

Amendment No. 891

Senate Amendment to Assembly Bill No. 562	(BDR 23-1187)
Proposed by: Senate Committee on Finance	
Amendment Box: Replaces Amendment No. 869.	
Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: No	

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date	
Adopted	☐	Lost	☐	_____		Adopted	☐	Lost	☐	_____
Concurred In	☐	Not	☐	_____		Concurred In	☐	Not	☐	_____
Receded	☐	Not	☐	_____		Receded	☐	Not	☐	_____

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: 6/4/2011

A.B. No. 562—Revises provisions relating to the subsidy for coverage of certain retired persons under the Public Employees’ Benefits Program.
(BDR 23-1187)



ASSEMBLY BILL NO. 562—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 relating to the subsidy for coverage of certain retired persons under the Public Employees' Benefits Program. (BDR 23-1187)

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 the subsidy for coverage of certain retired persons under the Program; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

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) This bill specifies the subsidy for a retired person whose coverage is provided through the Program by an individual medical plan offered pursuant to the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., which is commonly known as Medicare.

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

Section 1. 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 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.~~ **subsections ~~6~~ 7 and ~~7~~ 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 subsection ~~5~~ 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, 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}~~

~~5~~ 6. The portion to be paid to the Program from the Retirees' Fund on behalf of a retired person whose coverage is provided through the Program by an individual medical plan offered pursuant to the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., must be:

(a) For persons who retired before January 1, 1994, the base funding level defined by the Legislature multiplied by 15.

(b) For persons who retired on or after January 1, 1994, the base funding level defined by the Legislature multiplied by the number of years of service of the person, excluding service purchased pursuant to NRS 1A.310 or 286.300, up to a maximum of 20 years of service.

~~6~~ 7. No money may be paid by the Retirees' Fund on behalf of a retired person who is initially hired by the State on or after January 1, 2010, 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~~:

(a) 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~~

(b) 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

1 participated in the Program on a continuous basis since ~~their~~ retirement from such
2 employment. ~~†~~

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

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

13 ~~— 4.1 ~~7.1~~ 8.~~ If the amount calculated pursuant to subsection ~~{3} ~~4~~ or 5~~ or 6

14 exceeds the actual premium or contribution for the plan of the Program that the

15 retired participant selects, the balance must be credited to the Program Fund.

16 ~~{5.1 ~~8.1~~ 9.~~ For the purposes of ~~subsection 1.1~~ this section:

17 (a) Credit for service must be calculated in the manner provided by chapter 286

18 of NRS.

19 (b) No proration may be made for a partial year of state service.

20 ~~{6.1 ~~9.1~~ 10.~~ The Department shall agree through the Board with the insurer
21 ~~for billing of remaining premiums or contributions for the retired participant and~~
22 ~~the retired participant's dependents to the retired participant and to the retired~~
23 ~~participant's dependents who elect to continue coverage under the Program after~~
24 ~~the retired participant's death.~~

25 **Sec. 2.** This act becomes effective on July 1, 2011.