
ASSEMBLY BILL NO. 556—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DIVISION OF BUDGET AND PLANNING)

MARCH 28, 2011

Referred to Committee on Ways and Means

SUMMARY—Changes the fund into which certain subsidies paid for coverage under the Public Employees’ Benefits Program are deposited. (BDR 23-1186)

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 the Public Employees’ Benefits Program; changing the fund into which certain subsidies paid for coverage under the Program are deposited; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, each state agency that participates in the Public
2 Employees’ Benefits Program is required to pay to the Program a monthly
3 assessment that is set by law each biennium for each state officer and employee
4 who is employed by the agency on a permanent and full-time basis and who elects
5 to participate in the Program. (NRS 287.044; *see, e.g.*, Chapter 394, Statutes of
6 Nevada 2009, p. 2187) The subsidies paid by state agencies for coverage of their
7 active officers and employees under the Program are currently deposited into the
8 Fund for the Public Employees’ Benefits Program. (NRS 287.0435, 287.044) This
9 bill requires instead that those subsidies be deposited in the Active Employee
10 Group Insurance Subsidy Account within the Agency Fund for the Payroll of the
11 State. This Account is established in this bill. Money from this Account will be
12 transferred to the Fund for the Public Employees’ Benefits Program periodically
13 based on the actual cost of the subsidies for that period.



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

Section 1. NRS 287.0435 is hereby amended to read as follows:

287.0435 1. Except as otherwise provided in subsection 4 of NRS 287.04362 ~~H~~ *and subsection 7 of NRS 287.044*, all money received for the Program, including, without limitation, ~~premiums and contributions,~~ *money transferred from the Active Employee Group Insurance Subsidy Account established in NRS 287.044*, must be deposited in the State Treasury for credit to the Fund for the Public Employees' Benefits Program which is hereby created as a trust fund. The Program Fund must be accounted for as an internal service fund. Payments into and disbursements from the Program Fund must be so arranged as to keep the Program Fund solvent at all times.

2. The money in the Program Fund must be invested as other money of the State is invested and any income from investments paid into the Program Fund for the benefit of the Program Fund.

3. Disbursements from the Program Fund must be made as any other claims against the State are paid and may only be made for the benefit of the participants in the Program.

4. The State Treasurer may charge a reasonable fee for the State Treasurer's services in administering the Program Fund, but the State, the State General Fund and the State Treasurer are not liable to the Program Fund for any loss sustained by the Program Fund as a result of any investment made on behalf of the Program Fund or any loss sustained in the operation of the Program.

5. The Board shall deposit any disbursement received from the Program Fund into an interest-bearing checking account in a bank or credit union qualified to receive deposits of public money. Claims that have been submitted to the Program and approved must be paid from the account, and any refund of such a claim must be deposited into the account.

Sec. 2. NRS 287.044 is hereby amended to read as follows:

287.044 1. Except as otherwise provided in subsection 2, each participating state agency shall pay to the Program an amount specified by law for every state officer or employee who is employed by a participating public agency on a permanent and full-time basis and elects to participate in the Program.

2. A member of the Senate or Assembly who elects to participate in the Program shall pay the entire premium or contribution for the member's insurance.

3. State officers and employees who elect to participate in the Program must authorize deductions from their compensation for the



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1 payment of premiums or contributions for the Program. Any
2 deduction from the compensation of a state officer or employee for
3 the payment of such a premium or contribution must be based on the
4 actual amount of the premium or contribution after deducting any
5 amount of the premium or contribution which is paid pursuant to
6 subsection 1.

7 4. If a state officer or employee chooses to cover any
8 dependents, whenever this option is made available by the Board,
9 except as otherwise provided in NRS 287.021 and 287.0477, the
10 state officer or employee must pay the difference between the
11 amount of the premium or contribution for the coverage for the state
12 officer or employee and such dependents and the amount paid by the
13 participating state agency that employs the officer or employee.

14 5. A participating state agency shall not pay any part of those
15 premiums or contributions if the group life insurance or group
16 accident or health insurance is not approved by the Board.

17 6. The Board may allocate the money paid to the Program
18 pursuant to this section between the cost of premiums and
19 contributions for group insurance for each state officer or employee,
20 except a member of the Senate or Assembly, and the dependents of
21 each state officer or employee.

22 7. *Any amounts paid to the Program pursuant to subsection 1*
23 *must be deposited in the Active Employee Group Insurance*
24 *Subsidy Account, which is hereby established within the Agency*
25 *Fund for the Payroll of the State created by NRS 227.130. Money*
26 *in the Account must be used solely for the purposes of subsections*
27 *1 and 6. The interest and income earned on the money in the*
28 *Account, after deducting any applicable charges, must be credited*
29 *to the Account.*

30 **Sec. 3.** This act becomes effective on July 1, 2011.

