schedule of Contributions

The actuarial calculations were completed under the supervision of Mark Hamwee, FSA, MAAA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and expectations for the Plan.

Sincerely,

Segal Consulting, a Member of The Segal Group, Inc.

Brad Ramirez, FSA, MAAA, EA	Thomas D. Levy, FSA, MAAA, EA	Mark Hamwee, FSA, MAAA, EA
Consulting Actuary	Senior Vice President & Chief Actuary	Vice President & Actuary

JEM/hy
Enclosures

5402707v1/01068.015

Schedule of Net Pension Liability

The components of the net pension liability are as follows:

	June 30, 2015	June 30, 2014
Total pension liability	$46,070,157,029	$43,997,060,180
Plan fiduciary net position	34,610,720,184	33,575,081,157
Net pension liability	$11,459,436,845	$10,421,979,023
Plan fiduciary net position as a percentage of the total pension liability	75.13%	76.31%

The net pension liability was measured as of June 30, 2015 and 2014 and determined based upon the Plan fiduciary net position (plan assets) and total pension liability from actuarial valuations as of July 1, 2015 and 2014, respectively.

Schedule of Sensitivity of the Net Pension Liability to Changes in the Discount Rate.

The following presents the net pension liability of the NVPERS as of June 30, 2015, calculated using the discount rate of 8.00%, as well as what the NVPERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Net pension liability as of June 30, 2015	$17,461,886,995	$11,459,436,845	$6,467,980,371

Schedule of Changes in Net Pension Liability – Last Two Fiscal Years

	2015	2014
Total pension liability		
Service cost	$1,063,483,261	$1,058,737,857
Interest	3,525,394,213	3,369,826,692
Change of assumptions	0	0
Differences between expected and actual experience	-529,549,068	-585,258,813
Change of plan provisions	0	10,044,409
Benefit payments, including refunds of member contributions	-1,983,874,857	-1,839,781,388
Other Changes	-2,356,700	-990,121
Net change in total pension liability	$2,073,096,849	$2,012,578,636
Total pension liability – beginning	43,997,060,180	41,984,481,544
Total pension liability – ending (a)	$46,070,157,029	$43,997,060,180
Plan fiduciary net position		
Contributions – employer (including those for administrative expenses)	$1,436,652,815	$1,405,006,553
Contributions – employee	196,788,233	152,408,983
Net investment income	1,395,292,096	5,031,434,843
Benefit payments, including refunds of member contributions	-1,983,874,857	-1,839,781,388
Administrative expense	-9,648,626	-9,591,311
Other	429,366	950,436
Net change in plan fiduciary net position	$1,035,639,027	$4,740,428,116
Plan fiduciary net position – beginning	33,575,081,157	28,834,653,041
Plan fiduciary net position – ending (b)	$34,610,720,184	$33,575,081,157
Net pension liability – ending (a) – (b)	$11,459,436,845	$10,421,979,023
Plan fiduciary net position as a percentage of the total pension liability	75.13%	76.31%
Covered employee payroll	$5,921,618,314	$5,753,148,095
Plan net pension liability as percentage of covered employee payroll	193.5%	181.15%

Schedule of Contributions – Last Ten Fiscal Years

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions*	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2006	$925,791,287	$966,130,036	($40,338,749)	$4,566,516,300	21.16%
2007	1,013,966,730	1,046,628,769	(32,662,039)	5,005,561,300	20.91%
2008	1,123,540,833	1,167,392,913	(43,852,080)	5,347,066,098	21.83%
2009	1,202,077,571	1,213,067,534	(10,989,963)	5,724,801,269	21.19%
2010	1,339,528,091	1,281,714,847	57,813,244	5,958,931,742	21.51%
2011	1,326,777,889	1,264,759,603	62,018,286	5,911,919,210	21.39%
2012	1,425,790,188	1,332,320,660	93,469,528	5,817,634,985	22.90%
2013	1,369,998,167	1,310,082,859	59,915,308	5,574,616,761	23.50%
2014	1,508,752,536	1,405,006,553	103,745,983	5,715,259,174	24.58%
2015	1,499,751,865	1,436,652,815	63,099,050	5,753,148,095	24.97%

** Includes employer contributions towards administrative expenses.*

Notes:

All contributions shown reflect employer-paid contributions only. Member contributions are excluded.

Actuarially Determined Contributions above are based on actuarially determined contribution rates (employer portion only) from most recent rate-setting year prior to year shown, applied to covered-employee payroll for year shown.

5402707v1/01068.015

STATISTICAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL HIGHLIGHTS

Data Sources

Financial data presented in this section was obtained directly from June 30 audited financial statements. Demographic data was taken from actuarial records, both from an independent actuary and from internal System records provided to the actuary. Contribution rate history was compiled from actuarial valuations prepared by an independent actuary on an annual basis. Participating employer information was obtained from internal records and verified with actuarial data.

Change in Net Position

As exhibited in Schedule 1, two of the past ten years (2008 and 2009) resulted in a negative change to net position, with fiscal year 2009 being the most severe. The decreases experienced during 2008 and 2009 are primarily the result of difficult and widespread economic conditions which began in 2008 and began recovering during 2010. Total investments for fiscal year 2015 increased by 2.9% from 2014; there was an increase of 17.2% from 2013 to 2014. The 9.6% since inception (31 years) annualized return of the plan exceeds the actuarial objective.

Plan Membership

Active membership in PERS for fiscal year 2015 increased by 2,586 or 2.6%. This is the second consecutive year membership has increased. Prior to 2013 there were four consecutive years where membership declined. It is expected that as the economy continues to recover active membership will continue to increase.

The number of benefit recipients (excluding survivors and beneficiaries) increased by 2,683 or 5.5% between 2014 and 2015. We expect to see consistent growth in the number of retired members over the coming years.

The increase in retired members was greater than the increase in active members causing the number of active members per retiree (Regular and Police/Fire members/retirees combined) to drop from 2.04 in 2014 to 1.99 in 2015.

Active and retired membership data, broken down between Regular and Police/Fire members, along with statistics on the number of active members per retiree can be found in Schedule 6 of this section.

Funded Ratio

The ten-year history of the funded ratio (Actuarial Value of Assets to Actuarial Accrued Liability) appears on the Schedule of Funding Progress. The financial statements are prepared using GASB Statement No. 67 Actuarial Valuation as of June 30, 2015. GASB Statement No. 67 affects the reporting of pension liability for accounting. The actuarial report for funding is separate from the GASB Statement No. 67 actuarial valuation.

SCHEDULE 1
CHANGES IN NET POSITION - LAST TEN FISCAL YEARS
(in millions)

	2006	2007	2008
Additions			
Employer contributions	$ 966.1	$ 1,046.6	$ 1,167.4
Plan member contributions	76.0	83.2	88.0
Repayment and purchase of service	42.2	45.6	43.3
Investment income (net of expenses)	1,567.3	2,937.1	(743.1)
Other income	3.1	3.3	2.4
Total additions to plan net position	2,654.7	4,115.8	558.0
Deductions			
Benefit payments	832.6	929.4	1,033.3
Refunds	13.9	17.4	16.8
Administrative and other expenses	8.2	8.6	8.7
Transfers of contributions	4.7	2.0	2.6
Total deductions from plan net position	859.4	957.4	1,061.4
Change in net position	$ 1,795.3	$ 3,158.4	$ (503.4)

Notes: Information is from internal System records

Contribution rates in effect for Fiscal year ended June 30,	2006	2007	2008
Regular Employees			
Employer-pay plan	19.75 %	19.75 %	20.50 %
Employee/employer plan (matching rate)	10.50	10.50	10.50
Police/Fire Employees			
Employer-pay plan	32.00	32.00	33.50
Employee/employer plan (matching rate)	16.50	16.50	17.25

Fiscal Year

2009	2010	2011	2012	2013	2014	2015
$ 1,213.1	$ 1,281.7	$ 1,264.8	$ 1,332.3	$ 1,310.1	$ 1,405.0	$ 1,436.6
93.6	99.7	97.0	98.2	99.2	109.7	114.3
28.1	26.9	31.5	38.0	46.5	42.8	82.5
(3,543.4)	2,059.4	4,402.4	766.1	3,193.9	5,031.4	1,395.3
2.4	1.9	2.2	2.1	2.5	1.9	2.8
(2,206.2)	3,469.6	5,797.9	2,236.7	4,652.2	6,590.8	3,031.5
1,189.6	1,301.6	1,412.1	1,552.7	1,680.8	1,816.7	1,958.3
18.6	20.3	24.8	27.8	26.1	23.1	25.6
9.7	11.1	10.6	10.0	9.6	9.6	9.6
3.8	0.5	1.5	1.7	0.9	1.0	2.4
1,221.7	1,333.5	1,449.0	1,592.2	1,717.4	1,850.4	1,995.9
$ (3,427.9)	$ 2,136.1	$ 4,348.9	$ 644.5	$ 2,934.8	$ 4,740.4	$ 1,035.6

2009	2010	2011	2012	2013	2014	2015
20.50 %	21.50 %	21.50 %	23.75 %	23.75 %	25.75 %	25.75 %
10.50	11.25	11.25	12.25	12.25	13.25	13.25
33.50	37.00	37.00	39.75	39.75	40.50	40.50
17.25	19.00	19.00	20.25	20.25	20.75	20.75

SCHEDULE 2
BENEFIT AND REFUND DEDUCTIONS FROM NET POSITION
(in millions)

	2006	2007	2008
Regular Members:			
Benefits			
Retirement and survivor	$ 644.5	$ 716.9	$ 797.7
Disability	35.5	39.8	44.0
Post-retirement increases	-	0.1	-
Total benefits	$ 680.0	$ 756.8	$ 841.7
Refunds			
Refunds due to separation	$ 11.1	$ 13.7	$ 12.3
Refunds due to death	-	-	-
Mandatory employer distributions	0.1	0.3	0.2
Total refunds	$ 11.2	$ 14.0	$ 12.5
Police/Fire Members:			
Benefits			
Retirement and survivor	$ 143.7	$ 163.4	$ 181.6
Disability	8.8	9.2	9.9
Total benefits	$ 152.5	$ 172.6	$ 191.5
Refunds			
Refunds due to separation	$ 2.7	$ 3.4	$ 4.3
Refunds due to death	-	-	-
Total refunds	$ 2.7	$ 3.4	$ 4.3
Total Members:			
Benefits			
Retirement and survivor	$ 788.2	$ 880.3	$ 979.3
Disability	44.3	49.0	53.9
Post-retirement increases	-	0.1	-
Total benefits	$ 832.5	$ 929.4	$ 1,033.2
Refunds			
Refunds due to separation	$ 13.8	$ 17.1	$ 16.6
Refunds due to death	-	-	-
Mandatory employer distributions	0.1	0.3	0.2
Total refunds	$ 13.9	$ 17.4	$ 16.8

Notes: Police/Fire received post-retirement increases each year. Amounts are immaterial for purposes of this schedule.
Information is from internal System records.

Fiscal Year

2009	2010	2011	2012	2013	2014	2015
$ 924.7	$ 1,008.3	$ 1,085.8	$ 1,187.8	$ 1,283.6	$ 1,385.3	$ 1,491.2
48.8	52.9	58.3	63.6	69.4	75.5	81.3
-	-	-	-	-	-	-
$ 973.5	$ 1,061.2	$ 1,144.1	$ 1,251.4	$ 1,353.0	$ 1,460.8	$ 1,572.5
$ 14.0	$ 14.6	$ 18.4	$ 19.1	$ 18.2	$ 17.0	$ 18.1
-	-	-	-	0.5	0.4	0.8
0.5	0.5	0.2	0.3	0.3	0.1	0.1
$ 14.5	$ 15.1	$ 18.6	$ 19.4	$ 19.0	$ 17.5	$ 19.0
$ 204.9	$ 227.9	$ 254.4	$ 286.1	$ 310.5	$ 336.4	$ 364.2
11.2	12.5	13.6	15.2	17.3	19.5	21.6
$ 216.1	$ 240.4	$ 268.0	$ 301.3	$ 327.8	$ 355.9	$ 385.8
$ 4.1	$ 5.2	$ 6.2	$ 8.4	$ 7.0	$ 5.5	$ 6.6
-	-	-	-	0.1	0.1	-
$ 4.1	$ 5.2	$ 6.2	$ 8.4	$ 7.1	$ 5.6	$ 6.6
$ 1,129.6	$ 1,236.2	$ 1,340.2	$ 1,473.9	$ 1,594.1	$ 1,721.7	$ 1,855.4
60.0	65.4	71.9	78.8	86.7	95.0	102.9
-	-	-	-	-	-	-
$ 1,189.6	$ 1,301.6	$ 1,412.1	$ 1,552.7	$ 1,680.8	$ 1,816.7	$ 1,958.3
$ 18.1	$ 19.8	$ 24.6	$ 27.5	$ 25.2	$ 22.5	$ 24.7
-	-	-	-	0.6	0.5	0.8
0.5	0.5	0.2	0.3	0.3	0.1	0.1
$ 18.6	$ 20.3	$ 24.8	$ 27.8	$ 26.1	$ 23.1	$ 25.6

SCHEDULE 3

RETIRED MEMBERS BY TYPE OF BENEFIT
As of June 30, 2015
(Page 1 of 2)

Regular Retired Members

Amount of Monthly Benefit	Number of Retired Members	Type of Retirement: Service	Disability	Beneficiary	Survivor
Under $1,000	12,026	8,983	736	1,115	1,192
$1,000 - $1,999	12,150	10,011	775	1,091	273
$2,000 - $2,999	8,377	6,991	576	612	198
$3,000 - $3,999	6,072	5,278	348	317	129
$4,000 - $4,999	5,543	5,127	152	201	63
$5,000 - $5,999	3,492	3,327	57	88	20
$6,000 - $6,999	1,549	1,480	23	40	6
$7,000 - $7,999	865	842	13	6	4
$8,000 - $8,999	422	410	3	9	-
$9,000 - $9,999	171	168	-	2	1
$10,000 & Over	210	208	-	2	-
Total	50,877	42,825	2,683	3,483	1,886

SCHEDULE 3

RETIRED MEMBERS BY TYPE OF BENEFIT
As of June 30, 2015
(Page 2 of 2)

Police/Fire Retired Members

Amount of Monthly Benefit	Number of Retired Members	Type of Retirement: Service	Disability	Beneficiary	Survivor
Under $1,000	609	283	44	137	145
$1,000 - $1,999	962	584	131	212	35
$2,000 - $2,999	912	606	131	161	14
$3,000 - $3,999	955	756	88	88	23
$4,000 - $4,999	920	768	89	47	16
$5,000 - $5,999	804	729	44	24	7
$6,000 - $6,999	729	705	11	8	5
$7,000 - $7,999	496	486	1	7	2
$8,000 - $8,999	315	313	1	1	-
$9,000 - $9,999	216	214	-	2	-
$10,000 & Over	364	359	2	3	-
Total	7,282	5,803	542	690	247

The values in these tables represent the number of individuals receiving benefit payments.

Individuals receiving service retirement are members of the System that received a benefit payment during fiscal year 2015 which was not a disability retirement.

Members with five or more years of service who become totally unable to perform their job or any comparable job because of injury or mental or physical illness are eligible to apply for disability retirement. Once approved by the Board, members receive a monthly disability retirement payment.

When a member retires there are seven retirement options. Option 1 pays the full monthly benefit but provides no income protection for a beneficiary after death for Regular members. Beneficiary retirements are paid to beneficiaries of retired members who have passed away with a retirement of Option 1 (Police/Fire members only) and Options 2 through 7 for all members.

Survivor retirements are paid when a member dies prior to retirement.

For more information regarding the various retirement types, refer to the Plan Summary starting on page 119.

Information provided by Segal Consulting, the System's actuary.

SCHEDULE 4

AVERAGE BENEFIT PAYMENTS

June 30		Regular Members	Police/Fire Members
2006	Average monthly benefit	$2,136	$3,387
	Average monthly compensation at retirement	$4,643	$7,153
	Number of new retirees	2,445	328
	Average years of service at retirement	18.51	22.33
2007	Average monthly benefit	$2,216	$3,549
	Average monthly compensation at retirement	$4,800	$7,421
	Number of new retirees	2,678	299
	Average years of service at retirement	18.93	22.55
2008	Average monthly benefit	$2,306	$3,740
	Average monthly compensation at retirement	$5,054	$7,458
	Number of new retirees	2,710	345
	Average years of service at retirement	19.04	22.30
2009	Average monthly benefit	$2,428	$3,926
	Average monthly compensation at retirement	$5,139	$7,710
	Number of new retirees	3,996	379
	Average years of service at retirement	19.80	22.21
2010	Average monthly benefit	$2,486	$4,141
	Average monthly compensation at retirement	$5,309	$8,250
	Number of new retirees	2,252	357
	Average years of service at retirement	18.15	23.01
2011	Average monthly benefit	$2,539	$4,348
	Average monthly compensation at retirement	$4,890	$7,343
	Number of new retirees	2,933	433
	Average years of service at retirement	19.38	22.53

Number of new retirees excludes survivors and beneficiaries.

The average monthly benefit and number of new retirees is from Segal Consulting, the System’s actuarial firm. All other data is from internal System records.

Note: Average age at retirement is now shown on Schedule 5.

SCHEDULE 4-A

NEW RETIRED MEMBERS AVERAGE BENEFIT PAYMENTS
(Page 1 of 2)

Regular

	Year of Credited Service						
	0-4	5-9	10-14	15-19	20-24	25-29	30+
FY2012							
Average monthly benefit	$ 316	$ 708	$ 1,492	$ 2,253	$ 3,133	$ 4,207	$ 5,334
Average salary	$ 31,100	$ 53,851	$ 65,168	$ 67,022	$ 73,116	$ 77,811	$ 82,864
Number of new retirees	67	638	686	546	540	283	466
FY2013							
Average monthly benefit	$ 392	$ 732	$ 1,445	$ 2,302	$ 3,208	$ 4,180	$ 5,533
Average salary	$ 40,715	$ 55,919	$ 62,673	$ 67,832	$ 73,088	$ 76,158	$ 84,003
Number of new retirees	63	742	729	563	517	274	353
FY2014							
Average monthly benefit	$ 307	$ 698	$ 1,433	$ 2,351	$ 3,227	$ 4,266	$ 5,361
Average salary	$ 39,526	$ 53,111	$ 63,395	$ 70,463	$ 73,299	$ 76,178	$ 82,142
Number of new retirees	57	698	673	583	510	331	402
FY2015							
Average monthly benefit	$ 281	$ 762	$ 1,441	$ 2,408	$ 3,245	$ 4,287	$ 5,565
Average salary	$ 13,318	$ 52,524	$ 63,031	$ 70,500	$ 73,071	$ 77,750	$ 87,364
Number of new retirees	40	721	746	573	558	446	471

SCHEDULE 4-A

NEW RETIRED MEMBERS AVERAGE BENEFIT PAYMENTS
(Page 2 of 2)

Police/Fire

	Year of Credited Service						
	0-4	5-9	10-14	15-19	20-24	25-29	30+
FY2012							
Average monthly benefit	N/A	$ 894	$ 1,776	$ 3,357	$ 4,783	$ 6,809	$ 8,451
Average salary	N/A	$ 63,123	$ 79,808	$ 94,892	$ 105,111	$ 119,107	$ 128,952
Number of new retirees	0	27	67	61	128	122	35
FY2013							
Average monthly benefit	N/A	$ 1,098	$ 1,836	$ 3,287	$ 5,056	$ 7,103	$ 8,677
Average salary	N/A	$ 67,352	$ 85,941	$ 92,347	$ 105,667	$ 124,569	$ 123,411
Number of new retirees	0	25	54	72	107	123	28
FY2014							
Average monthly benefit	N/A	$ 791	$ 1,807	$ 3,379	$ 5,012	$ 6,710	$ 8,741
Average salary	N/A	$ 68,430	$ 77,952	$ 99,204	$ 107,261	$ 120,215	$ 130,369
Number of new retirees	0	14	48	55	94	113	36
FY2015							
Average monthly benefit	N/A	$ 1,134	$ 1,762	$ 3,419	$ 5,276	$ 7,185	$ 8,815
Average salary	N/A	$ 68,715	$ 78,453	$ 93,265	$ 112,151	$ 125,093	$ 128,100
Number of new retirees	0	13	47	53	128	149	47

Information provided by Segal Consulting, the System’s actuary.

SCHEDULE 5

AVERAGE AGE AT RETIREMENT

June 30	Regular	Police/Fire
2006	60	55
2007	60	55
2008	60	55
2009	61	54
2010	61	55
2011	64	58
2012	64	59
2013	65	59
2014	66	59
2015	66	60

Information is from internal System records.

SCHEDULE 6

NUMBER OF ACTIVE MEMBERS PER RETIREE

	Number of Active Members		Number of Retired Members*		Active Members per Retiree	
June 30	Regular	Police/ Fire	Regular	Police/ Fire	Regular	Police/ Fire
2006	87,020	11,167	25,296	3,729	3.4	3.0
2007	91,757	11,936	27,313	3,949	3.4	3.0
2008	93,816	12,307	29,270	4,209	3.2	2.9
2009	92,784	12,633	32,578	4,517	2.8	2.8
2010	90,219	12,375	34,047	4,794	2.6	2.6
2011	87,975	11,936	36,123	5,136	2.4	2.3
2012	86,719	11,793	38,528	5,484	2.3	2.2
2013	87,193	11,845	40,854	5,799	2.1	2.0
2014	88,709	11,813	43,136	6,034	2.1	2.0
2015	91,124	11,984	45,508	6,345	2.0	1.9

* Excluding survivors and beneficiaries
Information provided by Segal Consulting, the System's actuary.

SCHEDULE 7

SCHEDULES OF FUNDING PROGRESS*
2006 to 2015
(in millions)

Actuarial Valuation Date June 30	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of AVA to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
2006	$19,282.0	$25,739.1	$6,457.1	74.9%	$4,366.1	147.9%
2007	21,359.0	27,671.6	6,312.6	77.2	4,769.6	132.4
2008	23,237.7	30,495.9	7,258.2	76.2	5,194.4	139.7
2009	23,971.9	33,075.2	9,103.3	72.5	5,373.1	169.4
2010	24,725.5	35,077.7	10,352.3	70.5	5,365.5	192.9
2011	25,871.1	36,876.2	11,005.1	70.2	5,214.6	211.0
2012	27,399.0	38,604.9	11,205.9	71.0	5,087.8	220.3
2013	29,108.5	41,984.5	12,875.9	69.3	5,100.2	252.5`
2014	31,465.6	43,997.1	12,531.5	71.5	5,113.5	245.1
2015	33,717.9	46,070.2	12,352.2	73.2	5,227.2	236.3

Actuarial Valuation Date June 30	Unfunded Actuarial Accrued Liability (in millions)		Unfunded Actuarial Accrued Liability as % of Payroll		Actuarial Value of Assets as % of Total Actuarial Accrued Liability	
	Regular	Police/ Fire	Regular	Police/ Fire	Regular	Police/ Fire
2006	$4,778.0	$1,679.1	131.0%	234.0%	76.5%	68.9%
2007	4,615.8	1,696.8	116.0	214.4	78.8	71.1
2008	5,363.0	1,895.2	123.8	219.4	77.7	70.8
2009	6,929.3	2,173.9	155.1	240.1	73.4	68.9
2010	7,950.5	2,401.8	178.4	264.5	71.2	67.8
2011	8,514.1	2,491.0	196.5	282.4	70.6	68.4
2012	8,729.4	2,476.5	206.2	289.5	71.2	70.1
2013	10,331.9	2,544.0	243.7	295.7	68.9	71.1
2014	10,160.0	2,371.5	238.3	278.9	70.8	74.3
2015	10,041.1	2,311.1	230.3	266.3	72.4	76.3

*Information provided by Segal Consulting, the System's actuary.

SCHEDULE 8
PARTICIPATING EMPLOYERS
(Page 1 of 3)

State of Nevada and Related Agencies
Board of Examiners for Alcohol & Drug Abuse Counselors
Legislative Counsel Bureau
Liquefied Petroleum Gas Board
Nevada Rural Housing Authority
Public Employees' Retirement System
State Board of Accountancy
State Board of Architecture
State Board of Chiropractic Examiners
State Board of Cosmetology
State Board of Dental Examiners
State Board of Dispensing Opticians
State Board of Examiners for Social Workers
State Board of Massage Therapy
State Board of Medical Examiners
State Board of Nursing
State Board of Optometry
State Board of Osteopathic Medicine
State Board of Pharmacy
State Board of Physical Therapy Examiners
State Board of Veterinary Medical Examiners
State Personnel

University of Nevada System
University of Nevada, Las Vegas
University of Nevada, Reno

Schools
100 Academy of Excellence
Academy for Career Education
Alpine Academy Charter School
American Preparatory Academy of Nevada
Andre Agassi College Preparatory Academy
Bailey Charter Elementary School
Beacon Academy of Nevada
Carson City School District
Carson Montessori School
Churchill County School District
Clark County School District
Coral Academy Las Vegas
Coral Academy of Science Charter School
Delta Academy
Discovery Charter School
Doral Academy of Nevada
Douglas County School District
Elko County School District
Elko Institute for Academic Achievement
Esmeralda County School District
Eureka County School District
Explore Knowledge Charter School
Founders Academy of Las Vegas
High Desert Montessori School
Honors Academy of Literature
Humboldt County School District
ICDA Charter High School
Imagine School at Mountain View
Innovations Charter School
Lander County School District
Las Vegas Charter School of the Deaf
Leadership Academy of Nevada
Learning Bridge Charter School
Lincoln County School District
Lyon County School District
Mater Academy of Nevada
Mariposa Academy of Language and Learning
Mineral County School District
Nevada Connections Academy
Nevada State High School
Nevada Virtual Academy
Nye County School District
Oasis Academy
Odyssey Charter School
Pershing County School District
Pinecrest Academy of Nevada
Quest Academy
Rainbow Dreams Academy
Rainshadow Charter School
Sierra Nevada Academy
Silver Sands Montessori Charter School
Silver State High School
Somerset Academy of Las Vegas
Storey County School District
Washoe County School District
White Pine County School District

Counties
Churchill County
Clark County
Douglas County
Elko County
Esmeralda County
Eureka County

SCHEDULE 8
PARTICIPATING EMPLOYERS
(Page 2 of 3)

Counties (continued)
Humboldt County
Lander County
Lincoln County
Lyon County
Mineral County
Nye County
Pershing County
Storey County
Washoe County
White Pine County

Cities
City of Boulder
City of Caliente
City of Carlin
City of Carson
City of Elko
City of Ely
City of Fallon
City of Fernley
City of Henderson
City of Las Vegas
City of Lovelock
City of Mesquite
City of North Las Vegas
City of Reno
City of Sparks
City of Wells
City of West Wendover
City of Winnemucca
City of Yerington

Hospitals
Battle Mountain General Hospital
Grover C. Dils Medical Center
Humboldt General Hospital
Mount Grant General Hospital
Pershing General Hospital
University Medical Center of Southern Nevada
William Bee Ririe Hospital

Utility, Irrigation, and Sanitation Districts
Alamo Sewer & Water General Improvement District
Beatty Water and Sanitation District
CC Communications
Clark County Water Reclamation District
Douglas County Sewer and Water District
Lander County Sewer and Water
Lincoln County Power District
Lovelock Meadows Water District
McGill-Ruth Consolidated Sewer and Water District
Minden-Gardnerville Sanitation District
Moapa Valley Water District
Overton Power District
Pershing County Water Conservation District
Truckee Meadows Water Authority
Truckee-Carson Irrigation District
Virgin Valley Water District
Walker River Irrigation District
Washoe County Water District

Special Districts and Agencies
Austin Volunteer Fire Department
Battle Mountain Volunteer Fire Department
Canyon General Improvement District
Carson City Airport Authority
Central Dispatch Administrative Authority
Central Lyon County Fire Protection District
Churchill County Volunteer Fire Department
Churchill Mosquito Abatement District
City of Wells Volunteer Fire Department
Conservation District of Southern Nevada
Douglas County Mosquito District
East Fork Fire Protection District
East Fork Swimming Pool District
Elko Convention and Visitors Authority
Elko County Agricultural Association
Elko Volunteer Fire Department
Gardnerville Ranchos General Improvement District
Gerlach General Improvement District
Grass Valley Volunteer Fire Department
Henderson District Public Libraries
Incline Village Visitor’s/Convention Bureau
Indian Hills Improvement District
Kingsbury General Improvement District
Lahontan Conservation District
Las Vegas Convention/Visitors Authority
Las Vegas/Clark County Library District
Las Vegas Metropolitan Police Department
Lovelock Volunteer Fire Department
Mineral County Housing Authority

SCHEDULE 8
PARTICIPATING EMPLOYERS
(Page 3 of 3)

Special Districts and Agencies (continued)
Mt. Charleston Fire Protection District
Nevada Association of Counties
Nevada Tahoe Conservation District
North Lake Tahoe Fire Protection District
Palomino Valley General Improvement District
Pershing County Volunteer Fire Department
Regional Transportation Commission
Reno Housing Authority
Reno/Sparks Convention and Visitors Authority
Reno-Tahoe Airport Authority
Round Hill General Improvement District
RTC of Southern Nevada
Rye Patch Volunteer Fire Department
Southern Nevada Health District
Southern Nevada Housing Authority
Stagecoach General Improvement District
Storey County Fire Protection District
Sun Valley General Improvement District
Tahoe-Douglas District
Tahoe-Douglas Fire Protection District
Truckee Meadows Fire Protection District
Truckee Meadows Regional Planning Agency
White Pine County 474 Fire Protection District
White Pine County Tourism and Recreation Board
Winnemucca Rural Volunteer Fire
Winnemucca Volunteer Fire Department
Workforce Connections

SCHEDULE 9
PRINCIPAL PARTICIPATING EMPLOYERS

Participating Agencies	2006 Covered Employees	Rank	Percentage of Total System
Clark County School District	29,596	1	30.2%
State of Nevada	14,770	2	15.0
Clark County	7,040	3	7.2
Washoe County School District	6,706	4	6.8
Las Vegas Metropolitan Police Department	4,437	5	4.5
University Medical Center of Southern Nevada	3,473	6	3.5
Washoe County	2,828	7	2.9
City of Las Vegas	2,812	8	2.9
University of Nevada, Reno	2,170	9	2.2
City of Henderson	1,848	10	1.9
Subtotal	75,680		77.1
All other	22,507		22.9
Total 2006 (163 Agencies)	98,187		100.0%

Participating Agencies	2015 Covered Employees	Rank	Percentage of Total System
Clark County School District	32,002	1	31.0%
State of Nevada	17,686	2	17.2
Washoe County School District	7,537	3	7.3
Clark County	7,059	4	6.9
Las Vegas Metropolitan Police Department	4,821	5	4.7
University Medical Center of Southern Nevada	3,227	6	3.1
City of Las Vegas	2,599	7	2.5
Washoe County	2,345	8	2.3
City of Henderson	2,088	9	2.0
University of Nevada, Reno	1,875	10	1.8
Subtotal	81,239		78.8
All other[a]	21,869		21.2
Total 2015 (195 Agencies)	103,108		100.0%

[a] In 2015 "All other" consisted of:

Agency Type	Number of Agencies	Covered Employees
State of Nevada and Related Agencies	20	519
University of Nevada System	1	1,764
Schools	54	7,923
Counties	14	2,803
Cities	17	4,090
Hospitals	6	779
Utility, Irrigation, and Sanitation Districts	18	800
Special Districts and Agencies	55	3,191
Subtotal	185	21,869
Largest Ten Participating Employers	10	81,239
Total	195	103,108

SCHEDULE 10

AVERAGE AGE AND SERVICE STATISTICS FOR MEMBERS*

	Regular		Police/Fire	
As of June 30	Average Age	Average Years of Service	Average Age	Average Years of Service
2006	45.1	8.5	39.5	9.9
2007	45.0	8.3	39.3	9.7
2008	45.1	8.4	39.3	9.8
2009	45.2	8.6	39.4	9.8
2010	45.8	9.2	39.8	10.3
2011	46.1	9.6	40.1	10.7
2012	46.4	10.0	40.4	11.1
2013	46.5	10.1	40.6	11.3
2014	46.4	10.1	40.8	11.5
2015	46.2	10.0	40.8	11.6

SCHEDULE 11

AVERAGE SALARIES FOR MEMBERS*

As of June 30	Regular	Increase (Decrease)	Police/Fire	Increase (Decrease)
2006	$ 41,929		$ 64,250	
2007	43,355	3.4 %	66,316	3.2 %
2008	46,159	6.5	70,194	5.8
2009	48,151	4.3	71,669	2.1
2010	49,407	2.6	73,373	2.4
2011	49,248	(0.3)	73,895	0.7
2012	48,808	(0.9)	72,523	(1.9)
2013	48,626	(0.4)	72,637	0.2
2014	48,057	(1.2)	71,990	(0.9)
2015	47,840	(0.5)	72,417	0.6
Average annual increase 2006 – 2015		1.5 %		1.4 %

* Information provided by Segal Consulting

Fiscal Year 2015 Consumer Price All Urban Index (CPI) 0.12%

THIS PAGE INTENTIONALLY LEFT BLANK

PLAN SUMMARY

THIS PAGE INTENTIONALLY LEFT BLANK

Administration

PERS provides retirement, disability, and death benefits to long-term public employees. The System includes the employees of Nevada counties, cities, schools, state government, and other local public employers.

The governing authority of the System is a 7-member board appointed by the Governor. Day-to-day operations are managed by the Executive Officer. Operating funds are provided by transfer of an administrative fee assigned to each member and benefit recipient. Monthly fees at June 30, 2015, were $3.36 for each Regular member and benefit recipient and $3.58 for each Police/Fire member and benefit recipient.

Membership

An employee of a participating public employer is required to be a member of the System from the first day of service if he or she is employed in a position which is normally considered to be half-time or more according to the full-time work schedule established by the public employer. Persons employed in an approved police or fire position are covered under the Police/Fire sub-fund. Persons who are not police or fire employees are covered under the Regular sub-fund. Membership is canceled upon refund, retirement, or death. Membership is not canceled automatically upon termination of employment. A member must apply for a refund, distribution, or retirement to cancel membership.

Types of Contribution Plans

All pay that meets the definition of compensation as defined in NRS 286.025(2) is subject to retirement contribution. New hires (in agencies which did not elect the Employer-Pay Contribution Plan (EPC) prior to July 1, 1983) have the option of selecting EPC or the Employee/Employer Contribution Plan. Each plan is described below.

Employer-Pay Contribution Plan (EPC)

Under EPC, contributions are paid on the employee’s behalf by their public employer. However, the employee shares equally in the cost of the contribution rate either through salary reduction or in lieu of a promised pay increase. EPC contributions are not deposited to the individual member’s account and are not available for refund upon termination of employment. The EPC contribution rates, through June 30, 2015, were 25.75% for Regular members and 40.50% for Police/Fire members.

Employee/Employer Contribution Plan

Under this plan, through June 30, 2015, the Regular member and the employer each contributed 13.25% of compensation to the System. Police/Fire members and their employers each contributed 20.75% of compensation. Employee contributions made under this plan are refundable upon termination of employment. Employer contributions are not refundable.

Public employees, other than school employees, earn service credit for years, months, and days actually worked. School employees, who are not regular 12-month employees, receive service credit on the basis of a full year if they work full-time for the entire school year. For these same school employees, service for a part of the school year is credited on a ratio of one and one-third days for each day worked.

Service

Purchase of Service

Members with five years of creditable service may purchase up to five years of service credit. The member must pay the full actuarial cost associated with age and average compensation at the time of purchase.

Refund of Contributions

Members who have contributed under the Employee/Employer Contribution plan may withdraw employee contributions if terminating all employment for which contribution is required or if employed in a position ineligible for membership for at least 90 days. A refund cancels all rights of membership.

Repayment of Refunded Contributions

Members who receive a refund of employee contributions and later return to work and re-establish active membership for a period of at least six months may repay the refunded contributions and restore service credit. Repayment, including interest at the actuarially determined rate, may be in the form of a lump-sum payment or by monthly installments. Service will not be restored until repayment is complete.

Benefits

The 2009 Legislature passed Senate Bill 427 which provided for various changes to the System. While the new law made no changes to the benefits of current members and benefit recipients, it did change some of the benefits allowed new members who enroll on or after January 1, 2010. Such changes are noted within each subject area below.

Service Retirement Vesting

Contributing members of the System earn the right to receive a retirement benefit after five years of service.

Service Retirement

Requirements for Regular members to retire with an unreduced benefit – age 65 with five years of service, **or** age 60 with ten years of service, **or** any age with thirty years of service.

For Regular members who enter the System on or after January 1, 2010, to retire with an unreduced benefit – age 65 with five years of service, **or** age 62 with ten years of service, **or** any age with thirty years of service.

Requirements for Police/Fire members to retire with an unreduced benefit – age 65 with five years of service, **or** age 55 with ten years of Police/Fire service, **or** age 50 with twenty years of Police/Fire service, **or** at any age with twenty-five years of Police/Fire service.

For Police/Fire members who enter the System on or after January 1, 2010, to retire with an unreduced benefit – age 65 with five years of service, **or** age 60 with ten years of Police/Fire service, **or** age 50 with twenty years of Police/Fire service **or** any age with thirty years of total service.

Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

Early Retirement Penalty

Members with the years of service necessary to receive a retirement benefit but who have not reached the age for an unreduced benefit may retire at any age with the benefit reduced by 4% for each full year they are under the required age.

Members entering the System on or after January 1, 2010, with the years of service necessary to receive a retirement benefit but who have not reached the age for an unreduced benefit may retire at any age with the benefit reduced by 6% for each full year they are under the required age.

Important Factors for Determining Retirement Benefits

Benefit amounts are based on three factors:

1. Average compensation – defined as the average of 36 highest consecutive months of compensation and, for members entering the system on or after January 1, 2010, the average of 36 highest consecutive months of compensation with a provision that each 12-month period of salary may not increase greater than 10% of the prior 12 months of salary reported. Salary increases due to promotion and assignment-related compensation are excluded from the salary cap calculation.
2. Service credit – years, months, and days worked.
3. Selection of retirement plan – prospective retirees may elect one of seven retirement options.

Option 1 – (the unmodified plan) for Regular members – Pays the full monthly benefit earned but provides no income protection for beneficiary after death.

Option 1 – (the unmodified plan) for Police/Fire members – Pays the full monthly benefit earned for the retiree's lifetime. A person who was the spouse or registered domestic partner at time of retirement shall be entitled, at the time of the retired employee's death or upon the attainment of age 50, whichever is later, to a benefit of 50% of the deceased retired employee's benefit earned at the time of his/her death in an eligible police/fire position.

Option 2 – Provides an actuarially reduced lifetime benefit. After death the same benefit continues for the lifetime of the beneficiary.

Option 3 – Provides an actuarially reduced lifetime benefit. After death 50% of the benefit continues for the lifetime of the beneficiary.

Option 4 – Provides an actuarially reduced lifetime benefit. After retiree's death and upon beneficiary reaching age 60, the same benefit continues for the lifetime of the beneficiary.

Option 5 – Provides an actuarially reduced lifetime benefit to retiree. After retiree's death and upon beneficiary reaching age 60, 50% of the benefit continues for the lifetime of the beneficiary.

Option 6 – Provides an actuarially reduced lifetime benefit to retiree. Upon death of the retiree, this option provides to the beneficiary a specific sum per month, which cannot exceed the monthly benefit paid to retiree.

Option 7 – Provides an actuarially reduced lifetime benefit to retiree. The option provides to the beneficiary, upon retiree's death and the beneficiary reaching age 60, a specific sum per month, which cannot exceed the monthly benefit paid to retiree.

Post-Retirement Benefit Increases

Retirees are eligible for annual benefit increases if they began receiving benefits at least three years before the effective date of the increase. Benefits are increased annually on the first day of the month following the anniversary of the commencement of benefits. The increases begin at 2% in years four, five, and six; increase to 3% in years seven, eight, and nine; 3.5% in years ten, eleven, and twelve; 4% for years thirteen and fourteen; and 5% in year fifteen and each year thereafter. If the benefit outpaces inflation in the period since retirement, the increase may be capped by a rolling three-year average of the Consumer Price Index (all items).

Retirees who enter the System on or after January 1, 2010, are eligible for annual benefit increases if they began receiving benefits at least three years before the effective date of the increase. Benefits are increased annually on the first day of the month following the anniversary of the commencement of benefits. The increases begin at 2% in years four, five, and six; increase to 3% in years seven, eight, and nine; 3.5% in years ten, eleven, and twelve; and 4% in year thirteen and each year thereafter. If the benefit outpaces inflation in the period since retirement, the increase may be capped by a rolling three-year average of the Consumer Price Index (all items).

Benefit Formula

The formula used for calculating retirement benefits is as follows:

- Total Service Credit Earned (or purchased) before July 1, 2001 X 2.5% = Service Time Factor
- Total Service Credit Earned (or purchased) on and after July 1, 2001 X 2.67% = Service Time Factor
- Total Service Time Factors X Average Monthly Compensation (36 Highest Consecutive Months of Salary) = Unmodified benefit (Option 1).

For members entering the System on or after January 1, 2010, the formula for calculating retirement benefits is as follows:

- Total Service Credit Earned (or purchased) X 2.5% = Service Time Factor
- Total Service Time Factor X Average Monthly Compensation (36 Highest Consecutive Months of Salary with applicable limits) = Unmodified benefit (Option 1).

Maximum benefits are 90% of average compensation for individuals who became members before July 1, 1985, and 75% of average compensation for individuals who became members after June 30, 1985.

Actuarial reductions are based on the member's age and the beneficiary's age at the time of retirement, determined from tables supplied by the System's actuary.

Disability Retirement

Members with five or more years of service who become totally unable to perform their current or any comparable job because of an injury or mental or physical illness of a permanent nature are eligible to apply for disability retirement. The application must be filed with the System prior to termination of employment. Disability retirement benefits are calculated in the same manner as service retirement without reduction for age.

Survivor Benefits

Eligibility

Eligible survivors of a member who dies prior to retirement are entitled to a benefit if:

1. The member had two years of service in the two and one-half years immediately preceding death, or
2. The member had more than ten years of accredited service, or
3. The member's death was caused by an occupational disease or an accident arising out of or in the course of employment, regardless of service credit.

Eligible survivors:

1. Spouse or registered domestic partner
2. Each unmarried dependent child under age 18, or up to age 23 if a full-time student.
2. Dependent parents, provided there are no other eligible survivors at the time of member's death.
4. If the member is unmarried at the time of death, one designated survivor beneficiary. Additional payees may also be designated to receive direct payment of a portion of the survivor beneficiary benefit.

Amount of Survivor Benefits

Generally, if a member dies with less than ten years of service, the spouse or registered domestic partner would receive $450 per month and each dependent child would receive $400 per month. The spouse or registered domestic partner would receive survivor benefits for his or her lifetime. Each unmarried dependent child would receive monthly benefits until age 18, or age 23 if he or she is a full-time student.

If a member dies with more than ten years of service credit, the spouse or registered domestic partner is entitled to a lifetime benefit. The amount of the benefit is based on the member's age, years of service, and average compensation at the time of death. A dependent child would receive the same benefits as previously described.

A member is able to designate one survivor beneficiary to receive benefits (as described above) to be paid if the member is unmarried at the time of death. A member may also designate additional payees to receive direct payment of a portion of the survivor beneficiary benefit.

Senate Bill 406 of the 2015 Legislative session added an additional benefit for certain survivors of members killed in the line of duty or in the course of employment. The new benefit is effective for benefits paid on or after July 1, 2015, on account of members killed in the line of duty or course of employment on or after July 1, 2013.

Legislative Update

Recent legislation made changes to a number of plan provisions, including a reduction in the benefit accrual rate for Regular members, a change in retirement eligibility criteria for Regular members, a reduction in post-retirement benefit increases, a limitation on compensation taken into account in determining plan benefits, and several other changes. These changes are effective July 1, 2015, and generally applicable only to members whose effective date of membership is on or after July 1, 2015, and therefore are not reflected in this Plan Summary, except as noted above for survivor benefits. The July 1, 2015, sunset on the critical labor shortage exception to the reemployment restrictions was repealed.