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ASSEMBLY BILL NO. 249—COMMITTEE ON  
GOVERNMENT AFFAIRS

(ON BEHALF OF THE PUBLIC EMPLOYEES' BENEFITS PROGRAM)

MARCH 6, 2003

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Referred to Concurrent Committees on Government  
Affairs and Ways and Means

SUMMARY—Makes various changes concerning Public  
Employees' Benefits Program. (BDR 23-549)

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

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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' Benefits Program; requiring certain agencies to use the amounts specified by the Public Employees' Benefits Program for coverage by the Program for payroll deductions from the salaries of participating officers and employees; requiring the Public Employees' Retirement System and each public employer that participates in the Program to provide information to the Program concerning the change in status of an active or retired officer or employee; eliminating the requirement that certain retired persons show evidence of good health as a condition of enrollment in the Program; limiting the subsidy paid by the State of Nevada for retired state officers and employees to years of state service; repealing the prospective expiration of two positions on the Board of the Program; repealing the period of open enrollment for certain retired persons to join the Program; and providing other matters properly relating thereto.

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



\* A B 2 4 9 \*

1       **Section 1.** NRS 281.129 is hereby amended to read as follows:  
2       281.129 **1.** Any officer of the State, except the Legislative  
3 Fiscal Officer, who disburses money in payment of salaries and  
4 wages of officers and employees of the State ~~[may,]~~ :

5       (a) *May*, upon written requests of the officer or employee  
6 specifying amounts, withhold those amounts and pay them to:

7       ~~[1.]~~ (1) Charitable organizations;

8       ~~[2.]~~ (2) Employee credit unions;

9       ~~[3. Insurers, if the Board of the Public Employees' Benefits  
10 Program has approved the request;~~

11       ~~—4.]~~ (3) *Except as otherwise provided in paragraph (b),  
12 insurers;*

13       (4) The United States for the purchase of savings bonds and  
14 similar obligations of the United States; and

15       ~~[5.]~~ (5) Employee organizations and labor organizations.

16       (b) *Shall, upon receipt of information from the Public  
17 Employees' Benefits Program specifying amounts of premiums or  
18 contributions for coverage by the Program, withhold those  
19 amounts from the salaries or wages of officers and employees who  
20 participate in the Program and pay those amounts to the Program.*

21       2. The State Controller may adopt regulations necessary to  
22 withhold money from the salaries or wages of officers and  
23 employees of the executive department.

24       **Sec. 2.** Chapter 286 of NRS is hereby amended by adding  
25 thereto a new section to read as follows:

26       **1.** *The System shall provide to the Public Employees' Benefits  
27 Program:*

28       (a) *Written notice regarding a change in the status of a  
29 member or a dependent of a member that affects the eligibility of  
30 the member or dependent to participate in the Program. Such  
31 notice must be provided to the Program, on a form prescribed by  
32 the Program, within 15 calendar days after the System is notified  
33 or otherwise becomes aware of the change in status.*

34       (b) *Upon request, any other information necessary for the  
35 Program to carry out the provisions of NRS 287.0402 to 287.049,  
36 inclusive.*

37       2. *The System shall reimburse the Public Employees'  
38 Benefits Program for any premium or contribution that was not  
39 paid to the Program as a result of the failure of the System to  
40 provide the notice required pursuant to subsection 1. The System  
41 shall not require any member or dependent of a member to  
42 reimburse the System for the amount of any premium or  
43 contribution for which the System is liable to the Program  
44 pursuant to this subsection.*



1       **Sec. 3.** NRS 286.615 is hereby amended to read as follows:  
2       286.615 1. In addition to the options provided in NRS  
3       287.023 and subject to the requirements of that section, any officer  
4       or employee of the governing body of any county, school district,  
5       municipal corporation, political subdivision, public corporation or  
6       other ~~public~~ *local governmental* agency of the State of Nevada,  
7       who retires under the conditions set forth in NRS *1A.350, 1A.480,*  
8       286.510 *or 286.620* and, at the time of his retirement, was covered  
9       or had his dependents covered by any group insurance or medical  
10      and hospital service established pursuant to NRS 287.010 ~~and~~  
11      ~~287.020,~~ *287.020 or paragraph (b), (c) or (d) of subsection 1 of*  
12      *NRS 287.025,* has the option of having the Executive Officer deduct  
13      and pay his premium or contribution for that ~~group insurance or~~  
14      ~~medical and hospital service~~ coverage, as well as the amount due or  
15      to become due upon any obligation designated by the Board  
16      pursuant to subsection 2, from his monthly retirement allowance  
17      until:

18      (a) He notifies the Executive Officer to discontinue the  
19      deduction; or

20      (b) Any of his dependents elect to assume the premium or  
21      contribution applicable to the dependent's coverage before the death  
22      of such a retired person and continue coverage pursuant to NRS  
23      287.023 after his death.

24      2. The Board may adopt regulations to carry out the provisions  
25      of subsection 1, including, but not limited to, regulations governing  
26      the number and types of obligations, amounts for the payment of  
27      which may be deducted and paid by the Board at the option of the  
28      officer or employee pursuant to this section.

29      3. The Executive Officer, Board and System are not liable for  
30      any damages resulting from errors or omissions concerning the  
31      deductions and payment of premiums or contributions authorized  
32      pursuant to this section unless willful neglect or gross negligence is  
33      proven.

34      **Sec. 4.** Chapter 287 of NRS is hereby amended by adding  
35      thereto the provisions set forth as sections 5, 6 and 7 of this act.

36      **Sec. 5.** *“Participating local governmental agency” means a*  
37      *county, school district, municipal corporation, political*  
38      *subdivision, public corporation or other local governmental*  
39      *agency that has an agreement in effect with the Program pursuant*  
40      *to paragraph (a) of subsection 1 of NRS 287.025 to obtain group*  
41      *insurance from the Program.*

42      **Sec. 6.** *“Participating public agency” means any*  
43      *participating local governmental agency and participating state*  
44      *agency.*



1       **Sec. 7.** *“Participating state agency” means a department,*  
2 *commission, board, bureau or other agency of the Executive,*  
3 *Legislative and Judicial Branches of State Government, including,*  
4 *without limitation, the Public Employees’ Retirement System and*  
5 *the University and Community College System of Nevada.*

6       **Sec. 8.** NRS 287.010 is hereby amended to read as follows:  
7       287.010 1. The governing body of any county, school  
8 district, municipal corporation, political subdivision, public  
9 corporation or other ~~[public]~~ *local governmental* agency of the State  
10 of Nevada may:

11       (a) Adopt and carry into effect a system of group life, accident  
12 or health insurance, or any combination thereof, for the benefit of its  
13 officers and employees, and the dependents of officers and  
14 employees who elect to accept the insurance and who, where  
15 necessary, have authorized the governing body to make deductions  
16 from their compensation for the payment of premiums on the  
17 insurance.

18       (b) Purchase group policies of life, accident or health insurance,  
19 or any combination thereof, for the benefit of such officers and  
20 employees, and the dependents of such officers and employees, as  
21 have authorized the purchase, from insurance companies authorized  
22 to transact the business of such insurance in the State of Nevada,  
23 and, where necessary, deduct from the compensation of officers and  
24 employees the premiums upon insurance and pay the deductions  
25 upon the premiums.

26       (c) Provide group life, accident or health coverage through a  
27 self-insurance reserve fund and, where necessary, deduct  
28 contributions to the maintenance of the fund from the compensation  
29 of officers and employees and pay the deductions into the fund. The  
30 money accumulated for this purpose through deductions from the  
31 compensation of officers and employees and contributions of  
32 the governing body must be maintained as an internal service fund  
33 as defined by NRS 354.543. The money must be deposited in a state  
34 or national bank or credit union authorized to transact business in  
35 the State of Nevada. Any independent administrator of a fund  
36 created under this section is subject to the licensing requirements of  
37 chapter 683A of NRS, and must be a resident of this state. Any  
38 contract with an independent administrator must be approved by  
39 the Commissioner of Insurance as to the reasonableness of  
40 administrative charges in relation to contributions collected and  
41 benefits provided. The provisions of NRS 689B.030 to 689B.050,  
42 inclusive, and 689B.575 apply to coverage provided pursuant to this  
43 paragraph, except that the provisions of NRS 689B.0359 do not  
44 apply to such coverage.



1 (d) Defray part or all of the cost of maintenance of a self-  
2 insurance fund or of the premiums upon insurance. The money for  
3 contributions must be budgeted for in accordance with the laws  
4 governing the county, school district, municipal corporation,  
5 political subdivision, public corporation or other ~~public~~ *local*  
6 *governmental* agency of the State of Nevada.

7 2. If a school district offers group insurance to its officers and  
8 employees pursuant to this section, members of the board of trustees  
9 of the school district must not be excluded from participating in the  
10 group insurance. If the amount of the deductions from compensation  
11 required to pay for the group insurance exceeds the compensation to  
12 which a trustee is entitled, the difference must be paid by the trustee.

13 **Sec. 9.** NRS 287.020 is hereby amended to read as follows:

14 287.020 1. The governing body of any county, school  
15 district, municipal corporation, political subdivision, public  
16 corporation or other ~~public~~ *local governmental* agency of the State  
17 of Nevada may adopt and carry into effect a system of medical or  
18 hospital service, or a combination thereof, through nonprofit  
19 membership corporations defraying the cost of medical service or  
20 hospital care, or both, open to participation by all licentiates of the  
21 particular class , ~~and~~ whether doctors of medicine, doctors of  
22 osteopathy or doctors of chiropractic , ~~and~~ offering services through  
23 such a nonprofit membership corporation, for the benefit of such of  
24 their officers and employees, and the dependents of such officers  
25 and employees, as may elect to accept membership in such nonprofit  
26 corporation and who have authorized the governing body to make  
27 deductions from their compensation for the payment of membership  
28 dues.

29 2. A part, not to exceed 50 percent, of the cost of such  
30 membership dues may be defrayed by such governing body by  
31 contribution. The money for such contributions must be budgeted  
32 for in accordance with the laws governing such county, school  
33 district, municipal corporation, political subdivision, public  
34 corporation or other ~~public~~ *local governmental* agency of the State  
35 of Nevada.

36 3. The power conferred in this section, with respect to the  
37 rendition of medical or hospital service, or a combination thereof, is  
38 coextensive with the power conferred in NRS 287.010 with respect  
39 to insurance companies.

40 4. If a school district offers coverage for medical service or  
41 hospital care, or both, to its officers and employees pursuant to this  
42 section, members of the board of trustees of the school district must  
43 not be excluded from participating in the coverage. If the amount of  
44 the deductions from compensation required to pay for the coverage



1 exceeds the compensation to which a trustee is entitled, the  
2 difference must be paid by the trustee.

3 **Sec. 10.** NRS 287.021 is hereby amended to read as follows:

4 287.021 1. Except as otherwise provided in subsection 3, the  
5 surviving spouse and any surviving child of a police officer or  
6 fireman who was:

7 (a) Employed by a public agency that had established group  
8 insurance or medical and hospital service pursuant to NRS 287.010,  
9 287.020 or *paragraph (b), (c) or (d) of subsection 1 of* 287.025; and

10 (b) Killed in the line of duty,  
11 may elect to accept or continue coverage under that group insurance  
12 or medical and hospital service if the police officer or fireman was a  
13 participant or would have been eligible to participate in the group  
14 insurance or medical and hospital service on the date of the death of  
15 the police officer or fireman. If the surviving spouse or child elects  
16 to accept coverage under the group insurance or medical and  
17 hospital service in which the police officer or fireman would have  
18 been eligible to participate or to discontinue coverage under the  
19 group insurance or medical and hospital service in which the police  
20 officer or fireman was a participant, the spouse, child or legal  
21 guardian of the child must notify in writing the public agency that  
22 employed the police officer or fireman within 60 days after the date  
23 of death of the police officer or fireman.

24 2. The public agency that employed the police officer or  
25 fireman shall pay the entire cost of the premiums or contributions  
26 for the group insurance or medical and hospital service for the  
27 surviving spouse or child who meets the requirements set forth in  
28 subsection 1.

29 3. A surviving spouse is eligible to receive coverage pursuant  
30 to this section for the duration of the life of the surviving spouse. A  
31 surviving child is eligible to receive coverage pursuant to this  
32 section until the child reaches:

33 (a) The age of 18 years; or

34 (b) The age of 23 years, if the child is enrolled as a full-time  
35 student in an accredited university, college or trade school.

36 4. As used in this section "police officer" has the meaning  
37 ascribed to it in NRS 617.135.

38 **Sec. 11.** NRS 287.023 is hereby amended to read as follows:

39 287.023 1. Whenever an officer or employee of the  
40 governing body of any county, school district, municipal  
41 corporation, political subdivision, public corporation or other  
42 ~~public~~ *local governmental* agency of the State of Nevada retires  
43 under the conditions set forth in NRS 1A.350 or 1A.480, or 286.510  
44 or 286.620 and, at the time of his retirement, was covered or had his  
45 dependents covered by any group insurance or medical and hospital



1 service established pursuant to NRS 287.010 ~~[and 287.020,]~~ ,  
2 *287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS*  
3 *287.025*, the officer or employee has the option upon retirement to  
4 cancel or continue any such group insurance or medical and hospital  
5 service coverage or join the Public Employees' Benefits Program to  
6 the extent that such coverage is not provided to him or a dependent  
7 by the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq.

8 2. A retired person who continues coverage under the Public  
9 Employees' Benefits Program shall assume the portion of the  
10 premium or ~~[membership]~~ *contribution* costs for the coverage  
11 continued which the governing body does not pay on behalf of  
12 retired officers or employees. A person who joins the Public  
13 Employees' Benefits Program for the first time upon retirement  
14 shall assume all costs for the coverage. A dependent of such a  
15 retired person has the option, which may be exercised to the same  
16 extent and in the same manner as the retired person, to cancel or  
17 continue coverage in effect on the date the retired person dies. The  
18 dependent is not required to continue to receive retirement payments  
19 from the Public Employees' Retirement System to continue  
20 coverage.

21 3. ~~[Except as otherwise provided in NRS 287.0235, notice]~~  
22 *Notice* of the selection of the option must be given in writing to the  
23 last public employer of the officer or employee within 60 days after  
24 the date of retirement or death, as the case may be. If no notice is  
25 given by that date, the retired *officer or* employee and his  
26 dependents shall be deemed to have selected the option to cancel the  
27 coverage *for the group insurance or medical and hospital service*  
28 *established pursuant to NRS 287.010, 287.020 or paragraph (b),*  
29 *(c) or (d) of subsection 1 of NRS 287.025* or not to join the Public  
30 Employees' Benefits Program, as the case may be.

31 4. The governing body of any county, school district,  
32 municipal corporation, political subdivision, public corporation or  
33 other ~~[public]~~ *local governmental* agency of this state may pay the  
34 cost, or any part of the cost, of group insurance and medical and  
35 hospital service coverage *provided pursuant to NRS 287.010,*  
36 *287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS*  
37 *287.025* for persons eligible for that coverage pursuant to  
38 subsection 1, but it must not pay a greater portion than it does for its  
39 current officers and employees.

40 **Sec. 12.** NRS 287.0235 is hereby amended to read as follows:

41 287.0235 1. Notwithstanding the provisions of NRS 287.023  
42 and 287.045, a person or the surviving spouse of a person who did  
43 not, at the time of his retirement pursuant to the conditions set forth  
44 in NRS 1A.350 or 1A.480, or 286.510 or 286.620, have the option  
45 to participate in the Public Employees' Benefits Program may join





1 the Public Employees' Benefits Program, to the extent that such  
2 coverage is not provided to him or a dependent by the Health  
3 Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., by:

4 (a) Providing the Public Employees' Retirement Board with  
5 written notice of his intention to enroll in the Public Employees'  
6 Benefits Program during a period of open enrollment;

7 (b) ~~Showing evidence of his good health as a condition of~~  
8 ~~enrollment;~~

9 ~~(c)~~ Accepting the current plan of insurance of the Public  
10 Employees' Benefits Program and any subsequent changes to the  
11 plan; and

12 ~~(d)~~ (c) Paying any portion of the premiums or contributions for  
13 the Program in the manner set forth in NRS 1A.470 or 286.615,  
14 which are due after the date of enrollment.

15 The Public Employees' Retirement Board shall, beginning on  
16 September 1, 1997, have a biennial period of open enrollment  
17 between September 1 of each odd-numbered year and January 31 of  
18 each even-numbered year during which eligible retired persons may  
19 join the Public Employees' Benefits Program pursuant to this  
20 section.

21 2. The Public Employees' Retirement Board shall, on or before  
22 September 1, 1997, and every September 1 of each odd-numbered  
23 year thereafter, notify eligible retired persons described in  
24 subsection 1 of the period of open enrollment by:

25 (a) Mailing a notice regarding the period of open enrollment to  
26 all retired persons who are, according to its records, eligible to join  
27 the Public Employees' Benefits Program;

28 (b) Posting a notice of the period of open enrollment at its  
29 principal office and at least three other separate prominent places,  
30 such as a library, community center or courthouse; and

31 (c) Publicizing the period of open enrollment in any other  
32 manner reasonably calculated to inform additional eligible retired  
33 persons.

34 3. The Public Employees' Retirement Board shall notify the  
35 Board of the Public Employees' Benefits Program of the enrollment  
36 of any person on or before March 1 immediately following the  
37 period of open enrollment. The Board of the Public Employees'  
38 Benefits Program shall approve or disapprove the request for  
39 enrollment within 90 days after receipt of the request. Enrollment  
40 shall be deemed to occur on the day the request is approved.

41 4. Enrollment in the Public Employees' Benefits Program  
42 pursuant to this section excludes claims for expenses for any  
43 condition for which medical advice, treatment or consultation was  
44 rendered within 12 months before enrollment unless ~~f~~





1 ~~—(a) The person has not received any medical advice, treatment or~~  
2 ~~consultation for a period of 6 consecutive months after enrollment;~~  
3 ~~or~~

4 ~~—(b) The] the~~ insurance coverage has been in effect more than 12  
5 consecutive months.

6 **Sec. 13.** NRS 287.024 is hereby amended to read as follows:

7 287.024 1. If a member of the board of trustees of a school  
8 district who has served at least one full term of office does not seek  
9 reelection or is defeated for reelection and, upon the expiration of  
10 his term of office, was covered or had his dependents covered by  
11 any group insurance or medical and hospital service established  
12 pursuant to NRS 287.010 ~~[and 287.020,]~~ *287.020 or paragraph*  
13 *(b), (c) or (d) of subsection 1 of NRS 287.025,* the board member  
14 has the option upon the expiration of his term of office to cancel or  
15 continue any such group insurance to the extent that such coverage  
16 is not provided to him or a dependent by the Health Insurance for  
17 the Aged Act, 42 U.S.C. §§ 1395 et seq. A board member who  
18 continues coverage under the program of group insurance shall  
19 assume all costs for the continued coverage. A dependent of such a  
20 board member has the option, which may be exercised to the same  
21 extent and in the same manner as the board member, to cancel or  
22 continue coverage in effect on the date the board member dies.

23 2. Notice of the selection of the option must be given in writing  
24 to the board of trustees of the school district within 30 days after the  
25 expiration of the board member’s term of office or the date of his  
26 death, as the case may be. If no notice is given by that date, the  
27 board member and his dependents shall be deemed to have selected  
28 the option to cancel the coverage.

29 **Sec. 14.** NRS 287.025 is hereby amended to read as follows:

30 287.025 *1.* The governing body of any county, school  
31 district, municipal corporation, political subdivision, public  
32 corporation or other ~~[public]~~ *local governmental* agency of the State  
33 of Nevada may, in addition to the other powers granted in NRS  
34 287.010 and 287.020:

35 ~~[1.] (a)~~ Negotiate and contract with ~~[any other such agency or~~  
36 ~~with]~~ the Board of the Public Employees’ Benefits Program to  
37 secure group insurance for its officers and employees and their  
38 dependents by participation in ~~[any group insurance plan established~~  
39 ~~or to be established or in]~~ the Public Employees’ Benefits Program.  
40 ~~[Each such contract:~~

41 ~~—(a) Must be submitted to the Commissioner of Insurance not less~~  
42 ~~than 30 days before the date on which the contract is to become~~  
43 ~~effective for approval.~~

44 ~~—(b) Does not become effective unless approved by the~~  
45 ~~Commissioner.~~



1 ~~—(c) Shall be deemed to be approved if not disapproved by the~~  
2 ~~Commissioner of Insurance within 30 days after its submission.~~

3 ~~—2.] (b) Negotiate and contract with another county, school~~  
4 ~~district, municipal corporation, political subdivision, public~~  
5 ~~corporation or other local governmental agency of the State of~~  
6 ~~Nevada to secure group insurance for its officers and employees~~  
7 ~~and their dependents by participation in any group insurance plan~~  
8 ~~established or to be established by the other local governmental~~  
9 ~~agency.~~

10 (c) To secure group health, life or workers' compensation  
11 insurance for its officers and employees and their dependents,  
12 participate as a member of a nonprofit cooperative association or  
13 nonprofit corporation that has been established in this state to secure  
14 such insurance for its members from an insurer licensed pursuant to  
15 the provisions of title 57 of NRS.

16 ~~3.] (d)~~ In addition to the provisions of ~~subsection 2,]~~  
17 *paragraph (c)*, participate as a member of a nonprofit cooperative  
18 association or nonprofit corporation that has been established in this  
19 state to:

20 ~~(a)] (1)~~ Facilitate contractual arrangements for the provision of  
21 medical services to its members' officers and employees and their  
22 dependents and for related administrative services.

23 ~~(b)] (2)~~ Procure health-related information and disseminate that  
24 information to its members' officers and employees and their  
25 dependents.

26 *2. Each contract negotiated pursuant to paragraph (a) or (b)*  
27 *of subsection 1:*

28 *(a) Must be submitted to the Commissioner of Insurance for*  
29 *approval not less than 30 days before the date on which the*  
30 *contract is to become effective.*

31 *(b) Does not become effective unless approved by the*  
32 *Commissioner of Insurance.*

33 *(c) Shall be deemed to be approved if not disapproved by*  
34 *the Commissioner of Insurance within 30 days after its*  
35 *submission.*

36 **Sec. 15.** NRS 287.030 is hereby amended to read as follows:  
37 287.030 No provisions of law prohibiting, restricting or  
38 limiting the assignment of or order for wages or salary shall be  
39 deemed in any way to prohibit, restrict or limit the powers  
40 enumerated in NRS 287.010 ~~and 287.020,]~~ *, 287.020 or 287.025*  
41 nor the right and power of officers or employees to authorize and  
42 approve payment of premiums or contributions by wage and salary  
43 deductions.



1       **Sec. 16.** NRS 287.040 is hereby amended to read as follows:  
2       287.040 The provisions of NRS 287.010 to 287.040, inclusive,  
3 do not make it compulsory upon any governing body of any county,  
4 school district, municipal corporation, political subdivision, public  
5 corporation or other ~~public~~ *local governmental* agency of the State  
6 of Nevada to, except as otherwise provided in NRS 287.021, make  
7 any contributions for the payment of any premiums or other costs  
8 for group insurance or medical or hospital services, or upon any  
9 officer or employee of any county, school district, municipal  
10 corporation, political subdivision, public corporation or other  
11 ~~public agency~~ *local governmental agency* of this state to accept or  
12 join any plan of group insurance or to assign his wages or salary ~~for~~  
13 ~~to authorize deductions from his wages or salary~~ in payment of  
14 premiums or contributions therefor.

15       **Sec. 17.** NRS 287.0402 is hereby amended to read as follows:  
16       287.0402 As used in NRS 287.0402 to 287.049, inclusive, *and*  
17 *sections 5, 6 and 7 of this act*, unless the context otherwise requires,  
18 the words and terms defined in NRS 287.0404 and 287.0406 *and*  
19 *sections 5, 6 and 7 of this act* have the meanings ascribed to them in  
20 those sections.

21       **Sec. 18.** NRS 287.043 is hereby amended to read as follows:

22       287.043 1. The Board shall:

23       (a) Establish and carry out a program to be known as the Public  
24 Employees' Benefits Program which:

25           (1) Must include a program relating to group life, accident or  
26 health insurance, or any combination of these; and

27           (2) May include a program to reduce taxable compensation  
28 or other forms of compensation other than deferred  
29 compensation,

30 for the benefit of all state officers and employees and other persons  
31 who participate in the Program.

32       (b) Ensure that the Program is funded on an actuarially sound  
33 basis and operated in accordance with sound insurance and business  
34 practices.

35       2. In establishing and carrying out the Program, the Board  
36 shall:

37       (a) For the purpose of establishing actuarial data to determine  
38 rates and coverage for active and retired state officers and  
39 employees and their dependents, commingle the claims experience  
40 of such active and retired officers and employees and their  
41 dependents.

42       (b) Except as otherwise provided in this paragraph, negotiate  
43 and contract *pursuant to paragraph (a) of subsection 1 of NRS*  
44 *287.025* with the governing body of any ~~public agency enumerated~~  
45 ~~in NRS 287.010~~ *county, school district, municipal corporation,*



1 *political subdivision, public corporation or other local*  
2 *governmental agency of the State of Nevada* that wishes to obtain  
3 group insurance for its *active and retired* officers ~~[, employees and~~  
4 ~~retired]~~ *and their dependents* by participation in the  
5 Program. The Board shall establish separate rates and coverage for  
6 those *active and retired* officers ~~[, employees and retired]~~ *and*  
7 *employees and their dependents* based on actuarial reports.

8 (c) Except as otherwise provided in paragraph (d), provide  
9 public notice in writing of any proposed changes in rates or  
10 coverage to each participating public ~~[employer who]~~ *agency that*  
11 may be affected by the changes. Notice must be provided at least 30  
12 days before the effective date of the changes.

13 (d) If a proposed change is a change in the premium *or*  
14 *contribution* charged for, or coverage of, health insurance, provide  
15 written notice of the proposed change to all ~~[state officers,~~  
16 ~~employees, retired employees and other persons who participate in~~  
17 ~~the Program who may be affected by the proposed change.]~~  
18 *participating active and retired public officers and employees.* The  
19 notice must be provided at least 60 days before the date ~~[a state~~  
20 ~~officer, employee, retired employee or other person]~~ *on which a*  
21 *participating active or retired public officer or employee* is required  
22 to select or change his policy of health insurance.

23 (e) Purchase policies of life, accident or health insurance, or any  
24 combination of these, or, if applicable, a program to reduce the  
25 amount of taxable compensation pursuant to 26 U.S.C. § 125, from  
26 any company qualified to do business in this state or provide similar  
27 coverage through a plan of self-insurance established pursuant to  
28 NRS 287.0433 for the benefit of all eligible *active and retired*  
29 public officers ~~[, employees and retired]~~ *and* employees who  
30 participate in the Program.

31 (f) Except as otherwise provided in this title, develop and  
32 establish other employee benefits as necessary.

33 (g) Investigate and approve or disapprove any contract proposed  
34 pursuant to NRS 287.0479.

35 (h) Adopt such regulations and perform such other duties as are  
36 necessary to carry out the provisions of NRS 287.0402 to 287.049,  
37 inclusive, *and sections 5, 6 and 7 of this act*, including, without  
38 limitation, the establishment of:

39 (1) Fees for applications for participation in the Program and  
40 for the late payment of premiums or contributions;

41 (2) Conditions for entry and reentry into the Program by  
42 ~~[public agencies enumerated in NRS 287.010;]~~ *local governmental*  
43 *agencies that wish to enter or reenter the Program pursuant to*  
44 *paragraph (a) of subsection 1 of NRS 287.025;*



- 1 (3) The levels of participation in the Program required for  
2 *officers and* employees of participating public agencies;
- 3 (4) Procedures by which a group of participants in the  
4 Program may leave the Program pursuant to NRS 287.0479 and  
5 conditions and procedures for reentry into the Program by those  
6 participants; and
- 7 (5) Specific procedures for the determination of contested  
8 claims.
- 9 (i) Appoint an independent certified public accountant. The  
10 accountant shall:
- 11 (1) Provide an annual audit of the Program; and
- 12 (2) Report to the Board and the Interim Retirement and  
13 Benefits Committee of the Legislature created pursuant to  
14 NRS 218.5373.
- 15 (j) Appoint an attorney who specializes in employee benefits.  
16 The attorney shall:
- 17 (1) Perform a biennial review of the Program to determine  
18 whether the Program complies with federal and state laws relating to  
19 taxes and employee benefits; and
- 20 (2) Report to the Board and the Interim Retirement and  
21 Benefits Committee of the Legislature created pursuant to  
22 NRS 218.5373.
- 23 3. The Board shall submit an annual report regarding the  
24 administration and operation of the Program to the Director of  
25 the Legislative Counsel Bureau not more than 6 months before the  
26 Board establishes rates and coverage for members for the following  
27 ~~calendar~~ *plan* year. The report must include, without limitation:
- 28 (a) The amount paid by the Program in the preceding ~~calendar~~  
29 *plan* year for the claims of active and retired state officers and  
30 employees ~~who participated in the Program~~; and
- 31 (b) The amount paid by the Program in the preceding ~~calendar~~  
32 *plan* year for the claims of retired members of the Program who  
33 were provided coverage for medical or hospital service, or both, by  
34 the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., or  
35 a plan that provides similar coverage.
- 36 4. The Board may use any services provided to state agencies  
37 and shall use the services of the Purchasing Division of the  
38 Department of Administration to establish and carry out the  
39 Program.
- 40 5. The Board may make recommendations to the Legislature  
41 concerning legislation that it deems necessary and appropriate  
42 regarding the Program.
- 43 6. ~~The State and any other public employers that participate in~~  
44 ~~the Program are~~ *A participating public agency is* not liable for any  
45 obligation of the Program other than indemnification of the Board



1 and its employees against liability relating to the administration of  
2 the Program, subject to the limitations specified in NRS 41.0349.

3 7. As used in this section, "employee benefits" includes any  
4 form of compensation provided to a public employee except federal  
5 benefits, wages earned, legal holidays, deferred compensation and  
6 benefits available pursuant to chapter 286 of NRS.

7 **Sec. 19.** NRS 287.0434 is hereby amended to read as follows:

8 287.0434 The Board may:

9 1. Use its assets to pay the expenses of health care for its  
10 members and covered dependents, to pay its employees' salaries and  
11 to pay administrative and other expenses.

12 2. Enter into contracts relating to the administration of the  
13 Program, including, without limitation, contracts with licensed  
14 administrators and qualified actuaries. Each such contract with a  
15 licensed administrator:

16 (a) Must be submitted to the Commissioner of Insurance not less  
17 than 30 days before the date on which the contract is to become  
18 effective for approval as to the reasonableness of administrative  
19 charges in relation to contributions collected and benefits provided.

20 (b) Does not become effective unless approved by the  
21 Commissioner.

22 (c) Shall be deemed to be approved if not disapproved by the  
23 Commissioner ~~[of Insurance]~~ within 30 days after its submission.

24 3. Enter into contracts with physicians, surgeons, hospitals,  
25 health maintenance organizations and rehabilitative facilities for  
26 medical, surgical and rehabilitative care and the evaluation,  
27 treatment and nursing care of members and covered dependents.  
28 The Board shall not enter into a contract pursuant to this subsection  
29 unless:

30 (a) Provision is made by the Board to offer all the services  
31 specified in the request for proposals, either by a health maintenance  
32 organization or through separate action of the Board.

33 (b) The rates set forth in the contract are based on the  
34 commingled claims experience of active and retired state officers  
35 and employees and their dependents.

36 4. Enter into contracts for the services of other experts and  
37 specialists as required by the Program.

38 5. Charge and collect from an insurer, health maintenance  
39 organization, organization for dental care or nonprofit medical  
40 service corporation, a fee for the actual expenses incurred by the  
41 Board ~~[, the State]~~ or a participating public ~~[employer]~~ *agency* in  
42 administering a plan of insurance offered by that insurer,  
43 organization or corporation.



1       **Sec. 20.** NRS 287.0439 is hereby amended to read as follows:  
2       287.0439 1. A participating public ~~employer shall, on~~  
3 ~~request,~~ *agency shall* furnish to the Board ~~any~~ :

4       (a) *Written notice regarding a change in the status of an*  
5 *employee of the participating public agency or a dependent of*  
6 *such an employee that affects the eligibility of the employee or*  
7 *dependent to participate in the Program. Such notice must be*  
8 *provided to the Program, on a form prescribed by the Program,*  
9 *within 15 calendar days after the participating public agency is*  
10 *notified or otherwise becomes aware of the change in status.*

11       (b) *Upon request, any other* information necessary to carry out  
12 the provisions of this chapter.

13       2. Members of the Board and its employees or agents may  
14 examine under oath any officer, agent or employee of a participating  
15 public ~~employer~~ *agency* concerning the information ~~[-~~  
16 ~~—2.]~~ *required pursuant to this section.*

17       3. The books, records and payrolls of a participating public  
18 ~~employer~~ *agency* must be available for inspection by members of  
19 the Board and its employees and agents to obtain any information  
20 necessary for the administration of the Program, including, without  
21 limitation, the accuracy of the payroll and identity of employees.

22       4. *A participating public agency shall reimburse the Program*  
23 *for any premium or contribution that was not paid to the Program*  
24 *as a result of the failure of the participating public agency to*  
25 *furnish the notice required pursuant to paragraph (a) of*  
26 *subsection 1. The participating public agency shall not require any*  
27 *employee or his dependent to reimburse the participating public*  
28 *agency for the amount of any premium or contribution for which*  
29 *the participating public agency is liable to the Program pursuant*  
30 *to this subsection.*

31       **Sec. 21.** NRS 287.044 is hereby amended to read as follows:

32       287.044 1. A part of the cost of the premiums or  
33 contributions for ~~that~~ group insurance ~~[-]~~ *provided by the*  
34 *Program*, not to exceed the amount specified by law, applied to both  
35 group life and group accident or health coverage, for each ~~public~~  
36 *state* officer, except a Senator or Assemblyman, or employee  
37 electing to participate in the Program, may be paid by the  
38 ~~department, agency, commission or public~~ *participating state*  
39 *agency* which employs the officer or employee in whose behalf that  
40 part is paid from money appropriated to or authorized for that  
41 ~~department, agency, commission or public~~ *participating state*  
42 *agency* for that purpose. Participation by the State in the cost of  
43 premiums or contributions must not exceed the amounts specified  
44 by law. If ~~an~~ *a state* officer or employee chooses to cover his  
45 dependents, whenever this option is made available by the Board,





1 except as otherwise provided in NRS 287.021 and 287.0477, he  
2 must pay the difference between the amount of the premium or  
3 contribution for the coverage for himself and his dependents and the  
4 amount paid by the ~~{State.}~~ *participating state agency that employs*  
5 *the officer or employee.*

6 2. A ~~{department, agency, commission or public}~~ *participating*  
7 *state* agency shall not pay any part of those premiums or  
8 contributions if the group life insurance or group accident or health  
9 insurance is not approved by the Board.

10 **Sec. 22.** NRS 287.0445 is hereby amended to read as follows:

11 287.0445 The ~~{department, agency, commission or public}~~  
12 *participating state* agency which employed ~~{an}~~ *a state* officer or  
13 employee who:

- 14 1. Was injured in the course of that employment;
- 15 2. Receives compensation for a temporary total disability  
16 pursuant to NRS 616C.475; and
- 17 3. Was a member of the Program at the time of the  
18 injury,

19 shall pay the State's share of the cost of the premiums or  
20 contributions for the Program for that officer or employee for not  
21 more than 9 months after the injury or until the officer or employee  
22 is able to return to work, whichever is less. If the previous injury  
23 recurs within 1 month after the employee returns to work and the  
24 employee again receives compensation pursuant to NRS 616C.475  
25 as a result of the previous injury, the ~~{department, agency,~~  
26 ~~commission or public}~~ *participating state* agency shall not, except  
27 as otherwise provided in this subsection, pay the state's share of the  
28 cost of the premiums or contributions for the period during which  
29 the employee is unable to work as a result of the recurring previous  
30 injury. If the initial period of disability was less than 9 months, the  
31 ~~{department, agency, commission or public}~~ *participating state*  
32 agency shall pay, during the recurrence, the State's share of the  
33 costs of the premiums or contributions for a period which, when  
34 added to the initial period, equals not more than 9 months.

35 **Sec. 23.** NRS 287.045 is hereby amended to read as follows:

36 287.045 1. Except as otherwise provided in this section,  
37 every *state* officer or employee ~~{of the State}~~ is eligible to  
38 participate in the Program on the first day of the month following  
39 the completion of 90 days of full-time employment.

40 2. Professional employees of the University and Community  
41 College System of Nevada who have annual employment contracts  
42 are eligible to participate in the Program on:

- 43 (a) The effective dates of their respective employment contracts,  
44 if those dates are on the first day of a month; or



1 (b) The first day of the month following the effective dates of  
2 their respective employment contracts, if those dates are not on the  
3 first day of a month.

4 3. Every officer or employee who is employed by a  
5 participating ~~public~~ *local governmental* agency on a permanent  
6 and full-time basis on the date *on which* the *participating local*  
7 *governmental* agency enters into an agreement to participate in the  
8 Program ~~is~~ *pursuant to paragraph (a) of subsection 1 of NRS*  
9 *287.025*, and every officer or employee who commences his  
10 employment *with that participating local governmental agency*  
11 after that date is eligible to participate in the Program on the first  
12 day of the month following the completion of 90 days of full-time  
13 employment.

14 4. Every Senator and Assemblyman is eligible to participate in  
15 the Program on the first day of the month following the 90th day  
16 after his initial term of office begins.

17 5. An officer or employee of the governing body of any  
18 county, school district, municipal corporation, political subdivision,  
19 public corporation or other ~~public~~ *local governmental* agency of  
20 the State of Nevada who retires under the conditions set forth in  
21 NRS 1A.350 or 1A.480, or 286.510 or 286.620 and was not  
22 participating in the Program at the time of his retirement is eligible  
23 to participate in the Program 60 days after notice of the selection to  
24 participate is given pursuant to NRS 287.023 . ~~for 287.0235.~~ The  
25 Board shall make a separate accounting for these retired persons.  
26 For the first year following enrollment, the rates charged must be  
27 the full actuarial costs determined by the actuary based upon the  
28 expected claims experience with these retired persons. The claims  
29 experience of these retired persons must not be commingled with  
30 the retired persons who ~~were members of~~ *participated in* the  
31 Program before their retirement, nor with active *state officers and*  
32 employees ~~of the State.~~ *who participate in the Program*. After the  
33 first year following enrollment, the rates charged must be the full  
34 actuarial costs determined by the actuary based upon the past claims  
35 experience of these retired persons since enrolling.

36 6. Notwithstanding the provisions of subsections 1, 3 and 4, if  
37 the Board does not, pursuant to NRS 689B.580, elect to exclude the  
38 Program from compliance with NRS 689B.340 to 689B.590,  
39 inclusive, and if the coverage under the Program is provided by a  
40 health maintenance organization authorized to transact insurance in  
41 this state pursuant to chapter 695C of NRS, any affiliation period  
42 imposed by the Program may not exceed the statutory limit for an  
43 affiliation period set forth in NRS 689B.500.



1       **Sec. 24.** NRS 287.046 is hereby amended to read as follows:  
2       287.046 1. Except as otherwise provided in subsection 6, any  
3       *active* state ~~{for other participating}~~ officer or employee who elects to  
4       participate in the Program may participate, and the ~~{department,~~  
5       ~~agency, commission or public}~~ *participating state* agency that  
6       employs the officer or employee shall pay the State's share of the  
7       cost of the premiums or contributions for the program from money  
8       appropriated or authorized as provided in NRS 287.044.  
9       ~~{Employees}~~ *State officers and employees* who elect to participate  
10      in the Program must authorize deductions from their compensation  
11      for the payment of premiums or contributions for the Program. Any  
12      deduction from the compensation of ~~{an}~~ *a state officer or* employee  
13      for the payment of a premium *or contribution* for health insurance  
14      must be based on the actual cost of providing that health insurance  
15      after deducting any amount of the premium *or contribution* which is  
16      paid by the ~~{department, agency, commission or public}~~  
17      *participating state* agency that employs the employee. As used in  
18      this subsection, "actual cost" includes any amount which has been  
19      approved by the Board and which is paid by any ~~{department,~~  
20      ~~agency, commission or public agency of this state}~~ *participating*  
21      *state agency* for:  
22      (a) A program of supplemental insurance;  
23      (b) Subsidization of premiums *or contributions* for health  
24      insurance for dependents and retired participants;  
25      (c) Administrative costs relating to the provision of the health  
26      insurance; and  
27      (d) Costs required to maintain adequate reserves.  
28      2. The Department of Personnel shall pay a percentage of the  
29      base amount provided by law for that fiscal year toward the cost of  
30      the premiums or contributions for the Program for persons retired  
31      from ~~{the service of the State who have continued}~~ *state service who*  
32      *elect* to participate in the Program. Except as otherwise provided in  
33      subsection 3, the percentage to be paid must be calculated as  
34      follows:  
35      (a) For those persons who retire before January 1, 1994, 100  
36      percent of the base amount provided by law for that fiscal year.  
37      (b) For those persons who retire on or after January 1, 1994,  
38      with at least 5 years of state service, 25 percent plus an additional  
39      7.5 percent for each year of *state* service in excess of 5 years to a  
40      maximum of 137.5 percent, excluding service purchased pursuant to  
41      NRS 1A.310 or 286.300, of the base amount provided by law for  
42      that fiscal year.  
43      3. If the amount calculated pursuant to subsection 2 exceeds  
44      the actual premium or contribution for the plan of the Program that  
45      the retired participant selects, the balance must be credited to the



1 Fund for the Public Employees' Benefits Program created pursuant  
2 to NRS 287.0435.

3 4. For the purposes of subsection 2:

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

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

7 5. The Department shall agree through the Board with the  
8 insurer for billing of remaining premiums or contributions for the  
9 retired participant and his dependents to the retired participant and  
10 to his dependents who elect to continue coverage under the Program  
11 after his death.

12 6. A Senator or Assemblyman who elects to participate in the  
13 Program shall pay the entire premium or contribution for his  
14 insurance.

15 **Sec. 25.** NRS 287.047 is hereby amended to read as follows:

16 287.047 If the retention is consistent with the terms of any  
17 agreement between the State and the insurance company which  
18 issued the policies pursuant to the Program or with the plan of  
19 self-insurance of the Program:

20 1. A participating state *officer or* employee who retires on or  
21 after July 1, 1985, may retain his membership in and his  
22 dependents' coverage by the Program.

23 2. A participating Legislator who retires from the service of the  
24 State or who completes 8 years of service as such may retain his  
25 membership in and his dependents' coverage by the Program.

26 **Sec. 26.** NRS 287.0475 is hereby amended to read as follows:

27 287.0475 1. A public *officer or* employee who has retired  
28 pursuant to NRS 1A.350 or 1A.480, or 286.510 or 286.620, or a  
29 retirement program provided pursuant to NRS 286.802, or the  
30 surviving spouse of such a retired public *officer or* employee who is  
31 deceased may, in any even-numbered year, reinstate any insurance,  
32 except life insurance, which was provided to him and his dependents  
33 at the time of his retirement pursuant to NRS 287.010 , ~~or~~ 287.020  
34 *or 287.025* or the program as a public *officer or* employee by:

35 (a) Giving written notice of his intent to reinstate the insurance  
36 to the ~~employee's~~ last public employer *of the public officer or*  
37 *employee* not later than January 31, of an even-numbered year;

38 (b) Accepting the public employer's current program or plan of  
39 insurance and any subsequent changes thereto; and

40 (c) Paying any portion of the premiums or contributions of the  
41 public employer's program or plan of insurance, in the manner set  
42 forth in NRS 1A.470 or 286.615, which are due from the date of  
43 reinstatement and not paid by the public employer.

44 The last public employer shall give the insurer notice of the  
45 reinstatement no later than March 31 ~~of~~ of the year in which the



1 public *officer or* employee or surviving spouse gives notice of his  
2 intent to reinstate the insurance. The insurer shall approve or  
3 disapprove the request for reinstatement within 90 days after the  
4 date of the request.

5 2. Reinstatement of insurance excludes claims for expenses for  
6 any condition for which medical advice, treatment or consultation  
7 was rendered within ~~6~~ 12 months before reinstatement unless ~~the~~  
8 ~~—(a) The person has not received any medical advice, treatment or~~  
9 ~~consultation for a period of 6 consecutive months after the~~  
10 ~~reinstatement; or~~  
11 ~~—(b) The~~ *the* reinstated insurance has been in effect more than 12  
12 consecutive months.

13 **Sec. 27.** NRS 287.0479 is hereby amended to read as follows:

14 287.0479 1. If approved by the Board pursuant to this  
15 section, a group of not less than 300 *active state* officers ~~and~~ *or*  
16 employees or retired *state officers or* employees, or any  
17 combination thereof, that participate in the Program may leave the  
18 Program and secure life, accident or health insurance, or any  
19 combination thereof, for the group from an:

20 (a) Insurer that is authorized by the Commissioner of Insurance  
21 to provide such insurance; or

22 (b) Employee benefit plan, as defined in 29 U.S.C. § 1002(3),  
23 that has been approved by the Board. The Board may approve an  
24 employee benefit plan unless the Board finds that the plan is not  
25 operated pursuant to such sound accounting and financial  
26 management practices as to ensure that the group will continue to  
27 receive adequate benefits.

28 2. Before entering into a contract with the insurer or approved  
29 employee benefit plan, the group shall submit the proposed contract  
30 to the Board for approval. The Board may approve the contract  
31 unless the departure of the group from the Program would cause an  
32 increase of more than 5 percent in the costs of premiums or  
33 contributions for the remaining participants in the Program. In  
34 determining whether to approve a proposed contract, the Board shall  
35 follow the criteria set forth in the regulations adopted by the Board  
36 pursuant to subsection 4 and may consider the cumulative impact of  
37 groups that have left or are proposing to leave the Program. Except  
38 as otherwise provided in this section, the Board has discretion in  
39 determining whether to approve a contract. If the Board approves a  
40 proposed contract pursuant to this subsection, the group that  
41 submitted the proposed contract is not authorized to leave the  
42 Program until 120 days after the date on which the Board approves  
43 the proposed contract.

44 3. The Board shall disburse periodically to the insurer or  
45 employee benefit plan with which a group contracts pursuant to this



1 section the total amount set forth in the contract for premiums or  
2 contributions for the members of the group for that period but not to  
3 exceed the amount appropriated to or authorized for the  
4 ~~{department, agency, commission or public}~~ *participating state*  
5 agency that employs the members of the group for premiums or  
6 contributions for the members of the group for that period, after  
7 deducting any administrative costs related to the group.

8 4. The Board shall adopt regulations establishing the criteria  
9 pursuant to which the Board will approve proposed contracts  
10 pursuant to subsection 2.

11 **Sec. 28.** NRS 287.048 is hereby amended to read as follows:

12 287.048 NRS 287.0402 to 287.047, inclusive, do not require  
13 any officer or employee of the State of Nevada to accept or join the  
14 Program, or to assign his wages or salary ~~{to or authorize deductions~~  
15 ~~from his wages or salary}~~ in payment of premiums or contributions  
16 for the Program.

17 **Sec. 29.** NRS 1A.470 is hereby amended to read as follows:

18 1A.470 1. In addition to the options provided in NRS  
19 287.023 and subject to the requirements of that section, any justice  
20 of the Supreme Court or district judge who retires under the  
21 conditions set forth in NRS 1A.350 and, at the time of his  
22 retirement, was covered or had his dependents covered by any group  
23 insurance or medical and hospital service established pursuant to  
24 NRS 287.010 ~~{and 287.020,}~~ *287.020 or paragraph (b), (c) or (d)*  
25 *of subsection 1 of NRS 287.025*, has the option of having the  
26 Executive Officer of the Board deduct and pay his premium or  
27 contribution for that group insurance or medical and hospital service  
28 coverage, as well as the amount due or to become due upon any  
29 obligation designated by the Board pursuant to subsection 2, from  
30 his monthly retirement allowance until:

31 (a) He notifies the Executive Officer of the Board to discontinue  
32 the deduction; or

33 (b) Any of his dependents elect to assume the premium or  
34 contribution applicable to the dependent's coverage before the death  
35 of such a retired justice or judge and continue coverage pursuant to  
36 NRS 287.023 after his death.

37 2. The Board may adopt regulations to carry out the provisions  
38 of subsection 1, including, without limitation, regulations governing  
39 the number and types of obligations, amounts for the payment of  
40 which may be deducted and paid by the Board at the option of the  
41 retired justice or judge pursuant to this section.

42 3. The Executive Officer of the Board, the Board and the  
43 System are not liable for any damages resulting from errors or  
44 omissions concerning the deductions and payment of premiums or



1 contributions authorized pursuant to this section unless willful  
2 neglect or gross negligence is proven.

3 **Sec. 30.** NRS 218.6853 is hereby amended to read as follows:

4 218.6853 1. The Chief of the Administrative Division is ex  
5 officio Legislative Fiscal Officer. As such Officer, he shall keep a  
6 complete, accurate and adequate set of accounting records and  
7 reports for all legislative operations, including any records and  
8 reports required by the Federal Government for the administration  
9 of federal revenue and income tax laws.

10 2. The Chief shall withhold from the pay of each Legislator,  
11 employee of the Legislature and employee of the Legislative  
12 Counsel Bureau the amount of tax specified by the Federal  
13 Government and shall transmit the amount deducted to the Internal  
14 Revenue Service of the United States Department of the Treasury.

15 3. *The Chief shall, upon receipt of information from the*  
16 *Public Employees' Benefits Program specifying amounts of*  
17 *premiums or contributions for coverage by the Program, withhold*  
18 *from the pay of each employee of the Legislature and employee of*  
19 *the Legislative Counsel Bureau who participates in the Public*  
20 *Employees' Benefits Program those amounts and pay those*  
21 *amounts to the Program.*

22 4. The Chief may provide for the purchase of United States  
23 savings bonds or similar United States obligations by salary  
24 deduction for any Legislator, legislative employee or employee of  
25 the Legislative Counsel Bureau who submits a written request for  
26 these deductions and purchases. The Chief shall provide forms  
27 authorizing deductions for and purchases of these United States  
28 obligations.

29 ~~4.~~ 5. The Chief may withhold from the pay of a Legislator,  
30 employee of the Legislature or employee of the Legislative Counsel  
31 Bureau such amount as the claimant specifies in writing for payment  
32 to his credit union. Any money which is withheld must be  
33 transmitted by the Chief in accordance with the claimant's written  
34 instructions. The Chief may adopt regulations necessary to carry out  
35 the provisions of this subsection.

36 **Sec. 31.** Section 49 of chapter 573, Statutes of Nevada 1999,  
37 at page 3048, is hereby amended to read as follows:

38 Sec. 49. 1. This section and sections 41, 47 and 48 of  
39 this act become effective upon passage and approval.

40 2. Sections 1 to 12, inclusive, 13 to 28, inclusive, 30  
41 to 40, inclusive, 42, 42.7, 47.2, 48.5 and 50 of this act become  
42 effective on July 1, 1999.

43 3. Section 29 of this act becomes effective at 12:01 a.m.  
44 on July 1, 1999.





1           4. Sections 12.5 and 47.3 of this act become effective on  
2           July 1, 1999, for the purpose of adopting regulations, and on  
3           January 1, 2001, for all other purposes.  
4           ~~[5. Section 18 of this act expires by limitation on July 1,  
5           2003.~~  
6           ~~6. Section 42.5 of this act becomes effective on July 1,  
7           2003.]~~  
8           **Sec. 32.** 1. NRS 287.0235 is hereby repealed.  
9           2. Section 42.5 of chapter 573, Statutes of Nevada 1999, at  
10          page 3043, is hereby repealed.  
11          **Sec. 33.** 1. This section and sections 1 to 10, inclusive, 12 to  
12          22, inclusive, and 25 to 31, inclusive, of this act become effective on  
13          July 1, 2003.  
14          2. Sections 11, 23, 24 and 32 of this act become effective on  
15          July 1, 2004.

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**TEXT OF REPEALED SECTIONS**

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**287.0235 Option of certain retired persons to join public employees' benefits program; notification of period of open enrollment; approval or disapproval of request for enrollment; exclusion of certain claims for expenses.**

1. Notwithstanding the provisions of NRS 287.023 and 287.045, a person or the surviving spouse of a person who did not, at the time of his retirement pursuant to the conditions set forth in NRS 286.510 or 286.620, have the option to participate in the Public Employees' Benefits Program may join the Public Employees' Benefits Program, to the extent that such coverage is not provided to him or a dependent by the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., by:

(a) Providing the Public Employees' Retirement Board with written notice of his intention to enroll in the Public Employees' Benefits Program during a period of open enrollment;

(b) Accepting the current plan of insurance of the Public Employees' Benefits Program and any subsequent changes to the plan; and

(c) Paying any portion of the premiums or contributions for the Program in the manner set forth in NRS 286.615, which are due after the date of enrollment.

The Public Employees' Retirement Board shall, beginning on September 1, 1997, have a biennial period of open enrollment between September 1 of each odd-numbered year and January 31 of



each even-numbered year during which eligible retired persons may join the Public Employees' Benefits Program pursuant to this section.

2. The Public Employees' Retirement Board shall, on or before September 1, 1997, and every September 1 of each odd-numbered year thereafter, notify eligible retired persons described in subsection 1 of the period of open enrollment by:

(a) Mailing a notice regarding the period of open enrollment to all retired persons who are, according to its records, eligible to join the Public Employees' Benefits Program;

(b) Posting a notice of the period of open enrollment at its principal office and at least three other separate prominent places, such as a library, community center or courthouse; and

(c) Publicizing the period of open enrollment in any other manner reasonably calculated to inform additional eligible retired persons.

3. The Public Employees' Retirement Board shall notify the Board of the Public Employees' Benefits Program of the enrollment of any person on or before March 1 immediately following the period of open enrollment. The Board of the Public Employees' Benefits Program shall approve or disapprove the request for enrollment within 90 days after receipt of the request. Enrollment shall be deemed to occur on the day the request is approved.

4. Enrollment in the Public Employees' Benefits Program pursuant to this section excludes claims for expenses for any condition for which medical advice, treatment or consultation was rendered within 12 months before enrollment unless the insurance coverage has been in effect more than 12 consecutive months.

**Section 42.5 of chapter 573, Statutes of Nevada 1999:**

Sec. 42.5. Section 18 of this act is hereby amended to read as follows:

Sec. 18. NRS 287.041 is hereby amended to read as follows:

287.041 1. There is hereby created the board of the public employees' benefits program. The board consists of seven members appointed as follows:

(a) One member who is an employee of the University and Community College System of Nevada, appointed by the governor upon consideration of any recommendations of organizations that represent employees of the University and Community College System of Nevada.

(b) One member who is retired from public employment, appointed by the governor upon consideration of any recommendations of organizations that represent retired public employees.



(c) Two members who are employees of the state, appointed by the governor upon consideration of any recommendations of organizations that represent state employees.

(d) One member appointed by the governor upon consideration of any recommendations of organizations that represent employees of local governments that participate in the program.

(e) One member who is employed by this state in a managerial capacity and has substantial and demonstrated experience in risk management, portfolio investment strategies or employee benefits programs appointed by the governor. The governor may appoint the executive officer of the public employees' retirement system to fill this position.

(f) The director of the department of administration or his designee.

2. Of the six persons appointed to the board pursuant to paragraphs (a) to (e), inclusive, of subsection 1, at least one member must have an advanced degree in business administration, economics, accounting, insurance, risk management or health care administration, and at least two members must have education or proven experience in the management of employees' benefits, insurance, risk management, health care administration or business administration.

3. Each person appointed as a member of the board must:

(a) Have been a participant in the program for at least 1 year before his appointment;

(b) Be a current employee of the State of Nevada or another public employer that participates in the program or a retired public employee who is a participant in the program; and

(c) Not be an elected officer of the State of Nevada or any of its political subdivisions.

4. Except as otherwise provided in this subsection, after the initial terms, the term of an appointed member of the board is 4 years and until his successor is appointed and takes office unless the member no longer possesses the qualifications for appointment set forth in this section or is removed by the governor. If a member loses the requisite qualifications within the last 12 months of his term, the member may serve the remainder of his term. Members are eligible for reappointment. A vacancy



occurring in the membership of the board must be filled in the same manner as the original appointment.

5. The appointed members of the board serve at the pleasure of the governor. If the governor wishes to remove a member from the board for any reason other than malfeasance or misdemeanor, the governor shall provide the member with written notice which states the reason for and the effective date of the removal.

