

Chapter 287 of NAC

**PROPOSED TEMPORARY REGULATION OF THE
BOARD OF THE PUBLIC EMPLOYEES' BENEFITS PROGRAM**

LCB File No. T004-14

**287.490 Subsidy for retired officer or employee: Calculation of amount of payment.
(NRS 287.043, 287.046)**

1. Except as otherwise provided in subsection ~~2~~ 3, the amount of the subsidy that must be paid by each public employer with which a retired officer or employee was employed is calculated in the manner set forth in NRS 287.046.

2. Effective for months after July 1, 2015, portion as used in paragraph b of subsection 4 of NRS 287.023 will be defined as the same percentage of the premium as the State provides for each retiree and the retiree's dependents pursuant to subsection 3 of NRS 287.046.

~~2~~ 3. Each public employer with which the retired officer or employee was employed shall pay an amount of the total subsidy for the retired officer or employee equal to the proportion that the service credit earned by the retired officer or employee with that public employer bears to the total service credit earned by the retired officer or employee with all public employers with which the retired officer or employee was employed. The amount of the total subsidy must be based on the cumulative total years and months of service by the retired officer or employer for all public employers with which the retired officer or employee was employed.

NRS 287.023 Option of retired officer or employee or dependent to cancel or continue group insurance, plan of benefits, medical and hospital service, or coverage under Public Employees' Benefits Program; notice of selection of option; payment of costs for coverage.

1. Whenever an officer or employee of the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada retires under the conditions set forth in NRS 1A.350 or 1A.480, or 286.510 or 286.620 and, during the period in which the person served as an officer or employee, was eligible to be covered or had dependents who were eligible to be covered by any group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025 or under the Public Employees' Benefits Program pursuant to paragraph (a) of subsection 1 of NRS 287.025, the officer or employee has the option upon retirement to cancel or continue any such coverage to the extent that such coverage is not provided to the officer or employee or a dependent by the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq.

2. A retired person who continues coverage under the Public Employees' Benefits Program shall assume the portion of the premium or contribution costs for the coverage which the governing body or the State does not pay on behalf of retired officers or employees. A dependent of such a retired person has the option, which may be exercised to the same extent and in the same manner as the retired person, to cancel or continue coverage in effect on the date the retired

person dies. The dependent is not required to continue to receive retirement payments from the Public Employees' Retirement System to continue coverage.

3. Notice of the selection of the option must be given in writing to the last public employer of the officer or employee within 60 days after the date of retirement or death, as the case may be. If no notice is given by that date, the retired officer or employee and any dependents shall be deemed to have selected the option to cancel the coverage for the group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025 or coverage under the Public Employees' Benefits Program pursuant to paragraph (a) of subsection 1 of NRS 287.025.

4. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of this State:

(a) May pay the cost, or any part of the cost, of coverage established pursuant to NRS 287.010, 287.015 or 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025 for persons who continue that coverage pursuant to subsection 1, but it must not pay a greater portion than it does for its current officers and employees.

(b) Shall pay the same portion of the cost of coverage under the Public Employees' Benefits Program for retired persons covered under the Program as the State pays pursuant to NRS 287.046 for persons retired with state service who participate in the Program.

5. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of this State shall, for the purpose of establishing actuarial data to determine rates and coverage for persons who continue coverage for group insurance, a plan of benefits or medical and hospital service with the governing body pursuant to subsection 1, commingle the claims experience of those persons with the claims experience of active officers and employees and their dependents who participate in the group insurance, a plan of benefits or medical and hospital service.

(Added to NRS by 1967, 974; A 1979, 325, 1074; 1981, 246; 1985, 40; 1987, 504; 1993, 875; 1995, 1957; 1999, 3025; 2001, 951; 2001 Special Session, 95; 2003, 2738, 3250, 3262; 2007, 2869, 2870, 3143; 2009, 1582, 2355; 2011, 2737)

NRS 287.046 Department of Administration to establish assessment to pay portion of premiums or contributions for participating retirees with state service; amounts assessed to be deposited in Retirees' Fund; adjustments to portion paid to Program by Retirees' Fund.

1. The Department of Administration 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 8, 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 7.5 percent of the base funding level defined by the Legislature. In no event may the adjustment exceed 37.5 percent of the base funding level defined by the Legislature.

6. The portion to be paid to the Program from the Retirees' Fund on behalf of a retired person whose coverage is provided through the Program by an individual medical plan offered pursuant to the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., must be:

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

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

□ The Board may approve the payment of an additional amount to retired persons described in this subsection that is in excess of the amount paid pursuant to paragraph (a) or (b), or both, for those persons from any money that is available for that purpose.

7. No money may be paid by the Retirees' Fund on behalf of a retired person who is initially hired by the State:

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

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

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

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

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

9. For the purposes of this section:

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

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

10. The Department shall agree through the Board with the insurer for billing of remaining premiums or contributions for the retired participant and the retired participant's dependents to the retired participant and to the retired participant's dependents who elect to continue coverage under the Program after the retired participant's death.

(Added to NRS by 1963, 1320; A 1965, 1026; 1969, 467; 1979, 1075; 1981, 222, 875, 1684; 1983, 640, 1344; 1985, 41; 1987, 504; 1991, 661; 1993, 1155; 1999, 3035; 2001, 2940; 2001 Special Session, 97; 2003, 258, 3255, 3270; 2007, 3147; 2009, 1592, 2357; 2010, 26th Special Session, 6; 2011, 2742, 3311, 3314; 2013, 1424)