

SENATE BILL NO. 345—SENATORS NOLAN AND HARDY

MARCH 17, 2003

Referred to Committee on Finance

SUMMARY—Provides direction to Public Employees' Retirement System regarding payment of certain benefits. (BDR 23-88)

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 public employees' retirement; directing the Public Employees' Retirement System to report certain payments as disability benefits where allowed by federal law; 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.** Chapter 286 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *The System shall, to the extent allowed by federal law, report to*
4 *the Internal Revenue Service of the United States Department of*
5 *the Treasury a disability retirement allowance that is paid to a*
6 *member of the System as a disability benefit instead of as*
7 *retirement income.*

8 **Sec. 2.** The Public Employees' Retirement System shall:

9 1. On or before October 1, 2003, submit a request to the
10 Internal Revenue Service of the United States Department of the
11 Treasury for a determination of whether disability retirement
12 benefits paid pursuant to chapter 286 of NRS are excludable from
13 taxable income;

14 2. On or before July 1, 2004, review any alternative methods
15 allowed under federal law for reporting disability retirement
16 allowances to the Internal Revenue Service and consider the
17 feasibility of implementing any such method; and



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1 3. On or before July 1, 2004, prepare and submit a report to the
2 Legislative Commission regarding the determination that it
3 requested pursuant to subsection 1 and the results of its review
4 pursuant to subsection 2.

5 **Sec. 3.** 1. This section and section 2 of this act become
6 effective upon passage and approval.

7 2. Section 1 of this act becomes effective on July 1, 2005.

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