

SENATE BILL NO. 484—COMMITTEE ON LEGISLATIVE
OPERATIONS AND ELECTIONS

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 29, 2005

Referred to Committee on Finance

SUMMARY—Revises provisions governing Public Employees’
Benefits Program. (BDR 23-1364)

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 the Public Employees’ Benefits Program;
providing that any state or local governmental officer or
employee who is hired after July 1, 2006, is not entitled to
receive a subsidy for coverage under the Program upon
retirement; 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 287.023 is hereby amended to read as follows:
2 287.023 1. Whenever an officer or employee of the
3 governing body of any county, school district, municipal
4 corporation, political subdivision, public corporation or other local
5 governmental agency of the State of Nevada retires under the
6 conditions set forth in NRS 1A.350 or 1A.480, or 286.510 or
7 286.620 and, at the time of his retirement, was covered or had his
8 dependents covered by any group insurance, plan of benefits or
9 medical and hospital service established pursuant to NRS 287.010,
10 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS
11 287.025, the officer or employee has the option upon retirement to
12 cancel or continue any such coverage or join the Public Employees’
13 Benefits Program to the extent that such coverage is not provided to



1 him or a dependent by the Health Insurance for the Aged Act, 42
2 U.S.C. §§ 1395 et seq.

3 2. A retired person who joins the Public Employees' Benefits
4 Program upon retirement pursuant to subsection 1 or continues
5 coverage under the Public Employees' Benefits Program shall
6 assume the portion of the premium or contribution costs for the
7 coverage which the governing body or the State does not pay on
8 behalf of retired officers or employees. A dependent of such a
9 retired person has the option, which may be exercised to the same
10 extent and in the same manner as the retired person, to cancel or
11 continue coverage in effect on the date the retired person dies. The
12 dependent is not required to continue to receive retirement payments
13 from the Public Employees' Retirement System to continue
14 coverage.

15 3. Notice of the selection of the option must be given in writing
16 to the last public employer of the officer or employee within 60 days
17 after the date of retirement or death, as the case may be. If no notice
18 is given by that date, the retired officer or employee and his
19 dependents shall be deemed to have selected the option to cancel the
20 coverage for the group insurance, plan of benefits or medical and
21 hospital service established pursuant to NRS 287.010, 287.015,
22 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025
23 or not to join the Public Employees' Benefits Program, as the case
24 may be.

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

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

34 (b) Shall pay the ~~same~~ *following* portion of the cost of coverage
35 under the Public Employees' Benefits Program for persons who join the
36 Program upon retirement pursuant to subsection 1 ~~as the State pays~~
37 ~~pursuant to subsection 2 of NRS 287.046 for persons retired from~~
38 ~~state service who have continued to participate in the Program.~~
39 ~~—5.1:~~

40 *(1) For a person who retires before January 1, 1994, 100*
41 *percent of the base amount provided by law, for the purposes of*
42 *subsection 2 of NRS 287.046, for the applicable fiscal year for the*
43 *State's share of the cost of premiums or contributions for group*
44 *insurance for persons who have retired with state service and who*
45 *elect to participate in the Program.*



(2) Except as otherwise provided in subparagraph (3), for a person who retires on or after January 1, 1994, and who was hired before July 1, 2006, and who has at least 5 years of service with the local government, 25 percent plus an additional 7.5 percent for each year of service with the local government in excess of 5 years to the maximum amount of 137.5 percent, excluding service purchased pursuant to NRS 1A.310 or 286.300, of the base amount provided by law, for the purposes of subsection 2 of NRS 287.046, for the applicable fiscal year for the State's share of the cost of premiums or contributions for group insurance for persons who have retired with state service and who elect to participate in the Program.

(3) For a person:

(I) Who retires on or after January 1, 1994;

(II) Who was initially hired before July 1, 2006;

(III) Whose employment with the local government ceased on or after July 1, 2006, and who was subsequently rehired by the local government; and

(IV) Who had at least 5 years of service with the local government when his employment ceased,

↳ 25 percent plus an additional 7.5 percent for each year of service with the local government in excess of 5 years to the maximum amount of 137.5 percent, excluding service purchased pursuant to NRS 1A.310 or 286.300 and any years of service with the local government that were earned after the person was rehired by the local government, of the base amount provided by law, for the purposes of subsection 2 of NRS 287.046, for the applicable fiscal year for the State's share of the cost of premiums or contributions for group insurance for persons who have retired with state service and who elect to participate in the Program.

5. Any person who is initially hired by a county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of this State on or after July 1, 2006, is not entitled upon retirement to any payment pursuant to paragraph (b) of subsection 4 toward the cost of the premiums or contributions of the person for the Program upon retirement.

6. 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



1 and their dependents who participate in the group insurance, a plan
2 of benefits or medical and hospital service.

3 **Sec. 2.** NRS 287.046 is hereby amended to read as follows:

4 287.046 1. Except as otherwise provided in subsection ~~{6,}~~ 7,
5 any active state officer or employee who elects to participate in the
6 Program may participate, and the participating state agency that
7 employs the officer or employee shall pay the State's share of the
8 cost of the premiums or contributions for the Program from money
9 appropriated or authorized as provided in NRS 287.044. State
10 officers and employees who elect to participate in the Program must
11 authorize deductions from their compensation for the payment of
12 premiums or contributions for the Program. Any deduction from the
13 compensation of a state officer or employee for the payment of a
14 premium or contribution for health insurance must be based on the
15 actual amount of the premium or contribution after deducting any
16 amount of the premium or contribution which is paid by the
17 participating state agency that employs the employee.

18 2. The Department of Personnel shall pay ~~{a percentage}~~ *the*
19 *following percentages* of the base amount provided by law for that
20 fiscal year toward the cost of the premiums or contributions for the
21 Program for persons who have retired with state service and who
22 elect to participate in the Program : ~~{. Except as otherwise provided~~
23 ~~in subsection 3, the percentage to be paid must be calculated as~~
24 ~~follows:}~~

25 (a) For ~~{those persons who retire}~~ *a person who retires* before
26 January 1, 1994, 100 percent of the base amount provided by law
27 for that fiscal year.

28 (b) ~~{For those persons who retire}~~ *Except as otherwise provided*
29 *in paragraph (c), for a person who retires* on or after January 1,
30 1994, ~~{with}~~ *and who was hired before July 1, 2006, and who has*
31 at least 5 years of state service, 25 percent plus an additional 7.5
32 percent for each year of state service in excess of 5 years to a
33 maximum of 137.5 percent, excluding service purchased pursuant to
34 NRS 1A.310 or 286.300, of the base amount provided by law for
35 that fiscal year.

36 (c) *For a person:*

37 (1) *Who retires on or after January 1, 1994;*

38 (2) *Who was initially hired on or before July 1, 2006;*

39 (3) *Whose employment with the State ceased on or after*
40 *July 1, 2006, and who was subsequently rehired by the State; and*

41 (4) *Who had at least 5 years of service with the State when*
42 *his employment ceased,*

43 *↪ 25 percent plus an additional 7.5 percent for each year of state*
44 *service in excess of 5 years to the maximum amount of 137.5*
45 *percent of the base amount provided by law for that fiscal year,*



1 *excluding service purchased pursuant to NRS 1A.310 or 286.300*
2 *and any years of state service that were earned after the person*
3 *was rehired by the State.*

4 3. *Any person who is initially hired by the State on or after*
5 *July 1, 2006, is not entitled upon retirement to any payment*
6 *pursuant to subsection 2 toward the cost of the premiums or*
7 *contributions of the person for the Program upon retirement.*

8 4. If the amount calculated pursuant to subsection 2 exceeds
9 the actual premium or contribution for the plan of the Program that
10 the retired participant selects, the balance must be credited to the
11 Fund for the Public Employees' Benefits Program created pursuant
12 to NRS 287.0435.

13 ~~4.1~~ 5. For the purposes of subsection 2:

14 (a) Credit for service must be calculated in the manner provided
15 by chapter 286 of NRS.

16 (b) No proration may be made for a partial year of state service.

17 ~~5.1~~ 6. The Department shall agree through the Board with the
18 insurer for billing of remaining premiums or contributions for the
19 retired participant and his dependents to the retired participant and
20 to his dependents who elect to continue coverage under the Program
21 after his death.

22 ~~6.1~~ 7. A Senator or Assemblyman who elects to participate in
23 the Program shall pay the entire premium or contribution for his
24 insurance.

25 **Sec. 3.** This act becomes effective on July 1, 2006.



