

ASSEMBLY BILL NO. 189—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF PUBLIC EMPLOYEES' RETIREMENT SYSTEM)

FEBRUARY 10, 1999

Referred to Committee on Government Affairs

SUMMARY—Makes various changes to public employees' retirement system. (BDR 23-786)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: Yes.

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

AN ACT relating to the public employees' retirement system; authorizing legislators who are also public employees to obtain credit for retirement under the system for periods of service in the Nevada Legislature while on leave from public employment in certain circumstances; requiring certain members of the Nevada gaming commission to participate in the system; authorizing the system to calculate the elective service of certain members as regular service under certain circumstances; amending the benefit formula in certain circumstances; authorizing a public employer to contribute to a retirement fund that is not a part of the system on behalf of certain retired employees; authorizing members to use money from various retirement plans for the purchase of service under certain circumstances; increasing certain survivor benefits; raising the amounts of certain minimum cumulative benefits; eliminating the requirement of marriage to receive benefits under certain circumstances; and providing other matters properly relating thereto.

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

1 **Section 1.** Chapter 286 of NRS is hereby amended by adding thereto a
2 new section to read as follows:

3 *Except as otherwise required as a result of NRS 286.535 or 286.537:*

4 ***1. A public employee on a leave of absence to serve in the Nevada***
5 ***legislature may remain a contributing member of the system during the***
6 ***leave of absence if retirement contributions to the system are paid by the***
7 ***legislator at the contribution rate otherwise applicable to him as a public***

1 *employee during the period in which he is on the leave of absence to*
2 *serve in the Nevada legislature.*

3 *2. When a public employee on a leave of absence to serve in the*
4 *Nevada legislature continues to be a contributing member of the system*
5 *pursuant to subsection 1, the employee shall pay the contributions*
6 *required directly to the system. The system shall ensure that the employer*
7 *of the public employee who is on a leave of absence to serve in the*
8 *Nevada legislature provides to the system documentation of the period*
9 *during which the employee is on the leave of absence. The public*
10 *employer is not required to pay the employer contribution during the*
11 *leave of absence.*

12 *3. A public employee on a leave of absence to serve in the Nevada*
13 *legislature may elect to have the amount deducted pursuant to NRS*
14 *218.2387 paid to the system to partially offset the contributions that the*
15 *employee is required to pay to remain a member of the system. If the*
16 *public employee makes the election authorized pursuant to this*
17 *subsection, he does not accrue any service credit for retirement under the*
18 *legislators' retirement system during the period during which his election*
19 *pursuant to this subsection is effective.*

20 *4. For the purposes of this section, "compensation" shall be deemed*
21 *to be the salary paid for the position from which the employee is on*
22 *leave.*

23 **Sec. 2.** NRS 286.025 is hereby amended to read as follows:

24 286.025 1. Except as otherwise provided by specific statute,
25 "compensation" is the salary paid to a member by his principal public
26 employer.

27 2. The term includes:

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

30 (b) Additional payment for longevity, shift differential, hazardous duty,
31 work performed on a holiday if it does not exceed the working hours of the
32 normal work week or pay period for that employee, holding oneself ready
33 for duty while off duty and returning to duty after one's regular working
34 hours.

35 (c) Payment for extra duty assignments if it is the standard practice of
36 the public employer to include such pay in the employment contract or
37 official job description for the calendar or academic year in which it is paid
38 and such pay is specifically included in the member's employment contract
39 or official job description.

40 (d) The aggregate compensation paid by two separate public employers
41 ~~if~~ if one member is employed half time or more by one, and half time or
42 less by the other, if the total does not exceed full-time employment ~~and~~ ,

1 **if** the duties of both positions are similar and **if** the employment is pursuant
2 to a continuing relationship between the employers.

3 3. The term does not include ~~f~~:

4 ~~—(a) Payment for overtime, terminal leave or secondary employment.~~

5 ~~—(b) Payment for employment which is not eligible service.~~

6 ~~—(c) Except as provided in NRS 286.477, any bonus or additional salary~~
7 ~~which is paid to an employee on account of his promise, express or implied,~~
8 ~~to retire on a specified date or within a specified period, or any bonus or~~
9 ~~additional salary paid to an employee predicated upon his eligibility to~~
10 ~~retire whether promised or not. Failure to pay a like bonus or additional~~
11 ~~salary to another employee in like circumstances who has not promised so~~
12 ~~to retire creates a rebuttable presumption that payment to the first employee~~
13 ~~was on account of his promise.] any type of payment not specifically~~
14 ~~described in subsection 2.~~

15 **Sec. 3.** NRS 286.293 is hereby amended to read as follows:

16 286.293 1. The following employees of public employers shall
17 participate in the system:

18 ~~[1.]~~ (a) Those employed on or after July 1, 1977, in positions considered
19 to be half time or more according to the full-time work schedule established
20 for that public employer.

21 ~~[2.]~~ (b) Elected officials or persons appointed to elective positions who
22 are elected or appointed after July 1, 1975, except where excluded by NRS
23 286.297.

24 ~~[3.]~~ (c) A member whose allowance is vested or who is contributing
25 immediately before a legislative session who is employed on or after
26 January 1, 1981, by either house of the legislature or by the legislative
27 counsel bureau.

28 (d) *A member of the Nevada gaming commission.*

29 2. *The board shall establish standards for determining what*
30 *constitutes a full-time work schedule pursuant to paragraph (a) of*
31 *subsection 1.*

32 **Sec. 4.** NRS 286.300 is hereby amended to read as follows:

33 286.300 Except as otherwise required as a result of NRS 286.537:

34 1. Any member of the system may purchase all previous creditable
35 service performed with his present employing agency if that service was
36 performed before the enrollment of his agency in the system, even if the
37 service is still creditable in some other system where it cannot be canceled.
38 The public employer must certify the inclusive dates of employment and
39 number of hours regularly worked by the member to validate the service.
40 The member must pay the full actuarial cost as determined by the actuary.

41 2. In addition to the purchase authorized pursuant to the provisions of
42 subsection 1, any member who has 5 years of creditable service may

1 purchase up to 5 years of service. The member must pay the full actuarial
2 cost of the service as determined by an actuary of the system.

3 3. In addition to the purchase authorized pursuant to the provisions of
4 subsection 1, any member who:

5 (a) Is a licensed teacher;

6 (b) Has 5 years of creditable service;

7 (c) Is, pursuant to statute, regulation or contract, entitled to payment for
8 unused sick leave; and

9 (d) Is employed by the board of trustees of a school district that has,
10 pursuant to subsection 5 of NRS 391.180, provided for the payment of
11 unused sick leave in the form of purchase of service,
12 may cause to be purchased on his behalf service credit, not to exceed the
13 number of hours of unused sick leave or 1 year, whichever is less. The full
14 actuarial cost of the service as determined by an actuary of the system must
15 be paid for such a purchase. Any service credit purchased pursuant to this
16 subsection must be included as a part of, and is not in addition to, service
17 purchased pursuant to subsection 2.

18 4. Any member of the system may use:

19 (a) All or any portion of the balance of the member's interest in a
20 qualified trust pursuant to section 401(a) of the Internal Revenue Code,
21 26 U.S.C. § 401(a); or

22 (b) The money contained in an individual retirement account or an
23 individual retirement annuity of a member, the entire amount of which
24 is:

25 (1) Attributable to a qualified distribution from a qualified trust
26 pursuant to section 401(a) of the Internal Revenue Code, 26 U.S.C. §
27 401(a); and

28 (2) Qualified as an eligible rollover distribution pursuant to section
29 402 of the Internal Revenue Code, 26 U.S.C. § 402,
30 to purchase creditable service pursuant to subsection 1 or 2.

31 Sec. 5. NRS 286.470 is hereby amended to read as follows:

32 286.470 1. Except as otherwise required as a result of NRS 286.535
33 or 286.537, *or as otherwise provided in subsection 3*, average
34 compensation for service performed as a county commissioner, councilman
35 or mayor must be calculated as follows for those members whose effective
36 date of retirement is after May 19, 1975:

37 (a) Service retirement allowance for elective service must be computed
38 on the basis of the highest 36 consecutive months of elective service
39 multiplied by the percentage of average compensation earned during such
40 service.

41 (b) Service retirement allowance for regular service must be computed
42 on the basis of the highest 36 consecutive months of regular service

1 multiplied by the percentage of average compensation earned during such
2 service.

3 (c) The service retirement allowances for elective service and for regular
4 service are added together to provide the total unmodified service
5 retirement allowance earned by the member.

6 (d) Average compensation for service before July 1, 1977, is computed
7 from the sum of both salaries when a member is employed simultaneously
8 as a regular member and as a county commissioner, councilman or mayor.

9 2. A member who has service as a county commissioner, councilman
10 or mayor may, upon retirement, waive such service and have his allowances
11 computed as a regular member.

12 ***3. If a member who has service as a county commissioner,
13 councilman or mayor has an average salary for the entire period of
14 elective service that is equal to or greater than the average salary of a
15 member for regular service for the same period, the calculations required
16 pursuant to subsection 1 do not apply and the member must receive
17 credit for regular service.***

18 **Sec. 6.** NRS 286.481 is hereby amended to read as follows:

19 286.481 A member shall not be credited with service for:

20 1. ~~Leave~~ ***Except as otherwise provided in section 1 of this act, leave***
21 of absence without pay;

22 2. Overtime work;

23 3. Employment in a position which does not qualify him for
24 participation in the system;

25 4. More than 1 day within a day, 1 month within a month, or 1 year of
26 service in any 12-month period; or

27 5. Any period for which compensation is not received by the member
28 unless specifically otherwise provided in this chapter.

29 **Sec. 7.** NRS 286.501 is hereby amended to read as follows:

30 286.501 Each member who is employed by a school district for less
31 than 12 months per school year and each member of the professional staff
32 of the University and Community College System of Nevada employed for
33 the academic year who is employed for less than 12 months per fiscal year
34 is credited with service as follows:

35 1. Service is credited on the basis of a full year if the member works
36 full time for the full school year.

37 2. Employment for a part of a school year is credited on a ratio of one
38 and one-third days for each day worked, but credit may not be given in
39 advance or until the appropriate period has expired.

40 3. A full year of service is not credited until the full 12-month period
41 has expired. If the employee begins work under a new contract before the
42 expiration of the 12-month period for the old contract, credit must be

1 granted for the period of overlap, as certified by the school district, at the
2 first period in which there is a lapse in service.

3 4. Service credit under this section must be computed according to:

4 (a) The school year ~~extending from September 1 to August 31~~ for
5 school district employees.

6 (b) The fiscal year for members of the professional staff of the
7 University and Community College System of Nevada.

8 5. A member receives full credit while on sabbatical leave if the public
9 employer certifies that the compensation and contributions reported for the
10 member are the same as if he were employed full time. If the employer does
11 not so certify, the member receives credit in the proportion that his actual
12 compensation bears to his previous compensation.

13 No member may receive less credit under this section than was provided
14 under the law in force when the credit was earned.

15 **Sec. 8.** NRS 286.520 is hereby amended to read as follows:

16 286.520 1. Except as otherwise provided in subsections 4, 5 and 6
17 and NRS 286.525, the consequences of the employment of a retired
18 employee are:

19 (a) A retired employee who accepts employment or an independent
20 contract with a public employer under this system is disqualified from
21 receiving any allowances under this system for the duration of that
22 employment or contract if:

23 (1) He accepted the employment or contract within 90 calendar days
24 after the effective date of his retirement; or

25 (2) He is employed in a position which is eligible to participate in this
26 system.

27 (b) If a retired employee accepts employment or an independent contract
28 with a public employer under this system more than 90 calendar days after
29 the effective date of his retirement in a position which is not eligible to
30 participate in this system his allowance under this system terminates upon
31 his earning an amount equal to one-half of the average salary for
32 participating public employees who are not police officers or firemen in
33 any fiscal year, for the duration of that employment or contract.

34 (c) If a retired employee accepts employment with an employer who is
35 not a public employer under this system, the employee is entitled to the
36 same allowances as a retired employee who has no employment.

37 2. The retired employee and the public employer shall notify the
38 system:

39 (a) Within 10 days after the first day of an employment or contract
40 governed by paragraph (a);

41 (b) Within 30 days after the first day of an employment or contract
42 governed by paragraph (b); and

(c) Within 10 days after a retired employee earns more than one-half of the average salary for participating public employees who are not police officers or firemen in any fiscal year from an employment or contract governed by paragraph (b), of subsection 1.

3. For the purposes of this section, the average salary for participating public employees who are not police officers or firemen must be computed on the basis of the most recent actuarial valuation of the system.

4. If a retired employee is chosen by election or appointment to fill an elective public office, he is entitled to the same allowances as a retired employee who has no employment, unless he is serving in the same office in which he served and for which he received service credit as a member. *A public employer may pay contributions on behalf of such a retired employee to a retirement fund which is not a part of the system in an amount not to exceed the amount of the contributions that the public employer would pay to the system on behalf of a participating public employee who serves in the same office.*

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

6. A person who accepts employment or an independent contract with either house of the legislature or by the legislative counsel bureau is exempt from the provisions of subsections 1 and 2 for the duration of that employment or contract.

Sec. 9. NRS 286.525 is hereby amended to read as follows:

286.525 1. A retired employee who accepts employment in a position eligible for membership may enroll in the system as of the effective date of that employment. ~~[If he so enrolls:]~~ *As of the date of enrollment:*

(a) He forfeits all retirement allowances for the duration of that employment.

(b) ~~[Upon termination of the employment, he]~~ *He* is entitled to receive, *after the termination of the employment and* upon written request, a refund of all contributions made by him during the employment. Except as otherwise required as a result of NRS 286.535 or 286.537, if he does not request the refund and the duration of the employment was 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 was:

(1) Less than 5 years, the additional allowance must be added to his original allowance and must be under the same option and designate the same beneficiary as the original allowance.

1 (2) Five years or more, the additional allowance may be under any
2 option and designate any beneficiary in accordance with NRS 286.545.

3 2. The original service retirement allowance of such a retired employee
4 must not be recalculated based upon the additional service credit, nor is he
5 entitled to any of the rights of membership that were not in effect at the
6 time of his original retirement. The accrual of service credit pursuant to this
7 section is subject to the limits imposed by:

8 (a) NRS 286.551; and

9 (b) Section 415 of the Internal Revenue Code, ~~{H}~~ 26 U.S.C. § 415, ~~{D}~~
10 if the member's effective date of membership is on or after January 1,
11 1990.

12 3. Except as otherwise required as a result of NRS **286.470**, 286.535 or
13 286.537, a retired employee who has been receiving a retirement allowance
14 and who is reemployed and ~~{enrolls}~~ **is enrolled** in the system for at least 5
15 years may ~~{elect to return all retirement allowances plus interest from the~~
16 ~~date of return to employment to the date of repayment and}~~ have his
17 additional credit for service added to his previous credit for service. ~~{If he~~
18 ~~chooses to do so, he shall be deemed a continuing employee with a break in~~
19 ~~service. This election}~~ **This additional credit for service** must not apply to
20 more than one period of employment after the original retirement.

21 4. The survivor of a deceased member who had previously retired and
22 was rehired and enrolled in the system, who qualifies for benefits pursuant
23 to NRS 286.671 to 286.6793, inclusive, is eligible for the benefits based on
24 the service accrued through the second period of employment. ~~{if the~~
25 ~~member elected to receive his service retirement allowance without~~
26 ~~modification.}~~

27 **Sec. 10.** NRS 286.667 is hereby amended to read as follows:

28 286.667 1. A retired employee whose service or disability retirement
29 allowance is payable from the police and firemen's retirement fund is
30 entitled to receive his allowance without modification.

31 2. Upon the death of such a person, a person who was his spouse ~~{both}~~
32 at the time of his retirement ~~{and the time of his death}~~ is entitled, upon
33 attaining the age of 50 years, to receive a benefit equal to 50 percent of the
34 allowance to which the retired employee was entitled.

35 3. This section does not apply to a person who:

36 (a) Begins receiving a service or disability retirement allowance or a
37 benefit from the police and firemen's retirement fund before July 1, 1981.

38 (b) At the time of his retirement, elects one of the alternatives to an
39 unmodified retirement allowance.

40 4. Service performed after July 1, 1981, in positions other than as a
41 police officer or fireman, except military service, may not be credited
42 toward the benefit conferred by this section. A police officer or fireman

1 who has performed service which is not creditable toward this benefit may
2 elect to:

- 3 (a) Select a retirement option other than one permitted by this section;
- 4 (b) Receive the benefit conferred by this section ~~H~~ with a spouse's
5 benefit reduced by a proportion equal to that which the service which is not
6 creditable bears to his total service; or
- 7 (c) Purchase the additional spouse's benefit at the time he retires by
8 paying the full actuarial cost as computed for his situation by the actuary of
9 the system.

10 5. The entire cost of the benefit conferred by this section must be paid
11 by the employee. Each employer must adjust the salaries of its employees
12 who are eligible for the benefit to offset its cost to the employer. Employers
13 who adjust salaries pursuant to this subsection do not by doing so violate
14 any collective bargaining agreement or other contract.

15 **Sec. 11.** NRS 286.673 is hereby amended to read as follows:

16 286.673 1. Except as limited by NRS 286.6775, each child of a
17 deceased member is entitled to receive a cumulative benefit of at least
18 ~~18~~ ~~\$350~~ \$400 per month, beginning on the first day of the month following
19 the member's death.

20 2. Except as *otherwise* provided in subsections 3 and 4, payments to
21 any child cease on the last day of the month of:

- 22 (a) His adoption;
- 23 (b) His death;
- 24 (c) His marriage; or
- 25 (d) His attaining the age of 18 years.

26 3. These benefits may be paid to the child of a deceased member until
27 the last day of the month of his 23rd birthday if he was, at the time of the
28 member's death, and continues thereafter to be, a full-time student in any
29 accredited:

- 30 (a) High school;
- 31 (b) Vocational or technical school; or
- 32 (c) College or university.

33 4. These benefits may be commenced or extended indefinitely beyond
34 a child's 18th birthday if and so long as he is determined by the system to
35 be:

- 36 (a) Financially dependent; and
- 37 (b) Physically or mentally incompetent.

38 5. All benefits under this section may be paid by the system to the
39 child's:

- 40 (a) Surviving parent; or
- 41 (b) Legal guardian.

42 6. The board shall establish uniform standards and procedures for
43 determining whether a child is:

- 1 (a) A full-time student;
- 2 (b) Financially dependent; and
- 3 (c) Physically or mentally incompetent.

4 **Sec. 12.** NRS 286.674 is hereby amended to read as follows:

5 286.674 1. The spouse of a deceased member is entitled to receive a
6 cumulative benefit of at least ~~[\$400]~~ \$450 per month. The payments must
7 begin on the first day of the month immediately following the death of the
8 member and must cease on the last day of the month in which the spouse
9 dies . ~~[for remarries.]~~ If payments cease before the total amount of
10 contributions made by the deceased member have been received by the
11 spouse, the surplus of contributions over payments received must be paid to
12 the spouse.

13 2. The benefits paid pursuant to this section are in addition to any
14 benefits paid pursuant to NRS 286.673.

15 **Sec. 13.** NRS 286.676 is hereby amended to read as follows:

16 286.676 1. Except as limited by subsections 3 and 4, the spouse of a
17 deceased member who had 10 or more years of accredited contributing
18 service is entitled to receive a monthly allowance equivalent to that
19 provided by:

20 (a) Option 3 in NRS 286.590, if the deceased member had less than ~~[20]~~
21 15 years of service on the date of his death; or

22 (b) Option 2 in NRS 286.590, if the deceased member had more than
23 ~~[20]~~ 15 years of service on the date of his death.

24 ~~[For purposes of applying]~~ To apply the provisions of Options 2 and 3, the
25 deceased member shall be deemed to have retired on the date of his death
26 immediately after having named the spouse as beneficiary under the
27 applicable option. This benefit must be computed without any reduction for
28 age for the deceased member. The benefits provided by this subsection
29 must be paid to the spouse for the remainder of the spouse's life.

30 2. The spouse may elect to receive the benefits provided by any one of
31 the following only:

32 (a) This section;

33 (b) NRS 286.674; or

34 (c) NRS 286.678.

35 3. The benefit payable to the spouse of a member who died before May
36 19, 1975, is limited to a spouse who received at least 50 percent of his
37 support from the member during the 6 months immediately preceding the
38 member's death and to the amounts provided in this subsection. ~~[If, at the~~
39 ~~time of his death, the member had 15 or more years of service, his spouse,~~
40 ~~upon attaining the age of 60 years, may receive a cumulative benefit of at~~
41 ~~least \$400 per month or 50 percent of the average salary received by the~~
42 ~~deceased member for the 3 consecutive highest salaried years of his last 10~~
43 ~~years of service, whichever is less.]~~ If, at the time of his death, the member

1 had ~~20~~ 15 or more years of service and did not elect an optional
2 retirement plan as offered in this chapter, his spouse, upon attaining the age
3 of 60 years, may receive a cumulative benefit of at least ~~[\$400]~~ \$450 per
4 month or 50 percent of the average salary received by the member for the 3
5 consecutive highest salaried years of his last 10 years of service, whichever
6 is less. Payments, or the right to receive payments, must cease upon the
7 death ~~for remarriage~~ of the spouse. Benefits under this section are not
8 renewable following termination.

9 4. The benefits provided by paragraph (a) of subsection 1 may only be
10 paid to the spouses of members who died on or after May 19, 1975.

11 **Sec. 14.** NRS 286.677 is hereby amended to read as follows:

12 286.677 If payments or refunds are not made under the provisions of
13 NRS 286.673, 286.674 or 286.676 , the dependent parent of a deceased
14 member is entitled to receive a cumulative benefit of at least ~~[\$350]~~ \$400
15 per month, and if there are two dependent parents each is entitled to receive
16 a cumulative benefit of at least ~~[\$350]~~ \$400 per month. Payments to any
17 parent under this section must cease upon the death or remarriage of that
18 parent.

19 **Sec. 15.** NRS 218.2379 is hereby amended to read as follows:

20 218.2379 1. Within a reasonable time after July 1, 1967, the board
21 shall notify all incumbent legislators in writing concerning credit for
22 service, other than legislative service, covered under the public employees'
23 retirement system. Unless the legislator requests in writing within 30 days
24 after receipt of such written notice that his service, other than legislative
25 service, be continued under the public employees' retirement system, the
26 board shall transfer from the public employees' retirement fund all sums
27 contributed by the legislator through service, other than legislative service,
28 together with the sums contributed by his employer for such service. The
29 service so transferred shall be accredited under the legislators' retirement
30 system as if performed in a legislative capacity. Service so transferred may
31 be retransferred to the public employees' retirement system, and the related
32 contributions shall then be returned to the public employees' retirement
33 fund, at any time when the person ceases to be a legislator and reestablishes
34 membership in the public employees' retirement system.

35 2. Except *as otherwise provided in section 1 of this act or* for the
36 transfer of service from the public employees' retirement system to the
37 legislators' retirement system, as provided in this section, service after
38 July 1, 1967, as a legislator cannot be accredited under the public
39 employees' retirement system and service in capacities covered by the
40 public employees' retirement system cannot be accredited under the
41 legislators' retirement system.

42 3. Nothing in NRS 218.2371 to 218.2395, inclusive, or in any other
43 law prevents or prohibits coverage of a person under both the public

1 employees' retirement system and the legislators' retirement system when
2 service is compatible with the provisions of each system.

3 4. Legislators receiving retirement allowances from the public
4 employees' retirement system on July 1, 1967, are not eligible for transfer
5 to the legislators' retirement system.

6 **Sec. 16.** NRS 218.2381 is hereby amended to read as follows:

7 218.2381 1. Except as otherwise *provided in section 1 of this act or*
8 required as a result of NRS 218.23815, each legislator shall be a member of
9 the legislators' retirement system and shall make contributions to the
10 legislators' retirement fund in the amounts and manner provided in NRS
11 218.2371 to 218.2395, inclusive.

12 2. Within 5 days after the commencement of each regular or special
13 session of the legislature each legislator who has not previously filed a
14 beneficiary designation form with the board shall file with the board, upon
15 a form provided by the board, the designation of a beneficiary who is
16 entitled to receive the contributions of the legislator in case of death before
17 retirement or termination of services as a legislator and subsequent
18 withdrawal of contributions. If no beneficiary is designated, payment must
19 be made to the estate of the deceased legislator. Payment may be made
20 directly to the designated beneficiary without probate or administration of
21 the estate of the deceased legislator.

22 3. A beneficiary may be changed at any time by written notice given by
23 a legislator to the board on a form prescribed by the board.

24 **Sec. 17.** NRS 218.2387 is hereby amended to read as follows:

25 218.2387 ~~[The]~~ *Except as otherwise provided in section 1 of this act,*
26 *the* director of the legislative counsel bureau shall:

27 1. Deduct from the compensation of each legislator an amount equal to
28 15 percent of the gross compensation earned as a legislator and transmit
29 that amount to the board together with the necessary forms prescribed by
30 the board at intervals designated by the board; and

31 2. Pay to the board from the legislative fund an amount as the
32 contribution of the State of Nevada as employer which is actuarially
33 determined to be sufficient to provide the system with enough money to pay
34 all benefits for which the system will be liable.

35 **Sec. 18.** 1. In addition to the election authorized pursuant to section
36 1 of this act, a legislator who is also a member of the public employees'
37 retirement system may elect to waive any service credit that he has accrued
38 for retirement under the legislators' retirement system while on leave as a
39 public employee and take that service credit as credit in the public
40 employees' retirement system.

41 2. A legislator who makes the election authorized pursuant to
42 subsection 1 shall pay to the public employees' retirement system the
43 contributions applicable to the periods in which he was on a leave of

1 absence as a public employee, plus interest accrued, for each period to be
2 credited.

3 3. An election pursuant to subsection 1 must be made on or before
4 December 31, 1999.

5 **Sec. 19.** Notwithstanding the provisions of NRS 286.293, as amended
6 by section 3 of this act, any member of the Nevada gaming commission
7 who is appointed to the commission before July 1, 1999, may elect to
8 participate in the public employees' retirement system on or before July 30,
9 1999. Such a member may not elect to become a member of the public
10 employees' retirement system after July 30, 1999.

11 **Sec. 20.** The provisions of NRS 286.667, as amended by section 10 of
12 this act, apply to any person who is receiving benefits pursuant to that
13 section on July 1, 1999.

14 **Sec. 21.** 1. This section and sections 1, 2, 3 and 5 to 20, inclusive, of
15 this act become effective on July 1, 1999.

16 2. Section 4 of this act becomes effective on July 1, 2000.