

RETIREMENT CONTRIBUTION INCREASE

Retirement Contributions to Increase - Employee and Employer

Contributions to all retirement plans are set to increase for compensation earned after July 1, 2011. For Faculty this change will be reflected on the July 31st paycheck and for classified employees on the July 25th paycheck. The new rates are listed below for you information.

NSHE Retirement Plan Alternative (RPA)

Faculty Members – Increased contribution to 12.25% per paycheck

Public Employee Retirement Program of Nevada (PERS)

Employee/Employer Contribution Plan

Regular Members – Increased contribution rate to 12.25%, per paycheck

Police/Fire Members – Increased contribution rate to 20.5%, per paycheck

Employer-Pay Contribution (EPC) Plan

Regular Members – Increased contribution rate to 23.75%, per paycheck

Police/Fire Members – Increased contribution rate to 39.75%, per paycheck

Faculty on PERS - Salary Adjustment

Regular members - multiply your base salary by a factor of .893850.

Police/Fire members - multiply your base salary by a factor of .830031.

The University's matching contributions will increase in line with the above rates in order to maintain the 100% match.

Rationale for Increase

In 2004 the Public Employers Retirement Plan of Nevada (PERS) adopted a modification to the funding policy designed to moderate short-term swings in contribution rates. The policy requires that PERS conduct an actuarial analysis of the program to ensure that the contribution levels in place will fund retirement benefits for participating members. If the contributions in place at the time the analysis is run are not enough, then the State is required to increase them to a level that will fund the program. The PERS Board at its November 10, 2010, meeting approved the June 30, 2010 actuarial valuation report submitted by the System's actuary. The report reflects an increase in the contribution rates needed to fund the System on an actuarial reserve basis for both Employer-pay (EPC) and employee/Employer contribution plans. More information on the PERS Rate Stabilization Policy is available on the PERS website

<http://www.nvpers.org/public/whatsNew/retirementBoardAdoptsNewTool.jsp>.

NRS 286.808 requires that the NSHE Retirement Plan Alternative retirement contribution and the employer matching contribution be not less than that of the PERS program.