SENATE BILL NO. 409-COMMITTEE ON FINANCE

(ON BEHALF OF THE NEVADA JUDGES ASSOCIATION)

MARCH 24, 2003

Referred to Committee on Finance

SUMMARY—Authorizes justices of the peace and municipal judges to participate in Judicial Retirement Plan under certain circumstances. (BDR 1-414)

FISCAL NOTE: Effect on Local Government: Yes. Effect on the State: Yes.

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EXPLANATION - Matter in **bolded italics** is new; matter between brackets formitted material is material to be omitted.

AN ACT relating to the judiciary; authorizing in skeleton form justices of the peace and municipal judges to participate in the Judicial Retirement Plan under certain circumstances; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 1A of NRS is hereby amended by adding thereto a new section to read as follows:

- 1. A justice of the peace or municipal judge may participate in the Judicial Retirement Plan if:
- (a) The board of county commissioners elects to allow the justices of the peace of the county or the city council elects to allow the municipal judges of the city to participate in the Judicial Retirement Plan; and
- (b) The justice of the peace or the municipal judge elects to participate in the Judicial Retirement Plan.
- 2. If the board of county commissioners rescinds its election 12 to allow the justices of the peace of the county or the city council rescinds its election to allow the municipal judges of the city to participate in the Judicial Retirement Plan, any justice of the



peace or municipal judge who elected to participate in the Judicial Retirement Plan before the effective date of the rescission is entitled to continue to participate in the Judicial Retirement Plan.

- 3. A justice of the peace or municipal judge who is a member of the Public Employees' Retirement System established pursuant to chapter 286 of NRS on the date that he elects to participate in the Judicial Retirement Plan must give written notice to the Board of his intention to withdraw from the Public Employees' Retirement System and to become a member of the Judicial Retirement Plan.
- 4. If the Board receives notice pursuant to this section that a justice of the peace or municipal judge intends to withdraw from the Public Employees' Retirement System, it shall transfer from the Public Employees' Retirement Fund to the Judicial Retirement Plan the accrued actuarial liability and credit for service earned by the justice or judge while a member of the Public Employees' Retirement System as determined by an actuary of the Judicial Retirement System. The service so transferred must be accredited under the Judicial Retirement Plan as if performed in the Public Employees' Retirement System.
 - **Sec. 2.** NRS 1A.030 is hereby amended to read as follows:
- 1A.030 1. "Compensation" means the salary paid to a justice of the Supreme Court or district judge by this state, to a justice of the peace by a county or to a municipal judge by a city, including:
- (a) Base pay, which is the monthly rate of pay excluding all fringe benefits;
 - (b) Additional payment for longevity; and
- (c) Payment for extra duty assignments if it is the standard practice of this state to include such pay in the employment contract or official job description for the calendar year in which it is paid and such pay is specifically included in the justice's or judge's employment contract or official job description.
- 2. The term does not include any type of payment not specifically described in this section.
 - **Sec. 3.** NRS 1A.060 is hereby amended to read as follows:
- 1A.060 "Retired justice or judge" means a justice of the Supreme Court, [or] district judge, justice of the peace or municipal judge who was a member of the Judicial Retirement Plan at the time he retired or a justice of the Supreme Court or district judge who decides, pursuant to NRS 1A.270 or 1A.280, to receive benefits for retirement pursuant to the Judicial Retirement Plan.
 - **Sec. 4.** NRS 1A.180 is hereby amended to read as follows:
- 1A.180 1. Beginning July 1, 2003, the Court Administrator shall submit to the System for deposit in the Judicial Retirement Fund on behalf of each *justice of the Supreme Court or district*



judge who is a member of the System the percentage of compensation of the member that is determined by the actuary of the System to be required to pay the normal cost incurred in making payments for such members pursuant to subsection 5 of NRS 1A.160 and [any] the administrative expenses of the System [...] that are attributable to such members. Such payments must be:

- (a) Accompanied by payroll reports that include information deemed necessary by the Board to carry out its duties; and
- (b) Received by the System not later than 15 days after the calendar month for which the compensation and service credits of members of the System are reported and certified by the Court Administrator. The compensation must be reported separately for each month that it is paid.
- 2. Beginning July 1, 2003, the Court Administrator shall pay to the System for deposit in the Judicial Retirement Fund from any fund created for the purpose of paying pension benefits to justices of the Supreme Court or district judges an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay [all] the benefits for justices of the Supreme Court and district judges for which the System will be liable.
- 3. Upon the participation of a justice of the peace or municipal judge in the Judicial Retirement Plan pursuant to section 1 of this act, the county or city shall submit to the System for deposit in the Judicial Retirement Fund on behalf of each justice of the peace or municipal judge who is a member of the System the percentage of compensation of the member that is determined by the actuary of the System to be required to pay the normal cost incurred in making payments for such members pursuant to subsection 5 of NRS 1A.160 and the administrative expenses of the System that are attributable to such members. Such payments must be:
- (a) Accompanied by payroll reports that include information deemed necessary by the Board to carry out its duties; and
- (b) Received by the System not later than 15 days after the calendar month for which the compensation and service credits of members of the System are reported and certified by the county or city. The compensation must be reported separately for each month that it is paid.
- 4. Upon the participation of a justice of the peace or municipal judge in the Judicial Retirement Plan pursuant to section 1 of this act, the county or city shall pay to the System for deposit in the Judicial Retirement Fund an amount as the contribution of the county or city as employer which is actuarially determined to be sufficient to provide the System with enough



- money to pay the benefits for justices of the peace and municipal judges for which the System will be liable.
 Sec. 5. This act becomes effective upon passage and approval.



