S.B. 272

SENATE BILL NO. 272–SENATORS SCHEIBLE AND CANNIZZARO

MARCH 13, 2019

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to the Public Employees' Retirement System. (BDR 23-749)

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

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to the Public Employees' Retirement System; requiring the State of Nevada to pay to the System the employees' portion of contributions for certain employees; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

With certain exceptions, retired public employees receive retirement allowances through membership in and contributions to the Public Employees' Retirement System. (Chapter 286 of NRS) Contributions paid by or for police and firefighters to the System are credited separately to the Police and Firefighters' Retirement Fund, whereas contributions paid by or for other public employees to the System are credited to the Public Employees' Retirement Fund. (NRS 286.220, 286.225) With certain exceptions, the public employer and the public employee each pay a portion of the contribution. (NRS 286.410-286.425) One exception in existing law requires all employers in the System except the State of Nevada to pay the employee's portion of the contribution for their employees whose contributions are credited to the Police and Firefighters' Retirement Fund. (NRS 286.421) This bill extends to the State of Nevada the requirement to pay the employee's portion of the contribution for: (1) its employees whose contributions are credited to the Police and Firefighters' Retirement Fund; and (2) the classified employees of the Department of Public Safety who provide dispatch services. Thus, the entire contribution for these employees is paid by the State of Nevada.

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

Section 1. NRS 286.421 is hereby amended to read as follows:

286.421 1. A public employer that elected to pay on behalf of its employees the contributions required by subsection 1 of NRS 286.410 before July 1, 1983, shall continue to do so, but a public employer may not elect to pay those contributions on behalf of its employees on or after July 1, 1983.

2. An employee of a public employer that did not elect to pay on behalf of its employees the contributions required by subsection 1 of NRS 286.410 before July 1, 1983, may elect to:

(a) Pay the contribution required by subsection 1 of NRS 286.410 on the employee's own behalf; or

(b) Have the employee's portion of the contribution paid by the employee's employer pursuant to the provisions of NRS 286.425.

3. Except for any person chosen by election or appointment to serve in an elective office of a political subdivision or as a district judge, a judge of the Court of Appeals or a justice of the Supreme Court of this State:

(a) Payment of the employee's portion of the contributions pursuant to subsection 1 must be:

(1) Made in lieu of equivalent basic salary increases or cost-of-living increases, or both; or

(2) Counterbalanced by equivalent reductions in employees' salaries.

(b) The average compensation from which the amount of benefits payable pursuant to this chapter is determined must be increased with respect to each month beginning after June 30, 1975, by 50 percent of the contribution made by the public employer, and must not be less than it would have been if contributions had been made by the member and the public employer separately. In the case of any officer or judge described in this subsection, any contribution made by the public employer on the officer's or judge's behalf does not affect the officer's or judge's compensation but is an added special payment.

4. Employee contributions made by a public employer must be deposited in either the Public Employees' Retirement Fund or the Police and Firefighters' Retirement Fund as is appropriate. These contributions must not be credited to the individual account of the member and may not be withdrawn by the member upon the member's termination.

5. The membership of an employee who became a member on or after July 1, 1975, and all contributions on whose behalf were

made by the member's public employer must not be cancelled upon the termination of the member's service.

6. If an employer is paying the basic contribution on behalf of an employee, the total contribution rate, in lieu of the amounts required by subsection 1 of NRS 286.410 and NRS 286.450, must be:

(a) The total contribution rate for employers that is actuarially determined for police officers and firefighters and for regular members, depending upon the retirement fund in which the member is participating.

(b) Except as otherwise provided in subsection 7, adjusted on the first monthly retirement reporting period commencing on or after July 1 of each odd-numbered year based on the actuarially determined contribution rate indicated in the biennial actuarial valuation and report of the immediately preceding year. The adjusted rate must be rounded to the nearest one-quarter of 1 percent.

7. The total contribution rate for employers must not be adjusted in accordance with the provisions of paragraph (b) of subsection 6 if:

(a) The existing rate is lower than the actuarially determined rate but is within one-half of 1 percent of the actuarially determined rate.

(b) The existing rate is higher than the actuarially determined rate but is within 2 percent of the actuarially determined rate. If the existing rate is more than 2 percent higher than the actuarially determined rate, the existing rate must be reduced by the amount by which it exceeds 2 percent above the actuarially determined rate.

8. For the purposes of adjusting salary increases and cost-of-living increases or of salary reduction, the total contribution must be equally divided between employer and employee.

9. Public employers other than the State of Nevada shall pay the entire employee contribution for those employees who contribute to the Police and Firefighters' Retirement Fund on and after July 1, 1981. ***The State of Nevada shall pay the entire employee contribution on and after July 1, 2019, for:***

(a) Those employees of the State who contribute to the Police and Firefighters' Retirement Fund; and

(b) The classified employees of the Department of Public Safety who provide dispatch services.

Sec. 2. This act becomes effective on July 1, 2019.