#### ASSEMBLY BILL NO. 4-JOINT RULES COMMITTEE

### PREFILED JUNE 13, 2001

### Referred to Committee of the Whole

SUMMARY—Establishes judicial retirement system for certain justices of the supreme court and district court judges. (BDR 1-12)

FISCAL NOTE: Effect on Local Government: Yes.

Effect on the State: Contains Appropriation included in Executive Budget.

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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; establishing a judicial retirement system for certain justices of the supreme court and district court judges; providing a penalty; 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.** Title 1 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 68, inclusive, of this act.

Sec. 2. As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 3 to 10, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 3. "Board" means the public employees' retirement board.

Sec. 4. 1. "Compensation" means the salary paid to a justice of the supreme court or district judge by this state including:

(a) Base pay, which is the monthly rate of pay excluding all fringe benefits;

(b) Additional payment for longevity; and

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(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. 5. "Disability retirement allowance" means monthly payments from the judicial retirement fund paid to disabled retired justices of the supreme court or district judges pursuant to the judicial retirement plan.



Sec. 6. "Judicial retirement plan" means the retirement plan established pursuant to section 25 of this act.

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- Sec. 7. "Retired justice or judge" means a justice of the supreme court or district judge who was a member of the judicial retirement plan at the time he retired or who decides, pursuant to section 23 or 24 of this act, to receive benefits for retirement pursuant to the judicial retirement plan.
- Sec. 8. "Service" means all creditable employment which is validated pursuant to the provisions of this chapter and can be used in determining eligibility and scope of benefits for justices of the supreme court or district judges pursuant to the judicial retirement plan.
- Sec. 9. "Service retirement allowance" means monthly payments from the judicial retirement fund paid to a retired justice of the supreme court or district judge pursuant to the judicial retirement plan for the remainder of his life.
- Sec. 10. "System" means the judicial retirement system established pursuant to this chapter.
- Sec. 11. 1. A system of retirement providing benefits for the retirement, disability or death of all justices of the supreme court and district judges and funded on an actuarial reserve basis is hereby established and must be known as the judicial retirement system.
- 2. The system consists of the judicial retirement plan and the provisions set forth in NRS 2.060 to 2.075, inclusive, and section 70 of this act and NRS 3.090 to 3.097, inclusive, and section 75 of this act for providing benefits to justices of the supreme court or district judges who served either as a justice of the supreme court or district judge before November 5, 2002. Each justice of the supreme court or district judge who is not a member of the public employees' retirement system is a member of the system.
- 3. The official correspondence and records, other than the files of individual members of the system or retired justices or judges, and the minutes and books of the system are public records and are available for
- 4. The system must be administered exclusively by the board, which shall make all necessary rules and regulations for the administration of the system. The rules must include, without limitation, rules relating to the administration of the retirement plans in accordance with federal law. The legislature shall regularly review the system.
- Sec. 12. All records maintained for a member of the system, retired 40 justice or judge, justice or judge who retired pursuant to NRS 2.060 to 2.075, inclusive, and section 70 of this act, or pursuant to NRS 3.090 to 3.097, inclusive, and section 75 of this act, or his beneficiary may be 43 reviewed and copied only by the system, the member, the court administrator, the spouse of the member, or the retired justice or judge or his spouse, or pursuant to a court order, or by a beneficiary after the death of the justice or judge on whose account benefits are received pursuant to the system. Any member, retired justice or judge, justice or 48 judge who retired pursuant to NRS 2.060 to 2.075, inclusive, and section 70 of this act, or pursuant to NRS 3.090 to 3.097, inclusive, and section



75 of this act, or beneficiary may submit a written waiver to the system authorizing his representative to review or copy all such records.

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Sec. 13. 1. The judicial retirement fund is hereby established as a trust fund.

- 2. It is hereby declared to be the policy of the legislature that the judicial retirement fund is established to afford a degree of security to long-time justices of the supreme court and district judges in this state. The money in the fund must not be used or appropriated for any purpose incompatible with the provisions of this chapter or NRS 2.060 to 2.075, inclusive, and section 70 of this act, or NRS 3.090 to 3.097, inclusive, and section 75 of this act. The fund must be invested and administered to ensure the highest return consistent with safety in accordance with accepted investment practices.
- 3. All money appropriated by the legislature to the judicial retirement fund, all money submitted to the system for deposit in the fund pursuant to section 14 of this act and all income accruing to the fund from all other sources must be deposited in the fund.
- 4. The interest and income earned on the money in the judicial retirement fund, after deducting any applicable charges, must be credited to the fund.
- 5. The system must pay all retirement allowances, benefits, optional settlements and other obligations or payments payable by the system pursuant to this chapter and NRS 2.060 to 2.075, inclusive, and section 70 of this act and NRS 3.090 to 3.097, inclusive, and section 75 of this act from the judicial retirement fund. The money in the fund must be expended by the board for the payment of expenses authorized by law to be paid from the fund.
- Sec. 14. 1. Beginning July 1, 2003, the court administrator shall submit to the system for deposit in the judicial retirement fund on behalf of each 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 pursuant to subsection 5 of section 13 of this act and any administrative expenses of the system. 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 benefits for which the system will be liable.



- Sec. 15. 1. The board shall establish a fund known as the judicial retirement administrative fund in which must be deposited all administrative fees.
- 2. The board shall fix an administrative fee per capita sufficient to pay the expense of operating the judicial retirement system.
- Sec. 16. 1. The board may establish a fund to pay the accrued benefits of a member of the system that are not payable because of the limitations set forth in section 27 of this act. The fund must be established in accordance with the provisions of section 415(m) of the Internal Revenue Code, 26 U.S.C. § 415(m), and must be separate from the judicial retirement fund.
- 2. If the board establishes a fund pursuant to subsection 1, the benefits that are required to be paid from the fund must be paid from money in the fund.
- Sec. 17. The board has the exclusive control of the administration and investment of the judicial retirement fund, with the same powers and duties and subject to the same limitations and restrictions that are applicable to the administration and investment of the public employees' retirement fund.
- Sec. 18. Except as specifically provided in this chapter, the accounts of members of the system and recipients of benefits of the system must be administered in accordance with the provisions of chapter 286 of NRS as if the justice of the supreme court or the district judge were or had been a member of the public employees' retirement system.
- Sec. 19. 1. The board shall not change the actuarial assumptions used in computing the benefits provided to a member of the system.
- 2. The board shall make available to every member of the system upon request the actuarial assumptions used in computing the benefits provided to a member of the system.
- Sec. 20. 1. The board, subject to the limitations of this chapter, is responsible for managing the system.
  - 2. The board shall:

- (a) Arrange for a biennial actuarial valuation and report of the actuarial soundness of the system to be prepared by an independent actuary based upon data compiled and supplied by employees of the system, and shall adopt actuarial tables and formula prepared and recommended by the actuary;
- (b) Provide for a biennial audit of the system, including, without limitation, the judicial retirement administrative fund, by an independent certified public accountant; and
- (c) Provide an annual report concerning the judicial retirement system established pursuant to this chapter to the court administrator, the governor and each member of the legislature, and make the report available to all members of the judicial retirement system upon request. The report must contain, when available, a review of the actuarial valuation required by paragraph (a).
  - 3. The board may:
- (a) Adjust the service or correct the records, allowance or benefits of any member of the system, retired justice or judge or beneficiary after an



error or inequity has been determined, and require repayment of any money determined to have been paid by the system in error, if the money was paid within 6 years before demand for its repayment.

(b) Examine and copy personnel and financial records of a justice of the supreme court or district judge that are maintained by the court administrator.

- (c) Require an annual notarized statement from a retired justice or judge or beneficiary that he is in fact receiving an allowance or benefits, and withhold the allowance or benefits if he fails to provide the statement.
- 4. As used in this section, "error or inequity" means the existence of extenuating circumstances, including, without limitation, a member's reasonable and detrimental reliance on representations made by the system which prove to be erroneous, or the mental incapacity of the member.
- Sec. 21. 1. No person may become a member of the judicial retirement system unless he is a justice of the supreme court or a district judge.
- 2. Except as otherwise provided in section 32 of this act, persons retired under the provisions of this chapter who are employed as a justice of the supreme court or district judge in any judicial capacity, including, without limitation, employment as a senior justice or senior judge of the Nevada court system, are not eligible to become members of the system.
- Sec. 22. 1. Membership of a justice of the supreme court or a district judge in the system terminates upon:
- (a) The death of a member;

- (b) Receipt of retirement allowances by a member of the judicial retirement plan or retirement benefits pursuant to NRS 2.060 to 2.075, inclusive, and section 70 of this act, or pursuant to NRS 3.090 to 3.097, inclusive, and section 75 of this act; or
- (c) Receipt of disability allowances by a member of the judicial retirement plan or disability benefits pursuant to NRS 2.060 to 2.075, inclusive, and section 70 of this act, or pursuant to NRS 3.090 to 3.097, inclusive, and section 75 of this act.
- 2. A retired justice or judge is not entitled to any right conferred by this chapter upon a member of the system unless the provision conferring that right expressly states that it is conferred upon a retired justice or judge.
- 3. A justice or judge who retired pursuant to NRS 2.060 to 2.075, inclusive, and section 70 of this act, or pursuant to NRS 3.090 to 3.097, inclusive, and section 75 of this act, is not entitled to any right conferred by this chapter upon a member of the system unless the provision conferring that right expressly states that it is conferred upon a justice or judge who retired pursuant to NRS 2.060 to 2.075, inclusive, and section 70 of this act, or pursuant to NRS 3.090 to 3.097, inclusive, and section 75 of this act.
- 47 Sec. 23. 1. Each justice of the supreme court or district judge who 48 is elected or appointed as a justice of the supreme court or a district 49 judge on or after November 5, 2002, who takes office on or after



January 1, 2003, and who previously has not served as either a justice of the supreme court or a district judge must receive benefits for retirement, benefits for disability and survivor benefits under the judicial retirement plan, if eligible to receive such benefits under the judicial retirement plan, unless he is a member of the public employees' retirement system and elects to remain a member pursuant to section 24 of this act if eligible to do so.

2. Each justice of the supreme court or district judge who is elected or appointed as a justice of the supreme court or district judge on or after November 5, 2002, and who previously has served as either a justice of the supreme court or a district judge must receive benefits for retirement, benefits for disability and survivor benefits pursuant to either:

(a) NRS 2.060 to 2.075, inclusive, and section 70 of this act or NRS 3.090 to 3.097, inclusive, and section 75 of this act, as those sections existed on November 5, 2002, if eligible to receive such benefits under such provisions; or

(b) The judicial retirement plan, if eligible to receive such benefits under the judicial retirement plan,

whichever is most beneficial to the justice or judge or his survivor, as determined by the justice or judge at the time of his retirement or the time at which he becomes disabled, or as determined by his survivor at the time of his death, unless he is a member of the public employees' retirement system and elects to remain a member pursuant to section 24 of this act if eligible to do so. A survivor may not change a determination that affects the survivor and which was made by a justice or judge pursuant to this section while the justice or judge was alive.

3. A determination made pursuant to subsection 2 is final and if a justice or judge or his survivor determines pursuant to subsection 2:

(a) To receive benefits pursuant to the judicial retirement plan, the justice, judge or survivor may not receive benefits pursuant to NRS 2.060 to 2.075, inclusive, and section 70 of this act or pursuant to NRS 3.090 to 3.097, inclusive, and section 75 of this act; or

(b) To receive benefits pursuant to NRS 2.060 to 2.075, inclusive, and section 70 of this act or pursuant to NRS 3.090 to 3.097, inclusive, and section 75 of this act, the justice, judge or survivor may not receive benefits pursuant to the judicial retirement plan.

4. No justice of the supreme court or district judge or survivor of a justice of the supreme court or district judge may receive benefits under both this chapter and:

- (a) NRS 2.060 to 2.075, inclusive, and section 70 of this act; or
- (b) NRS 3.090 to 3.097, inclusive, and section 75 of this act.
- 5. A justice of the supreme court or district judge or a survivor of a justice of the supreme court or district judge who is receiving retirement allowances pursuant to NRS 2.060 to 2.075, inclusive, and section 70 of this act, or pursuant to NRS 3.090 to 3.097, inclusive, and section 75 of this act, on January 1, 2003, is not eligible for transfer to the judicial retirement plan.
- Sec. 24. 1. A person who is elected or appointed as a justice of the supreme court or district judge on or after November 5, 2002, and takes



office on or after January 1, 2003, who is a member of the public employees' retirement system established pursuant to chapter 286 of NRS on the date that he is elected or appointed may withdraw from the public employees' retirement system and become a member of the judicial retirement plan if he gives 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. Such notice must be given to the board within the time set forth in subsection 3 and must be given the first time that the justice or judge is elected or appointed while he is a member of the public employees' retirement system.

- 2. A justice or judge may not become a member of the judicial retirement plan pursuant to subsection 1 if he has previously been elected or appointed on or after November 5, 2002, and taken office on or after January 1, 2003, while he was a member of the public employees' retirement system and he did not give notice of his intention to withdraw from the public employees' retirement system and to become a member of the judicial retirement plan in the manner set forth in this section.
- 3. Written notice given pursuant to subsection 1 must be received by the board:
- (a) If the justice or judge is elected, by March 31 of the year immediately following the year in which he was elected; or
- (b) If the justice or judge is appointed, within 90 days after his appointment.
- 4. If the board receives notice pursuant to this section that a justice or 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.
- 5. A justice or judge who exercises the option granted by this section may not reestablish the service for which the liabilities were transferred.
- 6. No justice of the supreme court or district judge or survivor of a justice of the supreme court or district judge may receive benefits under both this chapter and chapter 286 of NRS.
- 7. A justice of the supreme court or district judge or survivor of a justice of the supreme court or district judge who is receiving a retirement allowance from the public employees' retirement system on January 1, 2003, is not eligible for transfer to the judicial retirement plan.
- Sec. 25. 1. A plan under which all justices of the supreme court and district judges who are elected or appointed for the first time as either a justice of the supreme court or district judge on or after November 5, 2002, and who take office on or after January 1, 2003, and who do not elect to remain in the public employees' retirement system, if



eligible to do so, must receive benefits for retirement, disability and death is hereby established and must be known as the judicial retirement plan.

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- 2. Each justice of the supreme court or district judge elected or appointed for the first time as either a justice of the supreme court or district judge on or after November 5, 2002, and who takes office on or after January 1, 2003, and who does not elect pursuant to section 24 of this act to remain in the public employees' retirement system, if eligible to do so, is a member of the judicial retirement plan.
- 3. Benefits are earned pursuant to the judicial retirement plan in the manner set forth in sections 26 to 68, inclusive, of this act.
- Sec. 26. Except as otherwise required as a result of section 27 of this act:
- 1. A member of the judicial retirement plan who has 5 years of creditable service may, except as otherwise provided in subsection 2, purchase up to 5 years of service. The member must pay the full actuarial cost of the service as determined by an actuary of the system.
- 2. A justice or judge may purchase creditable service pursuant to subsection 1 only if, at the time of the purchase, he is employed in a position whose occupant is eligible for membership in the judicial retirement plan.
  - 3. A member of the judicial retirement plan may use:
- (a) All or any portion of the balance of his interest in a qualified trust pursuant to section 401(a) of the Internal Revenue Code, 26 U.S.C. § 401(a); or
- (b) The money contained in an individual retirement account or in an individual retirement annuity of a member, the entire amount of which is:
- (1) Attributable to a qualified distribution from a qualified trust pursuant to section 401(a) of the Internal Revenue Code, 26 U.S.C. § 401(a); and
- (2) Qualified as an eligible rollover distribution pursuant to section 402 of the Internal Revenue Code, 26 U.S.C. § 402, to purchase creditable service pursuant to subsection 1.
- 4. If a member of the judicial retirement plan enters into an agreement whereby he agrees to pay for the purchase of service credit in installments and he defaults on that agreement, the member is entitled to receive service credit in the proportion that the principal paid bears to the principal due under the agreement.
- Sec. 27. Notwithstanding any other provision of law, the benefits payable to and the contributions made for the benefit of a member of the judicial retirement plan are limited pursuant to the provisions of sections 415(b) and 415(c) of the Internal Revenue Code, 26 U.S.C. §§ 415(b) and 415(c), that apply to governmental plans.
- Sec. 28. Service credit for a member of the judicial retirement plan begins on the day his term of office begins and terminates on the day his term of office expires, unless sooner terminated on the day of his death, resignation or removal from office.
- Sec. 29. Except as otherwise provided in this chapter, a member of the judicial retirement plan must not receive credit in the plan for service



that entitled the member to credit for retirement purposes in any other retirement system operated by the federal or a state government, or any of their agencies or political subdivisions, including, without limitation, the Social Security Act.

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Sec. 30. 1. A member of the judicial retirement plan is eligible to retire at the age of 65 years if he has at least 5 years of service, at the age of 60 years if he has at least 10 years of service and at any age if he has at least 30 years of service.

2. Any member of the judicial retirement plan who has the years of creditable service necessary to retire, but has not attained the required age, if any, may retire at any age with a benefit actuarially reduced to the required retirement age. Except as otherwise required as a result of section 27 of this act, a retirement benefit pursuant to this subsection must be reduced by 4 percent of the unmodified benefit for each full year that the member is under the appropriate retirement age, and an additional 0.33 percent for each additional month that the member is under the appropriate retirement age. Any option selected pursuant to this subsection must be reduced by an amount proportionate to the reduction provided in this subsection for the unmodified benefit. The board may adjust the actuarial reduction based upon an experience study of the system and recommendation by the actuary.

Sec. 31. 1. Except as otherwise provided in subsection 4 and sections 32 and 33 of this act, if a retired justice or judge accepts employment as a justice of the supreme court or district judge in any judicial capacity, including, without limitation, employment as a senior justice or senior judge of the Nevada court system, he is disqualified from receiving any allowances under the judicial retirement plan for the duration of his active service.

2. If a retired justice or judge accepts any employment other than that described in subsection 1, the justice or judge is entitled to the same allowances as a retired justice or judge who has no employment.

3. If a retired justice or judge who accepts employment as a justice of the supreme court or district judge in a judicial capacity pursuant to this section elects not to reenroll in the judicial retirement plan pursuant to subsection 1 of section 32 of this act, the court administrator may pay contributions on behalf of the retired justice or judge to a retirement fund which is not a part of the judicial retirement plan in an amount not to exceed the amount of the contributions that the court administrator would pay to the system on behalf of a participating justice or judge who is employed in a similar position.

4. The system may waive for one period of 30 days or less a retired justice's or judge's disqualification under this section if the chief justice of the supreme court certifies in writing, in advance, that the retired justice or judge is recalled to meet an emergency and that no other qualified person is immediately available.

Sec. 32. 1. A retired justice or judge who accepts employment as a justice of the supreme court or district judge in any judicial capacity, including, without limitation, employment as a senior justice or senior judge of the Nevada court system, may enroll in the judicial retirement



plan as of the effective date of that employment. As of the date of enrollment:

- (a) He forfeits all retirement allowances for the duration of that employment; and
- (b) Except as otherwise required as a result of section 27 or 35 of this act, if the duration of the employment is at least 6 months, he gains additional service credit for that employment and is entitled to have a separate service retirement allowance calculated based on his compensation and service, effective upon the termination of that employment. If the duration of the employment is:
- (1) Less than 5 years, the additional allowance must be added to his original allowance and must be under the same option and designated the same beneficiary as the original allowance; or
- (2) Five years or more, the additional allowance may be under any option and designate any beneficiary in accordance with section 38 of this act.
- 2. The original service retirement allowance of such a retired justice or judge must not be recalculated based upon the additional service credit, nor is he entitled to any of the rights of membership that were not in effect at the time of his original retirement. The accrual of service credit pursuant to this section is subject to the limits imposed by:
  - (a) Section 39 of this act; and

- (b) Section 415 of the Internal Revenue Code, 26 U.S.C. § 415.
- 3. Except as otherwise required as a result of section 27 or 35 of this act, a retired justice or judge who has been receiving a retirement allowance pursuant to the judicial retirement plan and who is reemployed and is enrolled in the plan for at least 5 years may have his additional credit for service added to his previous credit for service. This additional credit for service must not apply to more than one period of employment after the original retirement.
- 4. The survivor of a deceased member of the judicial retirement plan who had previously retired and was reemployed and enrolled in the plan, who qualifies for benefits pursuant to sections 52 to 67, inclusive, of this act, is eligible for the benefits based on the service accrued through the second period of employment.
- Sec. 33. 1. The provisions of subsection 1 of section 31 of this act do not apply to a retired justice or judge who accepts employment as a justice of the supreme court or district judge in a judicial capacity if:
  - (a) He fills a position for which there is a critical labor shortage; and
  - (b) At the time of his reemployment, he is receiving:
    - (1) An unmodified benefit; or
- (2) A benefit actuarially reduced pursuant to subsection 2 of section 30 of this act and has reached the required age at which he could have retired with an unmodified benefit.
- 2. A retired justice or judge who is reemployed under the circumstances set forth in subsection 1 may reenroll in the judicial retirement plan as provided in section 32 of this act.
- 48 3. The supreme court shall designate positions in the judicial branch 49 of state government for which there are critical labor shortages.



Sec. 34. Notwithstanding any other provision of law, every distribution to a member of the judicial retirement plan must be made pursuant to the provisions of section 401(a)(9) of the Internal Revenue Code, 26 U.S.C. § 401(a)(9), that apply to governmental plans.

- Sec. 35. Notwithstanding any other provision of law, the amount of compensation used to determine the retirement benefit of a member of the judicial retirement plan must not exceed the limitation provided by section 401(a)(17) of the Internal Revenue Code, 26 U.S.C. § 401(a)(17).
- Sec. 36. Forfeitures must not be applied to increase the benefits any member of the judicial retirement plan would otherwise receive pursuant to the provisions governing the plan as provided by section 401(a)(8) of the Internal Revenue Code, 26 U.S.C. § 401(a)(8).
- Sec. 37. 1. Applications for service retirement allowances or disability retirement allowances must be submitted to the offices of the system on forms approved by the executive officer of the board. The form must not be deemed filed unless it contains:
- (a) The member of the judicial retirement plan's selection of the retirement plan contained in section 39 of this act or one of the optional plans provided in section 40 of this act;
- (b) A notarized statement of the marital status of the member of the judicial retirement plan; and
- (c) If the member of the system is married, a statement of the spouse's consent or objection to the chosen retirement plan, signed by the spouse and notarized.
- 2. Except as otherwise required by section 34 of this act, retirement becomes effective on whichever of the following days is the later:
- (a) The day immediately following the applicant's last day of employment;
- (b) The day the completed application form is filed with the system;
- (c) The day immediately following the applicant's last day of creditable service; or
  - (d) The effective date of retirement specified on the application form.
- 3. The selection of a retirement plan by a member of the judicial retirement plan and consent or objection to that plan by the spouse pursuant to this section does not affect the responsibility of the member concerning the rights of any present or former spouse.
- 4. The system is not liable for any damages resulting from the false designation of marital status by a member of the system or a retired justice or judge, or a justice of the supreme court or district judge who retires pursuant to NRS 2.060 to 2.075, inclusive, and section 70 of this act, or pursuant to NRS 3.090 to 3.097, inclusive, and section 75 of this act.
- Sec. 38. 1. If the spouse of the member of the judicial retirement plan does not consent to the retirement plan chosen by the member before the date on which the retirement becomes effective pursuant to section 37 of this act the system must:
- 47 (a) Notify the spouse that he has 90 days to consent or have the 48 member change his selection; and



(b) Pay the retirement at the amount calculated for Option 2 provided in section 40 of this act until the spouse consents or for 90 days, whichever is less.

- 2. Upon consent of the spouse or at the end of the 90 days, the retirement benefit must be recalculated and paid under the terms of the option originally selected by the member retroactively to the date on which the retirement became effective.
- Sec. 39. Except as otherwise required as a result of section 27 or 35 of this act:
- 1. Except as otherwise provided in this subsection, a monthly service retirement allowance must be determined by multiplying a member of the judicial retirement plan's average compensation by 3.4091 percent for each year of service, except that a member of the plan is entitled to a benefit of not more than 75 percent of his average compensation with his eligibility for service credit ceasing at 22 years of service.
- 2. For the purposes of this section, "average compensation" means the average of a member of the plan's 36 consecutive months of highest compensation as certified by the court administrator.
- Sec. 40. 1. The alternatives to an unmodified service retirement allowance are as follows:
- (a) Option 2 consists of a reduced service retirement allowance payable monthly during the retired justice's or judge's life, with the provision that it continue after his death for the life of the beneficiary whom he nominates by written designation acknowledged and filed with the board at the time of retirement should the beneficiary survive him.
- (b) Option 3 consists of a reduced service retirement allowance payable monthly during the retired justice's or judge's life, with the provision that it continue after his death at one-half the rate paid to him and be paid for the life of the beneficiary whom he nominates by written designation acknowledged and filed with the board at the time of retirement should the beneficiary survive him.
- (c) Option 4 consists of a reduced service retirement allowance payable monthly during the retired justice's or judge's life, with the provision that it continue after his death for the life of his beneficiary, whom he nominates by written designation acknowledged and filed with the board at the time of the election, should his beneficiary survive him, beginning on the attainment by the surviving beneficiary of age 60 years.
- (d) Option 5 consists of a reduced service retirement allowance payable monthly during the retired justice's or judge's life, with the provision that it continue after his death at one-half the rate paid to him and be paid for the life of his beneficiary whom he nominates by written designation acknowledged and filed with the board at the time of the election, should his beneficiary survive him, beginning on the attainment by the surviving beneficiary of age 60 years.
- (e) Option 6 consists of a reduced service retirement allowance payable monthly during the retired justice's or judge's life, with the provision that a specific sum per month, which cannot exceed the monthly allowance paid to the retired justice or judge, be paid after his death to the beneficiary for the life of the beneficiary whom he



nominates by written designation acknowledged and filed with the board at the time of retirement, should the beneficiary survive him.

(f) Option 7 consists of a reduced service retirement allowance payable monthly during the retired justice's or judge's life, with the provision that a specific sum per month, which cannot exceed the monthly allowance paid to the retired justice or judge, be paid after his death to the beneficiary for the life of the beneficiary whom he nominates by written designation acknowledged and filed with the board at the time of election, should the beneficiary survive him, beginning on the attainment by the surviving beneficiary of age 60 years.

2. Post-retirement allowances must be considered a part of a retired justice's or judge's monthly benefit and included in the allowance paid to a beneficiary under one of the optional plans set forth in this section.

- Sec. 41. 1. If a member of the judicial retirement plan enters retirement status under one of the optional plans described in section 40 of this act and the designated beneficiary predeceases the retired justice or judge, the monthly retirement allowance must be automatically adjusted to the unmodified retirement allowance provided in section 39 of this act.
- 2. A retired justice or judge may not change the selected option or designated beneficiary after the effective date of retirement except as otherwise provided in subsection 3 and subsection 3 of section 32 of this act.
- 3. A retired justice or judge may cancel his selected option and designation of beneficiary and revert to the unmodified retirement allowance. He shall make this election by written designation, acknowledged and filed with the board. The written election must be accompanied by a written, notarized acknowledgment of the change by the beneficiary if the beneficiary is the spouse of the retired justice or judge. The election to cancel a selected option and revert to the unmodified allowance does not abrogate any obligation of the retired justice or judge respecting community property.
- 4. The termination or adjustment of a monthly retirement allowance resulting from the death of a justice or judge or beneficiary must not become effective until the first day of the month immediately following the death of the retired justice or judge or beneficiary.
- Sec. 42. Each person who receives benefits from the judicial retirement fund pursuant to the system is entitled to receive cost-of-living increases equivalent to those provided for retirees and beneficiaries of the public employees' retirement system.
- Sec. 43. 1. In addition to the options provided in NRS 287.023 and subject to the requirements of that section, any justice of the supreme court or district judge who retires under the conditions set forth in section 30 of this act and, at the time of his retirement, was covered or had his dependents covered by any group insurance or medical and hospital service established pursuant to NRS 287.010 and 287.020, has the option of having the executive officer of the board deduct and pay his premium or contribution for that group insurance or medical and hospital service coverage, as well as the amount due or to become due



upon any obligation designated by the board pursuant to subsection 2, from his monthly retirement allowance until:

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- (a) He notifies the executive officer of the board to discontinue the deduction; or
- (b) Any of his dependents elect to assume the premium or contribution applicable to the dependent's coverage before the death of such a retired justice or judge and continue coverage pursuant to NRS 287.023 after his death.
- 2. The board may adopt regulations to carry out the provisions of subsection 1, including, without limitation, regulations governing the number and types of obligations, amounts for the payment of which may be deducted and paid by the board at the option of the retired justice or judge pursuant to this section.
- 3. The executive officer of the board, the board and the system are not liable for any damages resulting from errors or omissions concerning the deductions and payment of premiums or contributions authorized pursuant to this section unless willful neglect or gross negligence is proven.
- Sec. 44. 1. A member of the judicial retirement plan who has 5 years or more of service credit and who becomes totally unable to perform his current job or any comparable job for which he is qualified by his training and experience, because of injury or mental or physical illness of a permanent nature is eligible to apply for disability retirement if:
- (a) Except as otherwise provided in subsection 5, his employment as a justice of the supreme court or district judge will be terminated because of the disability;
- (b) He is employed as a justice of the supreme court or a district judge at the time of application for disability retirement;
- (c) He proves that his disability renders him unable to perform the duties of his present position and of any other position he has held within the past year;
- (d) He files a notarized application for disability retirement with the system which indicates a selection of option and to which is attached a personal statement by the member of the judicial retirement plan, describing the disability, the duties which he can and cannot perform, and any benefits he is entitled to receive for disability from any other public source; and
- (e) The court administrator files an official statement certifying the member's employment record, record of disability, absences that have occurred because of the disability, the effect upon the work of the member after the disability, and job functions that can and cannot be performed because of the disability.
- 2. Except as otherwise required as a result of section 27 of this act, the amount of the disability retirement allowance must be calculated in the same manner as provided for service retirement calculations in section 39 of this act, except that no reduction for the age of a member of the judicial retirement plan may be made and that the allowance must be



reduced by the amount of any other benefit received from any source on account of the same disability:

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- (a) If the benefit is provided or was purchased by the expenditure of money by a Nevada public employer; and
- (b) To the extent that the total of the unmodified benefit and the other benefit would otherwise exceed his average compensation.
- 3. A member of the judicial retirement plan may apply for disability retirement even if he is eligible for service retirement.
- 4. Each child of a deceased recipient of a disability retirement allowance is entitled to receive the benefits provided by section 57 of this act only if the decedent had not reached the age and completed the service required to be eligible for a service retirement allowance, except that these benefits must not be paid to anyone who is named as a beneficiary under one of the options to an unmodified allowance.
- 5. If a member of the judicial retirement plan whose application for disability retirement has been:
- (a) Approved, dies before his employment is terminated, but within 60 days after his application was approved; or
- (b) Mailed before his death as indicated by the date of the postmark dated by the post office on the envelope in which it was mailed, dies before the board has acted upon his application and the board approves thereafter his application,
- 23 his beneficiary is entitled to receive an allowance under the option 24 selected rather than the benefit otherwise provided for a survivor.
  - 6. The termination or adjustment of a disability retirement allowance resulting from the death of a recipient of an allowance pursuant to this section must not become effective until the first day of the month immediately following the death of the recipient.
  - 7. As used in this section, "public employer" has the meaning ascribed to it in NRS 286.070.
  - Sec. 45. The provisions of NRS 286.630, 286.634 and 286.637, concerning disability retirement, apply to a member of the judicial retirement plan who is receiving a disability retirement allowance pursuant to section 44 of this act.
  - Sec. 46. 1. When the recipient of a disability retirement allowance is determined by the board to be no longer disabled, his allowance must be canceled.
  - 2. A retired justice or judge who retired on account of disability whose benefit is canceled may:
  - (a) Suspend his monthly benefit until eligible for service retirement; or
  - (b) Elect a service retirement reduced for his age if he has the service credit necessary to retire.
  - Sec. 47. 1. Except as otherwise provided in subsection 2, whenever a recipient of a disability retirement allowance pursuant to section 44 of this act returns to employment as a justice of the supreme court or district judge, the allowance must be discontinued and his service credit at the time of disability retirement must be restored. The member shall retire under the same retirement plan previously selected for retirement



on account of disability if he returns to disability retirement or elects service retirement within I year after his return to employment.

- 2. A recipient of a disability retirement allowance may be employed and continue to receive his allowance if he applies to the board for approval of the employment before he begins to work and the board approves his application. The application must include:
  - (a) A full description of the proposed employment; and

- (b) A statement written by the member of the system declaring the reasons why the proposed employment should not be found to conflict with his disability.
- Sec. 48. Any person convicted of the murder or voluntary manslaughter of a member of the system is ineligible to receive any benefit conferred by any provision of this chapter or NRS 2.060 to 2.075, inclusive, and section 70 of this act, or NRS 3.090 to 3.097, inclusive, and section 75 of this act, by reason of the death of that member. The system may withhold the payment of any benefit otherwise payable under this chapter by reason of the death of any member of the system from any person charged with the murder or voluntary manslaughter of that member, pending final determination of those charges.
- Sec. 49. 1. Except as otherwise provided in NRS 31A.150 and section 50 of this act and as limited by subsection 2, the right of a person to a pension, an annuity, a retirement allowance, the pension, annuity or retirement allowance itself, any optional benefit or death benefit or any other right accrued or accruing to any person under the provisions of this chapter, and the money in the judicial retirement fund, is:
- (a) Exempt from all state, county and municipal taxes;
- (b) Not subject to execution, garnishment, attachment or any other process;
  - (c) Not subject to the operation of any bankruptcy or insolvency law;
  - (d) Not assignable, by power of attorney or otherwise; and
- (e) Exempt from assessment for the impairment or insolvency of any life or health insurance company.
- 2. The system may withhold money from a benefit when the person applying for or receiving the benefit owes money to the system.
- Sec. 50. 1. A person may submit a judgment, decree or order of a district court or the supreme court of the State of Nevada relating to child support, alimony or the disposition of community property to the executive officer of the board or his designee for a determination of whether the judgment, decree or order entitles an alternate payee to receive from the system all or a portion of the allowance or benefit of a member of the judicial retirement plan or a retired justice or judge.
- 2. The judgment, decree or order submitted to the executive officer of the board or his designee must be signed by a district judge or by the justices of the supreme court and entered and certified by the clerk of the district court or the clerk of the supreme court.
- 3. The executive officer of the board or his designee shall, in accordance with rules prescribed by the board, determine whether the judgment, decree or order entitles the alternate payee to receive an allowance or benefit from the system. An alternate payee is entitled to



receive an allowance or benefit from the judicial retirement plan if the judgment, decree or order:

 (a) Specifies clearly the names, social security numbers and last known mailing addresses, if any, of the member of the judicial retirement plan or retired justice or judge and the alternate payee;

(b) Specifies clearly the amount, percentage or manner of determining the amount of the allowance or benefit of the member of the judicial retirement plan or retired justice or judge that must be paid by the system to each alternate payee;

(c) Specifically directs the system to pay an allowance or benefit to the alternate payee;

(d) Does not require the system to provide an allowance or benefit or any option not otherwise provided under this chapter; and

(e) Does not require the payment of an allowance or benefit to an alternate payee before the retirement of a member of the judicial retirement plan.

4. For the purposes of this subsection, "alternate payee" means a spouse, former spouse, child or other dependent of a member of the judicial retirement plan or retired justice or judge who, pursuant to a judgment, decree or order relating to child support, alimony or the disposition of community property, is entitled to receive all or a portion of the allowance or benefit of a member or retired justice or judge from the system.

Sec. 51. 1. Any check for benefits which has not been paid within 5 years after being transferred to the account for unclaimed benefits must be transferred to the judicial retirement fund.

2. If, within 6 years after a check for benefits has been transferred pursuant to subsection 1, any person appears and claims the money, the claimant may file a petition in the district court for Carson City stating the nature of his claim, with an appropriate prayer for the relief demanded. A copy of the petition must be served upon the attorney general before or at the time it is filed. Within 20 days after service, the attorney general shall appear in the proceeding and respond to the petition. If, after examining all the facts, the attorney general is convinced that the system has no legal defense against the petition, he may, with the consent of the court, confess judgment on behalf of the system.

3. If judgment is not confessed, the petition must be considered at issue on the 20th day after its filing, and may be heard by the court on that day, or at such future day as the court may order. Upon the hearing, the court shall examine into the claim and hear the allegations and proofs. If the court finds that the claimant is entitled to any money transferred pursuant to subsection 1 to the judicial retirement fund, it shall order the board to pay the money forthwith to the claimant, but without interest or cost to the board.

4. All persons, except minors and persons of unsound mind, who fail to appear and file their petitions within the time limited in subsection 1 are forever barred. Minors and persons of unsound mind may appear



and file their petitions at any time within 5 years after their respective disabilities are removed.

- Sec. 52. As used in sections 52 to 66, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 53, 54 and 55 of this act have the meanings ascribed to them in those sections.
- Sec. 53. "Child" means an unmarried person under 18 years of age who is the issue or legally adopted child of a deceased member of the judicial retirement plan. As used in this section, "issue" means the progeny or biological offspring of the deceased member.
- Sec. 54. "Dependent parent" means the surviving parent of a deceased member of the judicial retirement plan who was dependent upon the deceased member for at least 50 percent of his support for at least 6 months immediately preceding the death of the deceased member.
- Sec. 55. "Spouse" means the surviving husband or wife of a deceased member of the judicial retirement plan.
- Sec. 56. 1. Except as otherwise provided in subsection 3, if a deceased member of the judicial retirement plan had 2 years of creditable service in the 2 1/2 years immediately preceding his death, or if the employee had 10 or more years of creditable service, certain of his dependents are eligible for payments as provided in sections 52 to 66, inclusive, of this act. If the death of the member resulted from a mental or physical condition which required him to leave his position as a justice of the supreme court or district judge or go on leave without pay, eligibility pursuant to the provisions of this section extends for 18 months after his termination or commencement of leave without pay.
- 2. If the death of a member of the judicial retirement plan occurs while he is on leave of absence for further training and if he met the requirements of subsection 1 at the time his leave began, certain of his dependents are eligible for payments as provided in subsection 1.
- 3. If the death of a member of the judicial retirement plan is caused by an occupational disease or an accident arising out of and in the course of his employment, no prior creditable service is required to make his dependents eligible for payments pursuant to sections 52 to 66, inclusive, of this act, except that this subsection does not apply to an accident occurring while the member is traveling between his home and his principal place of employment.
- 4. As used in this section, "dependent" includes a survivor beneficiary designated pursuant to section 60 of this act.
- Sec. 57. 1. Each child of a deceased member of the judicial retirement plan is entitled to receive a cumulative benefit of at least \$400 per month, beginning on the first day of the month following the member's death.
- 2. Except as otherwise provided in subsections 3 and 4, payments to any child cease on the last day of the month of:
  - (a) His adoption;
  - (b) His death;

- (c) His marriage; or
- (d) His attaining the age of 18 years.



- These benefits may be paid to the child of a deceased member of the judicial retirement plan until the last day of the month of his 23rd birthday if he was, at the time of the member's death, and continues thereafter to be, a full-time student in any accredited:
  - (a) High school;

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- (b) Vocational or technical school; or
- (c) College or university.
- 8 These benefits may be commenced or extended indefinitely beyond 9 a child's 18th birthday if and so long as he is determined by the system to 10 be:
  - (a) Financially dependent; and
  - (b) Physically or mentally incompetent.
  - All benefits under this section may be paid by the system to the *5*. child's:
    - (a) Surviving parent; or
  - (b) Legal guardian.
  - 6. The board shall establish uniform standards and procedures for determining whether a child is:
    - (a) A full-time student;
    - (b) Financially dependent; and
    - (c) Physically or mentally incompetent.
  - Sec. 58. 1. The spouse of a deceased member of the judicial retirement plan is entitled to receive a cumulative benefit of at least \$450 per month. The payments must begin on the first day of the month immediately following the death of the member and must cease on the last day of the month in which the spouse dies.
  - The benefits paid pursuant to this section are in addition to any
  - benefits paid pursuant to section 57 of this act.

    Sec. 59. 1. The spouse of a deceased member of the judicial retirement plan who had 10 or more years of creditable service is entitled to receive a monthly allowance equivalent to that provided by:
  - (a) Option 3 in section 40 of this act, if the deceased member had less than 15 years of service on the date of his death; or
  - (b) Option 2 in section 40 of this act, if the deceased member had more than 15 or more years of service on the date of his death.
  - To apply the provisions of Options 2 and 3, the deceased member shall be deemed to have retired on the date of his death immediately after having named the spouse as beneficiary under the applicable option. This benefit must be computed without any reduction for age for the deceased member. The benefits provided by this subsection must be paid to the spouse for the remainder of the spouse's life.
  - 2. The spouse may elect to receive the benefits provided by any one of the following only:
    - (a) This section; or
    - (b) Section 58 of this act.
  - Sec. 60. An unmarried member of the judicial retirement plan may designate, in writing, a survivor beneficiary to receive the payments provided pursuant to section 61, 62 or 63 of this act if the member is unmarried on the date of his death. A designation pursuant to this



section must be made on a form approved by the executive officer of the board.

- Sec. 61. 1. The survivor beneficiary of a deceased member of the judicial retirement plan is entitled to receive a cumulative benefit of at least \$450 per month. The payments must begin on the first day of the month immediately following the death of the member and must cease on the last day of the month in which the survivor beneficiary dies.
- 2. The benefits paid pursuant to this section are in addition to any benefits paid pursuant to section 57 of this act.
- 3. As used in this section, "survivor beneficiary" means a person designated pursuant to section 60 of this act.
- Sec. 62. 1. The survivor beneficiary of a deceased member of the judicial retirement plan who had 10 or more years of creditable service is entitled to receive a monthly allowance equivalent to that provided by:
- (a) Option 3 in section 40 of this act, if the deceased member had less than 15 years of service on the date of his death; or
- (b) Option 2 in section 40 of this act, if the deceased member had 15 or more years of service on the date of his death.
- To apply the provisions of Options 2 and 3, the deceased member shall be deemed to have retired on the date of his death immediately after having named the survivor beneficiary as beneficiary pursuant to the applicable option. This benefit must be computed without any reduction for age for the deceased member. The benefits provided by this subsection must be paid to the survivor beneficiary for the remainder of the life of the survivor beneficiary.
- 26 2. The survivor beneficiary may elect to receive the benefits provided by any one of the following only:
- 28 (a) This section; or

- (b) Section 61 of this act.
  - 3. As used in this section, "survivor beneficiary" means a person designated pursuant to section 60 of this act.
- Sec. 63. 1. The survivor beneficiary of a deceased member of the judicial retirement plan who was fully eligible to retire, both as to service and age, is entitled to receive a monthly allowance equivalent to that provided by Option 2 in section 40 of this act. This section does not apply to the survivor beneficiary of a member who was eligible to retire only pursuant to subsection 2 of section 30 of this act. For the purposes of applying the provisions of Option 2, the deceased member shall be deemed to have retired on the date of his death immediately after having named the survivor beneficiary as beneficiary pursuant to Option 2. The benefits provided by this section must be paid to the survivor beneficiary for the remainder of the life of the survivor beneficiary. The survivor beneficiary may elect to receive the benefits provided by any one of the following only:
  - (a) This section;
  - (b) Section 61 of this act; or
  - (c) Section 62 of this act.
- 48 2. As used in this section, "survivor beneficiary" means a person 49 designated pursuant to section 60 of this act.



- Sec. 64. The spouse of a deceased member of the judicial retirement plan who was fully eligible to retire, both as to service and age, is entitled to receive a monthly allowance equivalent to that provided by Option 2 in section 40 of this act. This section does not apply to the spouse of a member who was eligible to retire only under subsection 2 of section 30 of this act. For the purposes of applying the provisions of Option 2, the deceased member shall be deemed to have retired on the date of his death immediately after having named the spouse as beneficiary under Option 2. The benefits provided by this section must be paid to the spouse for the remainder of the spouse's life. The spouse may elect to receive the benefits provided by any one of the following only:
  - 1. This section;

- 2. Section 58 of this act; or
- 3. Section 59 of this act.
- Sec. 65. If payments are not made pursuant to the provisions of section 57, 58, 59, 61 or 62 of this act, the dependent parent of a deceased member of the judicial retirement plan is entitled to receive a cumulative benefit of at least \$400 per month, and if there are two dependent parents, each is entitled to receive a cumulative benefit of at least \$400 per month. Payments to any parent pursuant to this section must cease upon the death of that parent.
- Sec. 66. The amount of each monthly allowance paid as specified in sections 57 to 65, inclusive, of this act must not exceed the deceased member of the judicial retirement plan's average compensation and must be reduced by the amount of any other benefit received from any source:
- 1. If that benefit was provided or purchased by the expenditure of money by this state, except for lump-sum payments under a group insurance program; and
- 2. To the extent that the total of the allowance and the other benefit would otherwise exceed the deceased member's average compensation.
- Sec. 67. 1. The retirement allowance for a member of the judicial retirement plan becomes vested on the date that the member completes 5 years of creditable service.
- 2. Benefits for survivors offered pursuant to this chapter become vested on the date that the member of the judicial retirement plan completes 10 years of creditable service or becomes entitled to begin receiving benefits or on the date of his death, whichever event occurs first.
- 3. Unless otherwise specifically provided by law, any change in the provisions of this chapter is retroactive for all service of any member of the judicial retirement plan before the date of vesting, but no change may impair any vested allowance or benefit.
- 4. Upon the termination or partial termination of the system, all accrued benefits that are funded become 100 percent vested and nonforfeitable.
- Sec. 68. A person who knowingly makes a false statement, certifies to an incorrect document or withholds information for the purpose of receiving or assisting another person in receiving benefits under this chapter to which he is not entitled is guilty of a gross misdemeanor.



- **Sec. 69.** NRS 1.365 is hereby amended to read as follows:
- 2 1.365 1. All of the following claims must be submitted to the teamth administrator, executive officer of the public employees' retirement board who shall teat as administrative officer in processing process the claims:
  - [1.] (a) Claims of justices of the supreme court pursuant to NRS [2.050-and 2.060.
  - $\frac{-2.1}{2.060}$

- (b) Claims pursuant to NRS 2.070 and section 15 of [this act.
- —3.] Senate Bill No. 349 of the 71st session of the Nevada Legislature.
  - (c) Claims of judges of the district courts pursuant to NRS <del>[3.030 and ]</del>
- 13 —4.] *3.090*.
  - (d) Claims pursuant to NRS 3.095 and section 16 of [this act.] Senate Bill No. 349 of the 71st session of the Nevada Legislature.
  - 2. The following claims must be submitted to the court administrator, who shall act as administrative officer in processing the claims:
    - (a) Claims of justices of the supreme court under NRS 2.050.
    - (b) Claims of judges of the district courts under NRS 3.030.

**Sec. 70.** Chapter 2 of NRS is hereby amended by adding thereto a new section to read as follows:

The provisions of NRS 2.060 to 2.075, inclusive, and section 15 of Senate Bill No. 349 of the 71st session of the Nevada Legislature:

- 1. Apply only to a justice of the supreme court or a surviving spouse or surviving child of a justice of the supreme court who served as a justice of the supreme court or district judge before November 5, 2002;
- 2. Are administered by the public employees' retirement board pursuant to section 11 of this act; and
- 3. Are part of the judicial retirement system established pursuant to section 11 of this act.
  - Sec. 71. NRS 2.060 is hereby amended to read as follows:
- 2.060 1. Any justice of the supreme court who has served as a justice or judge of a district court in any one or more of those courts for a period or periods aggregating 22 years and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to three-fourths the sum received as a salary for his judicial services during the last year thereof, payable [every 2 weeks from money provided by direct legislative appropriation.] monthly from the judicial retirement fund established pursuant to section 13 of this act.
- 2. Any justice of the supreme court who has served as a justice or judge of a district court in any one or more of those courts for a period or periods aggregating 5 years and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to 4.1666 percent of the sum received as a salary for his judicial services during the last year thereof, payable [every 2 weeks from money provided by direct legislative appropriation.] monthly from the judicial retirement fund established pursuant to section 13 of this act.



3. Any justice of the supreme court who qualifies for a pension under the provisions of subsection 2 is entitled to receive, for each year served beyond 5 years up to a maximum of 22 years, an additional 4.1666 percent of the sum received as a salary for his judicial services during the last year thereof, payable as provided in subsection 2.

- 4. Any justice who has retired pursuant to subsection 3 and is thereafter recalled to additional active service in the court system is entitled to receive credit toward accumulating 22 years' service for the maximum pension based upon the time he actually spends in the additional active service.
- 5. Any justice who has the years of service necessary to retire but has not attained the required age may retire at any age with a benefit actuarially reduced to the required retirement age. A benefit under this subsection must be reduced in the same manner as benefits are reduced for persons retired under the public employees' retirement system.
- 6. Any person receiving a pension pursuant to the provisions of this section is entitled to receive post-retirement increases equal to those provided for persons retired under the public employees' retirement system.
- 7. Any justice who desires to receive the benefits of this section must file with the [state controller and the state treasurer] executive officer of the public employees' retirement board an affidavit setting forth the fact that he is ending his service, the date and place of his birth, and the years he has served in any district court or the supreme court.
- 8. [Upon such notice and filing of the affidavit, the state controller shall draw his warrant, payable to the justice who has thus ended his service, upon the state treasurer for the sum due to him, and the state treasurer shall pay the sum out of money provided by direct legislative appropriation.
- The faith of the State of Nevada is hereby pledged that this section shall not be repealed or amended so as to affect any justice who may have ended his service pursuant to it.
  - **Sec. 72.** NRS 2.065 is hereby amended to read as follows:
  - 2.065 1. A justice of the supreme court who has served as a justice or as a district judge in any one or more courts for a period or periods aggregating 5 years or more and who becomes permanently incapacitated, physically or mentally, to perform the duties of his office may retire from office regardless of age.
  - 2. Any justice who retires pursuant to the provisions of subsection 1 or who is retired because of advanced age or mental or physical disability pursuant to section 21 of article 6 of the constitution of the State of Nevada is entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, the same pension he would receive under NRS 2.060 based on his years of service, but without regard to his age.
  - 3. Any justice, or his guardian on his behalf if he is unable to act, who desires to retire voluntarily must give notice in writing to the governor. The governor shall appoint three physicians licensed to practice medicine in the State of Nevada to examine the justice and report the results to the governor in writing. If a majority of the physicians is of the opinion that



the justice is permanently incapacitated, physically or mentally, the governor shall approve the retirement. The justice or his guardian must file with the [state controller and state treasurer] executive officer of the public employees' retirement board an affidavit setting forth the fact of his retirement and the years he has served in either or both of such courts.

- 4. Pensions payable pursuant to this section must be paid in the same manner as pensions are payable under NRS 2.060. Fees and expenses of physicians appointed pursuant to this section must be paid out of funds provided by direct legislative appropriation. From the judicial retirement administrative fund established pursuant to section 15 of this act.

  5. The faith of the State of Nevada is hereby pledged that this section
- 5. The faith of the State of Nevada is hereby pledged that this section will not be repealed or amended so as to affect adversely any justice who may have retired or been retired pursuant to its provisions.

**Šec. 73.** NRS 2.070 is hereby amended to read as follows:

- 2.070 1. If a justice of the supreme court at the time of his death had retired and was then receiving a pension under the provisions of NRS 2.060, or if at the time of his death the justice had not retired but had performed sufficient service for retirement under the provisions of NRS 2.060, the surviving spouse, if the spouse has attained the age of 60 years, is entitled, until his death or remarriage, to receive monthly payments of \$2,500 per month.
- 2. If a surviving spouse of a justice is not eligible to receive benefits pursuant to subsection 1, he is entitled, until his death or remarriage or until he becomes eligible to receive those benefits, to receive payments equal in amount to the payment provided in subsection 1 of NRS 286.674 for the spouse of a deceased member of the public employees' retirement system.
- 3. To obtain these benefits, the surviving spouse must make application to the **[board, commission or authority entrusted with the administration of the judges' pensions]** executive officer of the public employees' retirement board and furnish such information as may be required pursuant to reasonable regulations adopted for the purpose of carrying out the intent of this section.
- 4. Any person receiving a benefit pursuant to the provisions of this section is entitled to receive post-retirement increases equal to those provided for persons retired under the public employees' retirement system.
- 5. It is the intent of this section that no special fund be created for the purpose of paying these benefits, and all payments made under the provisions of this section are to be made out of and charged to [any fund created for the purpose of paying pension benefits to justices of the supreme court.] the judicial retirement fund established pursuant to section 13 of this act.
  - **Sec. 74.** NRS 2.075 is hereby amended to read as follows:
- 2.075 1. Each child of a deceased justice of the supreme court is entitled to receive payments equal in amount to the payments provided in NRS 286.673 for the child of a deceased member of the public employees' retirement system.



2. In determining whether a child is a full-time student or financially dependent and physically or mentally incompetent, as provided in NRS 286.673, the [court administrator] executive officer of the public employees' retirement board shall use any applicable standards and procedures established by the public employees' retirement board.

3. It is the intent of this section that no special fund be created for the payment of benefits, and all payments made under the provisions of this section are to be made out of and charged to [any fund created for the purpose of paying pension benefits to justices of the supreme court.] the judicial retirement fund established pursuant to section 13 of this act.

**Sec. 75.** Chapter 3 of NRS is hereby amended by adding thereto a new section to read as follows:

The provisions of NRS 3.090 to 3.097, inclusive, and section 16 of Senate Bill No. 349 of the 71st session of the Nevada Legislature.

- 1. Apply only to a district judge or a surviving spouse or surviving child of a district judge who served as a justice of the supreme court or district judge before November 5, 2002;
- 2. Are administered by the public employees' retirement board pursuant to section 11 of this act; and
- 3. Are part of the judicial retirement system established pursuant to section 11 of this act.

Sec. 76. NRS 3.090 is hereby amended to read as follows:

- 3.090 1. Any judge of the district court who has served as a justice of the supreme court or judge of a district court in any one or more of those courts for a period or periods aggregating 22 years and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to three-fourths the sum received as a salary for his judicial services during the last year thereof, payable [every 2 weeks from money provided by direct legislative appropriation.] monthly from the judicial retirement fund established pursuant to section 13 of this act.
- 2. Any judge of the district court who has served as a justice of the supreme court or judge of a district court in any one or more of those courts for a period or periods aggregating 5 years and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to 4.1666 percent of the sum received as a salary for his judicial services during the last year thereof, payable [every 2 weeks from money provided by direct legislative appropriation.] monthly from the judicial retirement fund established pursuant to section 13 of this act.
- 3. Any judge of the district court who qualifies for a pension under the provisions of subsection 2 is entitled to receive, for each year served beyond 5 years up to a maximum of 22 years, an additional 4.1666 percent of the sum received as a salary for his judicial services during the last year thereof, payable as provided in subsection 2.
- 4. Any judge who has retired pursuant to subsection 3 and is thereafter recalled to additional active service in the court system is entitled to



receive credit toward accumulating 22 years' service for the maximum pension based upon the time he actually spends in the additional active service.

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- 5. Any district judge who has the years of service necessary to retire but has not attained the required age may retire at any age with a benefit actuarially reduced to the required retirement age. A retirement benefit under this subsection must be reduced in the same manner as benefits are reduced for persons retired under the public employees' retirement system.
- 6. Any person receiving a pension pursuant to the provisions of this section is entitled to receive post-retirement increases equal to those provided for persons retired in the public employees' retirement system.
- 7. Any judge of the district court who desires to receive the benefits of this section must file with the **[state controller and the state treasurer] executive officer of the public employees' retirement board** an affidavit setting forth the fact that he is ending his service, the date and place of his birth, and the years he has served in any district court or the supreme court.
- 8. [Upon such notice and filing of the affidavit, the state controller shall draw his warrant, payable to the judge who has thus ended his service, upon the state treasurer for the sum due to him, and the state treasurer shall pay the sum out of money provided by direct legislative appropriation.
- The faith of the State of Nevada is hereby pledged that this section shall not be repealed or amended so as to affect any judge of the district court who may have ended his service pursuant to it.

**Sec. 77.** NRS 3.092 is hereby amended to read as follows:

- 3.092 1. A district judge who has served as a district judge or as a justice of the supreme court in any one or more courts for a period or periods aggregating 5 years or more and who becomes permanently incapacitated, physically or mentally, to perform the duties of his office may retire from office regardless of age.
- 2. Any district judge who retires pursuant to the provisions of subsection 1 or who is retired because of advanced age or physical or mental disability pursuant to section 21 of article 6 of the constitution of the State of Nevada is entitled to receive annually from the State of Nevada, a pension for the remainder of his life, the same pension he would receive under NRS 3.090 based on his years of service but without regard to his age.
- 3. Any judge, or his guardian on his behalf if he is unable to act, who desires to retire voluntarily must give notice in writing to the governor. The governor shall appoint three physicians licensed to practice medicine in the State of Nevada to examine the judge and report the results to the governor in writing. If a majority of the physicians is of the opinion that the judge is permanently incapacitated, physically or mentally, the governor shall approve the retirement. The judge or his guardian must file with the \*state\* controller\* and the state treasurer\* executive officer of the public employees' retirement board an affidavit setting forth the fact of his retirement and the years he has served in either or both of such courts.
- 4. Pensions payable pursuant to this section must be paid in the same manner as pensions payable under NRS 3.090. Fees and expenses of



physicians appointed pursuant to this section must be paid fout of funds provided by direct legislative appropriation.] from the judicial retirement administrative fund established pursuant to section 15 of this act.

5. The faith of the State of Nevada is hereby pledged that this section will not be repealed or amended so as to affect adversely any judge who may have retired or been retired pursuant to its provisions.

**Sec. 78.** NRS 3.095 is hereby amended to read as follows:

3.095 1. If a district judge at the time of his death had retired and was then receiving a pension under the provisions of NRS 3.090, or if at the time of his death the judge had not retired but had performed sufficient service for retirement under the provisions of NRS 3.090, the surviving spouse, if the spouse has attained the age of 60 years, is entitled, until his death or remarriage, to receive monthly payments of \$2,500 per month.

2. If a surviving spouse of a judge is not eligible to receive benefits pursuant to subsection 1, he is entitled, until his death or remarriage or until he becomes eligible to receive those benefits, to receive payments equal in amount to the payment provided in subsection 1 of NRS 286.674 for the spouse of a deceased member of the public employees' retirement

3. To obtain these benefits, the surviving spouse must make application to the **board**, commission or authority entrusted with the administration of the judges' pensions executive officer of the public employees' retirement fund and furnish such information as may be required pursuant to reasonable regulations adopted for the purpose of carrying out the intent of this section.

4. Any person receiving a benefit pursuant to the provisions of this section is entitled to receive post-retirement increases equal to those provided for persons retired under the public employees' retirement

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5. It is the intent of this section that no special fund be created for the purpose of paying these benefits, and all payments made under the provisions of this section are to be made out of and charged to fany fund created for the purpose of paying pension benefits to district judges.] the judicial retirement fund established pursuant to section 13 of this act.

Sec. 79. NRS 3.097 is hereby amended to read as follows:

3.097 1. Each child of a deceased district judge is entitled to receive payments equal in amount to the payments provided in NRS 286.673 for the child of a deceased member of the public employees' retirement system.

- 2. In determining whether a child is a full-time student or financially dependent and physically or mentally incompetent, as provided in NRS 286.673, the [court administrator] executive officer of the public employees' retirement board shall use any applicable standards and procedures established by the public employees' retirement board.
- 3. It is the intent of this section that no special fund be created for the payment of benefits, and all payments made under the provisions of this section are to be made out of and charged to any fund created for the purpose of paying pension benefits to district judges.] the judicial retirement fund established pursuant to section 13 of this act.



**Sec. 80.** NRS 125.155 is hereby amended to read as follows:

- 125.155 Unless the action is contrary to a premarital agreement between the parties which is enforceable pursuant to chapter 123A of NRS or is prohibited by specific statute:
- 1. In determining the value of an interest in or entitlement to a pension or retirement benefit provided by the public employees' retirement system pursuant to chapter 286 of NRS [], or the judicial retirement plan established pursuant to section 25 of this act, the court:
- (a) Shall base its determination upon the number of years or portion thereof that the contributing party was employed and received the interest or entitlement, beginning on the date of the marriage and ending on the date on which a decree of legal separation or divorce is entered; and
- (b) Shall not base its determination upon any estimated increase in the value of the interest or entitlement resulting from a promotion, raise or any other efforts made by the party who contributed to the interest or entitlement as a result of his continued employment after the date of a decree of legal separation or divorce.
- 2. The court may, in making a disposition of a pension or retirement benefit provided by the public employees' retirement system [], or the judicial retirement plan, order that the benefit not be paid before the date on which the participating party retires. To ensure that the party who is not a participant will receive payment for the benefits, the court may:
- (a) On its own motion or pursuant to an agreement of the parties, require the participating party to furnish a performance or surety bond, executed by the participating party as principal and by a corporation qualified under the laws of this state as surety, made payable to the party who is not a participant under the plan, and conditioned upon the payment of the pension or retirement benefits. The bond must be in a principal sum equal to the amount of the determined interest of the nonparticipating party in the pension or retirement benefits and must be in a form prescribed by the court.
- (b) On its own motion or pursuant to an agreement of the parties, require the participating party to purchase a policy of life insurance. The amount payable under the policy must be equal to the determined interest of the nonparticipating party in the pension or retirement benefits. The nonparticipating party must be named as a beneficiary under the policy and must remain a named beneficiary until the participating party retires.
- (c) Pursuant to an agreement of the parties, increase the value of the determined interest of the nonparticipating party in the pension or retirement benefit as compensation for the delay in payment of the benefit to that party.
- (d) On its own motion or pursuant to an agreement of the parties, allow the participating party to provide any other form of security which ensures the payment of the determined interest of the nonparticipating party in the pension or retirement benefit.
- 3. If a party receives an interest in or an entitlement to a pension or retirement benefit which the party would not otherwise have an interest in or be entitled to if not for a disposition made pursuant to this section, the



interest or entitlement and any related obligation to pay that interest or entitlement terminates upon the death of either party unless pursuant to:

- (a) An agreement of the parties; or
- (b) An order of the court,

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a party who is a participant in the public employees' retirement system or the judicial retirement plan provides an alternative to an unmodified service retirement allowance pursuant to NRS 286.590 H or section 40 of this act.

**Sec. 81.** NRS 154.010 is hereby amended to read as follows:

154.010 An estate escheats to and is vested in the State of Nevada for educational purposes if any person dies or has died, within this state, seised of any real or personal estate, and leaving no heirs, representatives or devisees capable of inheriting or holding the estate, and in all cases where there is no owner of the estate capable of holding it. Any balance remaining in a retired employee's or beneficiary's individual account under the public employees' retirement system or the judicial retirement system established pursuant to sections 2 to 68, inclusive, of this act is not an estate within the meaning of this chapter.

**Sec. 82.** NRS 218.5373 is hereby amended to read as follows: 218.5373 1. There is hereby created an interim retirement and benefits committee of the legislature to review the operation of the public employees' retirement system, the judicial retirement system established pursuant to sections 2 to 68, inclusive, of this act and the public employees' benefits program and to make recommendations to the public employees' retirement board and the board of the public employees' benefits program, the legislative commission and the legislature. The interim retirement and benefits committee consists of six members appointed as follows:

- (a) Three members of the senate, one of whom is the chairman of the committee on finance during the preceding session and two of whom are appointed by the majority leader of the senate.
- (b) Three members of the assembly, one of whom is the chairman of the committee on ways and means and two of whom are appointed by the speaker of the assembly.
- 2. The immediate past chairman of the senate standing committee on finance is the chairman of the interim retirement and benefits committee for the period ending with the convening of each odd-numbered session of the legislature. The immediate past chairman of the assembly standing committee on ways and means is the chairman of the interim retirement and benefits committee during the next legislative interim, and the chairmanship alternates between the houses of the legislature according to
- The interim retirement and benefits committee may exercise the powers conferred on it by law only when the legislature is not in regular or special session and shall meet at the call of the chairman.
- 4. The director of the legislative counsel bureau shall provide a secretary for the interim retirement and benefits committee.
- 5. The members of the interim retirement and benefits committee are entitled to receive the compensation provided for a majority of the



members of the legislature during the first 60 days of the preceding session, the per diem allowance provided for state officers and employees generally and the travel expenses provided by NRS 218.2207 for each day of attendance at a meeting of the committee and while engaged in the business of the committee. Per diem allowances, compensation and travel expenses of the members of the committee must be paid from the legislative fund.

**Sec. 83.** NRS 286.230 is hereby amended to read as follows:

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286.230 1. The board shall establish a fund known as the public employees' retirement administrative fund in which must be deposited all administrative fees.

- 2. The board shall fix an administrative fee per capita sufficient to pay the operating expense of the system. Except as otherwise provided by NRS 218.23745 [ ] and section 15 of this act, the system shall transfer monthly from the respective retirement funds to the public employees' retirement administrative fund the amount of the per capita fee multiplied by the combined number of members and persons receiving allowances from that fund
- 3. The board may establish a separate and additional administrative fee for police officers and firemen and their public employers to pay the additional expense of maintaining a separate fund and to pay the actual and necessary travel expenses and other expenses, within the limits established by the board, for meetings of the police and firemen's retirement fund advisory committee.

Sec. 84. NRS 287.023 is hereby amended to read as follows:

- 287.023 1. Whenever an officer or employee of the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other public agency of the State of Nevada retires under the conditions set forth in NRS 286.510 or 286.620 or section 30 or 44 of this act and, at the time of his retirement, was covered or had his dependents covered by any group insurance or medical and hospital service established pursuant to NRS 287.010 and 287.020, the officer or employee has the option upon retirement to cancel or continue any such group insurance or medical and hospital service coverage or join the public employees' benefits program to the extent that such coverage is not provided to him or a dependent by the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq.
- 42 U.S.C. §§ 1395 et seq.

  2. A retired person who continues coverage under the public employees' benefits program shall assume the portion of the premium or membership costs for the coverage continued which the governing body does not pay on behalf of retired officers or employees. A person who joins the public employees' benefits program for the first time upon retirement shall assume all costs for the coverage. A dependent of such a retired person has the option, which may be exercised to the same extent and in the same manner as the retired person, to cancel or continue coverage in effect on the date the retired person dies. The dependent is not required to continue to receive retirement payments from the public employees' retirement system to continue coverage.



3. Except as otherwise provided in NRS 287.0235, notice of the selection of the option must be given in writing to the last public employer of the officer or employee within 60 days after the date of retirement or death, as the case may be. If no notice is given by that date, the retired employee and his dependents shall be deemed to have selected the option to cancel the coverage or not to join the public employees' benefits program, as the case may be.

4. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other public agency of this state may pay the cost, or any part of the cost, of group insurance and medical and hospital service coverage for persons eligible for that coverage pursuant to subsection 1, but it must not pay a greater

portion than it does for its current officers and employees.

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**Sec. 85.** NRS 287.0235 is hereby amended to read as follows:

287.0235 1. Notwithstanding the provisions of NRS 287.023 and 287.045, a person or the surviving spouse of a person who did not, at the time of his retirement pursuant to the conditions set forth in NRS 286.510 or 286.620, *or section 30 or 44 of this act*, have the option to participate in the public employees' benefits program may join the public employees' benefits program, to the extent that such coverage is not provided to him or a dependent by the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., by:

(a) Providing the public employees' retirement board with written notice of his intention to enroll in the public employees' benefits program during a period of open enrollment;

(b) Showing evidence of his good health as a condition of enrollment;

(c) Accepting the current plan of insurance of the public employees' benefits program and any subsequent changes to the plan; and

(d) Paying any portion of the premiums or contributions for the program in the manner set forth in NRS 286.615 or section 43 of this act, which are due after the date of enrollment.

The public employees' retirement board shall, beginning on September 1, 1997, have a biennial period of open enrollment between September 1 of each odd-numbered year and January 31 of each even-numbered year during which eligible retired persons may join the public employees' benefits program pursuant to this section.

2. The public employees' retirement board shall, on or before September 1, 1997, and every September 1 of each odd-numbered year thereafter, notify eligible retired persons described in subsection 1 of the period of open enrollment by:

(a) Mailing a notice regarding the period of open enrollment to all retired persons who are, according to its records, eligible to join the public employees' benefits program;

(b) Posting a notice of the period of open enrollment at its principal office and at least three other separate prominent places, such as a library, community center or courthouse; and

(c) Publicizing the period of open enrollment in any other manner reasonably calculated to inform additional eligible retired persons.



3. The public employees' retirement board shall notify the board of the public employees' benefits program of the enrollment of any person on or before March 1 immediately following the period of open enrollment. The board of the public employees' benefits program shall approve or disapprove the request for enrollment within 90 days after receipt of the request. Enrollment shall be deemed to occur on the day the request is approved.

- 4. Enrollment in the public employees' benefits program pursuant to this section excludes claims for expenses for any condition for which medical advice, treatment or consultation was rendered within 12 months before enrollment unless:
- (a) The person has not received any medical advice, treatment or consultation for a period of 6 consecutive months after enrollment; or
- (b) The insurance coverage has been in effect more than 12 consecutive months.

**Sec. 86.** NRS 287.045 is hereby amended to read as follows:

- 287.045 1. Except as otherwise provided in this section, every officer or employee of the state is eligible to participate in the program on the first day of the month following the completion of 90 days of full-time employment.
- 2. Professional employees of the University and Community College System of Nevada who have annual employment contracts are eligible to participate in the program on:
- (a) The effective dates of their respective employment contracts, if those dates are on the first day of a month; or
- (b) The first day of the month following the effective dates of their respective employment contracts, if those dates are not on the first day of a month.
- 3. Every officer or employee who is employed by a participating public agency on a permanent and full-time basis on the date the agency enters into an agreement to participate in the program, and every officer or employee who commences his employment after that date, is eligible to participate in the program on the first day of the month following the completion of 90 days of full-time employment.
- 4. Every senator and assemblyman is eligible to participate in the program on the first day of the month following the 90th day after his initial term of office begins.
- 5. An officer or employee of the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other public agency of the State of Nevada who retires under the conditions set forth in NRS 286.510 or 286.620 or section 30 or 44 of this act and was not participating in the program at the time of his retirement is eligible to participate in the program 60 days after notice of the selection to participate is given pursuant to NRS 287.023 or 287.0235. The board shall make a separate accounting for these retired persons. For the first year following enrollment, the rates charged must be the full actuarial costs determined by the actuary based upon the expected claims experience with these retired persons. The claims experience of these retired persons must not be commingled with the retired persons who were members of the



program before their retirement, nor with active employees of the state. After the first year following enrollment, the rates charged must be the full actuarial costs determined by the actuary based upon the past claims experience of these retired persons since enrolling.

6. Notwithstanding the provisions of subsections 1, 3 and 4, if the board does not, pursuant to NRS 689B.580, elect to exclude the program from compliance with NRS 689B.340 to 689B.600, inclusive, and section 3 of [this act] Assembly Bill No. 452 of the 71st session of the Nevada Legislature and if the coverage under the program is provided by a health maintenance organization authorized to transact insurance in this state pursuant to chapter 695C of NRS, any affiliation period imposed by the program may not exceed the statutory limit for an affiliation period set forth in NRS 689B.500.

**Sec. 87.** NRS 287.046 is hereby amended to read as follows:

287.046 1. Except as otherwise provided in subsection 6, any state or other participating officer or employee who elects to participate in the program may participate, and the department, agency, commission or public agency that employs the officer or employee shall pay the state's share of the cost of the premiums or contributions for the program from money appropriated or authorized as provided in NRS 287.044. Employees who elect to participate in the program must authorize deductions from their compensation for the payment of premiums or contributions for the program.

2. The department of personnel shall pay a percentage of the base amount provided by law for that fiscal year toward the cost of the premiums or contributions for the program for persons retired from the service of the state who have continued to participate in the program. Except as otherwise provided in subsection 3, the percentage to be paid must be calculated as follows:

(a) For those persons who retire before January 1, 1994, 100 percent of the base amount provided by law for that fiscal year.

(b) For those persons who retire on or after January 1, 1994, with at least 5 years of state service, 25 percent plus an additional 7.5 percent for each year of service in excess of 5 years to a maximum of 137.5 percent, excluding service purchased pursuant to NRS 286.300 [ ] or section 26 of this act, of the base amount provided by law for that fiscal year.

3. If the amount calculated pursuant to subsection 2 exceeds the actual premium or contribution for the plan of the program that the retired participant selects, the balance must be credited to the fund for the public employees' benefits program created pursuant to NRS 287.0435.

4. For the purposes of subsection 2:

(a) Credit for service must be calculated in the manner provided by chapter 286 of NRS.

(b) No proration may be made for a partial year of service.

5. The department shall agree through the board with the insurer for billing of remaining premiums or contributions for the retired participant and his dependents to the retired participant and to his dependents who elect to continue coverage under the program after his death.



6. A senator or assemblyman who elects to participate in the program shall pay the entire premium or contribution for his insurance.

**Sec. 88.** NRS 287.0475 is hereby amended to read as follows:

 287.0475 1. A public employee who has retired pursuant to NRS 286.510 or 286.620 *or section 30 or 44 of this act*, or a retirement program provided pursuant to NRS 286.802, or the surviving spouse of such a retired public employee who is deceased may, in any even-numbered year, reinstate any insurance, except life insurance, which was provided to him and his dependents at the time of his retirement pursuant to NRS 287.010 or 287.020 or the program as a public employee by:

(a) Giving written notice of his intent to reinstate the insurance to the

- (a) Giving written notice of his intent to reinstate the insurance to the employee's last public employer not later than January 31, of an even-numbered year;
- (b) Accepting the public employer's current program or plan of insurance and any subsequent changes thereto; and
- (c) Paying any portion of the premiums or contributions of the public employer's program or plan of insurance, in the manner set forth in NRS 286.615 [], or section 43 of this act, which are due from the date of reinstatement and not paid by the public employer.

The last public employer shall give the insurer notice of the reinstatement no later than March 31, of the year in which the public employee or surviving spouse gives notice of his intent to reinstate the insurance. The insurer shall approve or disapprove the request for reinstatement within 90 days after the date of the request.

- 2. Reinstatement of insurance excludes claims for expenses for any condition for which medical advice, treatment or consultation was rendered within 6 months before reinstatement unless:
- (a) The person has not received any medical advice, treatment or consultation for a period of 6 consecutive months after the reinstatement; or
- (b) The reinstated insurance has been in effect more than 12 consecutive months.

**Sec. 89.** Section 31 of this act is hereby amended to read as follows:

- Sec. 30. 1. Except as otherwise provided in subsection 4 and sections 32 and 331 section 32 of this act, if a retired justice or judge accepts employment as a justice of the supreme court or district judge in any judicial capacity, including, without limitation, employment as a senior justice or senior judge of the Nevada court system, he is disqualified from receiving any allowances under the judicial retirement plan for the duration of his active service.
- 2. If a retired justice or judge accepts any employment other than that described in subsection 1, the justice or judge is entitled to the same allowances as a retired justice or judge who has no employment.
- 3. If a retired justice or judge who accepts employment as a justice of the supreme court or district judge in a judicial capacity pursuant to this section elects not to reenroll in the judicial retirement plan pursuant to subsection 1 of section 32 of this act, the court administrator may pay contributions on behalf of the retired justice or judge to a retirement fund which is not a part of the judicial retirement



plan in an amount not to exceed the amount of the contributions that the court administrator would pay to the system on behalf of a participating justice or judge who is employed in a similar position.

4. The system may waive for one period of 30 days or less a retired justice's or judge's disqualification under this section if the chief justice of the supreme court certifies in writing, in advance, that the retired justice or judge is recalled to meet an emergency and that no other qualified person is immediately available.

**Sec. 90.** Section 4 of Senate Bill No. 349 of the 71st session of the Nevada Legislature is hereby amended to read as follows:

- Sec. 4. 1. Except as limited by subsection 3, the survivor beneficiary of a deceased member who had 10 or more years of accredited contributing service is entitled to receive a monthly allowance equivalent to that provided by:
- (a) Option 3 in NRS 28ô.590, if the deceased member had less than 15 years of service on the date of his death; or
- (b) Option 2 in NRS 286.590, if the deceased member had 15 or more years of service on the date of his death.

To apply the provisions of Options 2 and 3, the deceased member shall be deemed to have retired on the date of his death immediately after having named the survivor beneficiary as beneficiary pursuant to the applicable option. This benefit must be computed without any reduction for age for the deceased member. The benefits provided by this subsection must be paid to the survivor beneficiary for the remainder of the life of the survivor beneficiary.

- 2. The survivor beneficiary may elect to receive the benefits provided by any one of the following only:
  - (a) This section;

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- (b) Section 3 of this act; or
- (c) Section 6 of this act.
- 3. The benefits provided by paragraph (a) of subsection 1 may only be paid to the survivor beneficiary of a member who died on or after January 1, 2002.
- 4. As used in this section, "survivor beneficiary" means a person designated pursuant to section 2 of this act.
- Sec. 91. Section 15 of Senate Bill No. 349 of the 71st session of the Nevada Legislature is hereby amended to read as follows:

  Sec. 15. Chapter 2 of NRS is hereby amended by adding thereto
  - Sec. 15. Chapter 2 of NRS is hereby amended by adding thereto a new section to read as follows:
  - 1. An unmarried justice of the supreme court may designate, in writing, a survivor beneficiary to receive the payments provided pursuant to this section if the justice is unmarried on the date of his death. A designation pursuant to this section must be made on a form approved by the court administrator.
  - 2. If a justice of the supreme court at the time of his death had retired and was then receiving a pension pursuant to the provisions of NRS 2.060, or if at the time of his death the justice had not retired but had performed sufficient service for retirement pursuant to the provisions of NRS 2.060, the survivor beneficiary designated



pursuant to subsection 1, if the survivor beneficiary has attained the age of 60 years, is entitled, until his death, to receive monthly payments of \$2,500 per month.

3. If a survivor beneficiary of a justice is not eligible to receive benefits pursuant to subsection 2, he is entitled, until his death or until he becomes eligible to receive those benefits, to receive payments equal in amount to the payment provided in subsection 1 of section 3 of this act for the survivor beneficiary of a deceased member of the public employees' retirement system.

4. To obtain these benefits, the survivor beneficiary must make application to the board, commission or authority entrusted with the administration of the judges' pensions and furnish such information as may be required pursuant to reasonable regulations adopted for the purpose of carrying out the intent of this section.

5. Any person receiving a benefit pursuant to the provisions of this section is entitled to receive post-retirement increases equal to those provided for persons retired pursuant to the public employees' retirement system.

6. It is the intent of this section that no special fund be created for the purpose of paying these benefits, and all payments made pursuant to the provisions of this section are to be made out of and charged to any fund created for the purpose of paying pension benefits to justices of the supreme court.

**Sec. 92.** Section 15 of Senate Bill No. 349 of the 71st session of the Nevada Legislature is hereby amended to read as follows:

Sec. 15. Chapter 2 of NRS is hereby amended by adding thereto a new section to read as follows:

1. An unmarried justice of the supreme court may designate, in writing, a survivor beneficiary to receive the payments provided pursuant to this section if the justice is unmarried on the date of his death. A designation pursuant to this section must be made on a form approved by the court administrator.

2. If a justice of the supreme court at the time of his death had retired and was then receiving a pension pursuant to the provisions of NRS 2.060, or if at the time of his death the justice had not retired but had performed sufficient service for retirement pursuant to the provisions of NRS 2.060, the survivor beneficiary designated pursuant to subsection 1, if the survivor beneficiary has attained the age of 60 years, is entitled, until his death, to receive monthly payments of \$2,500 per month.

3. If a survivor beneficiary of a justice is not eligible to receive benefits pursuant to subsection 2, he is entitled, until his death or until he becomes eligible to receive those benefits, to receive payments equal in amount to the payment provided in subsection 1 of section 3 of this act for the survivor beneficiary of a deceased member of the public employees' retirement system.

4. To obtain these benefits, the survivor beneficiary must make application to the [board, commission or authority entrusted with the administration of the judges' pensions] executive officer of the public



*employees' retirement board* and furnish such information as may be required pursuant to reasonable regulations adopted for the purpose of carrying out the intent of this section.

5. Any person receiving a benefit pursuant to the provisions of this section is entitled to receive post-retirement increases equal to those provided for persons retired pursuant to the public employees' retirement system.

- 6. It is the intent of this section that no special fund be created for the purpose of paying these benefits, and all payments made pursuant to the provisions of this section are to be made out of and charged to any fund created for the purpose of paying pension benefits to justices of the supreme court. If the judicial retirement fund established pursuant to section 13 of Assembly Bill No. 4 of the 17th special session of the Nevada Legislature.
- **Sec. 93.** Section 16 of Senate Bill No. 349 of the 71st session of the Nevada Legislature is hereby amended to read as follows:
  - Sec. 16. Chapter 3 of NRS is hereby amended by adding thereto a new section to read as follows:
  - 1. An unmarried district judge may designate, in writing, a survivor beneficiary to receive the payments provided pursuant to this section if the judge is unmarried on the date of his death. A designation pursuant to this section must be made on a form approved by the court administrator.
  - 2. If a district judge at the time of his death had retired and was then receiving a pension pursuant to the provisions of NRS 3.090, or if at the time of his death the judge had not retired but had performed sufficient service for retirement pursuant to the provisions of NRS 3.090, the survivor beneficiary designated pursuant to subsection 1, if the survivor beneficiary has attained the age of 60 years, is entitled, until his death, to receive monthly payments of \$2,500 per month.
  - 3. If a survivor beneficiary of a judge is not eligible to receive benefits pursuant to subsection 2, he is entitled, until his death or until he becomes eligible to receive those benefits, to receive payments equal in amount to the payment provided in subsection 1 of section 3 of this act for the survivor beneficiary of a deceased member of the public employees' retirement system.

    4. To obtain these benefits, the survivor beneficiary must make
  - 4. To obtain these benefits, the survivor beneficiary must make application to the board, commission or authority entrusted with the administration of the judges' pensions and furnish such information as may be required pursuant to reasonable regulations adopted for the purpose of carrying out the intent of this section.
  - 5. Any person receiving a benefit pursuant to the provisions of this section is entitled to receive post-retirement increases equal to those provided for persons retired pursuant to the public employees' retirement system.
  - 6. It is the intent of this section that no special fund be created for the purpose of paying these benefits, and all payments made pursuant to the provisions of this section are to be made out of and



charged to any fund created for the purpose of paying pension benefits to district judges.

**Sec. 94.** Section 16 of Senate Bill No. 349 of the 71st session of the Nevada Legislature is hereby amended to read as follows:

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- Sec. 16. Chapter 3 of NRS is hereby amended by adding thereto a new section to read as follows:
- 1. An unmarried district judge may designate, in writing, a survivor beneficiary to receive the payments provided pursuant to this section if the judge is unmarried on the date of his death. A designation pursuant to this section must be made on a form approved by the court administrator.
- 2. If a district judge at the time of his death had retired and was then receiving a pension pursuant to the provisions of NRS 3.090, or if at the time of his death the judge had not retired but had performed sufficient service for retirement pursuant to the provisions of NRS 3.090, the survivor beneficiary designated pursuant to subsection 1, if the survivor beneficiary has attained the age of 60 years, is entitled, until his death, to receive monthly payments of \$2,500 per month.
- 3. If a survivor beneficiary of a judge is not eligible to receive benefits pursuant to subsection 2, he is entitled, until his death or until he becomes eligible to receive those benefits, to receive payments equal in amount to the payment provided in subsection 1 of section 3 of this act for the survivor beneficiary of a deceased member of the public employees' retirement system.
- 4. To obtain these benefits, the survivor beneficiary must make application to the [board, commission or authority entrusted with the administration of the judges' pensions] executive officer of the public employees' retirement fund and furnish such information as may be required pursuant to reasonable regulations adopted for the purpose of carrying out the intent of this section.
- 5. Any person receiving a benefit pursuant to the provisions of this section is entitled to receive post-retirement increases equal to those provided for persons retired pursuant to the public employees' retirement system.
- 6. It is the intent of this section that no special fund be created for the purpose of paying these benefits, and all payments made pursuant to the provisions of this section are to be made out of and charged to [any fund created for the purpose of paying pension benefits to district judges.] the judicial retirement fund established pursuant to section 13 of Assembly Bill No. 4 of the 17th special session of the Nevada Legislature.
- **Sec. 95.** NRS 286.305 and 286.307 are hereby repealed.
- **Sec. 96.** The amendatory provisions of this act do not apply to offenses committed in violation of section 68 of this act before January 1, 2003.
- **Sec. 97.** 1. From January 1, 2003, through June 30, 2003, the court administrator shall submit to the judicial retirement system for deposit in the judicial retirement fund created pursuant to section 13 of this act on



behalf of each member of the judicial retirement system 25.6 percent of the compensation of the member. Such payments must be:

(a) Deposited in the fund;

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- (b) Accompanied by payroll reports that include information deemed necessary by the public employees' retirement board to carry out its duties; and
- (c) Received by the judicial retirement system not later than 15 days after the calendar month for which the compensation and service credits of members of the judicial retirement system are reported and certified by the court administrator. The compensation must be reported separately for each month that it is paid.
- 2. As used in this section, "compensation" means the salary paid to a justice of the supreme court or district judge by this state 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.
- 3. The term "compensation" does not include any type of payment not specifically described in subsection 2.
- **Sec. 98.** There is hereby appropriated from the state general fund to the judicial retirement fund created pursuant to section 13 of this act the sum of \$5,000,000 for funding the unfunded accrued liability for active members of the judicial retirement system and for partial payments needed to fund the unfunded liability for the inactive justices of the supreme court and district judges.
- 30 **Sec. 99.** 1. This section and sections 13, 90, 91, 93 and 98 of this act become effective upon passage and approval.
- 32 2. Sections 1 to 12, inclusive, 14 to 88, inclusive, 92, and 94 to 97, 33 inclusive, of this act become effective on January 1, 2003.
  - 3. Section 33 of this act expires by limitation on June 30, 2005.
  - 4. Section 89 of this act becomes effective on July 1, 2005.

#### TEXT OF REPEALED SECTIONS

# 286.305 Eligibility of supreme court justices and district judges for membership in system; restriction on benefits.

- 1. Any justice of the supreme court and any district judge who became a member before July 1, 1977, may remain a member of the system. Those justices or district judges may choose to gain service credit for previous service as provided in NRS 286.300.
- 2. The State of Nevada shall be deemed, for the purpose of this chapter, to be the public employer of such justice or judge, and shall contribute to the public employees' retirement fund and the public



employees' retirement administrative fund, in the manner provided in this chapter for public employers.

3. Any justice of the supreme court and any district judge who is a member of the system and who qualifies for a pension under the provisions of NRS 2.060 or 3.090 may withdraw from the public employees' retirement fund the amount credited to him in the account. No justice or judge may receive benefits under both this chapter and under NRS 2.060 or 3.090

## 286.307 Withdrawal from membership by supreme court justice or district judge; refund of contributions.

- 1. Any justice of the supreme court or district judge who is a member of the system on July 1, 1979, may withdraw from membership by giving written notice to the board of his intention to withdraw from the system and to rely entirely upon the provisions of NRS 2.060 or 3.090 for his retirement.
- 2. Notice must be received by the board on or before September 30, 1979.
- 3. When the board receives notice, the system shall promptly refund all employee contributions credited to the account of the justice or judge.
  - 4. A justice or judge who:
- (a) Exercises the option granted by this section may not reestablish the service for which the contributions were refunded at any time.
- (b) Does not exercise the option must remain a member of the system until he is qualified to exercise the option authorized by subsection 3 of NRS 286.305.



