

SENATE BILL NO. 80—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

PREFILED NOVEMBER 17, 2016

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to the Public Employees' Benefits Program and the Deferred Compensation Program. (BDR 18-243)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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; creating the Employee Benefits Division of the Department of Administration; requiring the Director of the Department to appoint the Administrator of the Division; converting the Board of the Public Employees' Benefits Program into an advisory board; eliminating the position of Executive Officer for the Program; providing for the Administrator to assume certain powers, duties and functions of the Board and the Executive Officer; removing a requirement that the Board award certain contracts; requiring the Administrator to appoint the Chief Compensation Officer of the Deferred Compensation Program; converting the Committee to administer the Deferred Compensation Program into an advisory committee; authorizing the Chief Compensation Officer to take certain actions to administer the Deferred Compensation Program; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law creates the Department of Administration. (NRS 232.213)
- 2 **Sections 1 and 12** of this bill create the Employee Benefits Division of the
- 3 Department. **Section 4** of this bill requires the operating budget of the Division to
- 4 include an amount representing the Division's share of the operating costs of the
- 5 central accounting function of the Department.



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Existing law creates the Board of the Public Employees' Benefits Program. (NRS 287.041) Existing law requires the Board to establish and carry out the Public Employees' Benefits Program, which: (1) must include a program relating to group life, accident or health insurance, or any combination thereof, for the benefit of state officers and employees and other participants; and (2) may include certain other plans and programs for the benefit of such persons. (NRS 287.043) Existing law additionally requires the Board to employ an Executive Officer and authorizes the Board to delegate any of its powers, duties or functions to the Executive Officer. (NRS 287.0424)

Section 2 of this bill requires the Director of the Department to appoint the Administrator of the Division. **Section 3** of this bill provides that the Administrator of the Employee Benefits Division and the Administrator of the Risk Management Division of the Department serve at the pleasure of the Director and are in the unclassified service of the State. **Section 24** of this bill requires the Administrator to administer the Public Employees' Benefits Program. **Sections 5-7, 14, 19, 20, 24-37, 40, 49 and 50** of this bill transfer to the Administrator all the powers, duties and functions relating to the administration of the Program.

Section 20: (1) eliminates the position of the Executive Officer of the Board of the Public Employees' Benefits Program; and (2) generally requires the Administrator to possess the same qualifications currently required for the Executive Officer. **Sections 21-23** of this bill provide that the Administrator assumes: (1) the authority of the Executive Officer to appoint staff; and (2) the duties of the Executive Officer to submit certain reports and receive continuing education.

Section 17 of this bill converts the Board of the Public Employees' Benefits Program into the Advisory Board of the Public Employees' Benefits Program, and **section 18** of this bill requires the Advisory Board to advise the Administrator concerning the administration of the Program.

Existing law requires the Governor to appoint a Committee to administer the Public Employees' Deferred Compensation Program for state employees. (NRS 287.325) **Section 45** of this bill: (1) requires the Administrator to appoint the Chief Compensation Officer of the Program; and (2) converts the Committee into the Advisory Committee of the Deferred Compensation Program. **Section 46** of this bill: (1) requires the Committee to advise the Chief concerning the administration of the Program; and (2) authorizes the Chief to take certain actions to administer the Program.

Existing law contains special provisions relating to the award of certain state contracts for the Public Employees' Benefits Program, pursuant to which the Board for the Program considers recommendations for the award of such a contract but has final authority to make the award. (NRS 287.04345, 333.335) **Sections 48 and 55** of this bill eliminate those provisions, with the result that such contracts are to be awarded in the same manner as provided generally for all agencies in the Executive Department of the State Government.

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

Section 1. NRS 232.213 is hereby amended to read as follows:
232.213 1. The Department of Administration is hereby created.
2. The Department consists of a Director and the following:
(a) Risk Management Division.



(b) Hearings Division, which consists of hearing officers, compensation officers and appeals officers.

(c) State Public Works Division.

(d) Purchasing Division.

(e) Administrative Services Division.

(f) Division of Human Resource Management.

(g) Division of Enterprise Information Technology Services.

(h) Division of State Library, Archives and Public Records.

(i) Office of Grant Procurement, Coordination and Management.

(j) Fleet Services Division.

(k) Employee Benefits Division.

Sec. 2. NRS 232.215 is hereby amended to read as follows:

232.215 The Director:

1. Shall appoint an Administrator of the:

(a) Risk Management Division;

(b) State Public Works Division;

(c) Purchasing Division;

(d) Administrative Services Division;

(e) Division of Human Resource Management;

(f) Division of Enterprise Information Technology Services;

(g) Division of State Library, Archives and Public Records;

(h) Office of Grant Procurement, Coordination and Management; ~~and~~

(i) Fleet Services Division ~~H~~; and

(j) Employee Benefits Division.

2. Shall serve as Chief of the Hearings Division and shall appoint the hearing officers and compensation officers. The Director may designate one of the appeals officers in the Division to supervise the administrative, technical and procedural activities of the Division.

3. Is responsible for the administration, through the divisions of the Department, of the provisions of chapters 233F, 242, 284, 331, 333, 336, 338, 341 and 378 of NRS and all other provisions of law relating to the functions of the divisions of the Department.

4. Is responsible for the administration of the laws of this State relating to the negotiation and procurement of medical services and other benefits for state agencies.

5. Has such other powers and duties as are provided by law.

Sec. 3. NRS 232.2165 is hereby amended to read as follows:

232.2165 The Administrator of:

1. The State Public Works Division;

2. The Purchasing Division;

3. The Administrative Services Division;

4. The Division of Human Resource Management;



5. The Division of Enterprise Information Technology Services;

6. The Division of State Library, Archives and Public Records;

7. The Office of Grant Procurement, Coordination and Management; ~~and~~

8. The Fleet Services Division ~~and~~;

9. The Risk Management Division; and

10. The Employee Benefits Division,

of the Department serves at the pleasure of the Director and is in the unclassified service of the State.

Sec. 4. NRS 232.219 is hereby amended to read as follows:

232.219 1. The Department of Administration's Operating Fund for Administrative Services is hereby created as an internal service fund.

2. The operating budget of each of the following entities must include an amount representing that entity's share of the operating costs of the central accounting function of the Department:

(a) State Public Works Division;

(b) Purchasing Division;

(c) Hearings Division;

(d) Risk Management Division;

(e) Division of Human Resource Management;

(f) Division of Enterprise Information Technology Services;

(g) Division of State Library, Archives and Public Records;

~~and~~

(h) Fleet Services Division ~~and~~; *and*

(i) Employee Benefits Division.

3. All money received for the central accounting services of the Department must be deposited in the State Treasury for credit to the Operating Fund.

4. All expenses of the central accounting function of the Department must be paid from the Fund as other claims against the State are paid.

Sec. 5. NRS 233B.039 is hereby amended to read as follows:

233B.039 1. The following agencies are entirely exempted from the requirements of this chapter:

(a) The Governor.

(b) Except as otherwise provided in NRS 209.221, the Department of Corrections.

(c) The Nevada System of Higher Education.

(d) The Office of the Military.

(e) The Nevada Gaming Control Board.

(f) Except as otherwise provided in NRS 368A.140 and 463.765, the Nevada Gaming Commission.



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(g) The Division of Welfare and Supportive Services of the Department of Health and Human Services.

(h) Except as otherwise provided in NRS 422.390, the Division of Health Care Financing and Policy of the Department of Health and Human Services.

(i) The State Board of Examiners acting pursuant to chapter 217 of NRS.

(j) Except as otherwise provided in NRS 533.365, the Office of the State Engineer.

(k) The Division of Industrial Relations of the Department of Business and Industry acting to enforce the provisions of NRS 618.375.

(l) The Administrator of the Division of Industrial Relations of the Department of Business and Industry in establishing and adjusting the schedule of fees and charges for accident benefits pursuant to subsection 2 of NRS 616C.260.

(m) The Board to Review Claims in adopting resolutions to carry out its duties pursuant to NRS 445C.310.

(n) The Silver State Health Insurance Exchange.

2. Except as otherwise provided in subsection 5 and NRS 391.323, the Department of Education, the ~~Board~~ *Administrator* of the ~~Public Employees'~~ *Employee* Benefits ~~Program~~ *Division of the Department of Administration* and the Commission on Professional Standards in Education are subject to the provisions of this chapter for the purpose of adopting regulations but not with respect to any contested case.

3. The special provisions of:

(a) Chapter 612 of NRS for the distribution of regulations by and the judicial review of decisions of the Employment Security Division of the Department of Employment, Training and Rehabilitation;

(b) Chapters 616A to 617, inclusive, of NRS for the determination of contested claims;

(c) Chapter 91 of NRS for the judicial review of decisions of the Administrator of the Securities Division of the Office of the Secretary of State; and

(d) NRS 90.800 for the use of summary orders in contested cases,

➤ prevail over the general provisions of this chapter.

4. The provisions of NRS 233B.122, 233B.124, 233B.125 and 233B.126 do not apply to the Department of Health and Human Services in the adjudication of contested cases involving the issuance of letters of approval for health facilities and agencies.

5. The provisions of this chapter do not apply to:



(a) Any order for immediate action, including, but not limited to, quarantine and the treatment or cleansing of infected or infested animals, objects or premises, made under the authority of the State Board of Agriculture, the State Board of Health, or any other agency of this State in the discharge of a responsibility for the preservation of human or animal health or for insect or pest control;

(b) An extraordinary regulation of the State Board of Pharmacy adopted pursuant to NRS 453.2184;

(c) A regulation adopted by the State Board of Education pursuant to NRS 388.255 or 394.1694; or

(d) The judicial review of decisions of the Public Utilities Commission of Nevada.

6. The State Board of Parole Commissioners is subject to the provisions of this chapter for the purpose of adopting regulations but not with respect to any contested case.

Sec. 6. NRS 218E.420 is hereby amended to read as follows:

218E.420 1. There is hereby created an Interim Retirement and Benefits Committee of the Legislature to:

(a) Review the operation of the Public Employees' Retirement System, the Judicial Retirement System established pursuant to chapter 1A of NRS and the Public Employees' Benefits Program; and

(b) Make recommendations to the Public Employees' Retirement Board and the ~~{Board}~~ *Administrator* of the ~~{Public Employees'}~~ *Employee* Benefits ~~{Program,}~~ *Division of the Department of Administration*, the Legislative Commission and the Legislature.

2. The Interim Retirement and Benefits Committee consists of six members appointed as follows:

(a) Three members of the Senate, one of whom is the Chair of the Committee on Finance during the preceding regular session and two of whom are appointed by the Majority Leader of the Senate.

(b) Three members of the Assembly, one of whom is the Chair of the Committee on Ways and Means during the preceding regular session and two of whom are appointed by the Speaker of the Assembly.

3. The Legislative Commission shall review and approve the budget and work program for the Committee and any changes to the budget or work program.

4. The immediate past Chair of the Senate Standing Committee on Finance is the Chair of the Interim Retirement and Benefits Committee for the period ending with the convening of each odd-numbered regular session. The immediate past Chair of the Assembly Standing Committee on Ways and Means is the Chair of the Interim Retirement and Benefits Committee during the next



1 legislative interim, and the position of Chair alternates between the
2 Houses according to this pattern.

3 5. The Interim Retirement and Benefits Committee may
4 exercise the powers conferred on it by law only when the
5 Legislature is not in a regular or special session and shall meet at the
6 call of the Chair.

7 6. The Interim Retirement and Benefits Committee may
8 conduct investigations and hold hearings in connection with its
9 functions and duties and exercise any of the investigative powers set
10 forth in NRS 218E.105 to 218E.140, inclusive.

11 7. The Director shall provide a Secretary for the Interim
12 Retirement and Benefits Committee.

13 8. For each day or portion of a day during which members of
14 the Interim Retirement and Benefits Committee attend a meeting of
15 the Interim Retirement and Benefits Committee or are otherwise
16 engaged in the business of the Interim Retirement and Benefits
17 Committee, the members are entitled to receive:

18 (a) The compensation provided for a majority of the Legislators
19 during the first 60 days of the preceding regular session;

20 (b) The per diem allowance provided for state officers and
21 employees generally; and

22 (c) The travel expenses provided pursuant to NRS 218A.655.

23 9. All such compensation, per diem allowances and travel
24 expenses must be paid from the Legislative Fund.

25 **Sec. 7.** NRS 277.067 is hereby amended to read as follows:

26 277.067 1. Except as otherwise provided in subsection 2, any
27 two or more political subdivisions of this State, agencies of the State
28 or the Nevada System of Higher Education may enter into a
29 cooperative agreement for the purchase of insurance or the
30 establishment of a self-insurance reserve or fund for coverage under
31 a plan of:

32 (a) Casualty insurance, as that term is defined in
33 NRS 681A.020;

34 (b) Marine and transportation insurance, as that term is defined
35 in NRS 681A.050;

36 (c) Property insurance, as that term is defined in NRS 681A.060;

37 (d) Surety insurance, as that term is defined in NRS 681A.070;

38 (e) Health insurance, as that term is defined in NRS 681A.030;

39 or

40 (f) Insurance for any combination of these kinds of protection.

41 2. Any political subdivision of the State, any agency of the
42 State or the Nevada System of Higher Education which participates
43 in the Public Employees' Benefits Program shall obtain the approval
44 of the ~~{Board}~~ *Administrator* of the ~~{Public-Employees'}~~ *Employee*
45 Benefits ~~{Program}~~ *Division of the Department of Administration*



1 before it enters into a cooperative agreement for the purchase of
2 health insurance pursuant to paragraph (e) of subsection 1.

3 3. Any such agreement may obligate the respective parties to
4 pledge revenues or contribute money to secure the obligations or
5 pay the expenses of the cooperative undertaking and may provide
6 for the establishment of a separate entity to administer the
7 undertaking.

8 **Sec. 8.** Chapter 287 of NRS is hereby amended by adding
9 thereto the provisions set forth as sections 9 to 13, inclusive, of this
10 act.

11 **Sec. 9.** *“Administrator” means the Administrator of the*
12 *Division.*

13 **Sec. 10.** *“Department” means the Department of*
14 *Administration.*

15 **Sec. 11.** *“Division” means the Employee Benefits Division of*
16 *the Department of Administration.*

17 **Sec. 12.** 1. *There is hereby created the Employee Benefits*
18 *Division of the Department of Administration.*

19 2. *The Division consists of:*

20 (a) *The Administrator;*

21 (b) *The Board;*

22 (c) *The Chief Compensation Officer of the Deferred*
23 *Compensation Program appointed pursuant to NRS 287.325;*

24 (d) *The Advisory Committee of the Public Employees’*
25 *Deferred Compensation Program appointed pursuant to NRS*
26 *287.325; and*

27 (e) *Within the limits of legislative appropriation, such*
28 *additional administrative sections as the Administrator determines*
29 *are necessary to perform the functions of the Division.*

30 3. *The Division shall, subject to the administrative*
31 *supervision of the Director of the Department, administer the*
32 *provisions of NRS 287.0402 to 287.049, inclusive, and sections 9*
33 *to 12, inclusive, of this act, NRS 287.245 and 287.250 to 287.370,*
34 *inclusive, and section 13 of this act.*

35 **Sec. 13.** *“Chief” means the Chief Compensation Officer of*
36 *the Program appointed pursuant to NRS 287.325.*

37 **Sec. 14.** NRS 287.025 is hereby amended to read as follows:

38 287.025 1. The governing body of any county, school
39 district, municipal corporation, political subdivision, public
40 corporation or other local governmental agency of the State of
41 Nevada may, in addition to the other powers granted in NRS
42 287.010, 287.015 and 287.020:

43 (a) Negotiate and contract with the ~~{Board}~~ *Administrator* of the
44 ~~{Public-Employees’}~~ *Employee* Benefits ~~{Program}~~ *Division of the*
45 *Department of Administration* to secure exclusive group insurance



1 for all of its officers and employees and their dependents, except as
2 otherwise provided in sub-subparagraph (III) of subparagraph (2) of
3 paragraph (h) of subsection 2 of NRS 287.043, by participation in
4 the Public Employees' Benefits Program.

5 (b) Negotiate and contract with another county, school district,
6 municipal corporation, political subdivision, public corporation or
7 other local governmental agency of the State of Nevada to secure
8 group insurance for its officers and employees and their dependents
9 by participation in any group insurance plan established or to be
10 established by the other local governmental agency.

11 (c) To secure group health, life or workers' compensation
12 insurance for its officers and employees and their dependents,
13 participate as a member of a nonprofit cooperative association or
14 nonprofit corporation that has been established in this State to
15 secure such insurance for its members from an insurer licensed
16 pursuant to the provisions of title 57 of NRS.

17 (d) In addition to the provisions of paragraph (c), participate as a
18 member of a nonprofit cooperative association or nonprofit
19 corporation that has been established in this State to:

20 (1) Facilitate contractual arrangements for the provision of
21 medical services to its members' officers and employees and their
22 dependents and for related administrative services.

23 (2) Procure health-related information and disseminate that
24 information to its members' officers and employees and their
25 dependents.

26 2. Each contract negotiated pursuant to paragraph (a) or (b) of
27 subsection 1:

28 (a) Must be submitted to the Commissioner of Insurance for
29 approval not less than 30 days before the date on which the contract
30 is to become effective.

31 (b) Does not become effective unless approved by the
32 Commissioner of Insurance.

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

35 **Sec. 15.** NRS 287.0402 is hereby amended to read as follows:

36 287.0402 As used in NRS 287.0402 to 287.049, inclusive, *and*
37 *sections 9 to 12, inclusive, of this act*, unless the context otherwise
38 requires, the words and terms defined in NRS 287.0404 to
39 287.04064, inclusive, *and sections 9, 10 and 11 of this act* have the
40 meanings ascribed to them in those sections.

41 **Sec. 16.** NRS 287.0404 is hereby amended to read as follows:

42 287.0404 "Board" means the *Advisory* Board of the Public
43 Employees' Benefits Program created by NRS 287.041.



Sec. 17. NRS 287.041 is hereby amended to read as follows:

287.041 1. There is hereby created the **Advisory** Board of the Public Employees' Benefits Program. The Board consists of 10 members appointed as follows:

(a) One member who is a professional employee of the Nevada System of Higher Education, appointed by the Governor upon consideration of any recommendations of organizations that represent employees of the Nevada System of Higher Education.

(b) Two members who are retired from public employment, appointed by the Governor upon consideration of any recommendations of organizations that represent retired public employees.

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

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

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

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

(g) The Director of the Office of Finance or the designee of the Director.

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

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

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

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



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

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

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

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

4. Except as otherwise provided in this subsection, after the initial terms, the term of an appointed member of the Board is 4 years and until the member's successor is appointed and takes office unless the member no longer possesses the qualifications for appointment set forth in this section or is removed by the Governor. If a member loses the requisite qualifications within the last 12 months of the member's term, the member may serve the remainder of the member's term. Members are eligible for reappointment. A vacancy occurring in the membership of the Board must be filled in the same manner as the original appointment.

5. The appointed members of the Board serve at the pleasure of the Governor. If the Governor wishes to remove a member from the Board for any reason other than malfeasance or misdemeanor, the Governor shall provide the member with written notice which states the reason for and the effective date of the removal.

Sec. 18. NRS 287.0415 is hereby amended to read as follows:

287.0415 1. A majority of the members of the Board constitutes a quorum for the transaction of business.

2. The Governor shall designate one of the members of the Board to serve as the Chair.

3. The Board shall meet at least once every calendar quarter and at other times upon the call of the Chair.

4. The Board may meet in closed session:

(a) ~~To discuss matters relating to personnel;~~

~~(b)~~ With *the Administrator and* investment counsel to ~~plan~~ *advise on* future investments or establish investment objectives and policies;

~~(c)~~ *(b)* With *the Administrator and* legal counsel to receive advice upon claims or suits by or against the Program;

~~(d) To prepare~~

(c) With the Administrator to discuss a request for a proposal or other solicitation for bids to be released by the ~~Board~~ *Administrator* for competitive bidding; or

~~(e)~~ *(d)* As otherwise provided pursuant to chapter 241 of NRS.

5. Except as otherwise provided in this subsection, if the Board causes a meeting to be transcribed by a court reporter who is certified pursuant to chapter 656 of NRS, the Board shall post a transcript of the meeting on its Internet website not later than 30 days after the meeting. The Board shall post a transcript of a closed



1 session of the Board on its Internet website when the Board
2 determines that the matters discussed no longer require
3 confidentiality . ~~{and, if applicable, the person whose character,~~
4 ~~conduct, competence or health was discussed in the closed session~~
5 ~~has consented to the posting.}~~

6 6. The Board may appoint such advisory committees as it
7 deems necessary to assist the Board in carrying out its duties
8 pursuant to NRS 287.0402 to 287.049, inclusive ~~{}~~ , *and sections 9*
9 *to 12, inclusive, of this act.*

10 7. *The Board shall advise the Administrator concerning the*
11 *administration of the Program, including the adoption and*
12 *implementation of policies concerning the Program.*

13 8. As used in this section, "request for a proposal" has the
14 meaning ascribed to it in subsection 8 of NRS 333.020.

15 **Sec. 19.** NRS 287.0422 is hereby amended to read as follows:

16 287.0422 The ~~{Board}~~ *Administrator* may reimburse a witness
17 whom the *Administrator or* Board requests appear before ~~{}~~ *the*
18 *Administrator or the Board* and who has expertise in a field that is
19 relevant to the Program for any expenses relating to the testimony of
20 the witness that the Board *or Administrator* deems reasonable.

21 **Sec. 20.** NRS 287.0424 is hereby amended to read as follows:

22 287.0424 1. ~~{The Board shall employ an Executive Officer,~~
23 ~~subject to the approval of the Governor. The Executive Officer is in~~
24 ~~the unclassified service of the State and serves at the pleasure of the~~
25 ~~Board. The Board may delegate to the Executive Officer the~~
26 ~~exercise or discharge of any power, duty or function vested in or~~
27 ~~imposed upon the Board.~~

28 ~~—2.}~~ The ~~{Executive Officer}~~ *Administrator* must:

29 (a) Be a graduate of a 4-year college or university with a degree
30 in business administration or public administration or an equivalent
31 degree ~~{, as determined by the Board;}~~ and

32 ~~{(b) Possess}~~ *possess* at least 5 years' experience in a high-level
33 administrative or executive capacity in the field of insurance,
34 management of employees' benefits or risk management, including,
35 without limitation, responsibility for a variety of administrative
36 functions such as personnel, accounting, data processing or the
37 structuring of insurance programs ~~{~~

38 ~~—3.}~~ ; or

39 (b) *Possess an equivalent combination of education and*
40 *experience that, as determined by the Director of the Department,*
41 *demonstrates the necessary qualifications for the position.*

42 2. Except as otherwise provided in NRS 284.143, the
43 ~~{Executive Officer}~~ *Administrator* shall not pursue any other
44 business or occupation or perform the duties of any other office of
45 profit during normal office hours unless on leave approved in



1 advance. The ~~{Executive Officer}~~ *Administrator* shall not
2 participate in any business enterprise or investment:

- 3 (a) With any vendor or provider to the Program; or
4 (b) In real or personal property if the Program owns or has a
5 direct financial interest in that enterprise or property.

6 ~~{4. The Executive Officer is entitled to an annual salary fixed~~
7 ~~by the Board. The salary of the Executive Officer is exempt from~~
8 ~~the limitations set forth in NRS 281.123.}~~

9 **Sec. 21.** NRS 287.0425 is hereby amended to read as follows:

10 287.0425 1. The ~~{Executive Officer}~~ *Administrator* shall
11 submit a report regarding the administration and operation of the
12 Program to the Board and the Director of the Office of Finance, and
13 to the Director of the Legislative Counsel Bureau for transmittal to
14 the appropriate committees of the Legislature or, if the Legislature is
15 not in regular session, to the Legislative Commission and the
16 Interim Retirement and Benefits Committee of the Legislature
17 created by NRS 218E.420. The report must include, without
18 limitation:

19 (a) An audited financial statement of the Program Fund for the
20 immediately preceding fiscal year. The statement must be prepared
21 by an independent certified public accountant.

22 (b) An audited financial statement of the Retirees' Fund for the
23 immediately preceding fiscal year. The statement must be prepared
24 by an independent certified public accountant.

25 (c) A report of the utilization of the Program by participants
26 during the immediately preceding plan year, segregated by benefit,
27 administrative cost, active employees and retirees, including,
28 without limitation, an assessment of the actuarial accuracy of
29 reserves.

30 (d) Material provided generally to participants or prospective
31 participants in connection with enrollment in the Program for the
32 current plan year, including, without limitation:

33 (1) Information regarding rates and the costs for participation
34 in the Program paid by participants on a monthly basis; and

35 (2) A summary of the changes in the plan design for the
36 current plan year from the plan design for the immediately
37 preceding plan year.

38 2. The ~~{Executive Officer}~~ *Administrator* shall submit a
39 biennial report to the Board and the Director of the Office of
40 Finance, and to the Director of the Legislative Counsel Bureau for
41 transmittal to the appropriate committee or committees of the
42 Legislature. The report must include, without limitation:

43 (a) An independent biennial certified actuarial valuation and
44 report of the State's health and welfare benefits for current and
45 future state retirees, which are provided for the purpose of



1 developing the annual required contribution pursuant to the
2 statements issued by the Governmental Accounting Standards
3 Board.

4 (b) A biennial review of the Program to determine whether the
5 Program complies with federal and state laws relating to taxes and
6 employee benefits. The review must be conducted by an attorney
7 who specializes in employee benefits.

8 **Sec. 22.** NRS 287.0426 is hereby amended to read as follows:

9 287.0426 1. The ~~{Executive Officer}~~ *Administrator* may,
10 within the limits of legislative appropriations and other available
11 money, appoint such officers and employees as are necessary for the
12 administration of the Program, who are in the unclassified service of
13 the State and serve at the pleasure of the ~~{Executive Officer. The~~
14 ~~appointment and dismissal of an officer in charge of quality control~~
15 ~~are subject to the approval of the Board.}~~ *Administrator.*

16 2. Each officer appointed pursuant to subsection 1 who is
17 placed in charge of quality control, operations, finance or
18 information technology must be a graduate of a 4-year college or
19 university with a degree that is appropriate to their respective
20 responsibilities or possess equivalent experience as determined by
21 the ~~{Board.}~~ *Administrator.*

22 3. Officers and employees appointed pursuant to subsection 1
23 are entitled to annual salaries fixed by the ~~{Board.}~~ *Administrator.*
24 The salaries of these officers and employees are exempt from the
25 limitations set forth in NRS 281.123.

26 4. The ~~{Executive Officer}~~ *Administrator* may employ such
27 staff in the classified service of the State as are necessary for the
28 performance of the ~~{Executive Officer's}~~ *Administrator's* duties,
29 within limits of legislative appropriations or other available money.

30 **Sec. 23.** NRS 287.0428 is hereby amended to read as follows:

31 287.0428 1. Each member of the Board and the ~~{Executive~~
32 ~~Officer}~~ *Administrator* shall complete at least 16 hours of
33 continuing education relating to the administration of group benefits
34 for public employees each year.

35 2. While attending courses of continuing education, a member
36 of the Board who is a public employee and the ~~{Executive Officer}~~
37 *Administrator* must be granted administrative leave with pay and
38 are entitled to receive the travel expenses provided for state officers
39 and employees generally.

40 3. While attending courses of continuing education, a member
41 of the Board who is not a public employee is entitled to receive the
42 per diem allowance and travel expenses provided for state officers
43 and employees generally.

44 **Sec. 24.** NRS 287.043 is hereby amended to read as follows:

45 287.043 1. The ~~{Board}~~ *Administrator* shall:



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

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

(2) May include:

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

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

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

2. In establishing and carrying out the Program, the ~~Board~~ *Administrator* shall:

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

(b) Except as otherwise provided in this paragraph, negotiate and contract pursuant to paragraph (a) of subsection 1 of NRS 287.025 with the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada that wishes to obtain exclusive group insurance for all of its active and retired officers and employees and their dependents, except as otherwise provided in sub-subparagraph (III) of subparagraph (2) of paragraph (h), by participation in the Program. The ~~Board~~ *Administrator* shall establish separate rates and coverage for active and retired officers and employees of those local governmental agencies and their dependents based on actuarial reports that commingle the claims experience of such active and retired officers and employees and their dependents for whom the Program provides primary health insurance coverage into a single risk pool.

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



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

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

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

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

(h) Adopt such regulations and perform such other duties as are necessary to carry out the provisions of NRS 287.010 to 287.245, inclusive, *and sections 9 to 12, inclusive, of this act*, including, without limitation, the establishment of:

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

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

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

(II) Must include a requirement that participation of any retired officers and employees of the local governmental agency whose last continuous period of enrollment with the Program began after November 30, 2008, terminates upon termination of the local 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) of subsection 4 of NRS 287.023; and

(6) Procedures for the payments that are required to be made pursuant to paragraph (b) of subsection 4 of NRS 287.023.

3. The ~~{Board}~~ *Administrator* 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}~~ *Administrator* 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}~~ *Administrator* 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, *the Administrator* and ~~{its}~~ *his or her* 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. 25. NRS 287.0433 is hereby amended to read as follows:

287.0433 The ~~{Board}~~ *Administrator* may establish a plan of life, accident or health insurance and provide for the payment of contributions into the Program Fund, a schedule of benefits and the disbursement of benefits from the Program Fund. The ~~{Board}~~ *Administrator* may reinsure any risk or any part of such a risk.

Sec. 26. NRS 287.04335 is hereby amended to read as follows:

287.04335 If the ~~{Board}~~ *Administrator* provides health insurance through a plan of self-insurance, ~~{it}~~ *he or she* shall comply with the provisions of NRS 689B.255, 695G.150, 695G.160, 695G.162, 695G.164, 695G.1645, 695G.1665, 695G.167, 695G.170 to 695G.173, inclusive, 695G.177, 695G.200 to 695G.230, inclusive, 695G.241 to 695G.310, inclusive, and 695G.405, in the same manner as an insurer that is licensed pursuant to title 57 of NRS is required to comply with those provisions.

Sec. 27. NRS 287.0434 is hereby amended to read as follows:

287.0434 The ~~{Board}~~ *Administrator* may:

1. Use ~~{its}~~ assets ~~{only}~~ *of the Program* to pay the expenses of health care for ~~{its}~~ members *of the Board* and *their* covered dependents, to pay ~~{its employees'}~~ *the* salaries *of employees of the*



1 *Division who administer the Program* and to pay administrative
2 and other expenses.

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

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

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

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

17 3. Enter into contracts with physicians, surgeons, hospitals,
18 health maintenance organizations and rehabilitative facilities for
19 medical, surgical and rehabilitative care and the evaluation,
20 treatment and nursing care of members and covered dependents.
21 The ~~{Board}~~ *Administrator* shall not enter into a contract pursuant
22 to this subsection unless:

23 (a) Provision is made by the ~~{Board}~~ *Administrator* to offer all
24 the services specified in the request for proposals, either by a health
25 maintenance organization or through separate action of the ~~{Board}~~
26 *Administrator*.

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

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

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

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

42 5. Charge and collect from an insurer, health maintenance
43 organization, organization for dental care or nonprofit medical
44 service corporation, a fee for the actual expenses incurred by the
45 ~~{Board}~~ *Administrator* or a participating public agency in



1 administering a plan of insurance offered by that insurer,
2 organization or corporation.

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

9 **Sec. 28.** NRS 287.0435 is hereby amended to read as follows:

10 287.0435 1. Except as otherwise provided in subsection 4 of
11 NRS 287.04362 and subsection 7 of NRS 287.044, all money
12 received for the Program, including, without limitation, money
13 transferred from the Active Employee Group Insurance Subsidy
14 Account established in NRS 287.044, must be deposited in the State
15 Treasury for credit to the Fund for the Public Employees' Benefits
16 Program which is hereby created as a trust fund. The Program Fund
17 must be accounted for as an internal service fund. Payments into and
18 disbursements from the Program Fund must be so arranged as to
19 keep the Program Fund solvent at all times.

20 2. The money in the Program Fund must be invested as other
21 money of the State is invested and any income from investments
22 paid into the Program Fund for the benefit of the Program Fund.

23 3. Disbursements from the Program Fund must be made as any
24 other claims against the State are paid and may only be made for the
25 benefit of the participants in the Program.

26 4. The State Treasurer may charge a reasonable fee for the
27 State Treasurer's services in administering the Program Fund, but
28 the State, the State General Fund and the State Treasurer are not
29 liable to the Program Fund for any loss sustained by the Program
30 Fund as a result of any investment made on behalf of the Program
31 Fund or any loss sustained in the operation of the Program.

32 5. The ~~Board~~ *Administrator* shall deposit any disbursement
33 received from the Program Fund into an interest-bearing checking
34 account in a bank or credit union qualified to receive deposits of
35 public money. Claims that have been submitted to the Program and
36 approved must be paid from the account, and any refund of such a
37 claim must be deposited into the account.

38 **Sec. 29.** NRS 287.04362 is hereby amended to read as
39 follows:

40 287.04362 1. The money in the Retirees' Fund must not be
41 used or appropriated for any purpose incompatible with the policies
42 of the Program, as expressed in NRS 287.0402 to 287.049, inclusive
43 ~~+~~, and sections 9 to 12, inclusive, of this act.

44 2. The Retirees' Fund must be invested and administered to
45 ensure the highest return consistent with safety in accordance with



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1 accepted investment practices and the laws of this State which may
2 include, without limitation, investment in the Retirement Benefits
3 Investment Fund established pursuant to NRS 355.220.

4 3. The ~~{Board}~~ *Administrator* has the exclusive control of the
5 administration and investment of the Retirees' Fund.

6 4. The following money must be deposited in the Retirees'
7 Fund:

8 (a) All money appropriated by the Legislature to the Retirees'
9 Fund;

10 (b) All money provided for the purpose of offsetting the portion
11 of the costs of the health and welfare benefits for current and future
12 state retirees pursuant to NRS 287.046;

13 (c) All money accruing to the Retirees' Fund from all other
14 sources; and

15 (d) Any other money provided to the Program for the payment
16 of other health and welfare benefits for current and future state
17 retirees pursuant to NRS 287.046.

18 5. The interest and income earned on the money in the
19 Retirees' Fund, after deducting any applicable charges, must be
20 credited to the Retirees' Fund.

21 6. Any money remaining in the Retirees' Fund at the end of a
22 fiscal year does not revert to the State General Fund, and the balance
23 in the Retirees' Fund must be carried forward.

24 **Sec. 30.** NRS 287.04364 is hereby amended to read as
25 follows:

26 287.04364 1. The money in the Retirees' Fund must be
27 expended by the ~~{Board}~~ *Administrator* for the purpose of:

28 (a) Offsetting a portion of the costs of the health and welfare
29 benefits for current and future state retirees pursuant to NRS
30 287.046; and

31 (b) Paying such other expenses as by law may be paid from the
32 Retirees' Fund.

33 2. Money designated for the purposes set forth in subsection 1
34 must be withdrawn from the Retirees' Fund and deposited in the
35 Program Fund as necessary.

36 3. The money in the Retirees' Fund belongs to the officers,
37 employees and retirees of this State in aggregate and is to be held in
38 trust by the ~~{Board}~~ *Administrator*. Neither the State nor the
39 governing body of any county, school district, municipal
40 corporation, political subdivision, public corporation or other local
41 governmental agency of the State, nor any single officer, employee
42 or retiree of any such entity has any right to the money in the
43 Retirees' Fund.



Sec. 31. NRS 287.0439 is hereby amended to read as follows:

287.0439 1. A participating public agency shall furnish to the
~~{Board}~~ *Administrator*:

(a) Written notice regarding a change in the status of an employee of the participating public agency or a dependent of such an employee that affects the eligibility of the employee or dependent to participate in the Program. Such notice must be provided to the Program, on a form prescribed by the Program, within 15 calendar days after the participating public agency is notified or otherwise becomes aware of the change in status.

(b) Upon request, any other information necessary to carry out the provisions of this chapter.

2. ~~{Members of the Board}~~ *The Administrator* and ~~{its}~~ *his or her* employees or agents may examine under oath any officer, agent or employee of a participating public agency concerning the information required pursuant to this section.

3. The books, records and payrolls of a participating public agency must be available for inspection by ~~{members of}~~ the ~~{Board}~~ *Administrator* and ~~{its}~~ *his or her* employees and agents to obtain any information necessary for the administration of the Program, including, without limitation, the accuracy of the payroll and identity of employees.

4. A participating public agency shall reimburse the Program for any premium or contribution that was not paid to the Program as a result of the failure of the participating public agency to furnish the notice required pursuant to paragraph (a) of subsection 1. The participating public agency shall not require any employee or the employee's dependent to reimburse the participating public agency for the amount of any premium or contribution for which the participating public agency is liable to the Program pursuant to this subsection.

Sec. 32. NRS 287.044 is hereby amended to read as follows:

287.044 1. Except as otherwise provided in subsection 2, 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



1 actual amount of the premium or contribution after deducting any
2 amount allocated by the ~~{Board}~~ *Administrator* pursuant to
3 subsection 6.

4 4. If a state officer or employee chooses to cover any
5 dependents, whenever this option is made available by the ~~{Board}~~,
6 *Administrator*, except as otherwise provided in NRS 287.021 and
7 287.0477, the state officer or employee must pay the difference
8 between the amount of the premium or contribution for the coverage
9 for the state officer or employee and such dependents and any
10 amount allocated by the ~~{Board}~~ *Administrator* pursuant to
11 subsection 6.

12 5. A participating state agency shall not pay any part of those
13 premiums or contributions if the group life insurance or group
14 accident or health insurance is not approved by the ~~{Board}~~,
15 *Administrator*.

16 6. The ~~{Board}~~ *Administrator* may allocate the money paid to
17 the Program pursuant to subsection 1 between the cost of premiums
18 and contributions for group insurance for each state officer or
19 employee, except a member of the Senate or Assembly, and the
20 dependents of each state officer or employee.

21 7. Any amounts paid to the Program pursuant to subsection 1
22 must be deposited in the Active Employee Group Insurance Subsidy
23 Account, which is hereby established within the Agency Fund for
24 the Payroll of the State created by NRS 227.130. Money in the
25 Account must be used solely for the purposes of subsections 1 and
26 6. The interest and income earned on the money in the Account,
27 after deducting any applicable charges, must be credited to the
28 Account.

29 **Sec. 33.** NRS 287.045 is hereby amended to read as follows:

30 287.045 1. Except as otherwise provided in this section,
31 every state officer or employee who is employed in a full-time
32 position is eligible to participate in the Program on:

33 (a) The first day of full-time employment of the state officer or
34 employee, if that date is the first day of the month; or

35 (b) The first day of the month immediately following the first
36 day of full-time employment of the state officer or employee.

37 2. Professional employees of the Nevada System of Higher
38 Education who have annual employment contracts are eligible to
39 participate in the Program on:

40 (a) The effective dates of their respective employment contracts,
41 if those dates are on the first day of a month; or

42 (b) The first day of the month immediately following the
43 effective dates of their respective employment contracts, if those
44 dates are not on the first day of a month.



3. Every officer or employee who is employed by a participating local governmental agency on a permanent and full-time basis on the date on which the participating local governmental agency enters into an agreement to participate in the Program pursuant to paragraph (a) of subsection 1 of NRS 287.025, and every officer or employee who commences employment with that participating local governmental agency after that date, is eligible to participate in the Program on:

(a) The first day of full-time employment of the officer or employee, if that date is the first day of the month; or

(b) The first day of the month immediately following the first day of full-time employment of the officer or employee,

↳ unless that officer or employee is excluded pursuant to subparagraph (III) of subparagraph (2) of paragraph (h) of subsection 2 of NRS 287.043.

4. Every member of the Senate and Assembly is eligible to participate in the Program on:

(a) The first day of the initial term of office of the member, if that date is the first day of the month; or

(b) The first day of the month immediately following the first day of the initial term of office of the member.

5. For each eligible person identified in subsections 1 to 4, inclusive, the Program must receive the notice required pursuant to NRS 287.0439 before the date on which the person is eligible to enroll in the Program. If the Program does not receive the notice required pursuant to NRS 287.0439 before the date on which the person is eligible to enroll in the Program, the person will not be eligible to enroll in the Program until the first day of the month immediately after the Program received the notice required pursuant to NRS 287.0439 for that person.

6. Each person identified in subsections 1, 2 and 3 must enroll or decline coverage in the Program before the end of the first month in which he or she is eligible to enroll in the Program. If the person fails to enroll or decline coverage in the Program before the end of the first month in which he or she is eligible to enroll in the Program, he or she will be automatically enrolled on an individual basis, without coverage for dependents, in the base plan offered by the Program. Such a person must be allowed to:

(a) Change the plan in which the person is enrolled during the next period of open enrollment; and

(b) Add eligible dependents during the next period of open enrollment or after meeting the applicable terms and conditions of the Program.

7. ~~Notwithstanding the provisions of subsections 1, 3 and 4, if the Board does not, pursuant to NRS 689B.580, elect to exclude the~~



~~Program from compliance with NRS 689B.340 to 689B.580, inclusive, and if the coverage under the Program is provided by a health maintenance organization authorized to transact insurance in this State pursuant to chapter 695C of NRS, any affiliation period imposed by the Program may not exceed the statutory limit for an affiliation period set forth in NRS 689B.500.~~

~~—8.—~~ As used in this section, “base plan” means the plan designated by the ~~Board~~ **Administrator** as the default plan for the year as described in the Program documents.

Sec. 34. NRS 287.046 is hereby amended to read as follows:

287.046 1. The Office of Finance 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 January 1, 2012, and have retired with state service.

2. The money assessed pursuant to subsection 1 must be deposited into the Retirees’ Fund and must be based upon a base amount approved by the Legislature each session to pay for a portion of the current and future health and welfare benefits for persons who retired before January 1, 1994, or for persons who retire on or after January 1, 1994, as adjusted by subsection 5.

3. Except as otherwise provided in subsections 7 and 9, 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.

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 6, adjustments to the portion of the amount approved by the Legislature as described in subsection 2 to be paid by the Retirees’ Fund for persons who retire on or after January 1, 1994, with state service 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.

(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



1 7.5 percent of the base funding level defined by the Legislature. In
2 no event may the adjustment exceed 37.5 percent of the base
3 funding level defined by the Legislature.

4 6. The portion to be paid to the Program from the Retirees'
5 Fund on behalf of a retired person whose coverage is provided
6 through the TRICARE program, as established pursuant to 32
7 C.F.R. § 199.17, or provided through the Program by an individual
8 medical plan offered pursuant to the Health Insurance for the Aged
9 Act, 42 U.S.C. §§ 1395 et seq., must be:

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

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

16 ➔ The ~~Board~~ **Administrator** may approve the payment of an
17 additional amount to retired persons described in this subsection that
18 is in excess of the amount paid pursuant to paragraph (a) or (b), or
19 both, for those persons from any money that is available for that
20 purpose.

21 7. Except as otherwise provided in subsection 8, no money
22 may be paid by the Retirees' Fund on behalf of a retired person who
23 is initially hired by the State:

24 (a) On or after January 1, 2010, but before January 1, 2012, and
25 who:

26 (1) Has not participated in the Program on a continuous basis
27 since retirement from such employment; or

28 (2) Does not have at least 15 years of service, which must
29 include state service and may include local governmental service,
30 unless the retired person does not have at least 15 years of service as
31 a result of a disability for which disability benefits are received
32 under the Public Employees' Retirement System or a retirement
33 program for professional employees offered by or through the
34 Nevada System of Higher Education, and has participated in the
35 Program on a continuous basis since retirement from such
36 employment.

37 (b) On or after January 1, 2012. The provisions of this paragraph
38 must not be construed to prohibit a retired person who was hired on
39 or after January 1, 2012, from participating in the Program until the
40 retired person is eligible for coverage under an individual medical
41 plan offered pursuant to the Health Insurance for the Aged Act, 42
42 U.S.C. §§ 1395 et seq. The retired person shall pay the entire
43 premium or contribution for his or her participation in the Program.

44 8. The provisions of subsection 7 do not apply to a person who
45 was employed by the State on or before January 1, 2012, who has a



1 break in service and returns to work for the State at the same or
2 another participating state agency after that date, regardless of the
3 length of the break in service, so long as the person did not
4 withdraw from and was eligible to participate in the Public
5 Employees' Retirement System before or during the break in
6 service.

7 9. If the amount calculated pursuant to subsection 5 or 6
8 exceeds the actual premium or contribution for the plan of the
9 Program that the retired participant selects, the balance must be
10 credited to the Program Fund.

11 10. For the purposes of this section:

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

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

15 11. The Office of Finance shall agree through the ~~{Board}~~
16 *Administrator* with the insurer for billing of remaining premiums or
17 contributions for the retired participant and the retired participant's
18 dependents to the retired participant and to the retired participant's
19 dependents who elect to continue coverage under the Program after
20 the retired participant's death.

21 **Sec. 35.** NRS 287.0465 is hereby amended to read as follows:

22 287.0465 1. If a member incurs an illness or injury for which
23 medical services are payable under the plan for self-insurance
24 established by the ~~{Board}~~ *Administrator* and the illness or injury is
25 incurred under circumstances creating a legal liability in some
26 person, other than the member, to pay all or part of the cost of those
27 services, the ~~{Board}~~ *Administrator* is subrogated to the right of the
28 member to the extent of all such costs, and may join or intervene in
29 any action by the member or any successor in interest, to enforce
30 that legal liability.

31 2. If a member or any successor in interest fails or refuses to
32 commence an action to enforce that legal liability, the ~~{Board}~~
33 *Administrator* may commence an independent action, after notice to
34 the member or any successor in interest, to recover all costs to
35 which it is entitled. In any such action by the ~~{Board}~~,
36 *Administrator*, the member may be joined as a third party
37 defendant.

38 3. If the ~~{Board}~~ *Administrator* is subrogated to the rights of
39 the member or any successor in interest as provided in subsection 1,
40 the ~~{Board}~~ *Administrator* has a lien upon the total proceeds of any
41 recovery from the persons liable, whether the proceeds of the
42 recovery are by way of a judgment or settlement or otherwise.
43 Within 15 days after recovery by receipt of the proceeds of the
44 judgment, settlement or other recovery, the member or any
45 successors in interest shall notify the ~~{Board}~~ *Administrator* of the



1 recovery and pay the ~~{Board}~~ *Administrator* the amount due to it
2 pursuant to this section. The member or any successors in interest
3 are not entitled to double recovery for the same injury.

4 4. The member or any successors in interest shall notify the
5 ~~{Board}~~ *Administrator* in writing before entering any settlement or
6 agreement or commencing any action to enforce the legal liability
7 referred to in subsection 1.

8 5. As used in this section, "member" means:

9 (a) An active or retired officer or employee of the State or a
10 dependent of such an officer or employee who is covered under the
11 Program; and

12 (b) An active or retired officer or employee of a local
13 governmental agency or a dependent of such an officer or employee
14 who is covered under the Program.

15 **Sec. 36.** NRS 287.0477 is hereby amended to read as follows:

16 287.0477 1. Except as otherwise provided in subsection 4,
17 the surviving spouse and any surviving child of a police officer or
18 firefighter who was employed by a participating public agency and
19 who was killed in the line of duty may join or continue coverage
20 under the Program or another insurer or employee benefit plan
21 approved by the ~~{Board}~~ *Administrator* pursuant to NRS 287.0479
22 if the police officer or firefighter was a participant or would have
23 been eligible to participate on the date of the death of the police
24 officer or firefighter. If the surviving spouse or child elects to join or
25 discontinue coverage under the Program pursuant to this subsection,
26 the spouse, child or legal guardian of the child must notify in writing
27 the participating public agency that employed the police officer or
28 firefighter within 60 days after the date of death of the police officer
29 or firefighter.

30 2. Except as otherwise provided in subsection 4, the surviving
31 spouse and any surviving child of a volunteer firefighter who was
32 killed in the line of duty and who was officially a member of a
33 volunteer fire department in this State is eligible to join the
34 Program. If such a spouse or child elects to join the Program, the
35 spouse, child or legal guardian of the child must notify in writing
36 the ~~{Board}~~ *Administrator* within 60 days after the date of death of
37 the volunteer firefighter.

38 3. The participating public agency that employed the police
39 officer or firefighter shall pay the entire cost of the premiums or
40 contributions for the Program or another insurer or employee benefit
41 plan approved by the ~~{Board}~~ *Administrator* pursuant to NRS
42 287.0479 for the surviving spouse or child who meets the
43 requirements set forth in subsection 1. The State of Nevada shall
44 pay the entire cost of the premiums or contributions for the Program



1 for the surviving spouse or child who elects to join the Program
2 pursuant to subsection 2.

3 4. A surviving spouse is eligible to receive coverage pursuant
4 to this section for the duration of the life of the surviving spouse. A
5 surviving child is eligible to receive coverage pursuant to this
6 section until the child reaches the age at which the child would not
7 otherwise be eligible to receive coverage under the Program.

8 5. As used in this section "police officer" has the meaning
9 ascribed to it in NRS 617.135.

10 **Sec. 37.** NRS 287.0479 is hereby amended to read as follows:

11 287.0479 1. If approved by the ~~{Board}~~ *Administrator*
12 pursuant to this section, a group of not less than 300 active state
13 officers or employees and retired state officers or employees that
14 participate in the Program may leave the Program and secure life,
15 accident or health insurance, or any combination thereof, for the
16 group from an:

17 (a) Insurer that is authorized by the Commissioner of Insurance
18 to provide such insurance; or

19 (b) Employee benefit plan, as defined in 29 U.S.C. § 1002(3),
20 that has been approved by the ~~{Board}~~ *Administrator*. The ~~{Board}~~
21 *Administrator* may approve an employee benefit plan unless the
22 ~~{Board}~~ *Administrator* finds that the plan is not operated pursuant to
23 such sound accounting and financial management practices as to
24 ensure that the group will continue to receive adequate benefits.

25 2. Before entering into a contract with the insurer or approved
26 employee benefit plan, the group shall submit the proposed contract
27 to the ~~{Board}~~ *Administrator* for approval. The ~~{Board}~~
28 *Administrator* may approve the contract unless the departure of the
29 group from the Program would cause an increase of more than 5
30 percent in the costs of premiums or contributions for the remaining
31 participants in the Program. In determining whether to approve a
32 proposed contract, the ~~{Board}~~ *Administrator* shall follow the
33 criteria set forth in the regulations adopted by the ~~{Board}~~
34 *Administrator* pursuant to subsection 5 and may consider the
35 cumulative impact of groups that have left or are proposing to leave
36 the Program. Except as otherwise provided in this section, the
37 ~~{Board}~~ *Administrator* has discretion in determining whether to
38 approve a contract. If the ~~{Board}~~ *Administrator* approves a
39 proposed contract pursuant to this subsection, the group that
40 submitted the proposed contract is not authorized to leave the
41 Program until 120 days after the date on which the ~~{Board}~~
42 *Administrator* approves the proposed contract.

43 3. The ~~{Board}~~ *Administrator* shall not approve a proposed
44 contract between an insurer or approved employee benefit plan and
45 a group pursuant to subsection 2 unless:



(a) The group is organized for reasons other than acquiring insurance;

(b) The members of the group share job definitions, classifications or employers, or are otherwise members of a job-related group formed for reasons other than acquiring insurance;

(c) The group has legal authority to enter into contracts and bind its members, meets the requirements of state and federal law concerning nondiscrimination, and has the ability to purchase insurance; and

(d) The group includes all active state officers and employees who satisfy the requirements of paragraph (b) for inclusion in the group and all retired state officers and employees who satisfied those requirements at the time of their retirement.

4. The ~~{Board}~~ *Administrator* shall disburse periodically to the insurer or employee benefit plan with which a group contracts pursuant to this section the total amount set forth in the contract for premiums or contributions for the members of the group for that period but not to exceed the amount appropriated to or authorized for the participating state agency that employs the members of the group for premiums or contributions for the members of the group for that period, after deducting any administrative costs related to the group.

5. The ~~{Board}~~ *Administrator* shall adopt regulations establishing the criteria pursuant to which the ~~{Board}~~ *Administrator* will approve proposed contracts pursuant to subsection 2.

Sec. 38. NRS 287.048 is hereby amended to read as follows:

287.048 NRS 287.0402 to 287.047, inclusive, *and sections 9 to 12, inclusive, of this act* do not require any officer or employee of the State of Nevada to accept or join the Program, or to assign the officer's or employee's wages or salary in payment of premiums or contributions for the Program.

Sec. 39. NRS 287.0485 is hereby amended to read as follows:

287.0485 No officer, employee or retiree of this State has any inherent right to benefits provided pursuant to NRS 287.0402 to 287.049, inclusive ~~{,}~~ *and sections 9 to 12, inclusive, of this act.*

Sec. 40. NRS 287.245 is hereby amended to read as follows:

287.245 1. The State may agree with any of its employees, and the Board of Regents of the University of Nevada may agree with any of its employees, to reduce the amount of taxable compensation due to an employee in accordance with a program established pursuant to 26 U.S.C. § 125 by the ~~{Board of the Public Employees' Benefits Program.}~~ *Administrator.*

2. Political subdivisions of this State may agree with any of their employees to reduce the amount of taxable compensation due



1 to an employee in accordance with a program established pursuant
2 to 26 U.S.C. § 125.

3 3. The employer shall deduct an amount from the taxable
4 compensation of an employee pursuant to the agreement between
5 the employer and the employee.

6 4. An employer shall not make any reduction in the taxable
7 compensation of an employee pursuant to this section until the
8 program established meets the requirements of 26 U.S.C. § 125 for
9 eligibility.

10 5. The ~~{Board of the Public Employees' Benefits Program}~~
11 *Administrator* may establish and administer a program pursuant to
12 26 U.S.C. § 125. The ~~{Board}~~ *Administrator* may:

13 (a) Create an appropriate fund for administration of money and
14 other assets resulting from the money deducted pursuant to the
15 program.

16 (b) Delegate to one or more state agencies or institutions of the
17 Nevada System of Higher Education the responsibility for
18 administering the program for their respective employees, including,
19 without limitation:

20 (1) Collection of money deducted;

21 (2) Transmittal of money collected to depositories within the
22 State designated by the ~~{Board}~~ *Administrator*; and

23 (3) Payment for eligible uses.

24 (c) Contract with a natural person, corporation, institution or
25 other entity, directly or through a state agency or institution of the
26 Nevada System of Higher Education, for services necessary to the
27 administration of the plan, including, without limitation:

28 (1) Consolidated billing;

29 (2) The keeping of records for each participating employee
30 and the program;

31 (3) The control and safeguarding of assets;

32 (4) Programs for communication with employees; and

33 (5) The administration and coordination of the program.

34 6. Each employee who participates in a program established by
35 the ~~{Board of the Public Employees' Benefits Program}~~
36 *Administrator* pursuant to this section shall pay a proportionate
37 share of the cost to administer the program as determined by the
38 ~~{Board}~~ *Administrator*.

39 7. The provisions of this section do not supersede, make
40 inoperative or reduce the benefits provided by the Public
41 Employees' Retirement System or by any other retirement, pension
42 or benefit program established by law.

43 8. *As used in this section, "Administrator" means the*
44 *Administrator of the Employee Benefits Division of the*
45 *Department of Administration.*



1 **Sec. 41.** NRS 287.250 is hereby amended to read as follows:

2 287.250 As used in NRS 287.250 to 287.370, inclusive, *and*
3 *section 13 of this act*, unless the context otherwise requires, the
4 words and terms defined in NRS 287.260 to 287.310, inclusive, *and*
5 *section 13 of this act* have the meanings ascribed to them in those
6 sections.

7 **Sec. 42.** NRS 287.260 is hereby amended to read as follows:

8 287.260 "Committee" means the *Advisory* Committee
9 ~~established to administer~~ of the *Deferred Compensation* Program
10 ~~appointed pursuant to NRS 287.325.~~

11 **Sec. 43.** NRS 287.300 is hereby amended to read as follows:

12 287.300 "Investment" means a savings account, certificate of
13 deposit, fixed or variable annuity contract, life insurance contract,
14 mutual fund or other investment which the ~~Committee~~ *Chief* has
15 approved for the Program.

16 **Sec. 44.** NRS 287.320 is hereby amended to read as follows:

17 287.320 1. The State may agree with any of its employees,
18 and the Board of Regents of the University of Nevada may agree
19 with any of its employees, to defer the compensation due to them in
20 accordance with a program approved by the ~~Committee~~ *Chief*
21 which may consist of one or more plans authorized by 26 U.S.C. §
22 401(a), 401(k), 403(b), 457 or 3121, including, without limitation, a
23 FICA alternative plan, or any other plan authorized by any federal
24 law to reduce taxable compensation or other forms of compensation.
25 ~~The Board of Regents may agree with any of its employees to defer~~
26 ~~the compensation due to them as authorized by 26 U.S.C. § 403(b)~~
27 ~~without submitting the program to the Committee for its approval.~~
28 An employee may defer compensation under one or more plans in
29 the Program.

30 2. The employer shall withhold the amount of compensation
31 which an employee has, by such an agreement, directed the
32 employer to defer.

33 3. The employer may invest the withheld money in any
34 investment approved by the ~~Committee~~ *Chief* or, in the case of
35 deferred compensation under 26 U.S.C. § 403(b) for employees of
36 the Nevada System of Higher Education by the Board of Regents
37 of the University of Nevada.

38 4. The investments must be underwritten and offered in
39 compliance with all applicable federal and state laws and
40 regulations, and may be offered only by persons who are authorized
41 and licensed under all applicable state and federal regulations.

42 5. All amounts of compensation deferred pursuant to the
43 Program, all property and all rights purchased with those amounts
44 and all income attributable to those amounts, property or rights
45 must, in accordance with 26 U.S.C. § 401(a), ~~401(k)~~ *401(k)*,



403(b), 457(g) or 3121, including, without limitation, a FICA alternative plan, or any other federal law authorizing a plan to reduce taxable compensation or other forms of compensation, as applicable, be held in trust for the exclusive benefit of the participants in the Program and their beneficiaries.

Sec. 45. NRS 287.325 is hereby amended to read as follows:

287.325 1. *The Administrator of the Employee Benefits Division of the Department of Administration shall appoint the Chief Compensation Officer of the Program. The Chief is in the unclassified service of the State and serves at the pleasure of the Administrator.*

2. The Governor shall appoint ~~the~~ *the Advisory* Committee ~~to administer~~ of the *Deferred Compensation* Program. The Committee must consist of:

(a) Three members who are employed by state agencies whose payrolls are administered by the Division of Human Resource Management of the Department of Administration;

(b) One member who is employed by a state agency whose payroll is administered by an entity other than the Division of Human Resource Management of the Department of Administration; and

(c) One member who has retired from employment by the State of Nevada or the Nevada System of Higher Education.

➤ Each member of the Committee must be a participant in the Program, have participated in the Program for not less than 2 years and have been nominated for membership by five or more persons who have each participated in the Program for not less than 6 months.

~~12-1~~ 3. After their initial terms, members of the Committee serve terms of 4 years or until their successors have been appointed and have qualified.

~~13-1~~ 4. A vacancy on the Committee occurs when a member dies, resigns or becomes ineligible for membership on the Committee. A person becomes ineligible for membership on the Committee when:

(a) The person ceases to be a participant in the Program; or

(b) Except as otherwise provided in this paragraph, the person ceases to have the qualifications for membership required by the paragraph of subsection ~~11-1~~ 2 under which the person was appointed. A member of the Committee who ceases to have those qualifications may serve the remainder of the member's term if that period does not exceed 24 months.

~~14-1~~ 5. The member appointed pursuant to paragraph (c) of subsection ~~11-1~~ 2 must be compensated \$80 per day from money appropriated from the Program pursuant to NRS 287.365 for



1 attending a meeting of the Committee and for acting at the direction
2 of or on behalf of the Committee.

3 ~~15.1~~ 6. For the purposes of this section, "participant in the
4 Program" means a person who is:

- 5 (a) Deferring compensation pursuant to the Program;
- 6 (b) Maintaining deferred compensation in the Program; or
- 7 (c) Receiving payments of deferred compensation pursuant to
8 the Program.

9 **Sec. 46.** NRS 287.330 is hereby amended to read as follows:
10 287.330 1. The Committee shall:

11 (a) At its first meeting each year, designate one of its members
12 to serve as Chair of the Committee for a term of 1 year or until the
13 Chair's successor has been designated.

14 (b) ~~1Aet~~ *Advise the Chief concerning the administration of the*
15 *Program* in such a manner as to promote the collective best interests
16 of the participants in the Program.

17 2. The ~~Committee~~ *Chief* may:

18 (a) Create an appropriate account for administration of money
19 and other assets resulting from compensation deferred pursuant to
20 the Program.

21 (b) With the approval of the Governor, delegate to one or more
22 state agencies or institutions of the Nevada System of Higher
23 Education the responsibility for administering the Program for their
24 respective employees, including:

- 25 (1) Collection of deferred compensation;
- 26 (2) Transmittal of money collected to depositories within the
27 State designated by the ~~Committee~~ *Chief*; and
- 28 (3) Payment of deferred compensation to participating
29 employees.

30 (c) Contract with a private person, corporation, institution or
31 other entity, directly or through a state agency or institution of the
32 Nevada System of Higher Education, for services necessary to the
33 administration of the plan, including, without limitation:

- 34 (1) Consolidated billing;
- 35 (2) The keeping of records for each participating employee
36 and the Program;
- 37 (3) The purchase, control and safeguarding of assets;
- 38 (4) Programs for communication with employees; and
- 39 (5) The administration and coordination of the Program.

40 3. The *Chief, his or her employees, the* Committee and its
41 individual members are not liable for any decision relating to
42 investments if the *Chief or Committee, as applicable*, has:

- 43 (a) Obtained the advice of qualified counsel on investments.
- 44 (b) Established proper objectives and policies relating to
45 investments.



(c) Discharged its duties regarding the decision:

(1) Solely in the interest of the participants in the Program;
and

(2) With the care, skill, prudence and diligence that, under the circumstances existing at the time of the decision, a prudent person who is familiar with similar investments would use while acting in a similar capacity in conducting an enterprise of similar character and purpose.

(d) Selected at least one plan for the use of the participants in the Program, except that if the ~~Committee~~ Chief has selected two or more plans from which the participants in the Program may choose, the ~~Committee~~ Chief has selected the plans from separate and distinct providers.

(e) Solicited proposals from qualified providers of plans at least once every 5 years.

Sec. 47. NRS 287.365 is hereby amended to read as follows:

287.365 1. No money may be withdrawn or appropriated from the Program, except:

(a) For payment to a participant or beneficiary of a participant pursuant to the terms of the Program;

(b) In the amount required to pay the necessary expenses of administering the Program;

(c) As specifically authorized by federal law or regulation or by a special act of the Legislature; or

(d) To compensate the member of the Committee appointed pursuant to paragraph (c) of subsection ~~H~~ 2 of NRS 287.325.

2. All money withdrawn from the Program pursuant to paragraphs (b) and (d) of subsection 1 must be deposited in the State General Fund for credit to the deferred compensation account created pursuant to subsection 2 of NRS 287.330.

Sec. 48. NRS 333.335 is hereby amended to read as follows:

333.335 1. Each proposal must be evaluated by:

(a) The chief of the using agency, or a committee appointed by the chief of the using agency in accordance with the regulations adopted pursuant to NRS 333.135, if the proposal is for a using agency; or

(b) The Administrator of the Purchasing Division, or a committee appointed by the Administrator in accordance with the regulations adopted pursuant to NRS 333.135, if the Administrator is responsible for administering the proposal.

2. A committee appointed pursuant to subsection 1 must consist of not less than two members. A majority of the members of the committee must be state officers or employees. The committee may include persons who are not state officers or employees and possess expert knowledge or special expertise that the chief of the



1 using agency or the Administrator of the Purchasing Division
2 determines is necessary to evaluate a proposal. The members of the
3 committee are not entitled to compensation for their service on the
4 committee, except that members of the committee who are state
5 officers or employees are entitled to receive their salaries as state
6 officers and employees. No member of the committee may have a
7 financial interest in a proposal. ~~If the contract is being awarded for~~
8 ~~the Public Employees' Benefits Program, the Executive Officer of~~
9 ~~the Program may observe the activities of the committee, but may~~
10 ~~not vote or otherwise participate in the evaluation.]~~

11 3. In making an award, the chief of the using agency, the
12 Administrator of the Purchasing Division or each member of the
13 committee, if a committee is established, shall consider and assign a
14 score for each of the following factors for determining whether the
15 proposal is in the best interests of the State of Nevada:

16 (a) The experience and financial stability of the person
17 submitting the proposal;

18 (b) Whether the proposal complies with the requirements of the
19 request for proposals as prescribed in NRS 333.311;

20 (c) The price of the proposal; and

21 (d) Any other factor disclosed in the request for proposals.

22 4. The chief of the using agency, the Administrator of the
23 Purchasing Division or the committee, if a committee is established,
24 shall determine the relative weight of each factor set forth in
25 subsection 3 before a request for proposals is advertised. The weight
26 of each factor must not be disclosed before the date proposals are
27 required to be submitted.

28 5. ~~[Except as otherwise provided in this subsection, the]~~ **The**
29 chief of the using agency, the Administrator of the Purchasing
30 Division or the committee, if a committee is established, shall award
31 the contract based on the best interests of the State, as determined by
32 the total scores assigned pursuant to subsection 3, and is not
33 required to accept the lowest-priced proposal. ~~If the contract is~~
34 ~~being awarded for the Public Employees' Benefits Program, the~~
35 ~~Administrator of the Purchasing Division or the committee, if a~~
36 ~~committee is established, shall submit recommendations for~~
37 ~~awarding the contract to the Board for the Public Employees'~~
38 ~~Benefits Program, which shall award the contract in accordance~~
39 ~~with NRS 287.04345.]~~

40 6. Except as otherwise provided in NRS 239.0115, each
41 proposal evaluated pursuant to the provisions of this section is
42 confidential and may not be disclosed until the contract is awarded.

43 **Sec. 49.** NRS 354.671 is hereby amended to read as follows:

44 354.671 1. Upon receipt of notification by the ~~[Board]~~
45 **Administrator** of the ~~[Public Employees']~~ **Employee** Benefits



1 ~~[Program]~~ *Division of the Department of Administration* pursuant
2 to NRS 287.0434 that a local government is delinquent by more
3 than 90 days on an amount due to the Public Employees' Benefits
4 Program pursuant to paragraph (b) of subsection 4 of NRS 287.023,
5 the Executive Director shall notify the governing body that the
6 presence of a representative of the governing body is required at the
7 next practicable scheduled meeting of the Committee to explain
8 the reason that the payment has not been made. The notice must be
9 transmitted to the governing body at least 5 days before the date on
10 which the meeting will be held.

11 2. If an explanation satisfactory to the Committee is not
12 provided at the meeting as requested in the notice and an
13 arrangement is not made for the submission of the payment, the
14 Committee may instruct the Executive Director to request that the
15 State Treasurer withhold from the local government an amount
16 equal to the amount of the delinquent payment from the next
17 distribution from the Local Government Tax Distribution Account,
18 if the local government is otherwise entitled to receive such a
19 distribution, the local school support tax if the local government is a
20 school district or any other property taxes, taxes on the net proceeds
21 of minerals or grants to which the local government may otherwise
22 be entitled as a distribution from the State. Upon receipt of such a
23 request, the State Treasurer shall withhold that amount from the
24 payment or any future payment as necessary until the State
25 Treasurer is notified by the Executive Director that the delinquent
26 payment has been received by the Department, except that the State
27 Treasurer shall not withhold any payment necessary for the local
28 government to make a timely payment that is due and owing to a
29 holder. The Department shall transmit the delinquent payment to the
30 Public Employees' Benefits Program upon receipt.

31 **Sec. 50.** NRS 355.220 is hereby amended to read as follows:

32 355.220 1. The Retirement Benefits Investment Board is
33 hereby created. The membership of the Board consists of the
34 members of the Public Employees' Retirement Board, who shall
35 serve in that capacity ex officio and without any additional
36 compensation.

37 2. The Board shall establish and administer a fund to be known
38 as the Retirement Benefits Investment Fund for the investment of
39 money deposited with the Board pursuant to subsection 6 or NRS
40 287.017. Any money received by the Board pursuant to subsection 6
41 or NRS 287.017 shall be deemed to be held for investment purposes
42 only and not in any fiduciary capacity. Any money in the Fund must
43 be invested in the same manner as money in the Public Employees'
44 Retirement Fund is invested. The interest and income earned on the



1 money in the Fund, after deducting any applicable charges, must be
2 credited to the Fund.

3 3. Money in the Fund may be transferred to the State Retirees'
4 Health and Welfare Benefits Fund created by NRS 287.0436 to be
5 used for the purposes specified in NRS 287.0436.

6 4. The Board may assess reasonable charges against the Fund
7 for the payment of its expenses in administering the Fund. Except as
8 otherwise provided in subsection 3, no other money may be
9 withdrawn from the Fund except as directed by the board
10 responsible for that money pursuant to subsection 6 or NRS
11 287.017, as applicable.

12 5. Except as otherwise provided in this section, the Board has
13 the same powers and duties in carrying out the provisions of this
14 section as those pertaining to the administration of the Public
15 Employees' Retirement Fund by the Public Employees' Retirement
16 Board. The Retirement Benefits Investment Board may employ such
17 staff and contract for the provision of such management, investment
18 and other services, including, without limitation, the services of
19 accountants, actuaries, attorneys and investment managers, as are
20 necessary for the administration of the Fund and to carry out the
21 provisions of this section.

22 6. Notwithstanding any other provision of law, the ~~{Board}~~
23 *Administrator* of the ~~{Public Employees'}~~ *Employee* Benefits
24 ~~{Program}~~ *Division of the Department of Administration* may
25 deposit any of the assets of the Public Employees' Benefits Program
26 in the Fund for purposes of investment if it obtains an opinion from
27 its legal counsel that the investment of those assets in accordance
28 with this section will not violate any of the provisions of Sections 9
29 and 10 of Article 8 of the Nevada Constitution.

30 7. As used in this section, unless the context otherwise
31 requires:

32 (a) "Board" means the Retirement Benefits Investment Board
33 created pursuant to this section.

34 (b) "Fund" means the Retirement Benefits Investment Fund
35 created pursuant to this section.

36 **Sec. 51.** NRS 689B.065 is hereby amended to read as follows:

37 689B.065 1. A policy of group health insurance issued to
38 replace any discontinued policy or coverage for group health
39 insurance must:

40 (a) Provide coverage for all persons who were covered under the
41 previous policy or coverage on the date it was discontinued; and

42 (b) Except as otherwise provided in subsection 2, provide
43 benefits which are at least as extensive as the benefits provided by
44 the previous policy or coverage, except that benefits may be reduced



1 or excluded to the extent that such a reduction or exclusion was
2 permissible under the terms of the previous policy or coverage,
3 ➡ if that replacement policy is issued within 60 days after the date
4 on which the previous policy or coverage was discontinued.

5 2. If an employer obtains a replacement policy pursuant to
6 subsection 1 to cover the employees of the employer, any benefits
7 provided by the previous policy or coverage may be reduced if
8 notice of the reduction is given to the employees of the employer
9 pursuant to NRS 608.1577.

10 3. Any insurer which issues a replacement policy pursuant to
11 subsection 1 may submit a written request to the insurer who
12 provided the previous policy or coverage for a statement of benefits
13 which were provided under that policy or coverage. Upon receiving
14 such a request, the insurer who provided the previous policy or
15 coverage shall give a written statement to the insurer providing the
16 replacement policy which indicates what benefits were provided and
17 what exclusions or reductions were in effect under the previous
18 policy or coverage.

19 4. The provisions of this section:

20 (a) Apply to a self-insured employer who provides health
21 benefits to the employees of the employer and replaces those
22 benefits with a policy of group health insurance.

23 (b) Do not apply to the Public Employees' Benefits Program
24 established pursuant to NRS 287.0402 to 287.049, inclusive **H**, and
25 *sections 9 to 12, inclusive, of this act.*

26 **Sec. 52.** Notwithstanding the amendatory provisions of this
27 act, a member of the Board of the Public Employees' Benefits
28 Program created by NRS 287.041 or the Committee to administer
29 the Public Employees' Deferred Compensation Program appointed
30 pursuant to NRS 287.325 who is serving a term on July 1, 2017, is
31 entitled to serve out the remainder of the term to which he or she is
32 appointed as a member of the Advisory Board of the Public
33 Employees' Benefits Program created by NRS 287.041, as amended
34 by section 17 of this act, or the Advisory Committee of the Deferred
35 Compensation Program appointed pursuant to NRS 287.325, as
36 amended by section 45 of this act, as applicable.

37 **Sec. 53.** 1. Any contract or other agreement entered into by
38 an officer or entity whose name has been changed pursuant to the
39 provisions of this act is binding on the officer or entity to which the
40 responsibility for the administration of the contract or other
41 agreement has been transferred. Such a contract or other agreement
42 may be enforced by the officer or entity to which the responsibility
43 for the enforcement of the contract or other agreement has been
44 transferred.



2. Notwithstanding the amendatory provisions of sections 5, 24 and 37 of this act transferring authority to adopt regulations from the Board of the Public Employees' Benefits Program created by NRS 287.041 to the Administrator of the Employee Benefits Division of the Department of Administration appointed pursuant to NRS 232.215, as amended by section 2 of this act, any regulations adopted by the Board of the Public Employees' Benefits Program that do not conflict with the provisions of this act remain in effect and may be enforced by the Administrator until the Administrator adopts new regulations to repeal or replace those regulations.

3. Any regulations adopted by the Board of the Public Employees' Benefits Program created by NRS 287.041 that conflict with the provisions of this act are void. The Legislative Counsel shall remove those regulations from the Nevada Administrative Code as soon as practicable after July 1, 2017.

Sec. 54. The Legislative Counsel shall:

1. In preparing the Nevada Revised Statutes, use the authority set forth in subsection 10 of NRS 220.120 to substitute appropriately the name of any agency, officer or instrumentality of the State whose name is changed by this act or for the name which the agency, officer or instrumentality previously used; and

2. In preparing supplements to the Nevada Administrative Code, substitute appropriately the name of any agency, officer or instrumentality of the State whose name is changed by this act for the name which the agency, officer or instrumentality previously used.

Sec. 55. NRS 287.04345 is hereby repealed.

Sec. 56. This act becomes effective on July 1, 2017.

TEXT OF REPEALED SECTION

287.04345 Procedure for awarding contracts to vendors.

1. The Board shall review any recommendation for awarding a contract submitted to the Board pursuant to NRS 333.335. The Board may:

(a) Approve the recommendation of the Administrator of the Purchasing Division of the Department of Administration or of a committee appointed to evaluate a proposal and award the contract as recommended; or

(b) Schedule a separate public meeting to award the contract.

2. If the Board conducts a separate meeting pursuant to paragraph (b) of subsection 1, it shall:



* S B 8 0 *

- (a) Disclose the review by the Board of the vendors whose proposals scored the highest;
 - (b) Identify the criteria it will use to evaluate the high scoring proposals;
 - (c) Consider the ranking given to a proposal by a committee appointed to evaluate the proposal, if any;
 - (d) With regard to a request for proposals, evaluate the responses of vendors interviewed by the Board; and
 - (e) Award the contract based on the best interests of the State.
3. The Board is not bound by the recommendation of the Administrator of the Purchasing Division or the committee appointed to evaluate the proposal.

