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SB 409
Nevada Judges Association

Good morning Mr. Chairman and members of the committee. My name is Jack Schroeder and I am a Justice of the Peace from Reno. With me is Judy Holt, from the Administrative Office of the Courts, to help me answer any questions you may have. On my right is Justice Mark Gibbons of the Nevada Supreme Court.

I am here today representing the Nevada Judges Association who submitted SB 409 for your consideration. This bill would allow Nevada's justices of the peace and municipal judges to transfer out of PERS, the Public Employees Retirement System, and into the newly established Judicial Retirement System. We want to emphasize that this bill is permissive and not mandatory: a judge will not be able to transfer without the express agreement of his or her governing body.

The advantage of the Judicial Retirement System is: members may retire after 22 years -- at the age of 60 -- instead of 30, as is the case with PERS. Judges typically take the bench later in their careers and waiting 30 years to be able to retire without penalty usually takes them well into their 70's and beyond.

The contribution rate paid by the city or county for a judge who transfers into the Judicial Retirement System would increase from the current 18.75% to 25.7%.

We want to thank George Pyne, Executive Director at PERS, for his help in determining what effects, if any, this bill would have and on whom.

Thanks you for this opportunity to speak to you in favor of SB 409.

Additional information: When the District Judges and Supremes joined the Judicial Retirement System two years ago, they had not been paying into an actuarially-funded system prior to that. So, in addition to the 27.5% contribution, their employer (the state) must also pay \$1.5 million/year extra to actuarially fund their retirement. Cities and counties will not be required to make a similar contribution because they have been paying their share to actuarially fund PERS.

Also, judges who took the bench prior to 1985 probably will not want to come out of PERS because, if they have 30 years in PERS, they will be able to retire 90% of their highest three years. The maximum they can retire with in the Judicial Retirement System is 75%.