

Amendment No. 960

Assembly Amendment to Assembly Bill No. 553

(BDR 23-1222)

Proposed by: Assembly Committee on Ways and Means**Amends:** Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/> _____		Adopted	<input type="checkbox"/>	Lost <input type="checkbox"/> _____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/> _____		Concurred In	<input type="checkbox"/>	Not <input type="checkbox"/> _____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/> _____		Receded	<input type="checkbox"/>	Not <input type="checkbox"/> _____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.

EGO



Date: 6/5/2011

A.B. No. 553—Revises provisions governing subsidies for the coverage of certain persons under the Public Employees' Benefits Program.
(BDR 23-1222)



ASSEMBLY BILL NO. 553—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—Revises provisions governing subsidies for the coverage of certain persons under the Public Employees' Benefits Program. (BDR 23-1222)

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; revising provisions governing subsidies for the coverage of certain persons under the Program; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~Under existing law, a state agency is required to pay a share of the costs of coverage under the Public Employees' Benefits Program of its active officers and employees. The amount of this share is established by the Legislature based on permanent, full time employment. (NRS 287.044) Section 1 of this bill provides for a proration of the amount of this subsidy for officers and employees who are not employed on a full time basis.~~

Existing law provides for the payment of a subsidy to cover a portion of the cost of coverage under the Public Employees' Benefits Program for certain retired officers and employees with state service. (NRS 287.046) **Section 2** of this bill provides that officers and employees initially hired on or after July 1, 2011, with state service, January 1, 2012, by the State are not eligible for a subsidy upon retirement. ~~The calculation of a subsidy for officers and employees with state service who are initially hired before July 1, 2011, and who retire after July 1, 2012, is also limited by section 2 to the person's number of years of full time service as of June 30, 2012. Section 2 of this bill does not change the calculation of subsidies for: (1) persons who retired before January 1, 1994, and who receive the entire base funding level defined by the Legislature under existing law; and (2) persons who retired on or after January 1, 1994, but before July 1, 2012, and who receive the base funding level, as adjusted by their years of service, under existing law.~~ Such persons may participate in the Program, paying the entire cost of that coverage, until they are eligible for coverage under an individual medical plan offered by Medicare.

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

Section 1. ~~[NRS 287.044 is hereby amended to read as follows:~~

~~287.044 1. Except as otherwise provided in [subsection 2.] this section, 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 payment of premiums or contributions for the Program. Any deduction from the compensation of a state officer or employee for the payment of such a premium or contribution must be based on the actual amount of the premium or contribution after deducting any amount of the premium or contribution which is paid pursuant to subsection 1.~~

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

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

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

~~7. If a state officer or employee:~~

~~(a) Works 75 percent or more of the full-time equivalent of his or her position, the employer shall pay to the Program 100 percent of the amount specified by law in accordance with subsection 1 for that person.~~

~~(b) Works half time or more but less than 75 percent of the full-time equivalent of his or her position, the employer shall pay to the Program 60 percent of the amount specified by law in accordance with subsection 1 for that person.~~

~~(c) Works less than half time of the full-time equivalent of his or her position, the officer or employee is not eligible for any portion of the amount specified by law in accordance with subsection 1.] (Deleted by amendment.)~~

Sec. 2. NRS 287.046 is hereby amended to read as follows:

287.046 1. The Department of Administration shall establish an assessment that is to be used to pay for a portion of the cost of premiums or contributions for the Program for persons who were initially hired before [July 1, 2011], [January 1, 2012], and have retired with state service . ~~[before January 1, 1994, or under the circumstances set forth in paragraph (a), (b) or (c) of subsection 3.]~~

2. The money assessed pursuant to subsection 1 must be deposited into the Retirees' Fund and must be based upon an amount approved by the Legislature each session to pay for a portion of the current and future health and welfare benefits for such retirees.

3. Except as otherwise provided in [subsection] [4.] [6,] subsections 7 and 8, the portion to be paid to the Program from the Retirees' Fund on behalf of such

persons must be equal to a portion of the cost for each retiree and the retiree's dependents who are enrolled in the plan, as defined for each year of the plan by the Program.

~~{3-} {Adjustments}~~

4. Except as otherwise provided in subsection 6, the portion of the amount approved by the Legislature as described in subsection 2 to be paid to the Program from the Retirees' Fund for persons who retired before January 1, 1994, with state service is the base funding level defined for each year of the plan by the Program.

5. Except as otherwise provided in ~~{subsections 4 and 5,}~~ subsection 6, adjustments to the portion of the amount approved by the Legislature ~~{pursuant to}~~ as described in subsection 2 to be paid by the Retirees' Fund ~~{must be as follows:~~

~~—(a) For} for persons who retire on or after January 1, 1994, ~~{but before July 1, 2012,}~~~~ with state service ~~{:~~

~~{1-} must be as follows:~~

(a) For each year of service less than 15 years, excluding service purchased pursuant to NRS 1A.310 or 286.300, the portion paid by the Retirees' Fund must be reduced by an amount equal to 7.5 percent of the base funding level defined by the Legislature. In no event may the adjustment exceed 75 percent of the base funding level defined by the Legislature.

~~{(2-)} (b) For each year of service greater than 15 years, excluding service purchased pursuant to NRS 1A.310 or 286.300, the portion paid by the Retirees' Fund must be increased by an amount equal to 7.5 percent of the base funding level defined by the Legislature. In no event may the adjustment exceed 37.5 percent of the base funding level defined by the Legislature.~~

~~{(b) For persons who are}~~

~~{4- For the purposes of calculating the adjustment pursuant to subsection 3, the years of service of a person who retires on or after July 1, 2012, is limited to the years of full-time service of the person as of June 30, 2012.~~

~~—5-} 6. No money may be paid by the Retirees' Fund on behalf of a retired person who is initially hired by the State ~~{on}~~ :~~

(a) On or after January 1, 2010, but before July 1, January 1, 2012, and who ~~{retire with at least 15 years of service credit, which must include state service and may include local governmental service, and who have} :~~

(1) Has not participated in the Program on a continuous basis since ~~{their}~~ retirement from such employment ~~{, for each year of service greater than 15 years, excluding service purchased pursuant to NRS 1A.310 or 286.300, the portion paid by the Retirees' Fund must be increased by an amount equal to 7.5 percent of the base funding level defined by the Legislature. In no event may the adjustment exceed 37.5 percent of the base funding level defined by the Legislature.~~

~~—(c) For persons who are initially hired by the State on or after January 1, 2010, and who retire with at least 5 years of service credit, which must include state service and may include local governmental service, who do} ; or~~

(2) Does not have at least 15 years of service ~~{credit to qualify under paragraph (b) as} , unless the retired person does not have at least 15 years of service as~~ a result of a disability for which disability benefits are received under the Public Employees' Retirement System or a retirement program for professional employees offered by or through the Nevada System of Higher Education, and ~~{who have} has~~ participated in the Program on a continuous basis since ~~{their}~~ retirement from such employment. ~~{:~~

~~—(1) For each year of service less than 15 years, excluding service purchased pursuant to NRS 1A.310 or 286.300, the portion paid by the Retirees' Fund must be~~

1 reduced by an amount equal to 7.5 percent of the base funding level defined by the
2 Legislature. In no event may the adjustment exceed 75 percent of the base funding
3 level defined by the Legislature.

4 ~~— (2) For each year of service greater than 15 years, excluding service~~
5 ~~purchased pursuant to NRS 1A.310 or 286.300, the portion paid by the Retirees'~~
6 ~~Fund must be increased by an amount equal to 7.5 percent of the base funding level~~
7 ~~defined by the Legislature. In no event may the adjustment exceed 37.5 percent of~~
8 ~~the base funding level defined by the Legislature.~~

9 ~~— 4.] (b) On or after [July] January 1, 2012. The provisions of this paragraph~~
10 ~~must not be construed to prohibit a retired person who was hired on or after~~
11 ~~January 1, 2012, from participating in the Program until the retired person is~~
12 ~~eligible for coverage under an individual medical plan offered pursuant to the~~
13 ~~Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq. The retired person~~
14 ~~shall pay the entire premium or contribution for his or her participation in the~~
15 ~~Program.~~

16 ~~[6.] 7.~~ If the amount calculated pursuant to subsection 3 ~~or 4~~ exceeds the
17 actual premium or contribution for the plan of the Program that the retired
18 participant selects, the balance must be credited to the Program Fund.

19 ~~[5.] [7.] 8.~~ For the purposes of ~~[subsection 1.]~~ this section:

20 (a) Credit for service must be calculated in the manner provided by chapter 286
21 of NRS.

22 (b) No proration may be made for a partial year of ~~[state]~~ service.

23 ~~[6.] [8.] 9.~~ The Department shall agree through the Board with the insurer for
24 billing of remaining premiums or contributions for the retired participant and the
25 retired participant's dependents to the retired participant and to the retired
26 participant's dependents who elect to continue coverage under the Program after
27 the retired participant's death.

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