

ASSEMBLY BILL NO. 249—COMMITTEE ON
GOVERNMENT AFFAIRS

(ON BEHALF OF THE PUBLIC EMPLOYEES' BENEFITS PROGRAM)

MARCH 6, 2003

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.

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; providing that the subsidy paid by the State of Nevada for coverage by the Program of retirees applies to any retired public officer or employee with state service; limiting that subsidy 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:



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 *The System shall provide to the Public Employees' Benefits
27 Program written notice regarding a change in the payment status
28 of a recipient of benefits provided pursuant to this chapter that
29 affects the eligibility of the recipient to participate in the Program.
30 Such notice must be provided by the System to the Program, in a
31 format agreed upon by the System and the Program, within 30
32 calendar days after the System is notified of the change in
33 payment status.*

34 **Sec. 3.** NRS 286.615 is hereby amended to read as follows:

35 286.615 **1.** In addition to the options provided in NRS
36 287.023 and subject to the requirements of that section, any officer
37 or employee of ~~[the governing body of any county, school district,
38 municipal corporation, political subdivision, public corporation or
39 other public agency of the State of Nevada,]~~ *a governmental entity
40 enumerated in subsection 1 of NRS 287.023*, who retires under the
41 conditions set forth in NRS *1A.350, 1A.480, 286.510 or 286.620*
42 and, at the time of his retirement, was covered or had his dependents
43 covered by any group insurance or medical and hospital service
44 established pursuant to NRS 287.010 ~~[and 287.020,]~~ *, 287.020 or
45 paragraph (b), (c) or (d) of subsection 1 of NRS 287.025*, has the



1 option of having the Executive Officer deduct and pay his premium
2 or contribution for that ~~[group insurance or medical and hospital~~
3 ~~service]~~ coverage, as well as the amount due or to become due upon
4 any obligation designated by the Board pursuant to subsection 2,
5 from his monthly retirement allowance until:

6 (a) He notifies the Executive Officer to discontinue the
7 deduction; or

8 (b) Any of his dependents elect to assume the premium or
9 contribution applicable to the dependent's coverage before the death
10 of such a retired person and continue coverage pursuant to NRS
11 287.023 after his death.

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

17 3. The Executive Officer, Board and System are not liable for
18 any damages resulting from errors or omissions concerning the
19 deductions and payment of premiums or contributions authorized
20 pursuant to this section unless willful neglect or gross negligence is
21 proven.

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

24 **Sec. 5.** *“Participating local governmental agency” means a*
25 *county, school district, municipal corporation, political*
26 *subdivision, public corporation or other local governmental*
27 *agency that has an agreement in effect with the Program pursuant*
28 *to paragraph (a) of subsection 1 of NRS 287.025 to obtain group*
29 *insurance from the Program.*

30 **Sec. 6.** *“Participating public agency” means any*
31 *participating local governmental agency and participating state*
32 *agency.*

33 **Sec. 7.** *“Participating state agency” means a department,*
34 *commission, board, bureau or other agency of the Executive,*
35 *Legislative and Judicial Branches of State Government, including,*
36 *without limitation, the Public Employees’ Retirement System and*
37 *the University and Community College System of Nevada.*

38 **Sec. 8.** NRS 287.010 is hereby amended to read as follows:

39 287.010 1. The governing body of any county, school
40 district, municipal corporation, political subdivision, public
41 corporation or other ~~[public]~~ *local governmental* agency of the State
42 of Nevada may:

43 (a) Adopt and carry into effect a system of group life, accident
44 or health insurance, or any combination thereof, for the benefit of its
45 officers and employees, and the dependents of officers and



1 employees who elect to accept the insurance and who, where
2 necessary, have authorized the governing body to make deductions
3 from their compensation for the payment of premiums on the
4 insurance.

5 (b) Purchase group policies of life, accident or health insurance,
6 or any combination thereof, for the benefit of such officers and
7 employees, and the dependents of such officers and employees, as
8 have authorized the purchase, from insurance companies authorized
9 to transact the business of such insurance in the State of Nevada,
10 and, where necessary, deduct from the compensation of officers and
11 employees the premiums upon insurance and pay the deductions
12 upon the premiums.

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

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

38 2. If a school district offers group insurance to its officers and
39 employees pursuant to this section, members of the board of trustees
40 of the school district must not be excluded from participating in the
41 group insurance. If the amount of the deductions from compensation
42 required to pay for the group insurance exceeds the compensation to
43 which a trustee is entitled, the difference must be paid by the trustee.



1 **Sec. 9.** NRS 287.020 is hereby amended to read as follows:
2 287.020 1. The governing body of any county, school
3 district, municipal corporation, political subdivision, public
4 corporation or other ~~[public]~~ *local governmental* agency of the State
5 of Nevada may adopt and carry into effect a system of medical or
6 hospital service, or a combination thereof, through nonprofit
7 membership corporations defraying the cost of medical service or
8 hospital care, or both, open to participation by all licentiates of the
9 particular class , ~~[&]~~ whether doctors of medicine, doctors of
10 osteopathy or doctors of chiropractic , ~~[&]~~ offering services through
11 such a nonprofit membership corporation, for the benefit of such of
12 their officers and employees, and the dependents of such officers
13 and employees, as may elect to accept membership in such nonprofit
14 corporation and who have authorized the governing body to make
15 deductions from their compensation for the payment of membership
16 dues.

17 2. A part, not to exceed 50 percent, of the cost of such
18 membership dues may be defrayed by such governing body by
19 contribution. The money for such contributions must be budgeted
20 for in accordance with the laws governing such county, school
21 district, municipal corporation, political subdivision, public
22 corporation or other ~~[public]~~ *local governmental* agency of the State
23 of Nevada.

24 3. The power conferred in this section, with respect to the
25 rendition of medical or hospital service, or a combination thereof, is
26 coextensive with the power conferred in NRS 287.010 with respect
27 to insurance companies.

28 4. If a school district offers coverage for medical service or
29 hospital care, or both, to its officers and employees pursuant to this
30 section, members of the board of trustees of the school district must
31 not be excluded from participating in the coverage. If the amount of
32 the deductions from compensation required to pay for the coverage
33 exceeds the compensation to which a trustee is entitled, the
34 difference must be paid by the trustee.

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

36 287.021 1. Except as otherwise provided in subsection 3, the
37 surviving spouse and any surviving child of a police officer or
38 fireman who was:

39 (a) Employed by a public agency that had established group
40 insurance or medical and hospital service pursuant to NRS 287.010,
41 287.020 or *paragraph (b), (c) or (d) of subsection 1 of 287.025*; and

42 (b) Killed in the line of duty,
43 may elect to accept or continue coverage under that group insurance
44 or medical and hospital service if the police officer or fireman was a
45 participant or would have been eligible to participate in the group



1 insurance or medical and hospital service on the date of the death of
2 the police officer or fireman. If the surviving spouse or child elects
3 to accept coverage under the group insurance or medical and
4 hospital service in which the police officer or fireman would have
5 been eligible to participate or to discontinue coverage under the
6 group insurance or medical and hospital service in which the police
7 officer or fireman was a participant, the spouse, child or legal
8 guardian of the child must notify in writing the public agency that
9 employed the police officer or fireman within 60 days after the date
10 of death of the police officer or fireman.

11 2. The public agency that employed the police officer or
12 fireman shall pay the entire cost of the premiums or contributions
13 for the group insurance or medical and hospital service for the
14 surviving spouse or child who meets the requirements set forth in
15 subsection 1.

16 3. A surviving spouse is eligible to receive coverage pursuant
17 to this section for the duration of the life of the surviving spouse. A
18 surviving child is eligible to receive coverage pursuant to this
19 section until the child reaches:

- 20 (a) The age of 18 years; or
21 (b) The age of 23 years, if the child is enrolled as a full-time
22 student in an accredited university, college or trade school.

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

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

26 287.023 1. Whenever an officer or employee of the
27 governing body of any county, school district, municipal
28 corporation, political subdivision, public corporation or other
29 ~~public~~ *local governmental* agency of the State of Nevada retires
30 under the conditions set forth in NRS 1A.350 or 1A.480, or 286.510
31 or 286.620 and, at the time of his retirement, was covered or had his
32 dependents covered by any group insurance or medical and hospital
33 service established pursuant to NRS 287.010 ~~[and 287.020,]~~ ,
34 *287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS*
35 *287.025*, the officer or employee has the option upon retirement to
36 cancel or continue any such group insurance or medical and hospital
37 service coverage or join the Public Employees' Benefits Program to
38 the extent that such coverage is not provided to him or a dependent
39 by the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq.

40 2. A retired person who continues coverage under the Public
41 Employees' Benefits Program shall assume the portion of the
42 premium or ~~membership~~ *contribution* costs for the coverage
43 continued which the governing body does not pay on behalf of
44 retired officers or employees. A person who joins the Public
45 Employees' Benefits Program for the first time upon retirement



1 shall assume all costs for the coverage. A dependent of such a
2 retired person has the option, which may be exercised to the same
3 extent and in the same manner as the retired person, to cancel or
4 continue coverage in effect on the date the retired person dies. The
5 dependent is not required to continue to receive retirement payments
6 from the Public Employees' Retirement System to continue
7 coverage.

8 3. ~~Except as otherwise provided in NRS 287.0235, notice~~
9 *Notice* of the selection of the option must be given in writing to the
10 last public employer of the officer or employee within 60 days after
11 the date of retirement or death, as the case may be. If no notice is
12 given by that date, the retired *officer or* employee and his
13 dependents shall be deemed to have selected the option to cancel the
14 coverage *for the group insurance or medical and hospital service*
15 *established pursuant to NRS 287.010, 287.020 or paragraph (b),*
16 *(c) or (d) of subsection 1 of NRS 287.025* or not to join the Public
17 Employees' Benefits Program, as the case may be.

18 4. The governing body of any county, school district,
19 municipal corporation, political subdivision, public corporation or
20 other ~~public~~ *local governmental* agency of this state may pay the
21 cost, or any part of the cost, of group insurance and medical and
22 hospital service coverage *provided pursuant to NRS 287.010,*
23 *287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS*
24 *287.025* for persons eligible for that coverage pursuant to
25 subsection 1, but it must not pay a greater portion than it does for its
26 current officers and employees.

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

28 287.0235 1. Notwithstanding the provisions of NRS 287.023
29 and 287.045, a person or the surviving spouse of a person who did
30 not, at the time of his retirement pursuant to the conditions set forth
31 in NRS 1A.350 or 1A.480, or 286.510 or 286.620, have the option
32 to participate in the Public Employees' Benefits Program may join
33 the Public Employees' Benefits Program, to the extent that such
34 coverage is not provided to him or a dependent by the Health
35 Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., by:

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

39 (b) ~~Showing evidence of his good health as a condition of~~
40 ~~enrollment;~~

41 ~~—(c)~~ Accepting the current plan of insurance of the Public
42 Employees' Benefits Program and any subsequent changes to the
43 plan; and



1 ~~[(d)]~~ (c) Paying any portion of the premiums or contributions for
 2 the Program in the manner set forth in NRS 1A.470 or 286.615,
 3 which are due after the date of enrollment.
 4 The Public Employees' Retirement Board shall, beginning on
 5 September 1, 1997, have a biennial period of open enrollment
 6 between September 1 of each odd-numbered year and January 31 of
 7 each even-numbered year during which eligible retired persons may
 8 join the Public Employees' Benefits Program pursuant to this
 9 section.

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

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

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

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

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

30 4. Enrollment in the Public Employees' Benefits Program
 31 pursuant to this section excludes claims for expenses for any
 32 condition for which medical advice, treatment or consultation was
 33 rendered within 12 months before enrollment unless ~~the~~:

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

37 ~~—(b) The~~ *the* insurance coverage has been in effect more than 12
 38 consecutive months.

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

40 287.024 1. If a member of the board of trustees of a school
 41 district who has served at least one full term of office does not seek
 42 reelection or is defeated for reelection and, upon the expiration of
 43 his term of office, was covered or had his dependents covered by
 44 any group insurance or medical and hospital service established
 45 pursuant to NRS 287.010 ~~[and 287.020,]~~ , *287.020 or paragraph*



1 *(b), (c) or (d) of subsection 1 of NRS 287.025*, the board member
2 has the option upon the expiration of his term of office to cancel or
3 continue any such group insurance to the extent that such coverage
4 is not provided to him or a dependent by the Health Insurance for
5 the Aged Act, 42 U.S.C. §§ 1395 et seq. A board member who
6 continues coverage under the program of group insurance shall
7 assume all costs for the continued coverage. A dependent of such a
8 board member has the option, which may be exercised to the same
9 extent and in the same manner as the board member, to cancel or
10 continue coverage in effect on the date the board member dies.

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

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

18 287.025 *1.* The governing body of any county, school
19 district, municipal corporation, political subdivision, public
20 corporation or other ~~public~~ *local governmental* agency of the State
21 of Nevada may, in addition to the other powers granted in NRS
22 287.010 and 287.020:

23 ~~1.] (a) Negotiate and contract with [any other such agency or~~
24 ~~with] the Board of the Public Employees’ Benefits Program to~~
25 ~~secure group insurance for its officers and employees and their~~
26 ~~dependents by participation in [any group insurance plan established~~
27 ~~or to be established or in] the Public Employees’ Benefits Program.~~
28 ~~[Each such contract:~~

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

32 ~~—(b) Does not become effective unless approved by the~~
33 ~~Commissioner.~~

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

36 ~~2.] (b) Negotiate and contract with another county, school~~
37 ~~district, municipal corporation, political subdivision, public~~
38 ~~corporation or other local governmental agency of the State of~~
39 ~~Nevada to secure group insurance for its officers and employees~~
40 ~~and their dependents by participation in any group insurance plan~~
41 ~~established or to be established by the other local governmental~~
42 ~~agency.~~

43 (c) To secure group health, life or workers’ compensation
44 insurance for its officers and employees and their dependents,
45 participate as a member of a nonprofit cooperative association or



1 nonprofit corporation that has been established in this state to secure
2 such insurance for its members from an insurer licensed pursuant to
3 the provisions of title 57 of NRS.

4 ~~3.~~ (d) In addition to the provisions of ~~subsection 2,~~
5 *paragraph (c)*, participate as a member of a nonprofit cooperative
6 association or nonprofit corporation that has been established in this
7 state to:

8 ~~(a)~~ (1) Facilitate contractual arrangements for the provision of
9 medical services to its members' officers and employees and their
10 dependents and for related administrative services.

11 ~~(b)~~ (2) Procure health-related information and disseminate that
12 information to its members' officers and employees and their
13 dependents.

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

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

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

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

24 **Sec. 15.** NRS 287.030 is hereby amended to read as follows:
25 287.030 No provisions of law prohibiting, restricting or
26 limiting the assignment of or order for wages or salary shall be
27 deemed in any way to prohibit, restrict or limit the powers
28 enumerated in NRS 287.010 ~~and 287.020,~~ *287.020 or 287.025*
29 nor the right and power of officers or employees to authorize and
30 approve payment of premiums or contributions by wage and salary
31 deductions.

32 **Sec. 16.** NRS 287.040 is hereby amended to read as follows:
33 287.040 The provisions of NRS 287.010 to 287.040, inclusive,
34 do not make it compulsory upon any governing body of any county,
35 school district, municipal corporation, political subdivision, public
36 corporation or other ~~public~~ *local governmental* agency of the State
37 of Nevada to, except as otherwise provided in NRS 287.021, make
38 any contributions for the payment of any premiums or other costs
39 for group insurance or medical or hospital services, or upon any
40 officer or employee of any county, school district, municipal
41 corporation, political subdivision, public corporation or other
42 ~~public agency~~ *local governmental agency* of this state to accept or
43 join any plan of group insurance or to assign his wages or salary ~~for~~
44 ~~to authorize deductions from his wages or salary~~ in payment of
45 premiums or contributions therefor.



1 **Sec. 17.** NRS 287.0402 is hereby amended to read as follows:
2 287.0402 As used in NRS 287.0402 to 287.049, inclusive, *and*
3 *sections 5, 6 and 7 of this act*, unless the context otherwise requires,
4 the words and terms defined in NRS 287.0404 and 287.0406 *and*
5 *sections 5, 6 and 7 of this act* have the meanings ascribed to them in
6 those sections.

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

8 287.043 1. The Board shall:

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

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

13 (2) May include a program to reduce taxable compensation
14 or other forms of compensation other than deferred
15 compensation,

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

18 (b) Ensure that the Program is funded on an actuarially sound
19 basis and operated in accordance with sound insurance and business
20 practices.

21 2. In establishing and carrying out the Program, the Board
22 shall:

23 (a) For the purpose of establishing actuarial data to determine
24 rates and coverage for active and retired state officers and
25 employees and their dependents, commingle the claims experience
26 of such active and retired officers and employees and their
27 dependents.

28 (b) Except as otherwise provided in this paragraph, negotiate
29 and contract *pursuant to paragraph (a) of subsection 1 of NRS*
30 *287.025* with the governing body of any ~~[public agency enumerated~~
31 ~~in NRS 287.010]~~ *county, school district, municipal corporation,*
32 *political subdivision, public corporation or other local*
33 *governmental agency of the State of Nevada* that wishes to obtain
34 group insurance for its *active and retired* officers ~~[- employees and~~
35 ~~retired]~~ *and employees and their dependents* by participation in the
36 Program. The Board shall establish separate rates and coverage for
37 those *active and retired* officers ~~[- employees and retired]~~ *and*
38 *employees and their dependents* based on actuarial reports.

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

44 (d) If a proposed change is a change in the premium *or*
45 *contribution* charged for , or coverage of , health insurance, provide



1 written notice of the proposed change to all ~~[state officers,~~
2 ~~employees, retired employees and other persons who participate in~~
3 ~~the Program who may be affected by the proposed change.]~~ *participating active and retired public officers and employees.* The
4 notice must be provided at least 60 days before the date ~~[a state~~
5 ~~officer, employee, retired employee or other person]~~ *on which a*
6 *participating active or retired public officer or employee* is required
7 to select or change his policy of health insurance.
8

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

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

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

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

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

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

31 (3) The levels of participation in the Program required for
32 *officers and* employees of participating public agencies;

33 (4) Procedures by which a group of participants in the
34 Program may leave the Program pursuant to NRS 287.0479 and
35 conditions and procedures for reentry into the Program by those
36 participants; and

37 (5) Specific procedures for the determination of contested
38 claims.

39 (i) Appoint an independent certified public accountant. The
40 accountant shall:

41 (1) Provide an annual audit of the Program; and

42 (2) Report to the Board and the Interim Retirement and
43 Benefits Committee of the Legislature created pursuant to
44 NRS 218.5373.



- 1 (j) Appoint an attorney who specializes in employee benefits.
2 The attorney shall:
- 3 (1) Perform a biennial review of the Program to determine
4 whether the Program complies with federal and state laws relating to
5 taxes and employee benefits; and
6 (2) Report to the Board and the Interim Retirement and
7 Benefits Committee of the Legislature created pursuant to
8 NRS 218.5373.
- 9 3. The Board shall submit an annual report regarding the
10 administration and operation of the Program to the Director of
11 the Legislative Counsel Bureau not more than 6 months before the
12 Board establishes rates and coverage for members for the following
13 ~~calendar~~ *plan* year. The report must include, without limitation:
14 (a) The amount paid by the Program in the preceding ~~calendar~~
15 *plan* year for the claims of active and retired state officers and
16 employees ~~[-] who participated in the Program;~~ and
17 (b) The amount paid by the Program in the preceding ~~calendar~~
18 *plan* year for the claims of retired members of the Program who
19 were provided coverage for medical or hospital service, or both, by
20 the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., or
21 a plan that provides similar coverage.
- 22 4. The Board may use any services provided to state agencies
23 and shall use the services of the Purchasing Division of the
24 Department of Administration to establish and carry out the
25 Program.
- 26 5. The Board may make recommendations to the Legislature
27 concerning legislation that it deems necessary and appropriate
28 regarding the Program.
- 29 6. ~~[The State and any other public employers that participate in~~
30 ~~the Program are]~~ *A participating public agency is* not liable for any
31 obligation of the Program other than indemnification of the Board
32 and its employees against liability relating to the administration of
33 the Program, subject to the limitations specified in NRS 41.0349.
- 34 7. As used in this section, "employee benefits" includes any
35 form of compensation provided to a public employee except federal
36 benefits, wages earned, legal holidays, deferred compensation and
37 benefits available pursuant to chapter 286 of NRS.
- 38 **Sec. 19.** NRS 287.0434 is hereby amended to read as follows:
39 287.0434 The Board may:
- 40 1. Use its assets to pay the expenses of health care for its
41 members and covered dependents, to pay its employees' salaries and
42 to pay administrative and other expenses.
- 43 2. Enter into contracts relating to the administration of the
44 Program, including, without limitation, contracts with licensed



1 administrators and qualified actuaries. Each such contract with a
2 licensed administrator:

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

7 (b) Does not become effective unless approved by the
8 Commissioner.

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

11 3. Enter into contracts with physicians, surgeons, hospitals,
12 health maintenance organizations and rehabilitative facilities for
13 medical, surgical and rehabilitative care and the evaluation,
14 treatment and nursing care of members and covered dependents.
15 The Board shall not enter into a contract pursuant to this subsection
16 unless:

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

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

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

25 5. Charge and collect from an insurer, health maintenance
26 organization, organization for dental care or nonprofit medical
27 service corporation, a fee for the actual expenses incurred by the
28 Board ~~[, the State]~~ or a participating public ~~[employer]~~ *agency* in
29 administering a plan of insurance offered by that insurer,
30 organization or corporation.

31 **Sec. 20.** NRS 287.0439 is hereby amended to read as follows:

32 287.0439 1. A participating public ~~[employer shall, on~~
33 ~~request,]~~ *agency shall* furnish to the Board ~~[any]~~ :

34 (a) *Written notice regarding a change in the status of an*
35 *employee of the participating public agency or a dependent of*
36 *such an employee that affects the eligibility of the employee or*
37 *dependent to participate in the Program. Such notice must be*
38 *provided to the Program, on a form prescribed by the Program,*
39 *within 15 calendar days after the participating public agency is*
40 *notified or otherwise becomes aware of the change in status.*

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

43 2. Members of the Board and its employees or agents may
44 examine under oath any officer, agent or employee of a participating
45 public ~~[employer]~~ *agency* concerning the information ~~[.~~



1 ~~—2.] required pursuant to this section.~~

2 3. The books, records and payrolls of a participating public
3 ~~[employer]~~ agency must be available for inspection by members of
4 the Board and its employees and agents to obtain any information
5 necessary for the administration of the Program, including, without
6 limitation, the accuracy of the payroll and identity of employees.

7 4. *A participating public agency shall reimburse the Program
8 for any premium or contribution that was not paid to the Program
9 as a result of the failure of the participating public agency to
10 furnish the notice required pursuant to paragraph (a) of
11 subsection 1. The participating public agency shall not require any
12 employee or his dependent to reimburse the participating public
13 agency for the amount of any premium or contribution for which
14 the participating public agency is liable to the Program pursuant
15 to this subsection.*

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

17 287.044 1. A part of the cost of the premiums or
18 contributions for ~~[that]~~ group insurance ~~[;]~~ *provided by the
19 Program*, not to exceed the amount specified by law, applied to both
20 group life and group accident or health coverage, for each ~~[public]~~
21 *state* officer, except a Senator or Assemblyman, or employee
22 electing to participate in the Program, may be paid by the
23 ~~[department, agency, commission or public]~~ *participating state*
24 agency which employs the officer or employee in whose behalf that
25 part is paid from money appropriated to or authorized for that
26 ~~[department, agency, commission or public]~~ *participating state*
27 agency for that purpose. Participation by the State in the cost of
28 premiums or contributions must not exceed the amounts specified
29 by law. If ~~[an]~~ *a state* officer or employee chooses to cover his
30 dependents, whenever this option is made available by the Board,
31 except as otherwise provided in NRS 287.021 and 287.0477, he
32 must pay the difference between the amount of the premium or
33 contribution for the coverage for himself and his dependents and the
34 amount paid by the ~~[State.]~~ *participating state agency that employs
35 the officer or employee.*

36 2. A ~~[department, agency, commission or public]~~ *participating
37 state* agency shall not pay any part of those premiums or
38 contributions if the group life insurance or group accident or health
39 insurance is not approved by the Board.

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

41 287.0445 The ~~[department, agency, commission or public]~~
42 *participating state* agency which employed ~~[an]~~ *a state* officer or
43 employee who:

- 44 1. Was injured in the course of that employment;



1 2. Receives compensation for a temporary total disability
2 pursuant to NRS 616C.475; and
3 3. Was a member of the Program at the time of the
4 injury,
5 shall pay the State's share of the cost of the premiums or
6 contributions for the Program for that officer or employee for not
7 more than 9 months after the injury or until the officer or employee
8 is able to return to work, whichever is less. If the previous injury
9 recurs within 1 month after the employee returns to work and the
10 employee again receives compensation pursuant to NRS 616C.475
11 as a result of the previous injury, the ~~{department, agency,
12 commission or public}~~ *participating state* agency shall not, except
13 as otherwise provided in this subsection, pay the state's share of the
14 cost of the premiums or contributions for the period during which
15 the employee is unable to work as a result of the recurring previous
16 injury. If the initial period of disability was less than 9 months, the
17 ~~{department, agency, commission or public}~~ *participating state*
18 agency shall pay, during the recurrence, the State's share of the
19 costs of the premiums or contributions for a period which, when
20 added to the initial period, equals not more than 9 months.

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

22 287.045 1. Except as otherwise provided in this section,
23 every *state* officer or employee ~~{of the State}~~ is eligible to
24 participate in the Program on the first day of the month following
25 the completion of 90 days of full-time employment.

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

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

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

34 3. Every officer or employee who is employed by a
35 participating ~~{public}~~ *local governmental* agency on a permanent
36 and full-time basis on the date *on which* the *participating local*
37 *governmental* agency enters into an agreement to participate in the
38 Program ~~{}~~ *pursuant to paragraph (a) of subsection 1 of NRS*
39 *287.025*, and every officer or employee who commences his
40 employment *with that participating local governmental agency*
41 after that date is eligible to participate in the Program on the first
42 day of the month following the completion of 90 days of full-time
43 employment.



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

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

23 6. Notwithstanding the provisions of subsections 1, 3 and 4, if
24 the Board does not, pursuant to NRS 689B.580, elect to exclude the
25 Program from compliance with NRS 689B.340 to 689B.590,
26 inclusive, and if the coverage under the Program is provided by a
27 health maintenance organization authorized to transact insurance in
28 this state pursuant to chapter 695C of NRS, any affiliation period
29 imposed by the Program may not exceed the statutory limit for an
30 affiliation period set forth in NRS 689B.500.

31 **Sec. 24.** NRS 287.046 is hereby amended to read as follows:

32 287.046 1. Except as otherwise provided in subsection 6, any
33 *active* state ~~for other participating~~ officer or employee who elects to
34 participate in the Program may participate, and the ~~department,~~
35 ~~agency, commission or public~~ *participating state* agency that
36 employs the officer or employee shall pay the State's share of the
37 cost of the premiums or contributions for the program from money
38 appropriated or authorized as provided in NRS 287.044.
39 ~~Employees~~ *State officers and employees* who elect to participate
40 in the Program must authorize deductions from their compensation
41 for the payment of premiums or contributions for the Program. Any
42 deduction from the compensation of ~~an~~ *a state officer or* employee
43 for the payment of a premium *or contribution* for health insurance
44 must be based on the actual cost of providing that health insurance
45 after deducting any amount of the premium *or contribution* which is



1 paid by the ~~{department, agency, commission or public}~~
2 *participating state* agency that employs the employee. As used in
3 this subsection, "actual cost" includes any amount which has been
4 approved by the Board and which is paid by any ~~{department,~~
5 ~~agency, commission or public agency of this state}~~ *participating*
6 *state agency* for:
7 (a) A program of supplemental insurance;
8 (b) Subsidization of premiums *or contributions* for health
9 insurance for dependents and retired participants;
10 (c) Administrative costs relating to the provision of the health
11 insurance; and
12 (d) Costs required to maintain adequate reserves.
13 2. The Department of Personnel shall pay a percentage of the
14 base amount provided by law for that fiscal year toward the cost of
15 the premiums or contributions for the Program for persons *who*
16 *have retired* ~~[from the service of the State who have continued]~~ *with*
17 *state service and who elect* to participate in the Program. Except as
18 otherwise provided in subsection 3, the percentage to be paid must
19 be calculated as follows:
20 (a) For those persons who retire before January 1, 1994, 100
21 percent of the base amount provided by law for that fiscal year.
22 (b) For those persons who retire on or after January 1, 1994,
23 with at least 5 years of state service, 25 percent plus an additional
24 7.5 percent for each year of *state* service in excess of 5 years to a
25 maximum of 137.5 percent, excluding service purchased pursuant to
26 NRS 1A.310 or 286.300, of the base amount provided by law for
27 that fiscal year.
28 3. If the amount calculated pursuant to subsection 2 exceeds
29 the actual premium or contribution for the plan of the Program that
30 the retired participant selects, the balance must be credited to the
31 Fund for the Public Employees' Benefits Program created pursuant
32 to NRS 287.0435.
33 4. For the purposes of subsection 2:
34 (a) Credit for service must be calculated in the manner provided
35 by chapter 286 of NRS.
36 (b) No proration may be made for a partial year of *state* service.
37 5. The Department shall agree through the Board with the
38 insurer for billing of remaining premiums or contributions for the
39 retired participant and his dependents to the retired participant and
40 to his dependents who elect to continue coverage under the Program
41 after his death.
42 6. A Senator or Assemblyman who elects to participate in the
43 Program shall pay the entire premium or contribution for his
44 insurance.



1 **Sec. 25.** NRS 287.047 is hereby amended to read as follows:
 2 287.047 If the retention is consistent with the terms of any
 3 agreement between the State and the insurance company which
 4 issued the policies pursuant to the Program or with the plan of
 5 self-insurance of the Program:

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

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

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

13 287.0475 1. A public *officer or* employee who has retired
 14 pursuant to NRS 1A.350 or 1A.480, or 286.510 or 286.620, or a
 15 retirement program provided pursuant to NRS 286.802, or the
 16 surviving spouse of such a retired public *officer or* employee who is
 17 deceased may, in any even-numbered year, reinstate any insurance,
 18 except life insurance, which was provided to him and his dependents
 19 at the time of his retirement pursuant to NRS 287.010, ~~or~~ 287.020
 20 *or 287.025* or the program as a public *officer or* employee by:

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

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

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

30 The last public employer shall give the insurer notice of the
 31 reinstatement no later than March 31 ~~of~~ of the year in which the
 32 public *officer or* employee or surviving spouse gives notice of his
 33 intent to reinstate the insurance. The insurer shall approve or
 34 disapprove the request for reinstatement within 90 days after the
 35 date of the request.

36 2. Reinstatement of insurance excludes claims for expenses for
 37 any condition for which medical advice, treatment or consultation
 38 was rendered within ~~6~~ 12 months before reinstatement unless ~~6~~:

39 ~~—(a) The person has not received any medical advice, treatment or~~
 40 ~~consultation for a period of 6 consecutive months after the~~
 41 ~~reinstatement; or~~

42 ~~—(b) The~~ *the* reinstated insurance has been in effect more than 12
 43 consecutive months.



1 **Sec. 27.** NRS 287.0479 is hereby amended to read as follows:
2 287.0479 1. If approved by the Board pursuant to this
3 section, a group of not less than 300 *active state* officers ~~or~~ *or*
4 employees or retired *state officers or* employees, or any
5 combination thereof, that participate in the Program may leave the
6 Program and secure life, accident or health insurance, or any
7 combination thereof, for the group from an:
8 (a) Insurer that is authorized by the Commissioner of Insurance
9 to provide such insurance; or
10 (b) Employee benefit plan, as defined in 29 U.S.C. § 1002(3),
11 that has been approved by the Board. The Board may approve an
12 employee benefit plan unless the Board finds that the plan is not
13 operated pursuant to such sound accounting and financial
14 management practices as to ensure that the group will continue to
15 receive adequate benefits.
16 2. Before entering into a contract with the insurer or approved
17 employee benefit plan, the group shall submit the proposed contract
18 to the Board for approval. The Board may approve the contract
19 unless the departure of the group from the Program would cause an
20 increase of more than 5 percent in the costs of premiums or
21 contributions for the remaining participants in the Program. In
22 determining whether to approve a proposed contract, the Board shall
23 follow the criteria set forth in the regulations adopted by the Board
24 pursuant to subsection 4 and may consider the cumulative impact of
25 groups that have left or are proposing to leave the Program. Except
26 as otherwise provided in this section, the Board has discretion in
27 determining whether to approve a contract. If the Board approves a
28 proposed contract pursuant to this subsection, the group that
29 submitted the proposed contract is not authorized to leave the
30 Program until 120 days after the date on which the Board approves
31 the proposed contract.
32 3. The Board shall disburse periodically to the insurer or
33 employee benefit plan with which a group contracts pursuant to this
34 section the total amount set forth in the contract for premiums or
35 contributions for the members of the group for that period but not to
36 exceed the amount appropriated to or authorized for the
37 ~~[department, agency, commission or public]~~ *participating state*
38 agency that employs the members of the group for premiums or
39 contributions for the members of the group for that period, after
40 deducting any administrative costs related to the group.
41 4. The Board shall adopt regulations establishing the criteria
42 pursuant to which the Board will approve proposed contracts
43 pursuant to subsection 2.



1 **Sec. 28.** NRS 287.048 is hereby amended to read as follows:
2 287.048 NRS 287.0402 to 287.047, inclusive, do not require
3 any officer or employee of the State of Nevada to accept or join the
4 Program, or to assign his wages or salary ~~to or authorize deductions~~
5 ~~from his wages or salary~~ in payment of premiums or contributions
6 for the Program.

7 **Sec. 29.** NRS 1A.470 is hereby amended to read as follows:
8 1A.470 1. In addition to the options provided in NRS
9 287.023 and subject to the requirements of that section, any justice
10 of the Supreme Court or district judge who retires under the
11 conditions set forth in NRS 1A.350 and, at the time of his
12 retirement, was covered or had his dependents covered by any group
13 insurance or medical and hospital service established pursuant to
14 NRS 287.010 ~~and 287.020,~~ *287.020 or paragraph (b), (c) or (d)*
15 *of subsection 1 of NRS 287.025*, has the option of having the
16 Executive Officer of the Board deduct and pay his premium or
17 contribution for that group insurance or medical and hospital service
18 coverage, as well as the amount due or to become due upon any
19 obligation designated by the Board pursuant to subsection 2, from
20 his monthly retirement allowance until:

21 (a) He notifies the Executive Officer of the Board to discontinue
22 the deduction; or

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

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

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

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

38 218.6853 1. The Chief of the Administrative Division is ex
39 officio Legislative Fiscal Officer. As such Officer, he shall keep a
40 complete, accurate and adequate set of accounting records and
41 reports for all legislative operations, including any records and
42 reports required by the Federal Government for the administration
43 of federal revenue and income tax laws.

44 2. The Chief shall withhold from the pay of each Legislator,
45 employee of the Legislature and employee of the Legislative



1 Counsel Bureau the amount of tax specified by the Federal
2 Government and shall transmit the amount deducted to the Internal
3 Revenue Service of the United States Department of the Treasury.

4 3. *The Chief shall, upon receipt of information from the*
5 *Public Employees' Benefits Program specifying amounts of*
6 *premiums or contributions for coverage by the Program, withhold*
7 *from the pay of each employee of the Legislature and employee of*
8 *the Legislative Counsel Bureau who participates in the Public*
9 *Employees' Benefits Program those amounts and pay those*
10 *amounts to the Program.*

11 4. The Chief may provide for the purchase of United States
12 savings bonds or similar United States obligations by salary
13 deduction for any Legislator, legislative employee or employee of
14 the Legislative Counsel Bureau who submits a written request for
15 these deductions and purchases. The Chief shall provide forms
16 authorizing deductions for and purchases of these United States
17 obligations.

18 ~~4.~~ 5. The Chief may withhold from the pay of a Legislator,
19 employee of the Legislature or employee of the Legislative Counsel
20 Bureau such amount as the claimant specifies in writing for payment
21 to his credit union. Any money which is withheld must be
22 transmitted by the Chief in accordance with the claimant's written
23 instructions. The Chief may adopt regulations necessary to carry out
24 the provisions of this subsection.

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

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

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

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

34 4. Sections 12.5 and 47.3 of this act become effective on
35 July 1, 1999, for the purpose of adopting regulations, and on
36 January 1, 2001, for all other purposes.

37 ~~5. Section 18 of this act expires by limitation on July 1,~~
38 ~~2003.~~

39 ~~6. Section 42.5 of this act becomes effective on July 1,~~
40 ~~2003.]~~

41 **Sec. 32.** 1. NRS 287.0235 is hereby repealed.

42 2. Section 42.5 of chapter 573, Statutes of Nevada 1999, at
43 page 3043, is hereby repealed.



1 **Sec. 33.** 1. This section and sections 1 to 10, inclusive, 12 to
2 22, inclusive, and 25 to 31, inclusive, of this act become effective on
3 July 1, 2003.
4 2. Sections 11, 23, 24 and 32 of this act become effective on
5 July 1, 2004.

TEXT OF REPEALED SECTIONS

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.

