

ASSEMBLY BILL NO. 180—ASSEMBLYMEN ARMSTRONG, EDWARDS, KIRNER, HAMBRICK, O’NEILL; ELLIOT ANDERSON, PAUL ANDERSON, BUSTAMANTE ADAMS, DIAZ, DICKMAN, DOOLING, ELLISON, FIORE, FLORES, GARDNER, HICKEY, JONES, KIRKPATRICK, MOORE, MUNFORD, NELSON, OHRENSCHALL, OSCARSON, SEAMAN, SILBERKRAUS, STEWART, TITUS, TROWBRIDGE, WHEELER AND WOODBURY

FEBRUARY 19, 2015

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JOINT SPONSOR: SENATOR HARRIS

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Referred to Committee on Commerce and Labor

**SUMMARY**—Revises provisions governing the biennial audit requirements for the Public Employees’ Retirement System. (BDR 23-569)

**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.

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**AN ACT** relating to the Public Employees’ Retirement System; revising provisions governing the biennial audit of the System; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

- 1 Current law provides that the Public Employees’ Retirement Board must retain
  - 2 an independent certified public accountant to perform an audit of the Public
  - 3 Employees’ Retirement System every 2 years. (NRS 286.190) This bill requires the
  - 4 Board to select the person who will perform the audit using an open bid or request
  - 5 for proposal process conducted not less than once every 4 years. This bill also
  - 6 restricts the Board from selecting the same person to perform the audit in two
  - 7 consecutive cycles of selection.
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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1       **Section 1.** NRS 286.190 is hereby amended to read as follows:

2       286.190 The Board:

3       1. Has the powers and privileges of a body corporate and,  
4 subject to the limitations of this chapter, is responsible for managing  
5 the System.

6       2. Shall:

7       (a) Arrange for a biennial actuarial valuation and report of the  
8 actuarial soundness of the System to be prepared by an independent  
9 actuary based upon data compiled and supplied by employees of the  
10 System, and shall adopt actuarial tables and formulas prepared and  
11 recommended by the actuary.

12       (b) Provide for a biennial audit of the System, including the  
13 Administrative Fund, by an independent certified public accountant.  
14 *The independent certified public accountant performing the audit*  
15 *of the System must be selected by a process for open bidding or*  
16 *requests for proposals that is conducted not less than once every 4*  
17 *years. The Board shall not consider any bid or proposal submitted*  
18 *by a person who was selected to provide the audit of the System in*  
19 *the immediately preceding cycle of selection.*

20       (c) Provide an annual report to the Governor, each member of  
21 the Legislature, each participating public employer, and each  
22 participating employee and employer association, and make the  
23 report available to all members upon request. The report must  
24 contain, when available, a review of the actuarial valuation required  
25 by paragraph (a).

26       (d) Post on its website any document that a public employer is  
27 required to submit to the System on or after January 1, 2010,  
28 relating to the contribution mechanism used by the public employer  
29 pursuant to NRS 286.410, 286.421 or 286.450.

30       3. May:

31       (a) Adjust the service or correct the records, allowance or  
32 benefits of any member, retired employee or beneficiary after an  
33 error or inequity has been determined, and require repayment of any  
34 money determined to have been paid by the System in error, if the  
35 money was paid within 6 years before demand for its repayment.

36       (b) Examine and copy personnel and financial records of public  
37 employers.

38       (c) Receive requests for membership from state, county or  
39 municipal entities which are not presently public employers, and  
40 determine whether or not any such entity and its employees qualify  
41 for membership as provided by this chapter.



1 (d) Require an annual notarized statement from a retired  
2 employee or beneficiary that the retired employee or beneficiary is  
3 in fact receiving an allowance or benefits, and withhold the  
4 allowance or benefits if the retired employee or beneficiary fails to  
5 provide the statement.

6 4. As used in this section, "error or inequity" means the  
7 existence of extenuating circumstances, including, but not limited  
8 to, a member's reasonable and detrimental reliance on  
9 representations made by the System or by the public employer  
10 pursuant to NRS 286.288 which prove to be erroneous, or the  
11 mental incapacity of the member.

12 **Sec. 2.** This act becomes effective on July 1, 2015.

