



# Las Vegas Police Protective Association Metro, Inc.



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Every now and then, politicians try and make headlines claiming they can “reform” the Public Employee Retirement System, supposedly to save money. As the Executive Director for the men and woman of the LVPPA, I find these claims highly offensive and anything but good public policy.

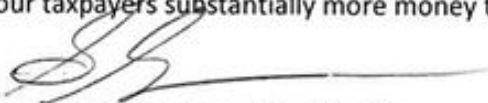
The latest iteration, proposed as a bill draft by State Controller Ron Knecht, would make a change from the current Defined Benefit plan to a Defined Benefit Plan or Defined Contribution plan which ever the employee chooses. Knecht and his followers are trying to claim this would somehow be better for our community. In actuality, nothing could be further from the truth.

Not only would splitting up the current PERS be a slap in the face to all of the men and women who spent their careers contributing to PERS, but in reality it would also drive up the cost for our taxpayers. The National Institute on Retirement Security, in a February 2015 article regarding Defined Benefit change to Defined Contribution, studied three states: West Virginia, Michigan and Alaska. Each one had changed from a DB to a DC. The following is an excerpt from that article:

*“Rather than save states money, these DB to DC switches exacerbated funding problems and drove up the pension. Overall, certain trends appear common to all three states, such as: 1. changing from a DB plan to a DC plan did not help an existing underfunding problem, and, in fact, increased pension plan costs. 2. Workers under the DC plan face increased levels of retirement insecurity. 3. The best way to address a pension underfunding problem is to implement a responsible funding policy of making the full annual required contribution each year and to evaluate and adjust assumptions as well as funding over time.”*

Furthermore, the current PERS DB plan must pay the benefits promised to those employees still in the plan. By taking out employees, which limits money going into the plan, the money to pay the current participants of NVPERS will be less, thus shifting the responsibility to the taxpayers. This would drive up cost to the taxpayers, as those promises must be met.

Not only do we strongly support the current PERS system, we at the LVPPA are very skeptical at the motives for anyone trying to make changes to the plan. If Knecht really had the best interest of Nevada’s hard working public employees in mind, then he would come and work with us rather than propose such a divisive and flawed plan. We have contributed our blood, sweat and tears to earn that pension. We firmly believe that this is nothing more than a money grab by politicians which, in the end, will cost our taxpayers substantially more money than the current plan.

  
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