

SENATE BILL NO. 145—SENATOR MATHEWS

MARCH 1, 2005

Referred to Committee on Finance

SUMMARY—Revises provisions regarding eligibility of police officers and firefighters to receive disability retirement allowances. (BDR 23-957)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
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 the Public Employees' Retirement System; providing that any police officer or firefighter who has at least 5 years of service and suffers a catastrophic injury in the course of employment may receive a disability retirement allowance; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Under existing law, a member of the Public Employees' Retirement System with 5 years of service may apply for disability retirement if he becomes totally unable to perform his job or a comparable job for which he is qualified because of injury or mental or physical illness of a permanent nature. (NRS 286.620) For full-time members of the System, the amount of disability retirement allowance is determined by a formula based on average compensation and years of service. (NRS 286.551, 286.620) The manner in which an allowance is determined applies to all members of the System, including police officers and firefighters. (NRS 286.510)

This bill gives police officers and firefighters another option under which to receive disability retirement. Under the provisions of this bill, if a police officer or firefighter with 5 years of service suffers a catastrophic injury during the course of employment that renders him unable to perform the duties of his present position or any other position he has held within the past year, he is eligible to receive a disability retirement allowance. He may elect to receive 50 percent of the compensation he earned at the time of the injury or subsequent retirement date, or he may elect to receive the standard disability retirement allowance as set forth in NRS 286.620. A police officer or firefighter who elects to receive the allowance under this new option may change to the standard disability allowance by applying to the System.



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  
2 thereto the provisions set forth as sections 2 and 3 of this act.

3     **Sec. 2.** *"Disability retirement" means disability retirement*  
4 *pursuant to NRS 286.620 or section 3 of this act.*

5     **Sec. 3. 1.** *A police officer or firefighter who has 5 years or*  
6 *more of service credit and who suffers a catastrophic injury is*  
7 *eligible to apply for disability retirement pursuant to this section*  
8 *if:*

9       (a) *Except as otherwise provided in subsection 6, his*  
10 *employment will be terminated because of the disability;*

11       (b) *He is in the employ of a participating public employer at*  
12 *the time of application for disability retirement;*

13       (c) *He proves that his disability renders him unable to perform*  
14 *the duties of his present position and of any other position he has*  
15 *held within the past year;*

16       (d) *He files a notarized application for disability retirement*  
17 *with the System which indicates a selection of option and to which*  
18 *is attached a personal statement by the member, describing the*  
19 *disability, the duties which he can and cannot perform, and any*  
20 *benefits he is entitled to receive for disability from any other*  
21 *public source;*

22       (e) *The public employer files an official statement certifying*  
23 *the member's employment record, job description, work*  
24 *evaluations, record of disability and absences that have occurred*  
25 *because of the disability; and*

26       (f) *The immediate supervisor of the member files an official*  
27 *statement regarding the effect upon the work of the member after*  
28 *the disability, job functions that can and cannot be performed*  
29 *because of the disability, and whether or not there are alternative*  
30 *jobs that can be performed by the member.*

31     **2.** *If a police officer or firefighter is eligible to receive a*  
32 *disability retirement allowance pursuant to this section and NRS*  
33 *286.620, the police officer or firefighter may elect to receive the*  
34 *allowance pursuant to only one of the sections. A police officer or*  
35 *firefighter who makes such an election may change his election*  
36 *upon application with and approval by the System pursuant to the*  
37 *requirements set forth in this section or NRS 286.620.*

38     **3.** *Except as otherwise required as a result of NRS 286.537, a*  
39 *police officer or firefighter who elects to receive a disability*  
40 *retirement allowance pursuant to this section is entitled to receive*  
41 *50 percent of the compensation he earned at the time of injury or*  
42 *subsequent retirement date.*



1     4. A police officer or firefighter may apply for disability  
2     retirement even if he is eligible for service retirement.

3     5. Each child of a deceased recipient of a disability retirement  
4     allowance is entitled to receive the benefits provided by NRS  
5     286.673 only if the decedent had not reached the age and  
6     completed the service required to be eligible for a service  
7     retirement allowance, except that these benefits must not be paid  
8     to anyone who is named as a beneficiary under one of the options  
9     to an unmodified allowance.

10    6. If a member whose application for disability retirement  
11    pursuant to this section has been:

12    (a) Approved, dies before his employment is terminated, but  
13    within 60 days after his application was approved; or

14    (b) Mailed before his death as indicated by the date of the  
15    postmark dated by the post office on the envelope in which it was  
16    mailed, dies before the Board has acted upon his application and  
17    the Board approves thereafter his application,

18    ↳ his beneficiary is entitled to receive an allowance under the  
19    option selected rather than the benefit otherwise provided for a  
20    survivor.

21    7. The termination or adjustment of a disability retirement  
22    allowance resulting from the death of a recipient of an allowance  
23    must not become effective until the first day of the month  
24    immediately following the death of the recipient.

25    8. As used in this section, "catastrophic injury" means an  
26    injury which:

27    (a) Arises out of and in the course of employment from any  
28    cause, including, without limitation, any physical or chemical  
29    injury; and

30    (b) Renders a police officer or firefighter totally unable to  
31    perform his current job or any comparable job for which he is  
32    qualified by his training and experience.

33    **Sec. 4.** NRS 286.016 is hereby amended to read as follows:

34    286.016 As used in this chapter, unless the context otherwise  
35    requires, the words and terms defined in NRS 286.017 to 286.100,  
36    inclusive, **and section 2 of this act** have the meanings ascribed to  
37    them in such sections.

38    **Sec. 5.** NRS 286.031 is hereby amended to read as follows:

39    286.031 "Disability retirement allowance" means monthly  
40    payments from the Public Employees' Retirement Fund or the  
41    Police and Firefighters' Retirement Fund paid to disabled retired  
42    employees **who have qualified for disability retirement pursuant**  
43    **to NRS 286.620 or section 3 of this act.**



**Sec. 6.** NRS 286.510 is hereby amended to read as follows:

286.510 1. Except as otherwise provided in subsections 2 and 3, a member of the System is eligible to retire at age 65 if he has at least 5 years of service, at age 60 if he has at least 10 years of service and at any age if he has at least 30 years of service.

2. A police officer or firefighter is eligible to retire at age 65 if he has at least 5 years of service, at age 55 if he has at least 10 years of service, at age 50 if he has at least 20 years of service and at any age if he has at least 25 years of service. Only service performed in a position as a police officer or firefighter, established as such by statute or regulation, service performed pursuant to subsection 3 and credit for military service, may be counted toward eligibility for retirement pursuant to this subsection.

3. Except as otherwise provided in subsection 4, a police officer or firefighter who has at least 5 years of service as a police officer or firefighter and is otherwise eligible to apply for disability retirement pursuant to NRS 286.620 *or section 3 of this act* because of an injury arising out of and in the course of his employment remains eligible for retirement pursuant to subsection 2 if:

(a) He applies to the Board for disability retirement and the Board approves his application;

(b) In lieu of a disability retirement allowance, he accepts another position with the public employer with which he was employed when he became disabled as soon as practicable but not later than 90 days after the Board approves his application for disability retirement;

(c) He remains continuously employed by that public employer until he becomes eligible for retirement pursuant to subsection 2; and

(d) After he accepts a position pursuant to paragraph (b), his contributions are paid at the rate that is actuarially determined for police officers and firefighters until he becomes eligible for retirement pursuant to subsection 2.

4. If a police officer or firefighter who accepted another position with the public employer with which he was employed when he became disabled pursuant to subsection 3 ceases to work for that public employer before becoming eligible to retire pursuant to subsection 2, he may begin to receive a disability retirement allowance without further approval by the Board by notifying the Board on a form prescribed by the Board.

5. Eligibility for retirement, as provided in this section, does not require the member to have been a participant in the System at the beginning of his credited service.

6. Any member who has the years of creditable service necessary to retire but has not attained the required age, if any, may



1 retire at any age with a benefit actuarially reduced to the required  
2 retirement age. Except as otherwise required as a result of NRS  
3 286.537, a retirement benefit pursuant to this subsection must be  
4 reduced by 4 percent of the unmodified benefit for each full year  
5 that the member is under the appropriate retirement age, and an  
6 additional 0.33 percent for each additional month that the member is  
7 under the appropriate retirement age. Any option selected pursuant  
8 to this subsection must be reduced by an amount proportionate to  
9 the reduction provided in this subsection for the unmodified benefit.  
10 The Board may adjust the actuarial reduction based upon an  
11 experience study of the System and recommendation by the actuary.

12 **Sec. 7.** NRS 286.615 is hereby amended to read as follows:

13 286.615 1. In addition to the options provided in NRS  
14 287.023 and subject to the requirements of that section, any officer  
15 or employee of a governmental entity enumerated in subsection 1 of  
16 NRS 287.023 who retires under the conditions set forth in NRS  
17 1A.350, 1A.480, 286.510 or 286.620 *or section 3 of this act* and, at  
18 the time of his retirement, was covered or had his dependents  
19 covered by any group insurance, plan of benefits or medical and  
20 hospital service established pursuant to NRS 287.010, 287.015,  
21 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025,  
22 has the option of having the Executive Officer deduct and pay his  
23 premium or contribution for that coverage, as well as the amount  
24 due or to become due upon any obligation designated by the Board  
25 pursuant to subsection 2, from his monthly retirement allowance  
26 until:

27 (a) He notifies the Executive Officer to discontinue the  
28 deduction; or

29 (b) Any of his dependents elect to assume the premium or  
30 contribution applicable to the dependent's coverage before the death  
31 of such a retired person and continue coverage pursuant to NRS  
32 287.023 after his death.

33 2. The Board may adopt regulations to carry out the provisions  
34 of subsection 1, including, but not limited to, regulations governing  
35 the number and types of obligations, amounts for the payment of  
36 which may be deducted and paid by the Board at the option of the  
37 officer or employee pursuant to this section.

38 3. The Executive Officer, Board and System are not liable for  
39 any damages resulting from errors or omissions concerning the  
40 deductions and payment of premiums or contributions authorized  
41 pursuant to this section unless willful neglect or gross negligence is  
42 proven.

43 **Sec. 8.** NRS 286.620 is hereby amended to read as follows:

44 286.620 1. A member of the System who has 5 years or more  
45 of service credit and who becomes totally unable to perform his



1 current job or any comparable job for which he is qualified by his  
2 training and experience, because of injury or mental or physical  
3 illness of a permanent nature is eligible to apply for disability  
4 retirement *pursuant to this section* if:

5 (a) Except as otherwise provided in subsection 5, his  
6 employment will be terminated because of the disability;

7 (b) He is in the employ of a participating public employer at the  
8 time of application for disability retirement;

9 (c) He proves that his disability renders him unable to perform  
10 the duties of his present position and of any other position he has  
11 held within the past year;

12 (d) He files a notarized application for disability retirement with  
13 the System which indicates a selection of option and to which is  
14 attached a personal statement by the member, describing the  
15 disability, the duties which he can and cannot perform, and any  
16 benefits he is entitled to receive for disability from any other public  
17 source;

18 (e) The public employer files an official statement certifying the  
19 member's employment record, job description, work evaluations,  
20 record of disability and absences that have occurred because of the  
21 disability; and

22 (f) The immediate supervisor of the member files an official  
23 statement regarding the effect upon the work of the member after  
24 the disability, job functions that can and cannot be performed  
25 because of the disability, and whether or not there are alternative  
26 jobs that can be performed by the member.

27 2. Except as otherwise required as a result of NRS 286.537, the  
28 amount of the disability retirement allowance must be calculated in  
29 the same manner as provided for service retirement calculations in  
30 NRS 286.551, except that no reduction for the member's age may be  
31 made and that the allowance must be reduced by the amount of any  
32 other benefit received from any source on account of the same  
33 disability:

34 (a) If the benefit is provided or was purchased by the  
35 expenditure of money by a Nevada public employer; and

36 (b) To the extent that the total of the unmodified benefit and the  
37 other benefit would otherwise exceed his average compensation.

38 3. A member may apply for disability retirement even if he is  
39 eligible for service retirement.

40 4. Each child of a deceased recipient of a disability retirement  
41 allowance is entitled to receive the benefits provided by NRS  
42 286.673 only if the decedent had not reached the age and completed  
43 the service required to be eligible for a service retirement allowance,  
44 except that these benefits must not be paid to anyone who is named



1 as a beneficiary under one of the options to an unmodified  
2 allowance.

3 5. If a member whose application for disability retirement has  
4 been:

5 (a) Approved, dies before his employment is terminated, but  
6 within 60 days after his application was approved; or

7 (b) Mailed before his death as indicated by the date of the  
8 postmark dated by the post office on the envelope in which it was  
9 mailed, dies before the Board has acted upon his application and the  
10 Board approves thereafter his application,

11 ➤ his beneficiary is entitled to receive an allowance under the  
12 option selected rather than the benefit otherwise provided for a  
13 survivor.

14 6. The termination or adjustment of a disability retirement  
15 allowance resulting from the death of a recipient of an allowance  
16 pursuant to this section must not become effective until the first day  
17 of the month immediately following the death of the recipient.

18 **Sec. 9.** NRS 287.023 is hereby amended to read as follows:

19 287.023 1. Whenever an officer or employee of the  
20 governing body of any county, school district, municipal  
21 corporation, political subdivision, public corporation or other local  
22 governmental agency of the State of Nevada retires under the  
23 conditions set forth in NRS 1A.350 or 1A.480, or 286.510 or  
24 286.620 *or section 3 of this act* and, at the time of his retirement,  
25 was covered or had his dependents covered by any group insurance,  
26 plan of benefits or medical and hospital service established pursuant  
27 to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of  
28 subsection 1 of NRS 287.025, the officer or employee has the option  
29 upon retirement to cancel or continue any such coverage or join the  
30 Public Employees' Benefits Program to the extent that such  
31 coverage is not provided to him or a dependent by the Health  
32 Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq.

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



1       3. Notice of the selection of the option must be given in writing  
2 to the last public employer of the officer or employee within 60 days  
3 after the date of retirement or death, as the case may be. If no notice  
4 is given by that date, the retired officer or employee and his  
5 dependents shall be deemed to have selected the option to cancel the  
6 coverage for the group insurance, plan of benefits or medical and  
7 hospital service established pursuant to NRS 287.010, 287.015,  
8 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025  
9 or not to join the Public Employees' Benefits Program, as the case  
10 may be.

11       4. The governing body of any county, school district,  
12 municipal corporation, political subdivision, public corporation or  
13 other local governmental agency of this State:

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

20       (b) Shall pay the same portion of the cost of coverage under the  
21 Public Employees' Benefits Program for persons who join the  
22 Program upon retirement pursuant to subsection 1 as the State pays  
23 pursuant to subsection 2 of NRS 287.046 for persons retired from  
24 state service who have continued to participate in the Program.

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

35       **Sec. 10.** NRS 287.045 is hereby amended to read as follows:

36       287.045 1. Except as otherwise provided in this section,  
37 every state officer or employee is eligible to participate in the  
38 Program on the first day of the month following the completion of  
39 90 days of full-time employment.

40       2. Professional employees of the University and Community  
41 College System of Nevada who have annual employment contracts  
42 are eligible to participate in the Program on:

43       (a) The effective dates of their respective employment contracts,  
44 if those dates are on the first day of a month; or





1 (b) The first day of the month following the effective dates of  
2 their respective employment contracts, if those dates are not on the  
3 first day of a month.

4 3. Every officer or employee who is employed by a  
5 participating local governmental agency on a permanent and full-  
6 time basis on the date on which the participating local governmental  
7 agency enters into an agreement to participate in the Program  
8 pursuant to paragraph (a) of subsection 1 of NRS 287.025, and  
9 every officer or employee who commences his employment with  
10 that participating local governmental agency after that date, is  
11 eligible to participate in the Program on the first day of the month  
12 following the completion of 90 days of full-time employment.

13 4. Every Senator and Assemblyman is eligible to participate in  
14 the Program on the first day of the month following the 90th day  
15 after his initial term of office begins.

16 5. An officer or employee of the governing body of any  
17 county, school district, municipal corporation, political subdivision,  
18 public corporation or other local governmental agency of the State  
19 of Nevada who retires under the conditions set forth in NRS 1A.350  
20 or 1A.480, or 286.510 or 286.620 *or section 3 of this act* and was  
21 not participating in the Program at the time of his retirement is  
22 eligible to participate in the Program 60 days after notice of the  
23 selection to participate is given pursuant to NRS 287.023.

24 6. Notwithstanding the provisions of subsections 1, 3 and 4, if  
25 the Board does not, pursuant to NRS 689B.580, elect to exclude the  
26 Program from compliance with NRS 689B.340 to 689B.590,  
27 inclusive, and if the coverage under the Program is provided by a  
28 health maintenance organization authorized to transact insurance in  
29 this State pursuant to chapter 695C of NRS, any affiliation period  
30 imposed by the Program may not exceed the statutory limit for an  
31 affiliation period set forth in NRS 689B.500.

32 **Sec. 11.** NRS 287.0475 is hereby amended to read as follows:

33 287.0475 1. A public officer or employee who has retired  
34 pursuant to NRS 1A.350 or 1A.480, or 286.510 or 286.620, *or*  
35 *section 3 of this act*, or a retirement program provided pursuant to  
36 NRS 286.802, or the surviving spouse of such a retired public  
37 officer or employee who is deceased may, in any even-numbered  
38 year, reinstate any insurance, except life insurance, which was  
39 provided to him and his dependents at the time of his retirement  
40 pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or  
41 (d) of subsection 1 of NRS 287.025 or the Program as a public  
42 officer or employee by:

43 (a) Giving written notice of his intent to reinstate the insurance  
44 to the last public employer of the public officer or employee not  
45 later than January 31 of an even-numbered year;



1 (b) Accepting the public employer's current program or plan of  
2 insurance and any subsequent changes thereto; and

3 (c) Paying any portion of the premiums or contributions of the  
4 public employer's program or plan of insurance, in the manner set  
5 forth in NRS 1A.470 or 286.615, which are due from the date of  
6 reinstatement and not paid by the public employer.

7 ➤ The last public employer shall give the insurer notice of the  
8 reinstatement no later than March 31 of the year in which the public  
9 officer or employee or surviving spouse gives notice of his intent to  
10 reinstate the insurance.

11 2. Reinstatement of insurance excludes claims for expenses for  
12 any condition for which medical advice, treatment or consultation  
13 was rendered within 12 months before reinstatement unless the  
14 reinstated insurance has been in effect more than 12 consecutive  
15 months.

16 3. The last public employer of a retired officer or employee  
17 who reinstates insurance, except life insurance, which was provided  
18 to him and his dependents at the time of his retirement pursuant to  
19 NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of  
20 subsection 1 of NRS 287.025, shall, for the purpose of establishing  
21 actuarial data to determine rates and coverage for such persons,  
22 commingle the claims experience of such persons with the claims  
23 experience of active and retired officers and employees and their  
24 dependents who participate in that group insurance, plan of benefits  
25 or medical and hospital service.

26 **Sec. 12.** The provisions of this act apply only to a police  
27 officer or firefighter who suffers a catastrophic injury on or after  
28 July 1, 2005.

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





