

ASSEMBLY BILL NO. 419—COMMITTEE
ON GOVERNMENT AFFAIRS

MARCH 25, 2013

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the Public Employees’
Benefits Program. (BDR 23-1119)

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’ Benefits Program;
revising provisions governing the Program; and providing
other matters properly relating thereto.

Legislative Counsel’s Digest:

1 The Board of the Public Employees’ Benefits Program is required to: (1)
2 establish and carry out the Public Employees’ Benefits Program; and (2) ensure that
3 the Program is funded on an actuarially sound basis and operated in accordance
4 with sound insurance and business practices. (NRS 287.043) This bill revises the
5 membership of the Board from 9 members to 10 members by adding an additional
6 member who is retired from public employment and who is appointed by the
7 Governor.

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

1 **Section 1.** NRS 287.041 is hereby amended to read as follows:
2 287.041 1. There is hereby created the Board of the Public
3 Employees’ Benefits Program. The Board consists of ~~nine~~ **10**
4 members appointed as follows:
5 (a) One member who is a professional employee of the Nevada
6 System of Higher Education, appointed by the Governor upon
7 consideration of any recommendations of organizations that
8 represent employees of the Nevada System of Higher Education.
9 (b) ~~One member who is~~ **Two members who are** retired from
10 public employment, appointed by the Governor upon consideration



* A B 4 1 9 *

1 of any recommendations of organizations that represent retired
2 public employees.

3 (c) Two members who are employees of the State, appointed by
4 the Governor upon consideration of any recommendations of
5 organizations that represent state employees.

6 (d) One member appointed by the Governor upon consideration
7 of any recommendations of organizations that represent employees
8 of local governments that participate in the program.

9 (e) One member who is employed by this State in a managerial
10 capacity and has substantial and demonstrated experience in risk
11 management, portfolio investment strategies or employee benefits
12 programs appointed by the Governor. The Governor may appoint
13 the Executive Officer of the Public Employees' Retirement System
14 to fill this position.

15 (f) Two members who have substantial and demonstrated
16 experience in risk management, portfolio investment strategies or
17 employee benefits programs appointed by the Governor.

18 (g) The Director of the Department of Administration or the
19 designee of the Director.

20 2. Of the ~~six~~ **seven** persons appointed to the Board pursuant
21 to paragraphs (a) to (e), inclusive, of subsection 1, at least one
22 member must have an advanced degree in business administration,
23 economics, accounting, insurance, risk management or health care
24 administration, and at least two members must have education or
25 proven experience in the management of employees' benefits,
26 insurance, risk management, health care administration or business
27 administration.

28 3. Each person appointed as a member of the Board must:

29 (a) Except for a member appointed pursuant to paragraph (f) of
30 subsection 1, have been a participant in the Program for at least 1
31 year before the person's appointment;

32 (b) Except for a member appointed pursuant to paragraph (f) of
33 subsection 1, be a current employee of the State of Nevada or
34 another public employer that participates in the Program or a retired
35 public employee who is a participant in the Program;

36 (c) Not be an elected officer of the State of Nevada or any of its
37 political subdivisions; and

38 (d) Not participate in any business enterprise or investment:

39 (1) With any vendor or provider to the Program; or

40 (2) In real or personal property if the Program owns or has a
41 direct financial interest in that enterprise or property.

42 4. Except as otherwise provided in this subsection, after the
43 initial terms, the term of an appointed member of the Board is 4
44 years and until the member's successor is appointed and takes office
45 unless the member no longer possesses the qualifications for



1 appointment set forth in this section or is removed by the Governor.
2 If a member loses the requisite qualifications within the last 12
3 months of the member's term, the member may serve the remainder
4 of the member's term. Members are eligible for reappointment. A
5 vacancy occurring in the membership of the Board must be filled in
6 the same manner as the original appointment.
7 5. The appointed members of the Board serve at the pleasure of
8 the Governor. If the Governor wishes to remove a member from the
9 Board for any reason other than malfeasance or misdemeanor, the
10 Governor shall provide the member with written notice which states
11 the reason for and the effective date of the removal.
12 **Sec. 2.** This act becomes effective upon passage and approval.

