

SENATE BILL NO. 284—SENATOR TOWNSEND

MARCH 16, 2009

Referred to Committee on Finance

SUMMARY—Exempts certain retired public officers and employees from disqualification for retirement allowances for reemployment with a public employer under the Public Employees' Retirement System. (BDR 23-687)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

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; exempting certain retired persons from disqualification for retirement allowances for reemployment with a public employer under the System; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 With certain exceptions, the consequences of the reemployment of a retired
2 public officer or employee with a public employer under the Public Employees'
3 Retirement System include disqualification for retirement allowances for the
4 duration of the employment or contract. In 2007, legislation was enacted, effective
5 November 30, 2008, that removed the option for certain officers and employees of
6 local governments to enroll in the Public Employees' Benefits Program upon
7 retirement. (Section 2.5 of Chapter 496, Statutes of Nevada 2007, p. 2870) As a
8 result, a number of officers and employees of local governments retired before
9 November 30, 2008, to retain the right to enroll in the Program. This bill exempts
10 retired officers and employees of local governments who retired between June 13,
11 2007, the date the legislation was approved by the Governor, and November 30,
12 2008, the date the legislation took effect, and who were enrolled in the Program on
13 November 30, 2008, from disqualification for retirement allowances for
14 reemployment with a public employer under the System. Because such a retired
15 officer or employee continues to receive his retirement allowance during the period
16 of his employment or contract, the retired officer or employee would continue to
17 receive any subsidy for his coverage under the Program for which he is eligible.
18 (NRS 287.023; NAC 287.135)



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

1 **Section 1.** NRS 286.520 is hereby amended to read as follows:

2 286.520 1. Except as otherwise provided in this section and
3 NRS 286.525, the consequences of the employment of a retired
4 employee are:

5 (a) A retired employee who accepts employment or an
6 independent contract with a public employer under this System is
7 disqualified from receiving any allowances under this System for
8 the duration of that employment or contract if:

9 (1) He accepted the employment or contract within 90
10 calendar days after the effective date of his retirement; or

11 (2) He is employed in a position which is eligible to
12 participate in this System.

13 (b) If a retired employee accepts employment or an independent
14 contract with a public employer under this System more than 90
15 calendar days after the effective date of his retirement in a position
16 which is not eligible to participate in this System, his allowance
17 under this System terminates upon his earning an amount equal to
18 one-half of the average salary for participating public employees
19 who are not police officers or firefighters in any fiscal year, for the
20 duration of that employment or contract.

21 (c) If a retired employee accepts employment with an employer
22 who is not a public employer under this System, the employee is
23 entitled to the same allowances as a retired employee who has no
24 employment.

25 2. The retired employee and the public employer shall notify
26 the System:

27 (a) Within 10 days after the first day of an employment or
28 contract governed by paragraph (a) of subsection 1.

29 (b) Within 30 days after the first day of an employment or
30 contract governed by paragraph (b) of subsection 1.

31 (c) Within 10 days after a retired employee earns more than one-
32 half of the average salary for participating public employees who
33 are not police officers or firefighters in any fiscal year from an
34 employment or contract governed by paragraph (b) of subsection 1.

35 3. For the purposes of this section, the average salary for
36 participating public employees who are not police officers or
37 firefighters must be computed on the basis of the most recent
38 actuarial valuation of the System.

39 4. If a retired employee who accepts employment or an
40 independent contract with a public employer under this System
41 pursuant to this section elects not to reenroll in the System pursuant
42 to subsection 1 of NRS 286.525, the public employer with which the



* S B 2 8 4 *

1 retired employee accepted employment or an independent contract
2 may pay contributions on behalf of the retired employee to a
3 retirement fund which is not a part of the System in an amount not
4 to exceed the amount of the contributions that the public employer
5 would pay to the System on behalf of a participating public
6 employee who is employed in a similar position.

7 5. If a retired employee is chosen by election or appointment to
8 fill an elective public office, he is entitled to the same allowances as
9 a retired employee who has no employment, unless he is serving in
10 the same office in which he served and for which he received
11 service credit as a member. A public employer may pay
12 contributions on behalf of such a retired employee to a retirement
13 fund which is not a part of the System in an amount not to exceed
14 the amount of the contributions that the public employer would pay
15 to the System on behalf of a participating public employee who
16 serves in the same office.

17 6. The System may waive for one period of 30 days or less a
18 retired employee's disqualification under this section if the public
19 employer certifies in writing, in advance, that the retired employee
20 is recalled to meet an emergency and that no other qualified person
21 is immediately available.

22 7. A person who accepts employment or an independent
23 contract with either house of the Legislature or by the Legislative
24 Counsel Bureau is exempt from the provisions of subsections 1 and
25 2 for the duration of that employment or contract.

26 **8. *An officer or employee of a local governmental agency***
27 ***who:***

28 ***(a) Retired on or after June 13, 2007, and before***
29 ***November 30, 2008;***

30 ***(b) Was enrolled in the Public Employees' Benefits Program***
31 ***pursuant to NRS 287.023 on November 30, 2008; and***

32 ***(c) Accepts employment or an independent contract with a***
33 ***public employer under the System,***

34 ***↳ is exempt from the provisions of subsections 1 and 2 for the***
35 ***duration of that employment or contract.***

36 **Sec. 2.** This act becomes effective on July 1, 2009.

