

ASSEMBLY BILL NO. 440—ASSEMBLYMEN HARDY;
GOEDHART, GOICOECHEA AND STEWART

MARCH 16, 2009

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the reemployment of certain retired persons under the Public Employees' Retirement System. (BDR 23-132)

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; repealing the prospective expiration of provisions governing the reemployment of certain retired public employees who are hired to fill positions for which there is a critical labor shortage; prohibiting such employees from reenrolling in the Public Employees' Retirement System; limiting the compensation and certain benefits paid to such employees; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the reemployment of retired public employees to fill positions for which a critical labor shortage exists. (NRS 286.523) Such reemployed persons may reenroll in the Public Employees' Retirement System and may continue to receive retirement allowances during the period of reemployment. (NRS 286.520, 286.523, 286.525) The reemployment authorization is scheduled to expire on June 30, 2009. (Chapter 316, Statutes of Nevada 2005, p. 1077)

Section 3 of this bill repeals the prospective expiration of the authority to reemploy retired public employees to fill positions for which there is a critical labor shortage. **Section 1** of this bill prohibits such employees from reenrolling in the Public Employees' Retirement System, limits the compensation that they can receive and limits the amount paid for such employees for premiums or contributions for group insurance.



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

1 **Section 1.** NRS 286.523 is hereby amended to read as follows:
2 286.523 1. The provisions of subsections 1 and 2 of NRS
3 286.520 do not apply to a retired employee who accepts
4 employment or an independent contract with a public employer
5 under the System if:

6 (a) He fills a position for which there is a critical labor shortage;
7 and

8 (b) At the time of his reemployment, he is receiving:

9 (1) A benefit that is not actuarially reduced pursuant to
10 subsection 6 of NRS 286.510; or

11 (2) A benefit actuarially reduced pursuant to subsection 6 of
12 NRS 286.510 and has reached the required age at which he could
13 have retired with a benefit that was not actuarially reduced pursuant
14 to subsection 6 of NRS 286.510.

15 2. A retired employee who is reemployed under the
16 circumstances set forth in subsection 1 ~~may:~~ :

17 (a) ~~May not~~ reenroll in the System ~~as provided in~~
18 ~~NRS 286.525;~~ ;

19 (b) *For each month of reemployment or for each month under*
20 *the contract, may not receive compensation in an amount greater*
21 *than 90 percent of the retired employee's average compensation,*
22 *as determined pursuant to NRS 286.551; and*

23 (c) *Shall be deemed, for the purposes of paying the costs of*
24 *premiums or contributions for group insurance pursuant to*
25 *chapter 287 of NRS, to be a retired employee.*

26 3. Positions for which there are critical labor shortages must be
27 determined as follows:

28 (a) Except as otherwise provided in this subsection, the State
29 Board of Examiners shall designate positions in State Government
30 for which there are critical labor shortages.

31 (b) The Supreme Court shall designate positions in the Judicial
32 Branch of State Government for which there are critical labor
33 shortages.

34 (c) The Board of Regents shall designate positions in the
35 Nevada System of Higher Education for which there are critical
36 labor shortages.

37 (d) The Department of Education shall designate positions with
38 the various school districts for which there are critical labor
39 shortages.

40 (e) The governing body of a local government shall designate
41 positions with the local government for which there are critical labor
42 shortages.



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(f) The Board shall designate positions within the System for which there are critical labor shortages.

4. In determining whether a position is a position for which there is a critical labor shortage, the designating authority shall give consideration to:

(a) The history of the rate of turnover for the position;

(b) The number of openings for the position and the number of qualified candidates for those openings;

(c) The length of time the position has been vacant; and

(d) The success of recruiting persons in other states to fill the position.

5. A designating authority shall not designate a position pursuant to subsection 3 as a position for which there is a critical labor shortage for a period longer than 2 years. To be redesignated as such a position, the designating authority must consider whether the position continues to meet the criteria set forth in subsection 4.

Sec. 2. NRS 286.525 is hereby amended to read as follows:

286.525 1. ~~IA~~ *Except as otherwise provided in NRS 286.523, a* retired employee who accepts employment in a position eligible for membership may enroll in the System as of the effective date of that employment. As of the date of enrollment:

(a) He forfeits all retirement allowances for the duration of that employment.

(b) He is entitled to receive, after the termination of the employment and upon written request, a refund of all contributions made by him during the employment. Except as otherwise required as a result of NRS 286.535 or 286.537, if he does not request the refund and the duration of the employment was at least 6 months, he gains additional service credit for that employment and is entitled to have a separate service retirement allowance calculated based on his compensation and service, effective upon the termination of that employment. If the duration of the employment was:

(1) Less than 5 years, the additional allowance must be added to his original allowance and must be under the same option and designate the same beneficiary as the original allowance.

(2) Five years or more, the additional allowance may be under any option and designate any beneficiary in accordance with NRS 286.545.

2. The original service retirement allowance of such a retired employee must not be recalculated based upon the additional service credit, nor is he entitled to any of the rights of membership that were not in effect at the time of his original retirement. The accrual of service credit pursuant to this section is subject to the limits imposed by:

(a) NRS 286.551; and



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(b) Section 415 of the Internal Revenue Code, 26 U.S.C. § 415, if the member's effective date of membership is on or after January 1, 1990.

3. Except as otherwise required as a result of NRS 286.470, 286.535 or 286.537, a retired employee who has been receiving a retirement allowance and who is reemployed and is enrolled in the System for at least 5 years may have his additional credit for service added to his previous credit for service. This additional credit for service must not apply to more than one period of employment after the original retirement.

4. The survivor of a deceased member who had previously retired and was rehired and enrolled in the System, who qualifies for benefits pursuant to NRS 286.671 to 286.6793, inclusive, is eligible for the benefits based on the service accrued through the second period of employment.

Sec. 3. Section 9 of chapter 490, Statutes of Nevada 2001, as amended by chapter 316, Statutes of Nevada 2005, at page 1077, is hereby amended to read as follows:

Sec. 9. ~~[1.]~~ This act becomes effective on July 1, 2001.

~~[2.—Section 1 of this act expires by limitation on June 30, 2009.]~~

Sec. 4. 1. This section and section 3 of this act become effective upon passage and approval.

2. Sections 1 and 2 of this act become effective on July 1, 2009.

