

Public Employees Retirement System (PERS)

The function of the Public Employees Retirement System of Nevada (PERS) has not changed since it was established in 1947. It is an independent public agency created by the Nevada Legislature that provides a retirement income to qualified employees who have been employed by a public entity. It provides an income to an employee whose earning capacity has been reduced by a disability. PERS was also established to make government employment attractive and to encourage these employees to stay in government service.

In 1947 when the retirement program was created the number of retirement plans in private industry had been steadily increasing and the favorable experience of other states which had established retirement plans impressed the legislators that Nevada could benefit by such a plan. At the time the Federal Social Security System did not cover employees of state or local government workers and the lack of financial independence and security during the declining years was seen as a deterrent in attracting capable people to make a career in public service. The retirement system also would allow the removal from the payrolls of aged and disabled employees and increase the efficiency in service by bringing in younger persons into responsible positions.

The law establishing the Public Employees Retirement System was signed by Governor Vail Pittman in 1947 and instituted the payment collections into the fund by employees and employers. Since the fund had to grow sufficiently for payments to eligible employees the first payments started in July of 1948. The law allowed the integration of other public employee retirement plans so in 1949 the Public School Teachers retirement system was absorbed and in the next year the University of Nevada pension plan was absorbed by PERS.

The initial Public Employees Retirement System law had the system administered by a Public Employees Retirement Board appointed by the Governor. Initially there were five board members, three of these members were required to have 10 years of public service time in the State of Nevada. The Retirement Board then hired an executive officer and provided for other positions for the administration of the system.

The Public Employees Retirement System has many objectives; some of them include collections of contributions, maintenance of service and financial records of members, refund on terminations, approval of benefits, payment of benefits, and investments.

Investments became an increasingly important activity for PERS. In 1958 the Retirement Board sponsored a study of its investment portfolio. The study showed that the statutory restrictions on investments limited the full realization of the potentialities of the fund. The widening of the investment field would be in line with the investment practice of the oldest funds in the United States. This study led to legislation in 1959 that authorized the Retirement Board to employ investment counsel and an investment committee as part of the Retirement Board was established. Among the investments of the Public Employees Retirement System was a building in Carson City named the Capital Plaza. The building's tenants included both state and federal offices.

In 1975 a Police and Firefighters' Retirement Fund was created. It was a separate fund from the Public Employees' Retirement Fund. The Police and Firefighters' Retirement Fund pays out refunds, disability retirement allowances, benefits for survivors, and service retirement allowances to eligible public safety employees. A board was established in 1977 to make determination of eligibility to receive benefits under this fund. This Police and Firefighters' Fund Advisory Committee makes recommendations to the Retirement Board concerning the administration and benefits payable from the fund.

Currently there are seven members of the Retirement Board and three of the members still must have 10 years of service as employees of the State of Nevada or its political subdivision. The Executive Officer of the Public Employees Retirement System still serves at the pleasure of the Retirement Board. The Executive Officer selects his subordinate officers which partially include an operations officer, investment officer and manager of information systems.

