

ASSEMBLY BILL NO. 442—ASSEMBLYWOMAN KOIVISTO

MARCH 25, 2005

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing health benefits for officers and employees of local governments. (BDR 23-961)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: 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 programs for public personnel; excluding health benefits provided pursuant to collective bargaining agreements from the provisions governing health benefits for officers and employees of local governments; 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. Chapter 287 of NRS is hereby amended by adding thereto a new section to read as follows:

The provisions of this section and NRS 287.010 to 287.040, inclusive:

1. Do not apply to:

(a) Any health and welfare plan arising out of collective bargaining pursuant to chapter 288 of NRS that was in existence before July 1, 2003; or

(b) Any trust fund to provide health and welfare benefits that was established pursuant to NRS 287.015 before July 1, 2003.

2. Shall not be construed to:

(a) Impair the right, obligation or ability of a county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada to make any payments pursuant to this section and NRS 287.010 to 287.040, inclusive, to a plan or trust fund described in



1 *subsection 1 for the benefit of the active or retired officers and*
2 *employees of the local government, or their dependents, or any*
3 *combination thereof, pursuant to the terms of any collective*
4 *bargaining agreement entered into pursuant to chapter 288 of*
5 *NRS; or*

6 *(b) Require the payment of any premium or contribution*
7 *pursuant to this section and NRS 287.010 to 287.040, inclusive, by*
8 *a county, school district, municipal corporation, political*
9 *subdivision, public corporation or other local governmental*
10 *agency to any plan, program or insurance for the benefit of the*
11 *active or retired officers and employees of the local government,*
12 *or their dependents, or any combination thereof, if such payment*
13 *is not required pursuant to the terms of any collective bargaining*
14 *agreement entered into pursuant to chapter 288 of NRS.*

15 **Sec. 2.** NRS 287.023 is hereby amended to read as follows:

16 287.023 1. Whenever an officer or employee of the
17 governing body of any county, school district, municipal
18 corporation, political subdivision, public corporation or other local
19 governmental agency of the State of Nevada retires under the
20 conditions set forth in NRS 1A.350 or 1A.480, or 286.510 or
21 286.620 and, at the time of his retirement, was covered or had his
22 dependents covered by any group insurance, plan of benefits or
23 medical and hospital service established pursuant to NRS 287.010,
24 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS
25 287.025, the officer or employee has the option upon retirement to
26 cancel or continue any such coverage or join the Public Employees'
27 Benefits Program to the extent that such coverage is not provided to
28 him or a dependent by the Health Insurance for the Aged Act, 42
29 U.S.C. §§ 1395 et seq.

30 2. A retired person who joins the Public Employees' Benefits
31 Program upon retirement pursuant to subsection 1 or continues
32 coverage under the Public Employees' Benefits Program shall
33 assume the portion of the premium or contribution costs for the
34 coverage which the governing body or the State does not pay on
35 behalf of retired officers or employees. A dependent of such a
36 retired person has the option, which may be exercised to the same
37 extent and in the same manner as the retired person, to cancel or
38 continue coverage in effect on the date the retired person dies. The
39 dependent is not required to continue to receive retirement payments
40 from the Public Employees' Retirement System to continue
41 coverage.

42 3. Notice of the selection of the option must be given in writing
43 to the last public employer of the officer or employee within 60 days
44 after the date of retirement or death, as the case may be. If no notice
45 is given by that date, the retired officer or employee and his



dependents shall be deemed to have selected the option to cancel the coverage for the group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025 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 local governmental agency of this State:

(a) May pay the cost, or any part of the cost, of coverage established pursuant to NRS 287.010, 287.015 or 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025 for persons who continue that coverage pursuant to subsection 1, but it must not pay a greater portion than it does for its current officers and employees.

(b) ~~It shall~~ *Except as otherwise provided in a collective bargaining agreement entered into pursuant to chapter 288 of NRS, shall* pay the same portion of the cost of coverage under the Public Employees' Benefits Program for persons who join the Program upon retirement pursuant to subsection 1 as the State pays pursuant to subsection 2 of NRS 287.046 for persons retired from state service who have continued to participate in the Program.

5. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of this State shall, for the purpose of establishing actuarial data to determine rates and coverage for persons who continue coverage for group insurance, a plan of benefits or medical and hospital service with the governing body pursuant to subsection 1, commingle the claims experience of those persons with the claims experience of active officers and employees and their dependents who participate in the group insurance, a plan of benefits or medical and hospital service.

Sec. 3. NRS 287.040 is hereby amended to read as follows:

287.040 The provisions of NRS 287.010 to 287.040, inclusive, *and section 1 of this act* do not make it compulsory upon any governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada, except as otherwise provided in NRS 287.021 or in an agreement entered into pursuant to subsection 3 of NRS 287.015, to pay any premiums, contributions or other costs for group insurance, a plan of benefits or medical or hospital services established pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025, or upon any officer or employee of any county, school district, municipal corporation, political subdivision, public corporation or



1 other local governmental agency of this State to accept any such
2 coverage or to assign his wages or salary in payment of premiums or
3 contributions therefor.

4 **Sec. 4.** It is the intent of the Legislature that the provisions of
5 paragraph (b) of subsection 4 of NRS 287.023, as amended by this
6 act, apply prospectively only to payments made on or after July 1,
7 2005, pursuant to that paragraph by a governing body of a county,
8 school district, municipal corporation, political subdivision, public
9 corporation or other local governmental agency of this State for the
10 cost of coverage under the Public Employees' Benefits Program for
11 persons who joined the Program upon retirement pursuant to
12 subsection 1 of NRS 287.023.

13 **Sec. 5.** This act becomes effective on July 1, 2005.

