

(Reprinted with amendments adopted on May 29, 2011)

FIRST REPRINT

A.B. 563

## ASSEMBLY BILL NO. 563—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DIVISION OF BUDGET AND PLANNING)

MARCH 28, 2011

Referred to Committee on Ways and Means

SUMMARY—Establishes for the next biennium the amount to be paid to the Public Employees' Benefits Program for insurance for certain active and retired public officers and employees. (BDR S-1223)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: Executive Budget.

~

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

AN ACT relating to programs for public personnel; establishing for the next biennium the amount to be paid to the Public Employees' Benefits Program for insurance for certain active and retired public officers and employees; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 **Section 1** of this bill establishes the amount of the State's share of the costs of  
2 premiums or contributions for group insurance for active state officers and  
3 employees who participate in the Public Employees' Benefits Program. **Section 2**  
4 of this bill establishes the base amount that is used to calculate the share of the  
5 costs of premiums or contributions for group insurance under the Program that is  
6 required to be paid by the State and local governments for retired public officers  
7 and employees. **Section 2** of this bill also establishes the base amount that is used  
8 to calculate the share of the cost of qualified medical expenses for individual  
9 Medicare insurance plans through the Program that is required to be paid by the  
10 State and local governments for retired public officers and employees and provides  
11 for an increase to that base amount in Fiscal Year 2012-2013 if the Board of the  
12 Program determines that additional reserves of the Program are available for this  
13 purpose.



\* A B 5 6 3 R 1 \*

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

1       **Section 1.** 1. For the purposes of NRS 287.044 and  
2 287.0445, the State's share of the cost of premiums or contributions  
3 for group insurance for each active state officer or employee who  
4 elects to participate in the Public Employees' Benefits Program is:

- 5       (a) For the Fiscal Year 2011-2012, \$644.81 per month.  
6       (b) For the Fiscal Year 2012-2013, \$733.64 per month.

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

17       **Sec. 2.** 1. Except as otherwise provided in subsection 2, for  
18 the purposes of NRS 287.023 and 287.046, the base amount for the  
19 share of the cost of premiums or contributions for group insurance  
20 for each person who has retired with state service and continues to  
21 participate in the Public Employees' Benefits Program is:

- 22       (a) For the Fiscal Year 2011-2012, \$418.41 per month.  
23       (b) For the Fiscal Year 2012-2013, \$472.64 per month.

24       2. For the purposes of NRS 287.023 and 287.046, the base  
25 amount for the share of the cost of qualified medical expenses for  
26 each person who has retired with state service and whose coverage  
27 is provided through the Public Employees' Benefits Program by an  
28 individual medical plan offered pursuant to the Health Insurance for  
29 the Aged Act, 42 U.S.C. §§ 1395 et seq., for Fiscal Year 2011-2012  
30 and Fiscal Year 2012-2013 is:

31       (a) For those persons who retired before January 1, 1994, \$150  
32 per month.

33       (b) For those persons who retired on or after January 1, 1994,  
34 \$10 per month per year of service, excluding service purchased  
35 pursuant to NRS 1A.310 or 286.300, up to a maximum of \$200 per  
36 month.

37       ➤ For Fiscal Year 2012-2013, the amounts specified in paragraphs  
38 (a) and (b) may be increased by an amount based on the percentage  
39 increase in the premium for Part B of the Health Insurance for the  
40 Aged Act, 42 U.S.C. §§ 1395 et seq., between the calendar year  
41 ending on December 31, 2011, and the calendar year ending on  
42 December 31, 2012, which must be rounded to the nearest dollar.



1 The amount of such an increase must be paid from the reserves of  
2 the Program if the Board of the Program determines that reserves in  
3 excess of the actuarially required reserves of the Program are  
4 available for this purpose.

5 3. No money may be paid by the State Retirees' Health and  
6 Welfare Benefits Fund created by NRS 287.0436 on behalf of a  
7 person who is initially hired by the State on or after January 1, 2010,  
8 and who:

9 (a) Has not participated in the Program on a continuous basis  
10 since his or her retirement from such employment; or

11 (b) Does not have at least 15 years of service credit upon  
12 retirement, unless the person does not have at least 15 years of  
13 service credit as a result of a disability for which disability benefits  
14 are received under the Public Employees' Retirement System or a  
15 retirement program for professional employees offered by or  
16 through the Nevada System of Higher Education, and has  
17 participated in the Program on a continuous basis since his or her  
18 retirement from such employment.

19 4. If the amount calculated pursuant to this section exceeds the  
20 actual premium or contribution for the plan of the Program that the  
21 retired participant selects, the balance must be credited to the Fund  
22 for the Public Employees' Benefits Program created by  
23 NRS 287.0435.

24 **Sec. 3.** This act becomes effective on July 1, 2011.

