

ASSEMBLY BILL NO. 324—ASSEMBLYMEN MCCLAIN, ANDERSON, ARBERRY, ATKINSON, BOBZIEN, CLABORN, CONKLIN, DENIS, GERHARDT, HOGAN, KOIVISTO, LESLIE, MANENDO, MORTENSON, MUNFORD, PARKS, PIERCE, SEGERBLOM AND WOMACK

MARCH 15, 2007

Referred to Committee on Government Affairs

SUMMARY—Expands eligibility for a subsidy for the costs of health insurance coverage to additional retirees of school districts. (BDR 23-1152)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: No.

CONTAINS UNFUNDED MANDATE (§ 1)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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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 employees; expanding eligibility for a subsidy for the costs of health insurance coverage to additional retirees of school districts; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law authorizes a governing body of a school district to establish a
2 system of group health insurance coverage for its officers and employees. (NRS
3 287.010, 287.015, 287.020, 287.025) When an officer or employee of a school
4 district retires, that person may elect to obtain health insurance coverage through
5 the system established by the school district, if any, or join the Public Employees'
6 Benefits Program. Under existing law, if a retiree elects to obtain health insurance
7 coverage through the system established by the school district, the school district is
8 authorized, but not required, to pay all or a portion of the costs of such coverage.
9 However, if the retiree elects to join the Program upon retirement, the school
10 district is required to pay the same portion of the cost of health insurance coverage
11 under the Program as the State pays for its retirees. (NRS 287.023)

12 This bill requires that if a retiree of the school district other than a trustee elects
13 to continue health insurance coverage upon retirement under a system established
14 by a school district, the school district is required to pay the same portion of the
15 cost of health insurance coverage for the retiree as the school district would have
16 paid if the retiree had elected to join the Program.



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
14 him or a dependent by the Health Insurance for the Aged Act, 42
15 U.S.C. §§ 1395 et seq.
- 16 2. A retired person who joins the Public Employees' Benefits
17 Program upon retirement pursuant to subsection 1 or continues
18 coverage under the Public Employees' Benefits Program shall
19 assume the portion of the premium or contribution costs for the
20 coverage which the governing body or the State does not pay on
21 behalf of retired officers or employees. A dependent of such a
22 retired person has the option, which may be exercised to the same
23 extent and in the same manner as the retired person, to cancel or
24 continue coverage in effect on the date the retired person dies. The
25 dependent is not required to continue to receive retirement payments
26 from the Public Employees' Retirement System to continue
27 coverage.
- 28 3. Notice of the selection of the option must be given in writing
29 to the last public employer of the officer or employee within 60 days
30 after the date of retirement or death, as the case may be. If no notice
31 is given by that date, the retired officer or employee and his
32 dependents shall be deemed to have selected the option to cancel the
33 coverage for the group insurance, plan of benefits or medical and
34 hospital service established pursuant to NRS 287.010, 287.015,
35 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025
36 or not to join the Public Employees' Benefits Program, as the case
37 may be.
- 38 4. ~~{The}~~ *Except as otherwise provided in subsection 5, the*
39 governing body of any county, ~~{school—district,}~~ municipal
40 corporation, political subdivision, public corporation or other local
41 governmental agency of this State:



* A B 3 2 4 *

(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) 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. *Except as otherwise provided in NRS 287.024, the board of trustees of each school district shall pay, for the benefit of each officer or employee of the district who, upon retirement:*

(a) Joins the Public Employees' Benefits Program; or

(b) Continues coverage established pursuant to NRS 287.010, 287.015 and 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025,

↳ the same portion of the cost of coverage as the State pays pursuant to subsection 2 of NRS 287.046 for a person retired from state service who has continued to participate in the Program.

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

Sec. 2. NRS 287.040 is hereby amended to read as follows:

287.040 The provisions of NRS 287.010 to 287.040, inclusive, 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 287.023** 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 other local governmental agency of this State to accept any such coverage or to



1 assign his wages or salary in payment of premiums or contributions
2 therefor.

3 **Sec. 3.** The provisions of NRS 354.599 do not apply to any
4 additional expenses of a local government that are related to the
5 provisions of this act.

6 **Sec. 4.** This act becomes effective on July 1, 2007.

