

SENATE BILL NO. 111—COMMITTEE ON FINANCE
(ON BEHALF OF DEPARTMENT OF ADMINISTRATION)

FEBRUARY 4, 1999

Referred to Committee on Finance

SUMMARY—Clarifies provisions governing purchase by state agency of service credit in public employees' retirement system on behalf of certain employees under certain circumstances. (BDR 23-758)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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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 public employees' retirement; clarifying provisions governing the purchase by a state agency of service credit in the public employees' retirement system on behalf of certain employees 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.** NRS 286.3007 is hereby amended to read as follows:
2 286.3007 Except as otherwise required as a result of NRS 286.537:
3 1. A state agency ~~shall~~ ***may enter into an agreement to*** pay the cost
4 of purchasing credit for service pursuant to NRS 286.300 on behalf of a
5 member if:
6 (a) The agency ~~entered into an agreement with the member under which~~
7 ~~the member was employed~~ ***enters into the agreement before the member***
8 ***is employed;***
9 ***(b) The member is employed*** upon the condition that the employer pay
10 the cost of purchasing the credit; and
11 ~~(b)~~ ***(c)*** The agreement to ~~purchase~~ ***pay the cost of purchasing*** the
12 credit is in writing, becomes part of the personnel records of the employee
13 and is approved in advance by the state board of examiners.

1 2. If a state agency is ~~required~~ *authorized* to purchase credit pursuant
2 to subsection 1, it shall not do so until the member has completed 1 year of
3 service in its employ.

4 3. If a state agency is required to reduce the number of its employees, it
5 shall purchase credit for service pursuant to NRS 286.300 for any member
6 who:

7 (a) Is eligible to purchase credit;

8 (b) Is eligible to retire or will be made eligible by the purchase of the
9 credit;

10 (c) Agrees to retire upon completion of the purchase; and

11 (d) Has been employed by the agency for 5 or more years.

12 4. If a state agency is required to purchase credit pursuant to subsection
13 3, it shall pay 5 percent of the cost of purchasing the credit and an
14 additional 5 percent of the cost for each year that the person has been
15 employed by the agency in excess of the minimum requirement of 5 years.

16 **Sec. 2.** This act becomes effective upon passage and approval.