

A.B. 612

ASSEMBLY BILL NO. 612—COMMITTEE ON WAYS AND MEANS

MAY 11, 2007

Referred to Committee on Ways and Means

SUMMARY—Revises provisions governing the Public Employees' Deferred Compensation Program. (BDR 23-1491)

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 public employees; revising the provisions governing the selection of plans for the use of the participants in the Public Employees' Deferred Compensation Program; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Under existing law, the Public Employees' Deferred Compensation Program
- 2 for employees of the State or the Nevada System of Higher Education is
- 3 administered by a Committee appointed by the Governor. (NRS 287.325) The
- 4 Committee and its individual members are immune from civil liability if the
- 5 Committee solicits proposals from qualified providers of plans at least once every 5
- 6 years and selects at least two plans from separate and distinct providers from which
- 7 the participants in the Program may choose. (NRS 287.330) This bill authorizes the
- 8 Committee to select only one plan for the use of the participants in the Program and
- 9 still maintain its immunity from civil liability.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 287.330 is hereby amended to read as follows:
- 2 287.330 1. The Committee shall:
- 3 (a) At its first meeting each year, designate one of its members
- 4 to serve as Chairman of the Committee for a term of 1 year or until
- 5 his successor has been designated.
- 6 (b) Act in such a manner as to promote the collective best
- 7 interests of the participants in the Program.
- 8 2. The Committee may:



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(a) Create an appropriate account for administration of money and other assets resulting from compensation deferred pursuant to the Program.

(b) With the approval of the Governor, delegate to one or more state agencies or institutions of the Nevada System of Higher Education the responsibility for administering the Program for their respective employees, including:

(1) Collection of deferred compensation;

(2) Transmittal of money collected to depositories within the State designated by the Committee; and

(3) Payment of deferred compensation to participating employees.

(c) Contract with a private person, corporation, institution or other entity, directly or through a state agency or institution of the Nevada System of Higher Education, for services necessary to the administration of the plan, including, without limitation:

(1) Consolidated billing;

(2) The keeping of records for each participating employee and the Program;

(3) The purchase, control and safeguarding of assets;

(4) Programs for communication with employees; and

(5) The administration and coordination of the Program.

3. The Committee and its individual members are not liable for any decision relating to investments if the Committee has:

(a) Obtained the advice of qualified counsel on investments.

(b) Established proper objectives and policies relating to investments.

(c) Discharged its duties regarding the decision:

(1) Solely in the interest of the participants in the Program; and

(2) With the care, skill, prudence and diligence that, under the circumstances existing at the time of the decision, a prudent person who is familiar with similar investments would use while acting in a similar capacity in conducting an enterprise of similar character and purpose.

(d) Selected at least *one plan for the use of the participants in the Program, except that if the Committee has selected two or more plans from which the participants in the Program may choose, the Committee has selected the plans* from separate and distinct providers. ~~from which the participants in the Program may choose.~~

(e) Solicited proposals from qualified providers of plans at least once every 5 years.

Sec. 2. This act becomes effective on July 1, 2007.

