

SENATE BILL NO. 3—COMMITTEE ON FINANCE
(ON BEHALF OF THE NEVADA SUPREME COURT)

PREFILED NOVEMBER 18, 2020

Referred to Committee on Finance

SUMMARY—Revises provisions relating to judicial compensation and retirement. (BDR 1-392)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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

AN ACT relating to the judiciary; increasing prospectively the base salaries of justices of the Supreme Court of Nevada, judges of the Court of Appeals and district court judges in this State; removing the requirement that certain participants in the Judicial Retirement Plan pay 50 percent of the total actuarially determined contribution rate to the Plan; providing that certain judges are not eligible for longevity pay; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 **Section 4** of this bill prospectively increases the base salaries of the justices of
2 the Supreme Court of Nevada from \$170,000 to \$200,000. (NRS 2.050) **Section 5**
3 of this bill: (1) prospectively increases the base salaries of the judges of the Court
4 of Appeals from \$165,000 to \$195,000; and (2) provides that judges of the Court of
5 Appeals whose initial terms of office begin on or after the first Monday in January
6 2023 are not eligible for longevity pay. (NRS 2A.080) **Section 6** of this bill: (1)
7 prospectively increases the base salaries of the district court judges from \$160,000
8 to \$190,000; and (2) provides that district judges whose initial terms of office begin
9 on or after the first Monday in January 2027 are not eligible for longevity pay.
10 (NRS 3.030) The increases in the base salaries take effect upon the commencement
11 of the next term of any justice or judge and do not apply during the current term of
12 any justice or judge in accordance with the prohibition on the increase of the salary
13 of a justice or judge during the elected term of the justice or judge in the Nevada
14 Constitution. (Nev. Const. Art. 6, § 15)
15 Under existing law, members of the Judicial Retirement Plan who have an
16 effective date of membership on or after July 1, 2015, are required to pay 50
17 percent of the total actuarially determined contribution rate to the Judicial



18 Retirement Plan. (NRS 1A.314) **Section 3** removes that requirement and **sections 1**
19 **and 2** of this bill make conforming changes to eliminate references to that
20 requirement.

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

1 **Section 1.** NRS 1A.160 is hereby amended to read as follows:

2 1A.160 1. The Judicial Retirement Fund is hereby
3 established as a trust fund.

4 2. It is hereby declared to be the policy of the Legislature that
5 the Judicial Retirement Fund is established to afford a degree of
6 security to long-time justices of the Supreme Court, judges of the
7 Court of Appeals, district judges, justices of the peace and
8 municipal judges in this State. The money in the Fund must not be
9 used or appropriated for any purpose incompatible with the
10 provisions of this chapter or NRS 2.060 to 2.083, inclusive, 2A.100
11 to 2A.150, inclusive, or 3.090 to 3.099, inclusive. The Fund must be
12 invested and administered to ensure the highest return consistent
13 with safety in accordance with accepted investment practices.

14 3. All money appropriated by the Legislature to the Judicial
15 Retirement Fund, all money submitted to the System for deposit in
16 the Fund pursuant to NRS 1A.312 , ~~and 1A.314,~~ and all income
17 accruing to the Fund from all other sources must be deposited in the
18 Fund.

19 4. The interest and income earned on the money in the Judicial
20 Retirement Fund, after deducting any applicable charges, must be
21 credited to the Fund.

22 5. The System must pay all retirement allowances, benefits,
23 optional settlements and other obligations or payments payable by
24 the System pursuant to this chapter and NRS 2.060 to 2.083,
25 inclusive, 2A.100 to 2A.150, inclusive, and 3.090 to 3.099,
26 inclusive, from the Judicial Retirement Fund. The money in the
27 Fund must be expended by the Board for the payment of expenses
28 authorized by law to be paid from the Fund.

29 **Sec. 2.** NRS 1A.312 is hereby amended to read as follows:

30 1A.312 ~~[Except as otherwise provided in NRS 1A.314:]~~

31 1. The Court Administrator shall submit to the System for
32 deposit in the Judicial Retirement Fund on behalf of each justice of
33 the Supreme Court, judge of the Court of Appeals or district judge
34 who is a member of the System the percentage of compensation of
35 the member that is determined by the actuary of the System to be
36 required to pay the normal cost incurred in making payments for
37 such members pursuant to subsection 5 of NRS 1A.160 and the



1 administrative expenses of the System that are attributable to such
2 members. Such payments must be:

3 (a) Accompanied by payroll reports that include information
4 deemed necessary by the Board to carry out its duties; and

5 (b) Received by the System not later than 15 days after the
6 calendar month for which the compensation and service credits of
7 members of the System are reported and certified by the Court
8 Administrator. The compensation must be reported separately for
9 each month that it is paid.

10 2. The State of Nevada shall make an appropriation to the
11 Court Administrator and the Court Administrator shall pay to the
12 System for deposit in the Judicial Retirement Fund from any fund
13 created for the purpose of paying pension benefits to justices of the
14 Supreme Court, judges of the Court of Appeals or district judges an
15 amount as the contribution of the State of Nevada as employer
16 which is actuarially determined to be sufficient to provide the
17 System with enough money to pay the benefits for justices of the
18 Supreme Court, judges of the Court of Appeals and district judges
19 for which the System will be liable.

20 3. Upon the participation of a justice of the peace or municipal
21 judge in the Judicial Retirement Plan pursuant to NRS 1A.285, the
22 county or city shall submit to the System for deposit in the Judicial
23 Retirement Fund on behalf of each justice of the peace or municipal
24 judge who is a member of the System the percentage of
25 compensation of the member that is determined by the actuary of the
26 System to be required to pay the normal cost incurred in making
27 payments for such members pursuant to subsection 5 of NRS
28 1A.160 and the administrative expenses of the System that are
29 attributable to such members. Such payments must be:

30 (a) Accompanied by payroll reports that include information
31 deemed necessary by the Board to carry out its duties; and

32 (b) Received by the System not later than 15 days after the
33 calendar month for which the compensation and service credits of
34 members of the System are reported and certified by the county or
35 city. The compensation must be reported separately for each month
36 that it is paid.

37 4. Upon the participation of a justice of the peace or municipal
38 judge in the Judicial Retirement Plan pursuant to NRS 1A.285, the
39 county or city shall pay to the System for deposit in the Judicial
40 Retirement Fund an amount as the contribution of the county or city
41 as employer which is actuarially determined to be sufficient to
42 provide the System with enough money to pay the benefits for
43 justices of the peace and municipal judges for which the System will
44 be liable.



1 5. Except as otherwise provided in this subsection, the total
2 contribution rate that is actuarially determined for members of the
3 Judicial Retirement Plan must be adjusted on the first monthly
4 retirement reporting period commencing on or after July 1 of each
5 odd-numbered year based on the actuarially determined contribution
6 rate indicated in the biennial actuarial valuation and report. The
7 adjusted rate must be rounded to the nearest one-quarter of 1
8 percent. The total contribution rate must not be adjusted pursuant to
9 this subsection if the existing rate is within one-half of 1 percent of
10 the actuarially determined rate.

11 **Sec. 3.** NRS 1A.314 is hereby amended to read as follows:

12 1A.314 For members of the Judicial Retirement Plan who have
13 an effective date of membership on or after July 1, 2015 ~~§~~:

14 ~~—1. A member must pay 50 percent of the total contribution rate~~
15 ~~that is actuarially determined for members of the Judicial~~
16 ~~Retirement Plan pursuant to NRS 1A.312.~~

17 ~~—2. The amount described in subsection 1 must be deducted~~
18 ~~from each payroll during the period of the member's membership in~~
19 ~~the Judicial Retirement Plan and transmitted to the Board at~~
20 ~~intervals designated and upon forms prescribed by the Board. The~~
21 ~~contributions must be paid on compensation earned by a member~~
22 ~~from the member's first day of service.~~

23 ~~—3. The~~, *the* Judicial Retirement Plan shall guarantee to each
24 member the return of at least the total contributions which the
25 member has made and which were credited to the member's
26 individual account. These contributions may be returned to the
27 member, the member's estate or beneficiary or a combination
28 thereof in monthly benefits, a lump-sum refund or both. The
29 relevant provisions of NRS 286.430 apply to a member of the
30 Judicial Retirement Plan who withdraws his or her contributions to
31 the Plan pursuant to this section.

32 **Sec. 4.** NRS 2.050 is hereby amended to read as follows:

33 2.050 1. Until the first Monday in January ~~[2009,]~~ *2027*, the
34 justices of the Supreme Court whose terms of office expire on the
35 first Monday in January ~~[2009]~~ *2027* are entitled to receive an
36 annual base salary of ~~[\$140,000.]~~ *\$170,000*. From and after the first
37 Monday in January ~~[2009,]~~ *2027*, their successors in office are
38 entitled to receive an annual base salary of ~~[\$170,000.]~~ *\$200,000*.
39 *On the first Monday in January every sixth year thereafter, the*
40 *annual base salary of each justice of the Supreme Court must be*
41 *adjusted by an amount equal to the cumulative percentage*
42 *increase in the salaries of the classified employees of this State*
43 *during the immediately preceding term of office of the justice of*
44 *the Supreme Court.*



1 2. Until the first Monday in January ~~[2011,]~~ 2023, the justices
2 of the Supreme Court whose terms of office expire on the first
3 Monday in January ~~[2011]~~ 2023 are entitled to receive an annual
4 base salary of ~~[\$140,000.]~~ \$170,000. From and after the first
5 Monday in January ~~[2011,]~~ 2023, their successors in office are
6 entitled to receive an annual base salary of ~~[\$170,000.]~~ \$200,000.
7 *On the first Monday in January every sixth year thereafter, the*
8 *annual base salary of each justice of the Supreme Court must be*
9 *adjusted by an amount equal to the cumulative percentage*
10 *increase in the salaries of the classified employees of this State*
11 *during the immediately preceding term of office of the justice of*
12 *the Supreme Court.*

13 3. Until the first Monday in January ~~[2013,]~~ 2025, the justices
14 of the Supreme Court whose terms of office expire on the first
15 Monday in January ~~[2013]~~ 2025 are entitled to receive an annual
16 base salary of ~~[\$140,000.]~~ \$170,000. From and after the first
17 Monday in January ~~[2013,]~~ 2025, their successors in office are
18 entitled to receive an annual base salary of ~~[\$170,000.]~~ \$200,000.
19 *On the first Monday in January every sixth year thereafter, the*
20 *annual base salary of each justice of the Supreme Court must be*
21 *adjusted by an amount equal to the cumulative percentage*
22 *increase in the salaries of the classified employees of this State*
23 *during the immediately preceding term of office of the justice of*
24 *the Supreme Court.*

25 4. All salaries provided for in this section are payable in
26 biweekly installments as other state officers are paid.

27 **Sec. 5.** NRS 2A.080 is hereby amended to read as follows:

28 2A.080 1. The annual base salary of each judge of the Court
29 of Appeals *whose term of office begins before the first Monday in*
30 *January 2023* is \$165,000. *From and after the first Monday in*
31 *January 2023, his or her successor in office is entitled to receive*
32 *an annual base salary of \$195,000. On the first Monday in*
33 *January every sixth year thereafter, the annual base salary of*
34 *each judge of the Court of Appeals must be adjusted by an amount*
35 *equal to the cumulative percentage increase in the salaries of the*
36 *classified employees of this State during the immediately*
37 *preceding term of office of the judge of the Court of Appeals.*

38 2. ~~[A]~~ *Except as otherwise provided in this subsection, a*
39 *judge of the Court of Appeals who has served as a justice of the*
40 *Supreme Court, judge of the Court of Appeals or judge of a district*
41 *court, or any combination thereof, for at least 4 years is entitled to*
42 *an additional salary of 2 percent of his or her annual base salary for*
43 *each year of service. The additional salary must not exceed 22*
44 *percent of his or her annual base salary. This subsection does not*
45 *apply to a judge of the Court of Appeals whose initial term of*



1 *office as a judge of the Court of Appeals begins on or after the*
2 *first Monday in January 2023.*

3 3. The salary provided for in this section is payable in biweekly
4 installments as other state officers are paid.

5 **Sec. 6.** NRS 3.030 is hereby amended to read as follows:

6 3.030 1. Until the first Monday in January ~~2009,~~ 2027, the
7 annual base salary of each district judge is ~~[\$130,000.]~~ \$160,000.
8 From and after the first Monday in January ~~2009,~~ 2027, the annual
9 base salary of each district judge is ~~[\$160,000.]~~ \$190,000. *On the*
10 *first Monday in January every sixth year thereafter, the annual*
11 *base salary of each district judge must be adjusted by an amount*
12 *equal to the cumulative percentage increase in the salaries of the*
13 *classified employees of this State during the immediately*
14 *preceding term of office of the district judge.*

15 2. ~~##~~ *Except as otherwise provided in this subsection, if* a
16 district judge has served in his or her office for at least 4 years, the
17 district judge is entitled to an additional salary of 2 percent of his or
18 her annual base salary for each year of service. The additional salary
19 must not exceed 22 percent of his or her annual base salary. *This*
20 *subsection does not apply to a district judge whose initial term of*
21 *office as a district judge begins on or after the first Monday in*
22 *January 2027.*

23 3. The annual base salaries and the additional salary for
24 longevity must be paid in biweekly installments out of the State
25 Judicial Elected Officials Account of the Supreme Court.

26 4. No salary of any district judge may be paid in advance.

27 **Sec. 7.** This act becomes effective on July 1, 2021.

