## SENATE BILL NO. 416–SENATORS PARKS, WOODHOUSE, SPEARMAN, RATTI; CANNIZZARO, DENIS, DONDERO LOOP, D. HARRIS AND WASHINGTON

## MARCH 21, 2019

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to the Public Employees' Retirement System (PERS). (BDR 23-895)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Yes.

EXPLANATION - Matter in **bolded italics** is new; matter between brackets formitted material is material to be omitted.

AN ACT relating to public retirement systems; eliminating a provision that ceases the payment of benefits to the child of a deceased member of a public retirement system upon the child's adoption; and providing other matters properly relating thereto.

## **Legislative Counsel's Digest:**

Under existing law, each child of a deceased member of the Public Employees' Retirement System is entitled to receive certain benefits following the member's death. Existing law also provides that payment of such benefits ceases if the child is adopted, dies, marries or, with certain exceptions, turns 18 years of age. (NRS 286.673) This provision also governs the payment of benefits to the children of certain deceased members of the Judicial Retirement System, other than justices and judges who are members of the Judicial Retirement Plan, and to the children of certain deceased legislators who are members of the Legislators' Retirement System. (NRS 2.075, 2A.130, 3.097, 218C.580) Section 1 of this bill eliminates the provision that ceases the payment of benefits to such children upon their adoption.

Under existing law, each child of a deceased member of the Judicial Retirement Plan is entitled to receive certain benefits following the member's death. Existing law also provides that payment of such benefits cease if the child is adopted, dies, marries or, with certain exceptions, turns 18 years of age. (NRS 1A.580) **Section 2** of this bill eliminates the provision that ceases the payment of benefits to such children upon their adoption.

Section 3 of this bill requires the Public Employees' Retirement Board to resume the payment of benefits in accordance with the provisions of this bill to any child of a deceased member of the Public Employees' Retirement System, Judicial Retirement System or Legislators' Retirement System whose payment of benefits ceased upon the child's adoption in accordance with the provisions of applicable law as they existed before the effective date of this bill, if: (1) the child is entitled to





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21 22 receive such payments in accordance with the provisions of this bill; and (2) the child, or the surviving parent or legal guardian of the child, applies for the resumption of such payments in accordance with procedures established by the Board. Section 3 also requires the Board to provide notice of the provisions of this bill to each such child or the surviving parent or legal guardian of each such child whose payments of benefits ceased upon the child's adoption in accordance with the provisions of applicable law as they existed before the effective date of this bill.

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

**Section 1.** NRS 286.673 is hereby amended to read as follows: 286.673 1. Except as limited by NRS 286.6775, each child of a deceased member is entitled to receive a cumulative benefit of at least \$400 per month, beginning on the first day of the month following the member's death.

- 2. Payments to any child cease on the last day of the month of:
- (a) The child's <del>[adoption;</del>
- (b) The child's death;

(b) The child's marriage; or

(c) Except as otherwise provided in subsection 3, 4 or 5, the child's attaining the age of 18 years.

- 3. Except as otherwise provided in subsection 4, these benefits may be paid to the child of a deceased member until the last day of the month of the child's 23rd birthday if, at the time that the child attains 18 years, the child is, and continues thereafter to be, a full-time student in any accredited:
  - (a) High school;
  - (b) Vocational or technical school; or
  - (c) College or university.
- 4. If the Board ceases the payment of benefits to a child of a deceased member who received benefits pursuant to subsection 3 because the child ceased being a full-time student, the Board may resume the payment of such benefits until the last day of the month of the child's 23rd birthday if the child returns to full-time status at an accredited:
  - (a) High school;
  - (b) Vocational or technical school; or
- (c) College or university.
- 5. These benefits may be commenced or extended indefinitely beyond a child's 18th birthday if and so long as the child is determined by the System to be:
  - (a) Financially dependent; and
  - (b) Physically or mentally incompetent.





- 1 6. All benefits under this section may be paid by the System to 2 the child's:
  - (a) Surviving parent; or
  - (b) Legal guardian.

- 7. The Board shall establish uniform standards and procedures for determining whether a child is:
  - (a) A full-time student;
  - (b) Financially dependent; and
  - (c) Physically or mentally incompetent.
  - **Sec. 2.** NRS 1A.580 is hereby amended to read as follows:
  - 1A.580 1. Each child of a deceased member of the Judicial Retirement Plan is entitled to receive a cumulative benefit of at least \$400 per month, beginning on the first day of the month following the member's death.
- 2. Payments to any child cease on the last day of the month of the child's:
  - (a) <del>[Adoption;</del>
  - <del>(b)]</del> Death;
    - (c) (b) Marriage; or
- [(d)] (c) Except as otherwise provided in subsection 3, 4 or 5, attaining the age of 18 years.
- 3. Except as otherwise provided in subsection 4, these benefits may be paid to the child of a deceased member of the Judicial Retirement Plan until the last day of the month of the child's 23rd birthday if, at the time that the child attains 18 years, the child is, and continues thereafter to be, a full-time student in any accredited:
  - (a) High school;
  - (b) Vocational or technical school; or
  - (c) College or university.
- 4. If the Board ceases the payment of benefits to a child of a deceased member who received benefits pursuant to subsection 3 because the child ceased being a full-time student, the Board may resume the payment of such benefits until the last day of the month of the child's 23rd birthday if the child returns to full-time status at an accredited:
  - (a) High school;
  - (b) Vocational or technical school; or
  - (c) College or university.
- 5. These benefits may be commenced or extended indefinitely beyond a child's 18th birthday if and so long as the child is determined by the System to be:
  - (a) Financially dependent; and
  - (b) Physically or mentally incompetent.
- 6. All benefits under this section may be paid by the System to the child's:





- (a) Surviving parent; or
- (b) Legal guardian.

- 7. The Board shall establish uniform standards and procedures for determining whether a child is:
  - (a) A full-time student;
  - (b) Financially dependent; and
  - (c) Physically or mentally incompetent.
- **Sec. 3.** 1. If the Public Employees' Retirement Board ceased the payment of benefits to a child of a deceased member of the Public Employees' Retirement System, Judicial Retirement System or Legislators' Retirement System upon the child's adoption, pursuant to the provisions of NRS 1A.580 or 286.673, as those sections existed before the effective date of this act, the Board shall resume the payment of such benefits to the child if:
- (a) The child is entitled to receive such benefits pursuant to the provisions of NRS 1A.580, as amended by section 2 of this act, or NRS 286.673, as amended by section 1 of this act; and
- (b) The child, or the surviving parent or legal guardian of the child, applies for the resumption of the payment of such benefits in accordance with procedures established by the Board.
- 2. As soon as practicable after the effective date of this act, the Public Employees' Retirement Board shall send notice of the provisions of this act by certified mail to the last known address shown in the records of the Board of each child of a deceased member of the Public Employees' Retirement System, the Judicial Retirement System or the Legislators' Retirement System, or of the surviving parent or legal guardian of each such child, whose payment of benefits ceased upon the child's adoption, pursuant to NRS 1A.580 or 286.673, as those sections existed before the effective date of this act.
  - **Sec. 4.** This act becomes effective upon passage and approval.





