

# PERS and your Post Retirement Increase Workshop

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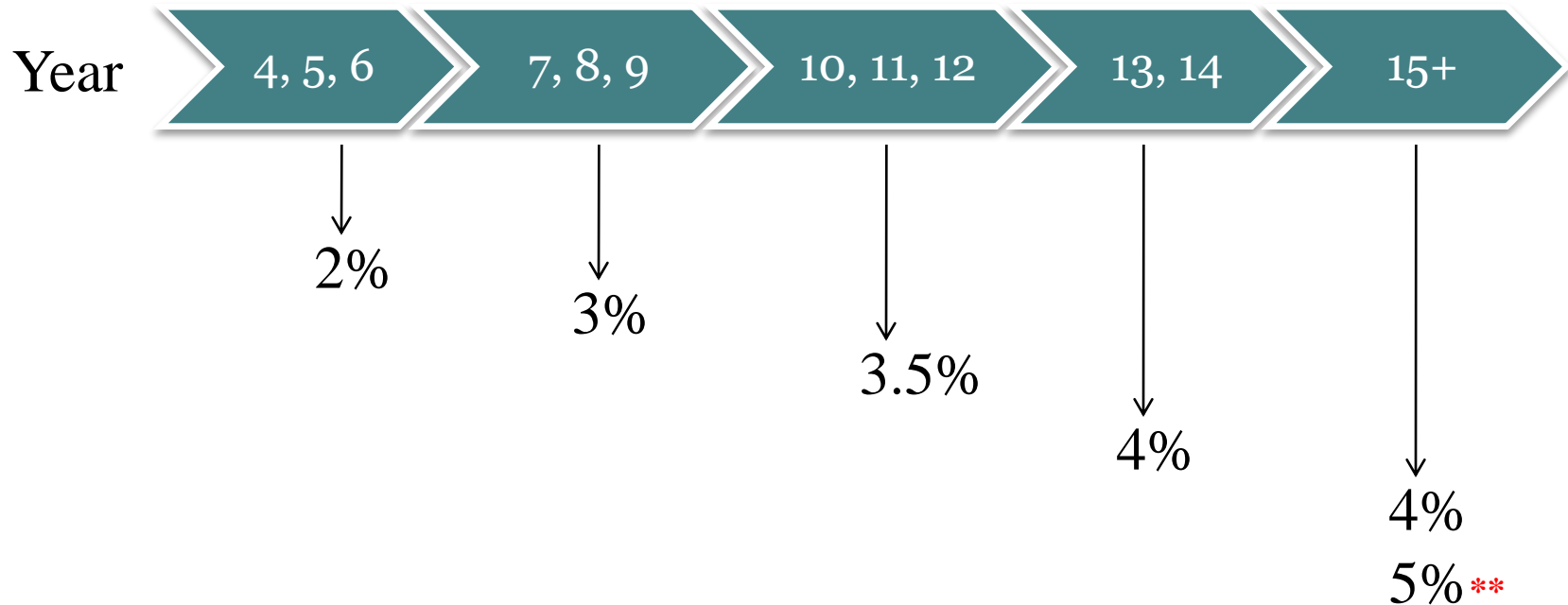
# Post Retirement Increases

The post retirement increase (PRI) formula is set forth in NRS 286.5756. This statute contains a cap for PRIs, applied to the lifetime of the benefit, which is tied to the consumer price index (CPI).

# Post Retirement Increases

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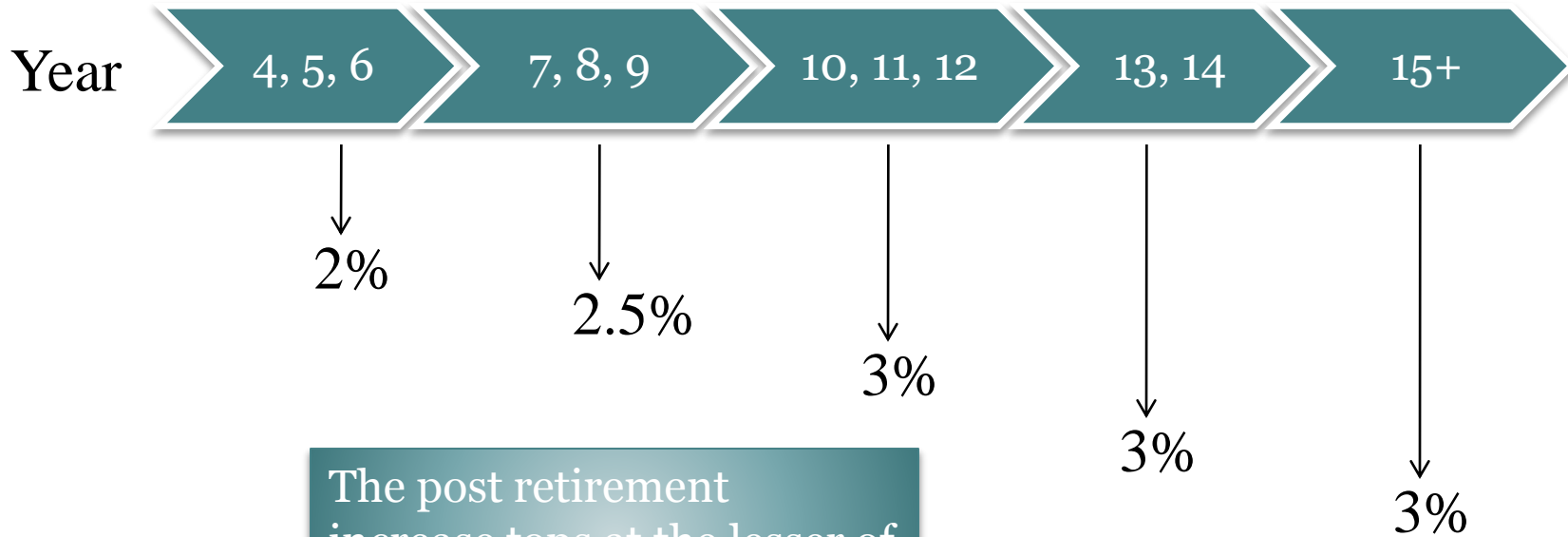
Begin after 3 full years of retirement



\*\*If enrolled before January 1, 2010

# Post Retirement Increases - Members Enrolled on or after July 1, 2015

Begin after 3 full years of retirement



The post retirement increase tops at the lesser of the CPI cap or 3%

# CPI Cap

- Cap applies only if the benefit, since inception, has increased at a rate greater than or equal to the CPI
- Cap is the average percentage of increase in the CPI for the three preceding years
- Currently use the CPI (all urban)
- Board may substitute a different index if:
  - index is compiled and published by the DOL
  - Board determines it represents a more accurate measurement of cost of living for retirees

# CPI Calculations

- Percent change in benefit since retirement
- Percent change in CPI since retirement
- Average percentage of increase in CPI for the preceding three years

# Benefit Change Since Retirement

Current benefit - base benefit

÷

Base benefit

X

100 =

Percent of change in benefit

# Example

$$\$1,001.95 - 486.21 = \$515.74$$

$$(\$515.74 \div 486.21) \times 100 =$$

106.07 % change



# CPI Change Since Retirement

Current Month CPI - CPI at time of  
retirement

÷

CPI at time of retirement

X

100 =

Percent change in CPI since retirement

# Example

$$189.5 - 92.3 = 97.2$$

$$(97.2 \div 92.3) \times 100 =$$

105.31% change

# Example

Percent change in benefit = 106.07

Percent change in CPI = 105.31

$$106.07 > 105.31$$

Benefit capped at 3 year average of CPI  
percent change

# 3-Year Average for Prior Years

Calculated for each fiscal year

FY 18: .66%

FY 17: .77%

FY 16: 1.06%

FY 15: 1.74%

FY 14: 2.33%

FY 13: 2.21%

FY 12: .85%