

ASSEMBLY BILL NO. 426—COMMITTEE
ON GOVERNMENT AFFAIRS

MARCH 23, 2015

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to the Public Employees’
Benefits Program. (BDR 23-1103)

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

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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 public employees; revising provisions relating to the participation of retired employees of certain local governing bodies in the Public Employees’ Benefit Program; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Under existing law, the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada may negotiate and contract with the Board of the Public Employees’ Benefits Program to secure exclusive group insurance for all of its officers and employees and their dependents in certain circumstances. (NRS 287.025) When an officer or employee of such a governing body retires, he or she has the option to cancel any such coverage or to continue any such coverage to the extent he or she is not eligible for Medicare under federal law. If the officer or employee chooses to continue the coverage, the governing body must pay the same portion of the cost of the coverage under the Program as the State pays for persons who retire from state service and participate in the Program. (NRS 287.023) **Section 2** of this bill provides that the governing body of a local governmental agency who provides exclusive group insurance to its officers and employees through the Program has the option to offer its retirees a continuation of coverage under the Program as provided in existing law or to instead provide the retiree a subsidy, equal to the cost the State pays for persons retired from state service who participate in the Program, to be used by the retiree to obtain health insurance. The employer must give its officers and employees notice of its initial choice not less than 90 days before making such a choice, and must thereafter provide notice of the choice upon initial employment of any eligible employee. **Sections 1 and 3-9** of this bill make conforming changes. **Section 12** of this bill provides that this bill does not apply to a retiree of a local governmental agency who retired before July 1, 2015, to the extent that any change to the



provision of coverage under the Program is prohibited by any contract between the retiree and the local governmental agency, the retiree and the Program or the retiree and a health insurer who provides coverage under the Program.

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

Section 1. NRS 286.615 is hereby amended to read as follows:

286.615 1. In addition to the options provided in NRS 287.023 *and section 2 of this act*, and subject to the requirements of ~~[that section.]~~ *NRS 287.023*, any officer or employee of a governmental entity enumerated in subsection 1 of NRS 287.023 who retires under the conditions set forth in NRS 1A.350, 1A.480, 286.510 or 286.620 and, at the time of retirement, was covered or had dependents covered by any group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025, has the option of having the Executive Officer deduct and pay the retired person's premium or contribution for that coverage, as well as the amount due or to become due upon any obligation designated by the Board pursuant to subsection 2, from the retired person's monthly retirement allowance until:

(a) The retired person notifies the Executive Officer to discontinue the deduction; or

(b) Any of the retired person's dependents elect to assume the premium or contribution applicable to the dependent's coverage before the death of such a retired person and continue coverage pursuant to NRS 287.023 *or section 2 of this act* after the retired person's death.

2. The Board may adopt regulations to carry out the provisions of subsection 1, including, but not limited to, regulations governing the number and types of obligations, amounts for the payment of which may be deducted and paid by the Board at the option of the officer or employee pursuant to this section.

3. The Executive Officer, Board and System are not liable for any damages resulting from errors or omissions concerning the deductions and payment of premiums or contributions authorized pursuant to this section unless willful neglect or gross negligence is proven.

Sec. 2. Chapter 287 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Whenever an officer or employee of the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada retires under the conditions set



1 *forth in NRS 1A.350 or 1A.480, or 286.510 or 286.620 and, during*
2 *the period in which the person served as an officer or employee,*
3 *was eligible to be covered or had dependents who were eligible to*
4 *be covered by exclusive group insurance established under the*
5 *Public Employees' Benefits Program pursuant to paragraph (a) of*
6 *subsection 1 of NRS 287.025, the officer or employee has the*
7 *option upon retirement to:*

8 *(a) Cancel such coverage; or*

9 *(b) Receive payment to continue such coverage or a subsidy as*
10 *determined by the governing body pursuant to subsection 2.*

11 *2. If an officer or employee retires pursuant to subsection 1*
12 *and chooses not to cancel coverage pursuant to paragraph (a) of*
13 *that subsection, the public employer from which the person retires,*
14 *to the extent that any such coverage is not provided to the officer*
15 *or employee or a dependent by the Health Insurance for the Aged*
16 *Act, 42 U.S.C. §§ 1395 et seq., may offer to:*

17 *(a) Pay the same portion of the cost of coverage under the*
18 *Public Employees' Benefits Program for retired persons covered*
19 *under the Program as the State pays pursuant to NRS 287.046 for*
20 *persons retired with state service who participate in the Program;*
21 *or*

22 *(b) Provide the retired officer or employee a subsidy, equal to*
23 *the cost the State pays pursuant to NRS 287.046 for persons*
24 *retired with state service who participate in the Program, to be*
25 *used by the retired officer or employee to obtain health insurance,*
26 *a plan of benefits or medical and hospital service, including,*
27 *without limitation, a qualified health plan as that term is defined*
28 *in NRS 695I.080.*

29 *3. Notice of the selection of the option offered pursuant to*
30 *subsection 2 must be given in writing to all officers and employees*
31 *more than 90 days before the initial implementation of the option,*
32 *and thereafter upon initial employment of any eligible officer or*
33 *employee who is employed by the public employer. If no notice is*
34 *given, the public employer shall be deemed to have selected the*
35 *option to pay the same portion of the cost of coverage under the*
36 *Public Employees' Benefits Program for retired persons covered*
37 *under the Program as the State pays pursuant to NRS 287.046 for*
38 *persons retired with state service who participate in the Program.*

39 *4. Notice of the selection of the option by the officer or*
40 *employee must be given in writing to the last public employer of*
41 *the officer or employee within 60 days after the date of retirement*
42 *or death, as the case may be. If no notice is given by that date, the*
43 *retired officer or employee and any dependents shall be deemed to*
44 *have selected the option to cancel the coverage under the Public*



Employees' Benefits Program pursuant to paragraph (a) of subsection 1.

5. A retired person who continues coverage under the Public Employees' Benefits Program pursuant to paragraph (a) of subsection 1 shall assume the portion of the premium or contribution costs for the coverage which the governing body or the State does not pay on behalf of retired officers or employees. A dependent of such a retired person has the option, which may be exercised to the same extent and in the same manner as the retired person, to cancel or continue coverage in effect on the date the retired person dies. The dependent is not required to continue to receive retirement payments from the Public Employees' Retirement System to continue coverage.

Sec. 3. NRS 287.0205 is hereby amended to read as follows:

287.0205 1. A public officer or employee of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada who has retired pursuant to NRS 1A.350 or 1A.480, or 286.510 or 286.620, or is enrolled in a retirement program provided pursuant to NRS 286.802, or the surviving spouse of such a retired public officer or employee who is deceased, may, except as otherwise provided in NRS 287.0475, in any even-numbered year, reinstate any insurance, except life insurance, that, at the time of reinstatement, is provided by the last public employer of the retired public officer or employee to the active officers and employees and their dependents of that public employer:

(a) Pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025; or

(b) Under the Public Employees' Benefits Program, if the last public employer of the retired officer or employee participates in the Public Employees' Benefits Program pursuant to paragraph (a) of subsection 1 of NRS 287.025 ~~and~~ *and elects to provide payment for continued coverage under the Program pursuant to paragraph (a) of section 2 of this act.*

2. Reinstatement pursuant to paragraph (a) of subsection 1 must be requested by:

(a) Giving written notice of the intent of the public officer or employee or surviving spouse to reinstate the insurance to the last public employer of the public officer or employee not later than January 31 of an even-numbered year;

(b) Accepting the public employer's current program or plan of insurance and any subsequent changes thereto; and

(c) Except as otherwise provided in paragraph ~~(b)~~ (a) of subsection ~~[4] 2~~ of ~~[NRS-287.023.]~~ *section 2 of this act*, paying any portion of the premiums or contributions of the public employer's



1 program or plan of insurance, in the manner set forth in NRS
2 1A.470 or 286.615, which is due from the date of reinstatement and
3 not paid by the public employer.

4 ➤ The last public employer shall give the insurer notice of the
5 reinstatement not later than March 31 of the year in which the public
6 officer or employee or surviving spouse gives notice of the intent to
7 reinstate the insurance.

8 3. Reinstatement pursuant to paragraph (b) of subsection 1
9 must be requested pursuant to NRS 287.0475.

10 4. If a plan is considered grandfathered under the Patient
11 Protection and Affordable Care Act, Public Law 111-148,
12 reinstatement of insurance pursuant to subsection 1 may exclude
13 claims for expenses for any condition for which medical advice,
14 treatment or consultation was rendered within 12 months before
15 reinstatement unless the reinstated insurance has been in effect more
16 than 12 consecutive months.

17 5. The last public employer of a retired officer or employee
18 who reinstates insurance, except life insurance, which was provided
19 to the retired officer or employee and the retired officer's or
20 employee's dependents at the time of retirement pursuant to NRS
21 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection
22 1 of NRS 287.025 shall, for the purpose of establishing actuarial
23 data to determine rates and coverage for such persons, commingle
24 the claims experience of such persons with the claims experience of
25 active and retired officers and employees and their dependents who
26 participate in that group insurance, plan of benefits or medical and
27 hospital service.

28 **Sec. 4.** NRS 287.021 is hereby amended to read as follows:

29 287.021 1. Except as otherwise provided in subsection 3, the
30 surviving spouse and any surviving child of a police officer or
31 firefighter who was:

32 (a) Employed by a local governmental agency that had
33 established group insurance, a plan of benefits or medical and
34 hospital service pursuant to NRS 287.010, 287.015, 287.020 or
35 paragraph (b), (c) or (d) of subsection 1 of NRS 287.025; and

36 (b) Killed in the line of duty,
37 ➤ may elect to accept or continue coverage under that group
38 insurance, plan or medical and hospital service if the police officer
39 or firefighter was a participant or would have been eligible to
40 participate in the group insurance, plan or medical and hospital
41 service on the date of the death of the police officer or firefighter. If
42 the surviving spouse or child elects to accept coverage under the
43 group insurance, plan or medical and hospital service in which the
44 police officer or firefighter would have been eligible to participate
45 or to discontinue coverage under the group insurance, plan or



1 medical and hospital service in which the police officer or
2 firefighter was a participant, the spouse, child or legal guardian of
3 the child must notify in writing the local governmental agency that
4 employed the police officer or firefighter within 60 days after the
5 date of death of the police officer or firefighter.

6 2. Except as otherwise provided in NRS 287.023 ~~H~~ and
7 *section 2 of this act*, the local governmental agency that employed
8 the police officer or firefighter shall pay the entire cost of the
9 premiums or contributions for the group insurance, plan of benefits
10 or medical and hospital service for the surviving spouse or child
11 who meets the requirements set forth in subsection 1.

12 3. A surviving spouse is eligible to receive coverage pursuant
13 to this section for the duration of the life of the surviving spouse. A
14 surviving child is eligible to receive coverage pursuant to this
15 section until the child reaches the age at which the child would not
16 otherwise be eligible to receive coverage under the group insurance,
17 plan of benefits or medical and hospital service.

18 4. As used in this section "police officer" has the meaning
19 ascribed to it in NRS 617.135.

20 **Sec. 5.** NRS 287.023 is hereby amended to read as follows:

21 287.023 1. Whenever an officer or employee of the
22 governing body of any county, school district, municipal
23 corporation, political subdivision, public corporation or other local
24 governmental agency of the State of Nevada retires under the
25 conditions set forth in NRS 1A.350 or 1A.480, or 286.510 or
26 286.620 and, during the period in which the person served as an
27 officer or employee, was eligible to be covered or had dependents
28 who were eligible to be covered by any group insurance, plan of
29 benefits or medical and hospital service established pursuant to NRS
30 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection
31 1 of NRS 287.025 , ~~for under the Public Employees' Benefits~~
32 ~~Program pursuant to paragraph (a) of subsection 1 of NRS 287.025,]~~
33 the officer or employee has the option upon retirement to cancel or
34 continue any such coverage to the extent that such coverage is not
35 provided to the officer or employee or a dependent by the Health
36 Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq.

37 2. ~~[A retired person who continues coverage under the Public~~
38 ~~Employees' Benefits Program shall assume the portion of the~~
39 ~~premium or contribution costs for the coverage which the governing~~
40 ~~body or the State does not pay on behalf of retired officers or~~
41 ~~employees. A dependent of such a retired person has the option,~~
42 ~~which may be exercised to the same extent and in the same manner~~
43 ~~as the retired person, to cancel or continue coverage in effect on the~~
44 ~~date the retired person dies. The dependent is not required to~~



~~continue to receive retirement payments from the Public Employees' Retirement System to continue coverage.~~

~~3.]~~ Notice of the selection of the option must be given in writing to the last public employer of the officer or employee within 60 days after the date of retirement or death, as the case may be. If no notice is given by that date, the retired officer or employee and any dependents shall be deemed to have selected the option to cancel the coverage for the group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025 . ~~for coverage under the Public Employees' Benefits Program pursuant to paragraph (a) of subsection 1 of NRS 287.025.~~

~~4.]~~ 3. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of this State ~~;~~

~~(a) May]~~ *may* pay the cost, or any part of the cost, of coverage established pursuant to NRS 287.010, 287.015 or 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025 for persons who continue that coverage pursuant to subsection 1, but it must not pay a greater portion than it does for its current officers and employees.

~~[(b) Shall pay the same portion of the cost of coverage under the Public Employees' Benefits Program for retired persons covered under the Program as the State pays pursuant to NRS 287.046 for persons retired with state service who participate in the Program.~~

~~5.]~~ 4. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of this State shall, for the purpose of establishing actuarial data to determine rates and coverage for persons who continue coverage for group insurance, a plan of benefits or medical and hospital service with the governing body pursuant to subsection 1, commingle the claims experience of those persons with the claims experience of active officers and employees and their dependents who participate in the group insurance, a plan of benefits or medical and hospital service.

Sec. 6. NRS 287.040 is hereby amended to read as follows:

287.040 The provisions of NRS 287.010 to 287.040, inclusive, *and section 2 of this act* do not make it compulsory upon any governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada, except as otherwise provided in NRS 287.021 or subsection ~~[4]~~ 3 of NRS 287.023 or in an agreement entered into pursuant to subsection 3 of NRS 287.015, to pay any premiums, contributions or other costs for group insurance, a plan of benefits or medical or hospital services



1 established pursuant to NRS 287.010, 287.015, 287.020 or
2 paragraph (b), (c) or (d) of subsection 1 of NRS 287.025, for
3 coverage under the Public Employees' Benefits Program, or to make
4 any contributions to a trust fund established pursuant to NRS
5 287.017, or upon any officer or employee of any county, school
6 district, municipal corporation, political subdivision, public
7 corporation or other local governmental agency of this State to
8 accept any such coverage or to assign his or her wages or salary in
9 payment of premiums or contributions therefor.

10 **Sec. 7.** NRS 287.043 is hereby amended to read as follows:

11 287.043 1. The Board shall:

12 (a) Establish and carry out a program to be known as the Public
13 Employees' Benefits Program which:

14 (1) Must include a program relating to group life, accident or
15 health insurance, or any combination of these; and

16 (2) May include:

17 (I) A plan that offers flexibility in benefits, and for which
18 the rates must be based only on the experience of the participants in
19 the plan and not in combination with the experience of participants
20 in any other plan offered under the Program; or

21 (II) A program to reduce taxable compensation or other
22 forms of compensation other than deferred compensation,
23 ➤ for the benefit of all state officers and employees and other
24 persons who participate in the Program.

25 (b) Ensure that the Program is funded on an actuarially sound
26 basis and operated in accordance with sound insurance and business
27 practices.

28 2. In establishing and carrying out the Program, the Board
29 shall:

30 (a) For the purpose of establishing actuarial data to determine
31 rates and coverage for active and retired state officers and
32 employees and their dependents, commingle the claims experience
33 of such active and retired officers and employees and their
34 dependents for whom the Program provides primary health
35 insurance coverage into a single risk pool.

36 (b) Except as otherwise provided in this paragraph ~~(f)~~ **and**
37 **subsection 2 of section 2 of this act**, negotiate and contract pursuant
38 to paragraph (a) of subsection 1 of NRS 287.025 with the governing
39 body of any county, school district, municipal corporation, political
40 subdivision, public corporation or other local governmental agency
41 of the State of Nevada that wishes to obtain exclusive group
42 insurance for all of its active and retired officers and employees and
43 their dependents, except as otherwise provided in sub-subparagraph
44 (III) of subparagraph (2) of paragraph (h), by participation in the
45 Program. The Board shall establish separate rates and coverage for



1 active and retired officers and employees of those local
2 governmental agencies and their dependents based on actuarial
3 reports that commingle the claims experience of such active and
4 retired officers and employees and their dependents for whom the
5 Program provides primary health insurance coverage into a single
6 risk pool.

7 (c) Except as otherwise provided in paragraph (d), provide
8 public notice in writing of any proposed changes in rates or
9 coverage to each participating public agency that may be affected by
10 the changes. Notice must be provided at least 30 days before the
11 effective date of the changes.

12 (d) If a proposed change is a change in the premium or
13 contribution charged for, or coverage of, health insurance, provide
14 written notice of the proposed change to all participants in the
15 Program. The notice must be provided at least 30 days before the
16 date on which a participant in the Program is required to select or
17 change the participant's policy of health insurance.

18 (e) Purchase policies of life, accident or health insurance, or any
19 combination of these, or, if applicable, a program to reduce the
20 amount of taxable compensation pursuant to 26 U.S.C. § 125, from
21 any company qualified to do business in this State or provide similar
22 coverage through a plan of self-insurance established pursuant to
23 NRS 287.0433 for the benefit of all eligible participants in the
24 Program.

25 (f) Except as otherwise provided in this title, develop and
26 establish other employee benefits as necessary.

27 (g) Investigate and approve or disapprove any contract proposed
28 pursuant to NRS 287.0479.

29 (h) Adopt such regulations and perform such other duties as are
30 necessary to carry out the provisions of NRS 287.010 to 287.245,
31 inclusive, *and section 2 of this act*, including, without limitation,
32 the establishment of:

33 (1) Fees for applications for participation in the Program and
34 for the late payment of premiums or contributions;

35 (2) Conditions for entry and reentry into and exit from the
36 Program by local governmental agencies pursuant to paragraph (a)
37 of subsection 1 of NRS 287.025, which:

38 (I) Must include a minimum period of 4 years of
39 participation for entry into the Program;

40 (II) Must include a requirement that participation of any
41 retired officers and employees of the local governmental agency
42 whose last continuous period of enrollment with the Program began
43 after November 30, 2008, terminates upon termination of the local
44 governmental agency's contract with the Program; and



(III) May allow for the exclusion of active and retired officers and employees of the local governmental agency who are eligible for health coverage from a health and welfare plan or trust that arose out of collective bargaining under chapter 288 of NRS or a trust established pursuant to 29 U.S.C. § 186;

(3) Procedures by which a group of participants in the Program may leave the Program pursuant to NRS 287.0479 and conditions and procedures for reentry into the Program by those participants;

(4) Specific procedures for the determination of contested claims;

(5) Procedures for review and notification of the termination of coverage of persons pursuant to paragraph ~~[(b)]~~ (a) of subsection ~~[4] 2 of [NRS 287.023;]~~ *section 2 of this act*; and

(6) Procedures for the payments that are required to be made pursuant to paragraph ~~[(b)]~~ (a) of subsection ~~[4] 2 of [NRS 287.023;]~~ *section 2 of this act*.

3. The Board may use any services provided to state agencies and shall use the services of the Purchasing Division of the Department of Administration to establish and carry out the Program.

4. The Board may engage the services of an attorney who specializes in health plans and health care law as necessary to assist in carrying out the Program.

5. The Board may make recommendations to the Legislature concerning legislation that it deems necessary and appropriate regarding the Program.

6. A participating public agency is not liable for any obligation of the Program other than indemnification of the Board and its employees against liability relating to the administration of the Program, subject to the limitations specified in NRS 41.0349.

7. As used in this section, "employee benefits" includes any form of compensation provided to a public employee except federal benefits, wages earned, legal holidays, deferred compensation and benefits available pursuant to chapter 286 of NRS.

Sec. 8. NRS 287.0434 is hereby amended to read as follows:
287.0434 The Board may:

1. Use its assets only to pay the expenses of health care for its members and covered dependents, to pay its employees' salaries and to pay administrative and other expenses.

2. Enter into contracts relating to the administration of the Program, including, without limitation, contracts with licensed administrators and qualified actuaries. Each such contract with a licensed administrator:



(a) Must be submitted to the Commissioner of Insurance not less than 30 days before the date on which the contract is to become effective for approval as to the licensing and fiscal status of the licensed administrator and status of any legal or administrative actions in this State against the licensed administrator that may impair his or her ability to provide the services in the contract.

(b) Does not become effective unless approved by the Commissioner.

(c) Shall be deemed to be approved if not disapproved by the Commissioner within 30 days after its submission.

3. Enter into contracts with physicians, surgeons, hospitals, health maintenance organizations and rehabilitative facilities for medical, surgical and rehabilitative care and the evaluation, treatment and nursing care of members and covered dependents. The Board shall not enter into a contract pursuant to this subsection unless:

(a) Provision is made by the Board to offer all the services specified in the request for proposals, either by a health maintenance organization or through separate action of the Board.

(b) The rates set forth in the contract are based on:

(1) For active and retired state officers and employees and their dependents, the commingled claims experience of such active and retired officers and employees and their dependents for whom the Program provides primary health insurance coverage in a single risk pool; and

(2) For active and retired officers and employees of public agencies enumerated in NRS 287.010 that contract with the Program to obtain group insurance by participation in the Program and their dependents, the commingled claims experience of such active and retired officers and employees and their dependents for whom the Program provides primary health insurance coverage in a single risk pool.

4. Enter into contracts for the services of other experts and specialists as required by the Program.

5. Charge and collect from an insurer, health maintenance organization, organization for dental care or nonprofit medical service corporation, a fee for the actual expenses incurred by the Board or a participating public agency in administering a plan of insurance offered by that insurer, organization or corporation.

6. Charge and collect the amount due from local governments pursuant to paragraph ~~[(b)]~~ (a) of subsection ~~[(4)]~~ 2 of ~~[NRS 287.023]~~ *section 2 of this act*. If the payment of a local government pursuant to that provision is delinquent by more than 90 days, the Board shall notify the Executive Director of the Department of Taxation pursuant to NRS 354.671.



Sec. 9. NRS 287.04385 is hereby amended to read as follows:

287.04385 1. In addition to the procedure set forth in NRS 354.671, if a local governmental agency is delinquent by more than 90 days on an amount due to the Program pursuant to paragraph ~~[(b)]~~ (a) of subsection ~~[4] 2 of [NRS 287.023]~~ *section 2 of this act* or any penalty or late fee authorized to be assessed by the Program on such an amount, the Program may bring an action to recover those amounts in a district court of this State. The action must be brought within 6 years after the date on which the payment, penalty or late fee was delinquent for more than 90 days.

2. In such an action, a certificate issued by the Program documenting the amount of the delinquent payment and any penalty or late fee and the length of their delinquency is prima facie evidence of:

- (a) The amount of the delinquent payment, penalty or late fee;
- (b) The period of the delinquency; and
- (c) Compliance by the Program with all the procedures required by law relating to the computation and determination of the amounts due.

Sec. 10. NRS 1A.470 is hereby amended to read as follows:

1A.470 1. In addition to the options provided in NRS 287.023 *and section 2 of this act*, and subject to the requirements of ~~[that section,]~~ *NRS 287.023*, any justice of the Supreme Court, judge of the Court of Appeals, district judge, justice of the peace or municipal judge who retires under the conditions set forth in NRS 1A.350 and, at the time of retirement, was covered or had his or her dependents covered by any group insurance or medical and hospital service established pursuant to NRS 287.010, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025, has the option of having the Executive Officer of the Board deduct and pay his or her premium or contribution for that group insurance or medical and hospital service coverage, as well as the amount due or to become due upon any obligation designated by the Board pursuant to subsection 2, from his or her monthly retirement allowance until:

(a) The justice or judge notifies the Executive Officer of the Board to discontinue the deduction; or

(b) Any of the dependents of the justice or judge elect to assume the premium or contribution applicable to the dependent's coverage before the death of such a retired justice or judge and continue coverage pursuant to NRS 287.023 *or section 2 of this act* after the justice's or judge's death.

2. The Board may adopt regulations to carry out the provisions of subsection 1, including, without limitation, regulations governing the number and types of obligations, amounts for the payment of



1 which may be deducted and paid by the Board at the option of the
2 retired justice or judge pursuant to this section.

3 3. The Executive Officer of the Board, the Board and the
4 System are not liable for any damages resulting from errors or
5 omissions concerning the deductions and payment of premiums or
6 contributions authorized pursuant to this section unless willful
7 neglect or gross negligence is proven.

8 **Sec. 11.** NRS 354.671 is hereby amended to read as follows:

9 354.671 1. Upon receipt of notification by the Board of the
10 Public Employees' Benefits Program pursuant to NRS 287.0434
11 that a local government is delinquent by more than 90 days on an
12 amount due to the Public Employees' Benefits Program pursuant to
13 paragraph ~~[(b)]~~ (a) of subsection ~~[(4)]~~ 2 of ~~[NRS 287.023.]~~ **section 2**
14 **of this act**, the Executive Director shall notify the governing body
15 that the presence of a representative of the governing body is
16 required at the next practicable scheduled meeting of the Committee
17 to explain the reason that the payment has not been made. The
18 notice must be transmitted to the governing body at least 5 days
19 before the date on which the meeting will be held.

20 2. If an explanation satisfactory to the Committee is not
21 provided at the meeting as requested in the notice and an
22 arrangement is not made for the submission of the payment, the
23 Committee may instruct the Executive Director to request that the
24 State Treasurer withhold from the local government an amount
25 equal to the amount of the delinquent payment from the next
26 distribution from the Local Government Tax Distribution Account if
27 the local government is otherwise entitled to receive such a
28 distribution or of the local school support tax if the local
29 government is a school district. Upon receipt of such a request, the
30 State Treasurer shall withhold that amount from the payment or any
31 future payment as necessary until the State Treasurer is notified by
32 the Executive Director that the delinquent payment has been
33 received by the Department. The Department shall transmit the
34 delinquent payment to the Public Employees' Benefits Program
35 upon receipt.

36 **Sec. 12.** The amendatory provisions of this act do not apply to
37 any officer or employee of a county, school district, municipal
38 corporation, political subdivision, public corporation or other local
39 government who retired before July 1, 2015, to the extent that any
40 change in the provision of coverage under the Public Employees'
41 Benefit Program is prohibited by any contract between the retired
42 officer or employee and:

- 43 1. The local government employer;
44 2. The Public Employees' Benefit Program; or



- 1 3. The health insurance provider, if any, through which the
2 retired officer or employee is provided coverage under the Public
3 Employees' Benefit Program.
4 **Sec. 13.** This act becomes effective on July 1, 2015.

