



City Manager's Office

MEMORANDUM

DATE: 04/18/2023

TO: Mayor and City Council

THROUGH: Doug Thornley, City Manager Approved Electronically

FROM: Norma Santoyo, Director of Human Resources

SUBJECT: Nevada Public Employees Retirement System Contribution Rate Changes
Effective July 2023

In December 2022, the Nevada Public Employees Retirement System (NV PERS) notified the City of Reno that the NV PERS Board voted to approve the June 30, 2022, actuarial valuation report and determination to increase retirement contribution rates effective the first monthly retirement reporting period beginning on or after July 1, 2023. For the City of Reno, this date is July 14, 2023.

The NV PERS retirement contribution rate for Regular Members is increasing by 3.75%, bringing the total employer paid contribution rate to 33.50%. The retirement contribution rate for Police/Fire Members is increasing 6.0%, bringing the total employer paid contribution rate to 50.00%.

In accordance with NRS 286.421(3), employees scheduled to receive a COLA increase effective July 14, 2023, will have that COLA decreased by the employee's share of the contribution increase, or employees who are not scheduled to receive a COLA increase effective July 14, 2023, will be subject to a wage/salary reduction equivalent to the employee's share of the contribution increase. For Regular Members within NV PERS the employee's share of the contribution rate increase is equal to a COLA decrease or salary reduction of 1.875%. For Police/Fire Members within NV PERS the employee's share of the contribution rate increase is equal to a COLA decrease or salary reduction of 3.0%.

These COLA and/or salary adjustments will be effective July 14, 2023, and employees will see them reflected on their paycheck dated August 4, 2023.

Initial assessment from Finance is that the City's portion of this increased contribution rate will result in a new, on-going cost to the General Fund of approximately \$3 million in the first year.