



**JUDICIAL RETIREMENT
SYSTEM OF NEVADA**

2015

**SUMMARY PLAN
DESCRIPTION**

Enrolled on or after July 1, 2015

This document has been prepared for members of the Judicial Retirement System of Nevada to provide general information.

It is based on retirement law effective from the 80th session of the Nevada Legislature, 2019. This is not a legal document, nor is it intended to serve as a basis for legal interpretation. Official legal reference may be found in the Nevada Revised Statutes.

INTRODUCTION

This document has been prepared for members of the Judicial Retirement System (JRS) to provide general information concerning the System.

Participants in the JRS may include supreme court justices, appellate and district court judges. Justices of the peace and municipal judges may also participate in the JRS, if the board of county commissioners elects to allow the justices of the peace or the city council elects to allow the municipal judges of the city to participate in the Plan and the justice of the peace or the municipal judge elects to participate in the Plan.

Depending upon the circumstances in place when elected or appointed, some judges participate in the Public Employees' Retirement System (PERS). If you are a member of PERS, please refer to the *Summary Plan Description* for regular members of PERS for your retirement planning.

CONTRIBUTION PLAN

Your compensation subject to retirement contribution includes your base pay excluding all fringe benefits. Also included is additional payment for longevity and extra duty assignments provided they are part of your contract or job description. For members of the Judicial Retirement Plan who have an effective date of membership on or after July 1, 2015:

1. A member must pay 50 percent of the total contribution rate that is actuarially determined for members of the Judicial Retirement Plan pursuant to NRS 1A.312.
2. The amount described in subsection 1 must be deducted from each payroll during the period of the member's membership in the Judicial Retirement Plan and transmitted to the Board at intervals designated and upon forms prescribed by the Board. The contributions must be paid on compensation earned by a member from the member's first day of service.
3. The Judicial Retirement Plan shall guarantee to each member the return of at least the total contributions which the member has made and which were credited to the member's individual account. These contributions may be returned to the member, the member's estate or beneficiary or a combination thereof in monthly benefits, a lump-sum refund or both. The relevant provisions of NRS 286.430 apply to a member of the Judicial Retirement Plan who withdraws his or her contributions to the Plan pursuant to this section.

SERVICE

Service begins on the day your term of office begins and terminates on the day your term of office expires, unless sooner terminated as a result of death, resignation or removal from office.

Purchase of Service

If you have five years of service in the **JRS**, you may purchase up to five years of additional service credit. You must pay the full actuarial cost associated with your age and average compensation at the time of purchase. Payment can be made in a lump sum or through an installment agreement.

Purchase of service may also be accomplished by rolling over funds from certain types of retirement savings accounts such as IRC 401(a), 401(k) qualified pension trusts, 403(b) and 457 retirement savings plans and IRAs. The purchase of service credit is not considered for retirement eligibility purposes unless the member has a qualified family medical emergency.

BENEFITS

Service Retirement

Vesting–New Plan JRS

You earn the right to receive a retirement allowance after five years of service. Eligibility to receive an unreduced retirement allowance is established with 5 years of service at age 65, 10 years of service at age 62, 30 years of service at age 55, or at any age with 33 1/3 years of service.

Eligibility for Monthly Unreduced Benefits New Judicial Plan	
<u>Years of Service</u>	<u>Age</u>
5	65
10	62
30	55
33.3	Any Age

Benefit Calculation Factors

The monthly benefit you receive will be based on the following:

- **Service Credit** – your years, months and days in the JRS. For new JRS plan members, this will include past PERS credit transferred to the JRS. For example, if you had 2 years of prior PERS credit transferred to the JRS and 18 years of current JRS service, your total would be 20 years for benefit eligibility purposes.

- **Service Credit Multiplier** – for each year of service in the new JRS plan you receive 3.1591% of your average compensation. For members with transferred PERS service, you receive 2.25% for each year completed in the Regular fund or 2.50% for each year completed in the Police/Fire Fund.
- **Average Compensation** – for new JRS plan members, the average compensation is the average of your highest 36 consecutive months of earnings.
- **Selection of a Retirement Option** – the beneficiary coverage you may provide at the time of retirement is based on the JRS plan in which you retire.

Benefit Calculation Formula–New JRS Plan

Under the new JRS plan, you receive 3.1591% for each year of service credit earned in the JRS up to a maximum of 75%, multiplied by the average of your 36 highest consecutive months of salary.

Retirement Options

Benefits are paid to you for life and, after your death, to the one person named as beneficiary on your retirement application. It is not mandatory to name a beneficiary. New plan JRS retirees may elect one of the seven retirement options described below.

Option 1 – The Unmodified Allowance pays you the full monthly allowance you have earned but provides no income protection for your beneficiary after your death.

Option 2 – provides an actuarially reduced allowance for your lifetime. After your death, the same allowance continues for the lifetime of your beneficiary.

Option 3 – provides an actuarially reduced allowance for your lifetime. After your death, 50 percent of the allowance continues for the lifetime of your beneficiary.

Options 4 and 5 are calculated the same as 2 and 3 but are not payable to a beneficiary before age 60. In Options 6 and 7, a retiree may designate the beneficiary amount.

The reduction from the unmodified allowance is determined by an actuarial percentage based on the ages of the member and beneficiary at the time of retirement. After retirement, the named beneficiary cannot be changed; however, you may under certain conditions choose to revert

to the Unmodified Option. If your beneficiary predeceases you, the law provides that your benefit will revert to the Unmodified Option.

New JRS Plan
Benefit Calculation Formula
Unreduced Service Retirement

This calculation assumes that you are age 62 with a 58-year-old beneficiary and you have 20 years of JRS service credit and an average compensation of \$8,000.

20 years X 3.1591% = 63.182%
 \$8,000 x 63.182% =
 \$5,054.56 Unreduced Retiree Benefit

	<u>Retiree</u> <u>Benefit</u>	<u>Beneficiary</u> <u>Benefit</u>
Option 1 (unmodified)	\$5,054.56	\$ 0.00
Option 2	\$4,422.74	\$4,422.74
Option 3	\$4,717.92	\$2,358.96
Option 4	\$4,426.78	\$4,426.78
Option 5	\$4,719.94	\$2,359.97

Additional options 6-7 can be calculated upon request.

Options 2-7 are based on you and your beneficiary's age at the time of retirement.

Past PERS service credit transferred to JRS is not credited at 3.1591%.

Early Retirement Reduction

In the event you earn the years of service necessary to receive a retirement benefit but have not reached the age for an unreduced benefit, you may retire at any age with your benefit reduced by 4% for each full year that you retire early. An example of how this reduction would work is provided below for a 58-year-old retiree who is retiring 2 years early with an unreduced monthly benefit of \$5,054.56.

Early Retirement Reduction

Retiree age 58 (Full retirement age = 62)
 Unreduced retiree benefit at age 62 = \$5,054.56
 4 years early x 4% = 16%
 16% X \$5,054.56 = \$808.73 reduction amount

\$5,054.56 – \$808.73 = \$4,245.83 reduced monthly amount

This method of reduction for early retirement applies to retirees from both the old and new JRS plans.

Service Retirement

How to Apply

Between three and six months before your retirement, request an estimate of your retirement benefit and an application for retirement. The request should include:

- 1. Your anticipated retirement date*
- 2. Your name and the last four numbers of your Social Security number.*
- 3. Your beneficiary's name, birth date, and the last four digits of his or her Social Security number.*

Your completed application for retirement must be received in our office on or before the date of your retirement. Applications can be submitted anytime within 6 months prior to your retirement date. We recommend that you contact our office prior to your retirement for assistance.

Disability Retirement

If you have five or more years of service and become totally unable to perform your current or any comparable job because of an injury or mental or physical illness of a permanent nature, you are eligible to apply for disability retirement. **Your application must be filed with PERS prior to your termination of employment.**

How to Apply

- 1. Disability Retirement Application – Your retirement plan selection*
- 2. Part I – Employee Report – Completed by you*
- 3. Part II – Employer's Report – Completed by your personnel or human resources representative*
- 4. Part III – Supervisor's Report – Completed by your supervisor*
- 5. Part IV – Physician's Report – Completed by your physician and submitted with copies of your recent medical records*

The completed application is submitted to the Retirement Board for consideration at its regular monthly meetings. Disability retirement benefits are calculated in the same manner as service retirement benefits described previously, but without reduction for age. To apply for disability benefits, members are urged to contact our office for assistance or the retirement liaison officer where you work.

Survivor Benefits

Eligibility

If you were to die prior to retirement, your eligible survivors would be eligible for a survivor benefit if:

- 1. You had two years of service in the two and one half years immediately preceding your death; or*
- 2. You had more than 10 years of accredited service; or*
- 3. Your death was caused by an occupational disease or an accident arising out of or in the course of your employment, regardless of service credit*

Eligible Survivors

Your eligible survivors include:

- 1. Your spouse or registered domestic partner*
- 2. Your survivor beneficiaries and additional payees, if designated*
- 3. Your dependent children under age 18*
- 4. Your dependent parents, provided there are no other eligible survivors at the time of your death*

Your spouse or registered domestic partner is first in line to receive any benefit available from your member account, along with eligible dependent children.

All members of the System should list one person as the survivor beneficiary (not a spouse, registered domestic partner, trust or charitable organization) to receive a lifetime benefit in the event of your death or you and your spouse or registered domestic partner's simultaneous death prior to retirement.

Additional payees may also be designated to split the payment with the survivor beneficiary by a percentage you provide. Monthly payments to additional payees cease upon the death of the designated survivor beneficiary.

If a monthly payment is not available and no spouse, registered domestic partner or dependent children exist, then the survivor beneficiary and additional payees may be eligible to split, by percentage provided, a one-time, lump-sum payment of refundable employee contributions, if any.

Survivor Benefits

Benefits are payable to a surviving spouse or registered domestic partner, survivor beneficiary and/or dependent children if your death occurs prior to retirement.

<u>Service Credit</u>	<u>Spouse/Survivor Reg. Domestic Part.</u>	<u>Each Child*</u>
2+	\$450	\$400
10+ (if under 62)	Option 3	\$400
5+ (if age 65)	Option 2	\$400
15+	Option 2	\$400

*Benefits payable until age 18 or age 23 if a full-time, unmarried student. Incapacitated adult children may be eligible. Other restrictions may apply.

Your JRS benefit and Social Security

Your benefit will not be affected by a Social Security Benefit. However, a Social Security benefit may be affected because you receive a JRS pension. The Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP) are the two federal government regulations that may reduce your Social Security benefit. We suggest you contact the Social Security Administration at 800-772-1213 or visit their website at www.ssa.gov for more information.

Counseling Services

JRS specialists are available to assist you Monday through Friday, 8:00 a.m. to 5:00 p.m. over the phone or in one of our two office locations.

Public Employees' Retirement System of Nevada

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1-866-473-7768

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