

ASSEMBLY BILL NO. 438—ASSEMBLYMEN KOIVISTO, PARNELL,
MCCLAIN, DENIS, OCEGUERA AND PERKINS

MARCH 25, 2005

Referred to Committee on Ways and Means

SUMMARY—Revises provisions governing health insurance for certain retired public officers and employees. (BDR 23-792)

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

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

AN ACT relating to programs for public personnel; revising the provisions governing the payment of a portion of the costs of coverage under the Public Employees' Benefits Program for certain retired public officers and employees who join or remain in the Program upon retirement; requiring the Public Employees' Benefits Program to reimburse certain retired participants for increased amounts paid for coverage under the Program during Fiscal Year 2004-2005 in 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 287.046 is hereby amended to read as follows:
2 287.046 1. Except as otherwise provided in subsection 6, any
3 active state officer or employee who elects to participate in the
4 Program may participate, and the participating state agency that
5 employs the officer or employee shall pay the State's share of the
6 cost of the premiums or contributions for the Program from money
7 appropriated or authorized as provided in NRS 287.044. State
8 officers and employees who elect to participate in the Program must
9 authorize deductions from their compensation for the payment of
10 premiums or contributions for the Program. Any deduction from the



1 compensation of a state officer or employee for the payment of a
2 premium or contribution for health insurance must be based on the
3 actual amount of the premium or contribution after deducting any
4 amount of the premium or contribution which is paid by the
5 participating state agency that employs the employee.

6 2. The Department of Personnel shall pay a percentage of the
7 base amount provided by law for that fiscal year toward the cost of
8 the premiums or contributions for the Program for persons who have
9 retired with state service and who elect to participate in the
10 Program. Except as otherwise provided in subsection 3, the
11 percentage to be paid must be calculated as follows:

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

14 (b) For those persons who retire on or after January 1, 1994,
15 with at least 5 years of ~~[state service,]~~ *service credit with the State*
16 *or a local government, or both,* 25 percent plus an additional 7.5
17 percent for each year of ~~[state]~~ *such* service *credit* in excess of 5
18 years to a maximum of 137.5 percent, excluding service purchased
19 pursuant to NRS 1A.310 or 286.300, of the base amount provided
20 by law for that fiscal year.

21 *↪ If the person had service credit with more than one public*
22 *employer, the amount calculated pursuant to this subsection must*
23 *be divided among all public employers with which the person had*
24 *service credit, in the proportion that the service credit of the*
25 *person with each public employer bears to the total service credit*
26 *of the person with all public employers.*

27 3. If the amount calculated pursuant to subsection 2 exceeds
28 the actual premium or contribution for the plan of the Program that
29 the retired participant selects, the balance must be credited to the
30 Fund for the Public Employees' Benefits Program created pursuant
31 to NRS 287.0435.

32 4. For the purposes of subsection 2:

33 (a) ~~[Credit for service]~~ *Service credit* must be calculated in the
34 manner provided by chapter 286 of NRS.

35 (b) ~~[No]~~ *In calculating the percentage of the base amount to*
36 *be paid, no* proration may be made for a partial year of ~~[state~~
37 ~~service,]~~ *service credit.*

38 5. The Department shall agree through the Board with the
39 insurer for billing of remaining premiums or contributions for the
40 retired participant and his dependents to the retired participant and
41 to his dependents who elect to continue coverage under the Program
42 after his death.

43 6. A Senator or Assemblyman who elects to participate in the
44 Program shall pay the entire premium or contribution for his
45 insurance.



- 1 **Sec. 2.** The Public Employees' Benefits Program shall
2 reimburse any participant in the Program:
3 1. Who retired before July 1, 2004, from public service;
4 2. Whose years of public service included service with a local
5 government; and
6 3. Whose subsidy for coverage under the Program pursuant to
7 paragraph (b) of subsection 2 of NRS 287.046 decreased during
8 Fiscal Year 2004-2005,
9 ➔ for any increased amount that the participant was required to pay
10 for coverage during that period as a result of the decrease in his
11 subsidy.
12 **Sec. 3.** This act becomes effective on July 1, 2005.



