

SENATE BILL NO. 505—COMMITTEE ON FINANCE

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 23, 2015

Referred to Committee on Government Affairs

SUMMARY—Provides for the temporary suspension of the collection of certain subsidies to be paid to the Public Employees' Benefits Program. (BDR S-1205)

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 programs for public personnel; providing for the temporary suspension of the collection of the subsidies to be paid to the Public Employees' Benefits Program for group insurance for certain active public officers and employees; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Under existing law, state officers and employees who elect to participate in the
2 Public Employees' Benefits Program are required to authorize deductions from
3 their paychecks to pay the employees' share of the premiums or contributions for
4 the Program. (NRS 287.044) Existing law requires each state agency that
5 participates in the Public Employees' Benefits Program to pay to the Program a
6 monthly assessment for each state officer and employee who is employed by the
7 agency on a permanent and full-time basis and who elects to participate in the
8 Program. The subsidies paid are deposited into the Active Employee Group
9 Insurance Subsidy Account within the Agency Fund for the Payroll of the State.
10 Money from this Account is transferred periodically to the Fund for the Public
11 Employees' Benefits Program based on the actual cost of the subsidies for that
12 period. (NRS 287.044, 287.0445) The amount of the subsidy for Fiscal Year 2014-
13 2015 is \$695.35 per person, per month. (Section 1 of chapter 452, Statutes of
14 Nevada 2013, p. 2667) This bill provides for a state agency premium holiday by
15 requiring that a participating state agency only pay such subsidy for the first 10
16 months of Fiscal Year 2014-2015. Although a corresponding premium holiday is
17 not provided for the state employees in this bill, this bill specifically provides that
18 the state employees must not be required to pay the portion of the cost of the



premiums and contributions that would have otherwise been paid by their state employers during the 2 months of the state agency premium holiday. This bill further requires the Chief of the Budget Division of the Department of Administration, the Senate Fiscal Analyst and the Assembly Fiscal Analyst to, without further legislative approval, process revisions in the appropriate work programs to transfer the money saved by not paying the subsidies from the appropriate account of each participating state agency for reversion to the State General Fund.

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

Section 1. Section 1 of chapter 452, Statutes of Nevada 2013, at page 2667, is hereby amended to read as follows:

Section 1. 1. ~~For~~ *Except as otherwise provided in subsection 3, for* the purposes of NRS 287.044 and 287.0445, the State's share of the cost of premiums or contributions for group insurance for each active state officer or employee who elects to participate in the Public Employees' Benefits Program is:

(a) For the Fiscal Year 2013-2014, \$688.37 per month.

(b) For the Fiscal Year 2014-2015, \$695.35 per month.

2. If the amount of the State's share pursuant to this section exceeds the actual premium or contribution for the plan of the Public Employees' Benefits Program that the state officer or employee selects less any amount paid by the state officer or employee toward the premium or contribution, the balance must be credited to the Fund for the Public Employees' Benefits Program created by NRS 287.0435, which may be used to pay a portion of the premiums or contributions for persons that are eligible to participate in the Public Employees' Benefits Program through such a state officer or employee.

3. *For Fiscal Year 2014-2015, a participating state agency is required to pay the State's share of the cost of premiums or contributions for group insurance for each active state officer or employee who elects to participate in the Public Employees' Benefits Program for only the first 10 months of the fiscal year. Notwithstanding the provisions of NRS 287.044 to the contrary, the provisions of this subsection must not result in an increase in deductions from the compensation of active state officers or employees who elect to participate in the Program for the cost of their premiums or contributions for group insurance.*

4. *As soon as practicable, each participating state agency that received an appropriation from the State*



General Fund, or is authorized to expend money from the State General Fund, for its operations during Fiscal Year 2014-2015 shall determine the amount of those appropriations or authorizations it would have paid to the Public Employees' Benefits Program for the last 2 months of Fiscal Year 2014-2015, but for the provisions of subsection 3. Upon approval of the Chief of the Budget Division of the Department of Administration, the Senate Fiscal Analyst and the Assembly Fiscal Analyst, revisions in the work programs for Fiscal Year 2014-2015 for each participating state agency that received an appropriation from the State General Fund, or is authorized to expend money from the State General Fund, for its operations during Fiscal Year 2014-2015 must be processed and carried out, as soon as practicable, without further approval by the Legislature or the Interim Finance Committee, to transfer the amount determined pursuant to this subsection to Category 93, Reserve for Reversion, within the appropriate account of each such participating state agency.

5. Notwithstanding any other provision of law to the contrary, all money transferred to Category 93, Reserve for Reversion, pursuant to subsection 4 must, as soon as practicable, be transferred to Budget Account 101-9081, Budget Reserve, and must be reverted to the State General Fund on or before September 18, 2015.

6. As used in this section, "participating state agency" means a department, commission, board, bureau or other agency of the Executive, Legislative or Judicial Department of State Government, including, without limitation, the Public Employees' Retirement System and the Nevada System of Higher Education.

Sec. 2. This act becomes effective upon passage and approval.

