

CHAPTER.....

AN ACT relating to public retirement systems; changing the term “fireman” to “firefighter”; requiring certain educational qualifications for certain persons employed by the Public Employees’ Retirement Board; limiting the length of designations of certain positions in government as being positions for which a monthly service retirement allowance may be paid when a previously retired employee fills the position during a critical labor shortage; providing for an adjustment to the total contribution rate that is actuarially determined for members of the Judicial Retirement Plan; authorizing certain justices of the Supreme Court and district judges to receive benefits for retirement, benefits for disability and survivor benefits pursuant to the Judicial Retirement Plan; eliminating the restriction relating to eligibility for service credit in the calculation of the monthly retirement allowance of a member of the Judicial Retirement Plan; authorizing members of the Public Employees’ Retirement System and the Judicial Retirement System to designate additional payees to receive survivor benefits; and providing other matters properly relating thereto.

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

**Section 1.** NRS 286.031 is hereby amended to read as follows:

286.031 “Disability retirement allowance” means monthly payments from the Public Employees’ Retirement Fund or the Police and ~~Firemen’s~~ *Firefighters’* Retirement Fund paid to disabled retired employees.

**Sec. 2.** NRS 286.042 is hereby amended to read as follows:

286.042 ~~“Fireman”~~ *“Firefighter”* means a member who is:

1. Filling a full-time position with a participating public employer, the principal duties of which require emotional stability and physical capacity in protecting the public and controlling and extinguishing fires.
2. The former holder of a position defined in subsection 1 who has:
  - (a) Earned at least 2 years of creditable service in that position; and
  - (b) Been promoted or transferred within the chain of command by the same public employer to a position related to protecting the public and controlling and extinguishing fires.
3. The former holder of a position defined in subsection 1 who:

(a) Has earned at least 2 years of creditable service in that position; and

(b) Is employed by a different public employer in a position that would have been eligible under paragraph (b) of subsection 2 had he remained with his former employer.

**Sec. 3.** NRS 286.070 is hereby amended to read as follows:

286.070 1. "Public employer" means the State, one of its agencies or one of its political subdivisions, the System, irrigation districts created under the laws of the State of Nevada, ~~["a nonprofit corporation to which a public hospital has been conveyed or leased pursuant to NRS 450.500.,"]~~ a public or quasi-public organization or agency that is funded, at least in part, by public money, including a regional transportation commission, a governing body of a charter school and a council of governments created pursuant to the laws of the State of Nevada.

2. State agencies are those agencies subject to state control and supervision, including those whose employees are governed by chapter 284 of NRS, unless specifically exempted therefrom, and those which deposit money with the State Treasurer.

**Sec. 4.** NRS 286.080 is hereby amended to read as follows:

286.080 "Service retirement allowance" means monthly payments from the Public Employees' Retirement Fund or the Police and ~~["Firemen's"]~~ *Firefighters'* Retirement Fund paid to a retired employee for the remainder of his life.

**Sec. 5.** NRS 286.130 is hereby amended to read as follows:

286.130 1. Three members of the Board must be persons who:

(a) Have had at least 10 years of service as employees of the State of Nevada or its political subdivisions;

(b) Are not elected officers of the State of Nevada or its political subdivisions;

(c) Are active members of the System; and

(d) Are appointed from written nominations submitted by the following groups:

(1) Employees of the State and the University and Community College System of Nevada;

(2) The academic staff of school districts;

(3) Employees of cities, excluding Carson City;

(4) Employees of counties, including Carson City and excluding employees of county hospitals;

(5) Employees of county hospitals, public utilities, power districts, sanitation districts, classified school employees and employees of other districts as determined by the Board; and

(6) Employees whose current positions entitle them to participate in the Police and ~~["Firemen's"]~~ *Firefighters'* Retirement Fund.

Each nominee must be a member of the group or organization that is nominating him.

2. Two members of the Board must be persons who:

(a) Have had at least 10 years of service as employees of the State of Nevada or its political subdivisions;

(b) Are not elected officers of the State of Nevada or its political subdivisions;

(c) Are active members of the System; and

(d) Are appointed from written nominations submitted by the following groups:

(1) Administrators of school districts or members of boards of trustees of school districts; and

(2) Members of boards of county commissioners or the governing bodies of cities or administrators of counties or cities.

3. One member of the Board must be a person who:

(a) Is an employee of the State of Nevada or its political subdivisions with at least 10 years of service;

(b) Is serving in a position at least equivalent to the manager of a department or division;

(c) Is not an elected officer of the State of Nevada or its political subdivisions; and

(d) Is an active member of the System.

4. One member of the board must be a person who:

(a) Has had at least 10 years of service as an employee of the State of Nevada or its political subdivisions;

(b) Is not an elected officer of the State of Nevada or its political subdivisions; and

(c) Is receiving an allowance for service or disability retirement pursuant to this chapter.

5. A member of the Board shall serve for 4 years, so long as he has the qualifications required by this section, and until his successor is appointed and takes office. A member of the Board who no longer has the qualifications specified in the subsection under which he was appointed may serve the remainder of his term if the member loses those qualifications in the final 24 months of his term.

**Sec. 6.** NRS 286.160 is hereby amended to read as follows:

286.160 1. The Board shall employ an Executive Officer who serves at the pleasure of the Board. The Executive Officer shall select an Operations Officer, Investment Officer, Assistant Investment Officer, Manager of Information Systems, Administrative Assistant and Administrative Analyst whose appointments are effective upon confirmation by the Board. The Operations Officer, Investment Officer, Assistant Investment Officer, Manager of Information Systems, Administrative Assistant and Administrative Analyst serve at the pleasure of the Executive Officer.

2. The Executive Officer, Operations Officer, Investment Officer, Assistant Investment Officer, Manager of Information Systems, Administrative Assistant and Administrative Analyst are entitled to annual salaries fixed by the Board with the approval of the Interim Retirement and Benefits Committee of the Legislature created pursuant to NRS 218.5373. The salaries of these employees are exempt from the limitations of NRS 281.123.

3. The Executive Officer must:

(a) Be a graduate of a 4-year college or university with a degree in business administration or public administration or equivalent degree.

(b) Possess at least 5 years' experience in a high level administrative or executive capacity, including responsibility for a variety of administrative functions such as retirement, insurance, investment or fiscal operations.

4. The Operations Officer, ~~and the~~ Investment Officer, *Assistant Investment Officer, Manager of Information Systems and Administrative Analyst* must each be a graduate of a 4-year college or university with a degree in business administration or public administration or an equivalent degree.

5. Except as otherwise provided in NRS 284.143, the Executive Officer shall not pursue any other business or occupation or perform the duties of any other office of profit during normal office hours unless on leave approved in advance. The Executive Officer shall not participate in any business enterprise or investment in real or personal property if the System owns or has a direct financial interest in that enterprise or property.

**Sec. 7.** NRS 286.211 is hereby amended to read as follows:

286.211 1. The Board shall, with the advice of the Interim Retirement and Benefits Committee of the Legislature created pursuant to NRS 218.5373:

(a) Adopt regulations for the evaluation of requests for enrollment under the Police and ~~Firemen's~~ *Firefighters'* Retirement Fund; and

(b) Determine those positions eligible under the early retirement provisions for police officers and ~~firemen~~ *firefighters*.

2. Service in any position which has not been determined by the Board to be eligible does not entitle a member to early retirement as a ~~fireman~~ *firefighter* or police officer.

**Sec. 8.** NRS 286.225 is hereby amended to read as follows:

286.225 1. The Board shall establish a separate retirement fund known as the Police and ~~Firemen's~~ *Firefighters'* Retirement Fund.

2. All refunds, disability retirement allowances, benefits for survivors, and service retirement allowances paid to police officers and ~~firemen~~ *firefighters* and their beneficiaries ~~shall~~ *must* be

paid from the Police and ~~{Firemen's}~~ *Firefighters'* Retirement Fund.

3. All contributions paid by and for police officers and ~~{firemen shall}~~ *firefighters must* be credited to the Police and ~~{Firemen's}~~ *Firefighters'* Retirement Fund.

4. The Police and ~~{Firemen's}~~ *Firefighters'* Retirement Fund ~~{shall}~~ *must* be administered by the Board and is subject to all restrictions and regulations applicable to the Board.

5. Any postretirement increase appropriated by the Legislature in accordance with this chapter, ~~{shall}~~ *must* be paid to eligible retired police officers and ~~{firemen}~~ *firefighters* and their beneficiaries from any such appropriation.

6. Investment return on moneys in the Police and ~~{Firemen's}~~ *Firefighters'* Retirement Fund ~~{shall}~~ *must* be deposited in that Fund at the end of each fiscal year based on annual average yield of the System.

7. The Board shall transfer appropriate employee and employer contributions made by and for members who transfer to and from the Public Employees' Retirement Fund and the Police and ~~{Firemen's}~~ *Firefighters'* Retirement Fund.

**Sec. 9.** NRS 286.227 is hereby amended to read as follows:

286.227 1. There is hereby created a Police and ~~{Firemen's}~~ *Firefighters'* Retirement Fund Advisory Committee. The Board shall determine the number of its members and appoint the members. Each member serves at the pleasure of the Board.

2. The Committee shall make recommendations to the Board concerning the administration of and benefits payable from the Police and ~~{Firemen's}~~ *Firefighters'* Retirement Fund. The Board shall consult with the Committee on all matters concerning this Fund, and consider its recommendations upon their merits.

**Sec. 10.** NRS 286.230 is hereby amended to read as follows:

286.230 1. The Board shall establish a fund known as the Public Employees' Retirement Administrative Fund in which must be deposited all administrative fees.

2. The Board shall fix an administrative fee per capita sufficient to pay the operating expense of the System. Except as otherwise provided by NRS 1A.200 and 218.23745, the System shall transfer monthly from the respective retirement funds to the Public Employees' Retirement Administrative Fund the amount of the per capita fee multiplied by the combined number of members and persons receiving allowances from that Fund.

3. The Board may establish a separate and additional administrative fee for police officers and ~~{firemen}~~ *firefighters* and their public employers to pay the additional expense of maintaining a separate fund and to pay the actual and necessary travel expenses and other expenses, within the limits established by the Board, for

meetings of the Police and ~~Firemen's~~ *Firefighters'* Retirement Fund Advisory Committee.

**Sec. 11.** NRS 286.260 is hereby amended to read as follows:

286.260 1. The Board shall provide for an individual account for each member of the System. Each account ~~shall~~ *must* show the amount of the member's contributions to the Public Employees' Retirement Fund or Police and ~~Firemen's~~ *Firefighters'* Retirement Fund and any changes in the account that may be legally authorized.

2. Any interest paid by a member with the repayment of withdrawn contributions or purchase of any service ~~shall~~ *must* not be credited to such member's account.

3. The Board is relieved of any further liability regarding a member, his estate or a beneficiary upon the return of all employee contributions to the member, his estate or beneficiary or a combination thereof.

**Sec. 12.** NRS 286.300 is hereby amended to read as follows:

286.300 Except as otherwise required as a result of NRS 286.537:

1. Any member of the System may, except as otherwise provided in subsection 4, purchase all previous creditable service performed with his present employing agency if that service was performed before the enrollment of his agency in the System, even if the service is still creditable in some other system where it cannot be cancelled. The public employer must certify the inclusive dates of employment and number of hours regularly worked by the member to validate the service. The member must pay the full actuarial cost as determined by the actuary.

2. In addition to the purchase authorized pursuant to the provisions of subsection 1, any member who has 5 years of creditable service may, except as otherwise provided in subsection 4, purchase up to 5 years of service. The member must pay the full actuarial cost of the service as determined by an actuary of the System.

3. In addition to the purchase authorized pursuant to the provisions of subsection 1, any member who:

(a) Is a licensed teacher;

(b) Has 5 years of creditable service;

(c) Is, pursuant to statute, regulation or contract, entitled to payment for unused sick leave; and

(d) Is employed by the board of trustees of a school district that has, pursuant to subsection 5 of NRS 391.180, provided for the payment of unused sick leave in the form of purchase of service,

may, except as otherwise provided in subsection 4, cause to be purchased on his behalf service credit, not to exceed the number of hours of unused sick leave or 1 year, whichever is less. The full

actuarial cost of the service as determined by an actuary of the System must be paid for such a purchase. Any service credit purchased pursuant to this subsection must be included as a part of, and is not in addition to, service purchased pursuant to subsection 2.

4. A person who becomes a member of the System for the first time on or after January 1, 2000, may, on or after July 1, 2001, purchase creditable service pursuant to subsection 1 or 2, or cause to be purchased on his behalf service credit pursuant to subsection 3, only if, at the time of the purchase, he is employed by a participating public employer in a position ~~[whose occupant is thereby]~~ eligible for membership in the System.

5. Any member of the System may use:

(a) All or any portion of the balance of the member's interest in a qualified trust pursuant to section 401(a) of the Internal Revenue Code, 26 U.S.C. § 401(a); or

(b) The money contained in an individual retirement account or an individual retirement annuity of a member, the entire amount of which is:

(1) Attributable to a qualified distribution from a qualified trust pursuant to section 401(a) of the Internal Revenue Code, 26 U.S.C. § 401(a); and

(2) Qualified as an eligible rollover distribution pursuant to section 402 of the Internal Revenue Code, 26 U.S.C. § 402, to purchase creditable service pursuant to subsection 1 or 2.

6. A member of the System who purchases creditable service pursuant to subsection 1 or 2 is entitled to receive a refund of any contributions paid toward the purchase of the service only if he is no longer in the employ of a participating public employer.

7. If a member of the System enters into an agreement whereby he agrees to pay for the purchase of service credit in installments and he defaults on that agreement, the member is entitled to receive service credit in the proportion that the principal paid bears to the principal due under the agreement.

**Sec. 13.** NRS 286.367 is hereby amended to read as follows:

286.367 1. The volunteers of a regularly organized and recognized fire department may, by the joint application of a majority of those volunteers addressed to the Board, become members of the System. A volunteer ~~fireman~~ **firefighter** who joins a fire department of which all the volunteers have become members of the System becomes a member of the System. The volunteers of a participating fire department may withdraw from the System by the joint application of a majority of those volunteers addressed to the Board.

2. The city, town, county or district which recognizes the volunteers is the public employer and shall collect and pay over the employee's share and pay the employer's share of the contribution

to the Public Employees' Retirement Fund and the Public Employees' Retirement Administrative Fund, in the manner prescribed in this chapter. The local government may, if so requested by the volunteers, further contribute any amount by which the sum receivable by each volunteer for any month is less than the amount of his required share of the contribution, but no further contributions may be placed in a volunteer's account with the System or refunded to a volunteer or his employer upon the volunteer's termination.

3. In determining the amount of contributions to be paid for the volunteers, they are assumed to be receiving a wage established by the local government which is not less than \$150 nor more than \$750 per month.

4. Except as otherwise required as a result of NRS 286.535 or 286.537, the average compensation for a volunteer ~~fireman~~ *firefighter* is the weighted average of:

(a) The assumed wage as a volunteer ~~fireman;~~ *firefighter*; and

(b) The average salary in other covered employment which, if the service in that employment exceeds 3 years, is calculated upon the 3 highest consecutive years.

The weight given to the assumed wage and average salary, respectively, is proportionate to the length of service in each capacity. Except as otherwise required as a result of NRS 286.535 or 286.537, average compensation is computed from the sum of the assumed wage and actual salary if a member is employed simultaneously as a volunteer ~~fireman~~ *firefighter* and as a regular member.

5. Any dispute over the status of a person as a volunteer ~~fireman~~ *firefighter* under this section must be conclusively determined by the Board.

6. A volunteer ~~fireman~~ *firefighter* may purchase all previous service as a volunteer ~~fireman~~ *firefighter* with any volunteer fire department which is a member of the System. To validate such service, the volunteer ~~fireman~~ *firefighter* must pay the full cost as determined by the actuary. The employing agency may pay the employer's share of the cost but is not required to do so.

7. In addition to the purchase authorized pursuant to the provisions of subsection 6, a volunteer ~~fireman~~ *firefighter* who has 5 years creditable service as a volunteer ~~fireman~~ *firefighter* may purchase up to 5 years of service to add to his volunteer service. The member must pay the full actuarial cost of the service as determined by an actuary of the System.

**Sec. 14.** NRS 286.410 is hereby amended to read as follows:

286.410 1. The employee contribution rate must be:

(a) The matching contribution rate for employees and employers that is actuarially determined for police officers and ~~firemen~~



*firefighters* and for regular members, depending upon the retirement fund in which the member is participating.

(b) Adjusted on the first monthly retirement reporting period commencing on or after July 1 of each odd-numbered year based on the actuarially determined contribution rate indicated in the biennial actuarial valuation and report of the immediately preceding year. The adjusted rate must be rounded to the nearest one-quarter of 1 percent.

2. The employee's portion of the matching contribution rate for employees and employers must not be adjusted in accordance with the provisions of paragraph (b) of subsection 1 if the existing rate is within one-quarter of 1 percent of the actuarially determined rate.

3. From each payroll during the period of his membership, the employer shall deduct the amount of the member's contributions and transmit the deduction to the Board at intervals designated and upon forms prescribed by the Board. The contributions must be paid on compensation earned by a member from his first day of service.

4. Any employee whose position is determined after July 1, 1971, to be eligible under the early retirement provisions for police officers and ~~firemen~~ *firefighters* shall contribute the additional contributions required of police officers and ~~firemen~~ *firefighters* from July 1, 1971, to the date of his enrollment under the Police and ~~Firemen's~~ *Firefighters'* Retirement Fund, if employment in this position occurred before July 1, 1971, or from date of employment in this position to the date of his enrollment under the Police and ~~Firemen's~~ *Firefighters'* Retirement Fund, if employment occurs later.

5. Except as otherwise provided in NRS 286.430, the System shall guarantee to each member the return of at least the total employee contributions which the member has made and which were credited to his individual account. These contributions may be returned to the member, his estate or beneficiary or a combination thereof in monthly benefits, a lump-sum refund or both.

6. Disabled members who are injured on the job and receive industrial insurance benefits for temporary total disability remain contributing members of the System for the duration of the benefits if and while the public employer continues to pay the difference between these benefits and his regular compensation. The public employer shall pay the employer contributions on these benefits.

**Sec. 15.** NRS 286.421 is hereby amended to read as follows:

286.421 1. A public employer that elected to pay on behalf of its employees the contributions required by subsection 1 of NRS 286.410 before July 1, 1983, shall continue to do so, but a public employer may not elect to pay those contributions on behalf of its employees on or after July 1, 1983.

2. An employee of a public employer that did not elect to pay on behalf of its employees the contributions required by subsection 1 of NRS 286.410 before July 1, 1983, may elect to:

(a) Pay the contribution required by subsection 1 of NRS 286.410 on his own behalf; or

(b) Have his portion of the contribution paid by his employer pursuant to the provisions of NRS 286.425.

3. Except for any person chosen by election or appointment to serve in an elective office of a political subdivision or as a district judge or a justice of the Supreme Court of this state:

(a) Payment of the employee's portion of the contributions pursuant to subsection 1 must be:

(1) Made in lieu of equivalent basic salary increases or cost-of-living increases, or both; or

(2) Counterbalanced by equivalent reductions in employees' salaries.

(b) The average compensation from which the amount of benefits payable pursuant to this chapter is determined must be increased with respect to each month beginning after June 30, 1975, by 50 percent of the contribution made by the public employer, and must not be less than it would have been if contributions had been made by the member and the public employer separately. In the case of any officer or judge described in this subsection, any contribution made by the public employer on his behalf does not affect his compensation but is an added special payment.

4. Employee contributions made by a public employer must be deposited in either the Public Employees' Retirement Fund or the Police and ~~Firemen's~~ *Firefighters'* Retirement Fund as is appropriate. These contributions must not be credited to the individual account of the member and may not be withdrawn by the member upon his termination.

5. The membership of an employee who became a member on or after July 1, 1975, and all contributions on whose behalf were made by his public employer must not be cancelled upon the termination of his service.

6. If an employer is paying the basic contribution on behalf of an employee, the total contribution rate, in lieu of the amounts required by subsection 1 of NRS 286.410 and NRS 286.450, must be:

(a) The total contribution rate for employers that is actuarially determined for police officers and ~~firemen~~ *firefighters* and for regular members, depending upon the retirement fund in which the member is participating.

(b) Adjusted on the first monthly retirement reporting period commencing on or after July 1 of each odd-numbered year based on the actuarially determined contribution rate indicated in the biennial

actuarial valuation and report of the immediately preceding year. The adjusted rate must be rounded to the nearest one-quarter of 1 percent.

7. The total contribution rate for employers must not be adjusted in accordance with the provisions of paragraph (b) of subsection 6 if the existing rate is within one-half of 1 percent of the actuarially determined rate.

8. For the purposes of adjusting salary increases and cost-of-living increases or of salary reduction, the total contribution must be equally divided between employer and employee.

9. Public employers other than the State of Nevada shall pay the entire employee contribution for those employees who contribute to the Police and ~~Firemen's~~ *Firefighters'* Retirement Fund on and after July 1, 1981.

**Sec. 16.** NRS 286.430 is hereby amended to read as follows:

286.430 1. Except as otherwise provided in subsection 8 and NRS 286.300, a member may withdraw the employee contributions credited to his individual account if:

(a) He has terminated service for which contribution is required; or

(b) He is employed in a position for which contribution is prohibited.

2. The System shall not refund these contributions until it has received:

(a) A properly completed application for refund;

(b) A notice of termination from the member's public employer or a certification by the public employer that the member is employed in a position for which contribution is prohibited; and

(c) Except as otherwise provided in subsection 3, all contributions withheld from such member's compensation.

3. If a member submits an application for a refund of his contributions before all of his contributions which were withheld have been remitted, the System may refund the portion of his contributions which it has received.

4. If it is determined, after the System has refunded the contributions of a member, that an additional amount of less than \$10 is due to him, a refund of that amount need not be paid.

5. Refunds, pursuant to this section, must be made by check mailed to the address specified by a member in his application for refund.

6. The System shall transfer all money retained pursuant to subsection 4 and the amount of any unclaimed refund checks to the Public Employees' Retirement Fund or the Police and ~~Firemen's~~ *Firefighters'* Retirement Fund.

7. All membership rights and active service credit in the System, including service for which the public employer paid the

employee contributions, are cancelled upon the withdrawal of contributions from a member's account.

8. A member who transfers to a position for which contribution is prohibited must remain in that position for at least 90 days before he is eligible to receive a refund pursuant to this section.

**Sec. 17.** NRS 286.450 is hereby amended to read as follows:

286.450 1. The employer contribution rate must be:

(a) The matching contribution rate for employees and employers that is actuarially determined for police officers and ~~firemen~~ *firefighters* and for regular members, depending upon the retirement fund in which the member is participating.

(b) Adjusted on the first monthly retirement reporting period commencing on or after July 1 of each odd-numbered year based on the actuarially determined contribution rate indicated in the biennial actuarial valuation and report of the immediately preceding year. The adjusted rate must be rounded to the nearest one-quarter of 1 percent.

2. The employer's portion of the matching contribution rate for employees and employers must not be adjusted in accordance with the provisions of paragraph (b) of subsection 1 if the existing rate is within one-quarter of 1 percent of the actuarially determined rate.

**Sec. 18.** NRS 286.510 is hereby amended to read as follows:

286.510 1. Except as otherwise provided in subsections 2 and 3, a member of the System is eligible to retire at age 65 if he has at least 5 years of service, at age 60 if he has at least 10 years of service and at any age if he has at least 30 years of service.

2. A police officer or ~~fireman~~ *firefighter* is eligible to retire at age 65 if he has at least 5 years of service, at age 55 if he has at least 10 years of service, at age 50 if he has at least 20 years of service and at any age if he has at least 25 years of service. Only service performed in a position as a police officer or ~~fireman~~ *firefighter*, established as such by statute or regulation, service performed pursuant to subsection 3 and credit for military service, may be counted toward eligibility for retirement pursuant to this subsection.

3. Except as otherwise provided in subsection 4, a police officer or ~~fireman~~ *firefighter* who has at least 5 years of service as a police officer or ~~fireman~~ *firefighter* and is otherwise eligible to apply for disability retirement pursuant to NRS 286.620 because of an injury arising out of and in the course of his employment remains eligible for retirement pursuant to subsection 2 if:

(a) He applies to the Board for disability retirement and the Board approves his application;

(b) In lieu of a disability retirement allowance, he accepts another position with the public employer with which he was employed when he became disabled as soon as practicable but not

later than 90 days after the Board approves his application for disability retirement;

(c) He remains continuously employed by that public employer until he becomes eligible for retirement pursuant to subsection 2; and

(d) After he accepts a position pursuant to paragraph (b), his contributions are paid at the rate that is actuarially determined for police officers and ~~firemen~~ *firefighters* until he becomes eligible for retirement pursuant to subsection 2.

4. If a police officer or ~~fireman~~ *firefighter* who accepted another position with the public employer with which he was employed when he became disabled pursuant to subsection 3 ceases to work for that public employer before becoming eligible to retire pursuant to subsection 2, he may begin to receive a disability retirement allowance without further approval by the Board by notifying the Board on a form prescribed by the Board.

5. Eligibility for retirement, as provided in this section, does not require the member to have been a participant in the System at the beginning of his credited service.

6. Any member who has the years of creditable service necessary to retire but has not attained the required age, if any, may retire at any age with a benefit actuarially reduced to the required retirement age. Except as otherwise required as a result of NRS 286.537, a retirement benefit pursuant to this subsection must be reduced by 4 percent of the unmodified benefit for each full year that the member is under the appropriate retirement age, and an additional 0.33 percent for each additional month that the member is under the appropriate retirement age. Any option selected pursuant to this subsection must be reduced by an amount proportionate to the reduction provided in this subsection for the unmodified benefit. The Board may adjust the actuarial reduction based upon an experience study of the System and recommendation by the actuary.

**Sec. 19.** NRS 286.520 is hereby amended to read as follows:

286.520 1. Except as otherwise provided in this section and NRS 286.523 and 286.525, the consequences of the employment of a retired employee are:

(a) A retired employee who accepts employment or an independent contract with a public employer under this System is disqualified from receiving any allowances under this System for the duration of that employment or contract if:

(1) He accepted the employment or contract within 90 calendar days after the effective date of his retirement; or

(2) He is employed in a position which is eligible to participate in this System.

(b) If a retired employee accepts employment or an independent contract with a public employer under this System more than 90

calendar days after the effective date of his retirement in a position which is not eligible to participate in this System, his allowance under this System terminates upon his earning an amount equal to one-half of the average salary for participating public employees who are not police officers or ~~{firemen}~~ *firefighters* in any fiscal year, for the duration of that employment or contract.

(c) If a retired employee accepts employment with an employer who is not a public employer under this System, the employee is entitled to the same allowances as a retired employee who has no employment.

2. The retired employee and the public employer shall notify the System:

(a) Within 10 days after the first day of an employment or contract governed by paragraph (a) ~~{}~~ *of subsection 1.*

(b) Within 30 days after the first day of an employment or contract governed by paragraph (b) ~~{; and}~~ *of subsection 1.*

(c) Within 10 days after a retired employee earns more than one-half of the average salary for participating public employees who are not police officers or ~~{firemen}~~ *firefighters* in any fiscal year from an employment or contract governed by paragraph (b) ~~{}~~ of subsection 1.

3. For the purposes of this section, the average salary for participating public employees who are not police officers or ~~{firemen}~~ *firefighters* must be computed on the basis of the most recent actuarial valuation of the System.

4. If a retired employee who accepts employment or an independent contract with a public employer under this System pursuant to this section elects not to reenroll in the System pursuant to subsection 1 of NRS 286.525, the public employer with which the retired employee accepted employment or an independent contract may pay contributions on behalf of the retired employee to a retirement fund which is not a part of the System in an amount not to exceed the amount of the contributions that the public employer would pay to the System on behalf of a participating public employee who is employed in a similar position.

5. If a retired employee is chosen by election or appointment to fill an elective public office, he is entitled to the same allowances as a retired employee who has no employment, unless he is serving in the same office in which he served and for which he received service credit as a member. A public employer may pay contributions on behalf of such a retired employee to a retirement fund which is not a part of the System in an amount not to exceed the amount of the contributions that the public employer would pay to the System on behalf of a participating public employee who serves in the same office.

6. The System may waive for one period of 30 days or less a retired employee's disqualification under this section if the public employer certifies in writing, in advance, that the retired employee is recalled to meet an emergency and that no other qualified person is immediately available.

7. A person who accepts employment or an independent contract with either house of the Legislature or by the Legislative Counsel Bureau is exempt from the provisions of subsections 1 and 2 for the duration of that employment or contract.

**Sec. 20.** NRS 286.523 is hereby amended to read as follows:

286.523 1. The provisions of subsections 1 and 2 of NRS 286.520 do not apply to a retired employee who accepts employment or an independent contract with a public employer under the System if:

(a) He fills a position for which there is a critical labor shortage; and

(b) At the time of his reemployment, he is receiving:

(1) ~~{An unmodified benefit;}~~ *A benefit that is not actuarially reduced pursuant to subsection 6 of NRS 286.510;* or

(2) A benefit actuarially reduced pursuant to subsection 6 of NRS 286.510 and has reached the required age at which he could have retired with ~~{an unmodified benefit;}~~ *a benefit that was not actuarially reduced pursuant to subsection 6 of NRS 286.510.*

2. A retired employee who is reemployed under the circumstances set forth in subsection 1 may reenroll in the system as provided in NRS 286.525.

3. Positions for which there are critical labor shortages must be determined as follows:

(a) Except as otherwise provided in this subsection, the State Board of Examiners shall designate positions in State Government for which there are critical labor shortages.

(b) The Supreme Court shall designate positions in the Judicial Branch of State Government for which there are critical labor shortages.

(c) The Board of Regents shall designate positions in the University and Community College System of Nevada for which there are critical labor shortages.

(d) The Department of Education shall designate positions with the various school districts for which there are critical labor shortages.

(e) The governing body of a local government shall designate positions with the local government for which there are critical labor shortages.

(f) The Board shall designate positions within the System for which there are critical labor shortages.

4. In determining whether a position is a position for which there is a critical labor shortage, the designating authority shall give consideration to:

- (a) The history of the rate of turnover for the position;
- (b) The number of openings for the position and the number of qualified candidates for those openings;
- (c) The length of time the position has been vacant; and
- (d) The success of recruiting persons in other states to fill the position.

*5. A designating authority shall not designate a position pursuant to subsection 3 as a position for which there is a critical labor shortage for a period longer than 2 years. To be redesignated as such a position, the designating authority must consider whether the position continues to meet the criteria set forth in subsection 4.*

**Sec. 21.** NRS 286.525 is hereby amended to read as follows:

286.525 1. A retired employee who accepts employment in a position ~~[whose occupant is thereby]~~ eligible for membership may enroll in the System as of the effective date of that employment. ~~[As]~~ *Except as otherwise provided in NRS 286.523, as* of the date of enrollment:

(a) He forfeits all retirement allowances for the duration of that employment.

(b) He is entitled to receive, after the termination of the employment and upon written request, a refund of all contributions made by him during the employment. Except as otherwise required as a result of NRS 286.535 or 286.537, if he does not request the refund and the duration of the employment was at least 6 months, he gains additional service credit for that employment and is entitled to have a separate service retirement allowance calculated based on his compensation and service, effective upon the termination of that employment. If the duration of the employment was:

(1) Less than 5 years, the additional allowance must be added to his original allowance and must be under the same option and designate the same beneficiary as the original allowance.

(2) Five years or more, the additional allowance may be under any option and designate any beneficiary in accordance with NRS 286.545.

2. The original service retirement allowance of such a retired employee must not be recalculated based upon the additional service credit, nor is he entitled to any of the rights of membership that were not in effect at the time of his original retirement. The accrual of service credit pursuant to this section is subject to the limits imposed by:

- (a) NRS 286.551; and



(b) Section 415 of the Internal Revenue Code, 26 U.S.C. § 415, if the member's effective date of membership is on or after January 1, 1990.

3. Except as otherwise required as a result of NRS 286.470, 286.535 or 286.537, a retired employee who has been receiving a retirement allowance and who is reemployed and is enrolled in the system for at least 5 years may have his additional credit for service added to his previous credit for service. This additional credit for service must not apply to more than one period of employment after the original retirement.

4. The survivor of a deceased member who had previously retired and was rehired and enrolled in the System, who qualifies for benefits pursuant to NRS 286.671 to 286.6793, inclusive, is eligible for the benefits based on the service accrued through the second period of employment.

**Sec. 22.** NRS 286.575 is hereby amended to read as follows:

286.575 1. Except as otherwise required as a result of NRS 286.537, a postretirement allowance must be paid from the Public Employees' Retirement Fund or the Police and ~~Firemen's~~ *Firefighters'* Retirement Fund to each member receiving a disability allowance or service retirement allowance from that Fund under the provisions of this chapter in the amount and manner provided and from time to time adjusted by law. Each member whose allowance was increased after his retirement by payments for years of service in excess of 20 years is entitled to receive an increase based upon his adjusted allowance.

2. Postretirement allowances must be considered a part of a retired employee's monthly benefit and included in the allowance paid to a beneficiary under one of the optional plans provided in NRS 286.590.

**Sec. 23.** NRS 286.665 is hereby amended to read as follows:

286.665 1. Any contributions remaining in a member's, retired employee's or beneficiary's individual account ~~shall~~ *must* be transferred to the Public Employees' Retirement Fund or the Police and ~~Firemen's~~ *Firefighters'* Retirement Fund upon the death of the member, retired employee or beneficiary if there is no heir, devisee or legatee capable of receiving the money.

2. If, within 6 years after any transfer under subsection 1, any person appears and claims any money which was transferred to a retirement fund, the claimant may file a petition in the district court for Carson City stating the nature of his claim, with an appropriate prayer for the relief demanded. A copy of the petition ~~shall~~ *must* be served upon the Attorney General before or at the time of filing it. Within 20 days after service, the Attorney General shall appear in the proceeding and respond to the petition. If, after examining all the facts, the Attorney General is convinced that the System has no

legal defense against the petition, he may, with the consent of the court, confess judgment on behalf of the System.

3. If judgment is not confessed, the petition ~~{shall}~~ *must* be considered at issue on the 20th day after its filing, and may be heard by the court on that day, or at such future day as the court may order. Upon the hearing, the court shall examine into the claim and hear the allegations and proofs. If the court finds that the claimant is entitled to any money transferred under subsection 1 to a retirement fund, it shall order the Public Employees' Retirement Board to pay such money forthwith to the claimant, but without interest or cost to the Board.

4. All persons, except minors and persons of unsound mind, who fail to appear and file their petitions within the time limited in subsection 2 are forever barred. Minors and persons of unsound mind may appear and file their petitions at any time within 5 years after their respective disabilities are removed.

**Sec. 24.** NRS 286.667 is hereby amended to read as follows:

286.667 1. A retired employee whose service or disability retirement allowance is payable from the Police and ~~{Firemen's}~~ *Firefighters'* Retirement Fund is entitled to receive his allowance without modification.

2. Upon the death of such a person, a person who was his spouse at the time of his retirement is entitled, upon attaining the age of 50 years, to receive a benefit equal to 50 percent of the allowance to which the retired employee was entitled.

3. This section does not apply to a person who:

(a) Begins receiving a service or disability retirement allowance or a benefit from the Police and ~~{Firemen's}~~ *Firefighters'* Retirement Fund before July 1, 1981.

(b) At the time of his retirement, elects one of the alternatives to an unmodified retirement allowance.

4. Service performed after July 1, 1981, in positions other than as a police officer or ~~{fireman,}~~ *firefighter*, except military service, may not be credited toward the benefit conferred by this section. A police officer or ~~{fireman}~~ *firefighter* who has performed service which is not creditable toward this benefit may elect to:

(a) Select a retirement option other than one permitted by this section;

(b) Receive the benefit conferred by this section with a spouse's benefit reduced by a proportion equal to that which the service which is not creditable bears to his total service; or

(c) Purchase the additional spouse's benefit at the time he retires by paying the full actuarial cost as computed for his situation by the actuary of the System.

5. The entire cost of the benefit conferred by this section must be paid by the employee. Each employer must adjust the salaries of

its employees who are eligible for the benefit to offset its cost to the employer. Employers who adjust salaries pursuant to this subsection do not by doing so violate any collective bargaining agreement or other contract.

**Sec. 25.** NRS 286.6705 is hereby amended to read as follows:

286.6705 1. Any check for benefits or a refund which has not been paid within 5 years after being transferred to the account for unclaimed benefits or refunds must be transferred to the Public Employees' Retirement Fund or Police and ~~Fireman's~~ *Firefighters'* Retirement Fund, whichever is appropriate.

2. If, within 6 years after a check for benefits or a refund has been transferred pursuant to subsection 1, any person appears and claims the money, the claimant may file a petition in the district court for Carson City stating the nature of his claim, with an appropriate prayer for the relief demanded. A copy of the petition must be served upon the Attorney General before or at the time it is filed. Within 20 days after service, the Attorney General shall appear in the proceeding and respond to the petition. If, after examining all the facts, the Attorney General is convinced that the System has no legal defense against the petition, he may, with the consent of the court, confess judgment on behalf of the System.

3. If judgment is not confessed, the petition must be considered at issue on the 20th day after its filing, and may be heard by the court on that day, or at such future day as the court may order. Upon the hearing, the court shall examine into the claim and hear the allegations and proofs. If the court finds that the claimant is entitled to any money transferred pursuant to subsection 1 to a retirement fund, it shall order the ~~Public Employees' Retirement~~ Board to pay the money forthwith to the claimant, but without interest or cost to the Board.

4. All persons, except minors and persons of unsound mind, who fail to appear and file their petitions within the time limited in subsection 1 are forever barred. Minors and persons of unsound mind may appear and file their petitions at any time within 5 years after their respective disabilities are removed.

**Sec. 26.** NRS 286.6766 is hereby amended to read as follows:

286.6766 Any spouse eligible for payments under the provisions of NRS 286.674 or 286.676 may elect to waive payment of a monthly allowance and to receive instead in a lumpsum a refund of all contributions to the Public Employees' Retirement Fund or the Police and ~~Fireman's~~ *Firefighters'* Retirement Fund made by a deceased member plus any contributions made by a public employer in lieu of the employee's contributions, but if more than one person is eligible for benefits on account of the contributions of any one deceased member, no such lump-sum payment may be made.

**Sec. 27.** NRS 286.6767 is hereby amended to read as follows:  
286.6767 ~~[An-unmarried]~~

1. A member may designate, in writing, a survivor beneficiary *and one or more additional payees* to receive the payments provided pursuant to NRS 286.67675, 286.6768 or 286.67685 if the member is unmarried on the date of his death.

2. A designation pursuant to ~~[this section]~~ *subsection 1* must be made on a form approved by the Executive Officer. *If a member has designated one or more payees in addition to the survivor beneficiary, the member must designate the percentage of the payments that the survivor beneficiary and each additional payee is entitled to receive.*

**Sec. 28.** NRS 286.67675 is hereby amended to read as follows:

286.67675 1. ~~[The]~~ *Except as otherwise provided in this subsection, the* survivor beneficiary of a deceased member is entitled to receive a cumulative benefit of at least \$450 per month. *If a member has designated one or more payees in addition to the survivor beneficiary pursuant to NRS 286.6767, the cumulative benefit paid pursuant to this subsection must be divided between the survivor beneficiary and any additional payee in the proportion designated by the member pursuant to NRS 286.6767.*

The payments must begin on the first day of the month immediately following the death of the member and must cease on the last day of the month in which the survivor beneficiary dies. ~~[H]~~

2. *Except as otherwise provided in this subsection, if* payments *made pursuant to subsection 1* cease before the total amount of contributions made by the deceased member have been received by the survivor beneficiary, the surplus of contributions over payments received must be paid to the survivor beneficiary.

~~[2-]~~ *If the member had designated one or more payees in addition to the survivor beneficiary pursuant to NRS 286.6767, the surplus of contributions over payments received must be divided between the survivor beneficiary and any additional payee in the proportion designated by the member pursuant to NRS 286.6767.*

3. The benefits paid pursuant to this section are in addition to any benefits paid pursuant to NRS 286.673.

~~[3-]~~ 4. As used in this section, “survivor beneficiary” means a person designated pursuant to NRS 286.6767.

**Sec. 29.** NRS 286.6768 is hereby amended to read as follows:

286.6768 1. Except as *otherwise provided in subsection 2 and as* limited by subsection ~~[3-]~~ 4, the survivor beneficiary of a deceased member who had 10 or more years of accredited contributing service is entitled to receive a monthly allowance equivalent to that provided by:

(a) Option 3 in NRS 286.590, if the deceased member had less than 15 years of service on the date of his death; or

(b) Option 2 in NRS 286.590, if the deceased member had 15 or more years of service on the date of his death.

To apply the provisions of Options 2 and 3, the deceased member shall be deemed to have retired on the date of his death immediately after having named the survivor beneficiary as beneficiary pursuant to the applicable option. This benefit must be computed without any reduction for age for the deceased member. The benefits provided by this subsection must be paid to the survivor beneficiary for the remainder of the life of the survivor beneficiary.

2. *If the member had designated one or more payees in addition to the survivor beneficiary pursuant to NRS 286.6767, the monthly allowance to which a survivor beneficiary is entitled pursuant to subsection 1 must be divided between the survivor beneficiary and any additional payee in the proportion designated by the member pursuant to NRS 286.6767.*

3. The survivor beneficiary may elect to receive the benefits provided by any one of the following only:

- (a) This section;
- (b) NRS 286.67675; or
- (c) NRS 286.6769.

~~3.~~ 4. The benefits provided by paragraph (a) of subsection 1 may only be paid to the survivor beneficiary *and, if applicable, any additional payee* of a member who died on or after January 1, 2002.

~~4.~~ 5. As used in this section, "survivor beneficiary" means a person designated pursuant to NRS 286.6767.

**Sec. 30.** NRS 286.67685 is hereby amended to read as follows:

286.67685 1. Except as *otherwise provided in subsection 2 and as* limited by subsection ~~2.~~ 3, the survivor beneficiary of a deceased member who was fully eligible to retire, both as to service and age, is entitled to receive a monthly allowance equivalent to that provided by Option 2 in NRS 286.590. This section does not apply to the survivor beneficiary of a member who was eligible to retire only pursuant to subsection 6 of NRS 286.510. For the purposes of applying the provisions of Option 2, the deceased member shall be deemed to have retired on the date of his death immediately after having named the survivor beneficiary as beneficiary pursuant to Option 2. The benefits provided by this section must be paid to the survivor beneficiary for the remainder of the life of the survivor beneficiary. The survivor beneficiary may elect to receive the benefits provided by any one of the following only:

- (a) This section;
- (b) NRS 286.67675;
- (c) NRS 286.6768; or

(d) NRS 286.6769.

2. *If the member had designated one or more payees in addition to the survivor beneficiary pursuant to NRS 286.6767, the monthly allowance to which a survivor beneficiary is entitled pursuant to subsection 1 must be divided between the survivor beneficiary and any additional payee in the proportion designated by the member pursuant to NRS 286.6767.*

3. The benefits provided by this section may only be paid to the survivor beneficiary *and, if applicable, any additional payee* of a member who died on or after January 1, 2002.

~~3.~~ 4. As used in this section, "survivor beneficiary" means a person designated pursuant to NRS 286.6767.

**Sec. 31.** NRS 286.6769 is hereby amended to read as follows:

286.6769 1. ~~Any~~ *Except as otherwise provided in subsection 2, any* survivor beneficiary eligible for payments pursuant to the provisions of NRS 286.67675 or 286.6768 may elect to waive payment of a monthly allowance and to receive instead in a lump sum a refund of all contributions to the Public Employees' Retirement Fund or the Police and ~~Fireman's~~ *Firefighters'* Retirement Fund made by a deceased member plus any contributions made by a public employer in lieu of the employee's contributions, but if more than one person is eligible for benefits on account of the contributions of any one deceased member, no such lump-sum payment may be made.

2. *If the member had designated one or more payees in addition to the survivor beneficiary pursuant to NRS 286.6767, the lump sum to which a survivor beneficiary is entitled pursuant to subsection 1 must be divided between the survivor beneficiary and any additional payee in the proportion designated by the member pursuant to NRS 286.6767.*

3. As used in this section, "survivor beneficiary" means a person designated pursuant to NRS 286.6767.

**Sec. 32.** NRS 286.680 is hereby amended to read as follows:

286.680 1. In addition to the provisions of chapter 355 of NRS, the Board may invest and reinvest the money in its funds as provided in this section and NRS 286.682 and may employ investment counsel for that purpose. The Board may also employ investment supervisory services, trust audit services and other related investment services which it deems necessary to invest effectively and safeguard the money in the System's funds.

2. No person engaged in business as a broker or dealer in securities or who has a direct pecuniary interest in any such business who receives commissions for transactions performed as agent for the board is eligible for employment as investment counsel for the Board.

3. The Board shall not engage investment counsel unless:

(a) The principal business of the person selected by the Board consists of giving continuous advice as to the investment of money on the basis of the individual needs of each client;

(b) The person and his predecessors have been continuously engaged in such a business for a period of 5 or more years;

(c) The person is registered as an investment adviser under the laws of the United States as from time to time in effect, or is a bank or an investment management subsidiary of a bank; and

(d) The contract between the Board and the investment counsel is of no specific duration and is voidable at any time by either party.

4. The Board and its individual members are not liable for investment decisions made by investment counsel if they obtain qualified investment counsel, establish proper objectives and policies for investments, and issue appropriate interim directives. Investment counsel is liable for any investment decision that is not made in accordance with the objectives and policies established by the Board and any applicable interim directives.

5. The expenses incurred in obtaining and reviewing services pursuant to the provisions of this section and the reimbursements to employees for their expenses incurred in connection with investment decisions must be paid out of the Public Employees' Retirement Fund and the Police and ~~Fireman's~~ *Firefighters'* Retirement Fund in proportion to their respective assets.

6. The Board shall tender invitations to banks and credit unions for commercial banking and trust services, consider proposals submitted by interested banks and credit unions, and consider contracts for commercial banking and trust services at least every 5 years.

**Sec. 33.** NRS 1A.180 is hereby amended to read as follows:

1A.180 1. Beginning July 1, 2003, the Court Administrator shall submit to the System for deposit in the Judicial Retirement Fund on behalf of each member of the System the percentage of compensation of the member that is determined by the actuary of the System to be required to pay the normal cost incurred in making payments pursuant to subsection 5 of NRS 1A.160 and any administrative expenses of the System. Such payments must be:

(a) Accompanied by payroll reports that include information deemed necessary by the Board to carry out its duties; and

(b) Received by the System not later than 15 days after the calendar month for which the compensation and service credits of members of the System are reported and certified by the Court Administrator. The compensation must be reported separately for each month that it is paid.

2. Beginning July 1, 2003, the ~~Court Administrator~~ *State of Nevada* shall pay to the System for deposit in the Judicial Retirement Fund from any fund created for the purpose of paying

pension benefits to justices of the Supreme Court or district judges an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay all benefits for which the System will be liable.

***3. Except as otherwise provided in this subsection, the total contribution rate that is actuarially determined for members of the Judicial Retirement Plan must be adjusted on the first monthly retirement reporting period commencing on or after July 1 of each odd-numbered year based on the actuarially determined contribution rate indicated in the biennial actuarial valuation and report. The adjusted rate must be rounded to the nearest one-quarter of 1 percent. The total contribution rate must not be adjusted pursuant to this subsection if the existing rate is within one-half of 1 percent of the actuarially determined rate.***

**Sec. 33.5.** NRS 1A.270 is hereby amended to read as follows:

1A.270 1. Each justice of the Supreme Court or district judge who is elected or appointed as a justice of the Supreme Court or a district judge on or after November 5, 2002, who takes office on or after January 1, 2003, and who previously has not served as either a justice of the Supreme Court or a district judge must receive benefits for retirement, benefits for disability and survivor benefits under the Judicial Retirement Plan, if eligible to receive such benefits under the Judicial Retirement Plan, unless he is a member of the Public Employees' Retirement System and elects to remain a member pursuant to NRS 1A.280 if eligible to do so.

2. Each justice of the Supreme Court or district judge who is elected or appointed as a justice of the Supreme Court or district judge on or after November 5, 2002, and who previously has served as either a justice of the Supreme Court or a district judge ***and each justice of the Supreme Court or district judge who is serving as a justice of the Supreme Court or district judge on November 5, 2002,*** must receive benefits for retirement, benefits for disability and survivor benefits pursuant to either:

(a) NRS 2.060 to 2.083, inclusive, or 3.090 to 3.099, inclusive, as those sections existed on November 5, 2002, if eligible to receive such benefits under such provisions; or

(b) The Judicial Retirement Plan, if eligible to receive such benefits under the Judicial Retirement Plan, whichever is most beneficial to the justice or judge or his survivor, as determined by the justice or judge at the time of his retirement or the time at which he becomes disabled, or as determined by his survivor at the time of his death, unless he is a member of the Public Employees' Retirement System and elects to remain a member pursuant to NRS 1A.280 if eligible to do so. A survivor may not change a determination that affects the survivor and which was



made by a justice or judge pursuant to this section while the justice or judge was alive.

3. A determination made pursuant to subsection 2 is final and if a justice or judge or his survivor determines pursuant to subsection 2:

(a) To receive benefits pursuant to the Judicial Retirement Plan, the justice, judge or survivor may not receive benefits pursuant to NRS 2.060 to 2.083, inclusive, or pursuant to NRS 3.090 to 3.099, inclusive; or

(b) To receive benefits pursuant to NRS 2.060 to 2.083, inclusive, or pursuant to NRS 3.090 to 3.099, inclusive, the justice, judge or survivor may not receive benefits pursuant to the Judicial Retirement Plan.

4. No justice of the Supreme Court or district judge or survivor of a justice of the Supreme Court or district judge may receive benefits under both this chapter and:

(a) NRS 2.060 to 2.083, inclusive; or

(b) NRS 3.090 to 3.099, inclusive.

5. A justice of the Supreme Court or district judge or a survivor of a justice of the Supreme Court or district judge who is receiving retirement allowances pursuant to NRS 2.060 to 2.083, inclusive, or pursuant to NRS 3.090 to 3.099, inclusive, on January 1, 2003, is not eligible for transfer to the Judicial Retirement Plan.

**Sec. 34.** NRS 1A.310 is hereby amended to read as follows:

1A.310 Except as otherwise required as a result of NRS 1A.410:

1. A member of the Judicial Retirement Plan who has 5 years of creditable service may, except as otherwise provided in subsection 2, purchase up to 5 years of service. The member must pay the full actuarial cost of the service as determined by an actuary of the System.

2. A justice or judge may purchase creditable service pursuant to subsection 1 only if, at the time of the purchase, he is employed in a position ~~{whose occupant is}~~ eligible for membership in the Judicial Retirement Plan.

3. A member of the Judicial Retirement Plan may use:

(a) All or any portion of the balance of his interest in a qualified trust pursuant to section 401(a) of the Internal Revenue Code, 26 U.S.C. § 401(a); or

(b) The money contained in an individual retirement account or in an individual retirement annuity of a member, the entire amount of which is:

(1) Attributable to a qualified distribution from a qualified trust pursuant to section 401(a) of the Internal Revenue Code, 26 U.S.C. § 401(a); and

(2) Qualified as an eligible rollover distribution pursuant to section 402 of the Internal Revenue Code, 26 U.S.C. § 402, to purchase creditable service pursuant to subsection 1.

4. If a member of the Judicial Retirement Plan enters into an agreement whereby he agrees to pay for the purchase of service credit in installments and he defaults on that agreement, the member is entitled to receive service credit in the proportion that the principal paid bears to the principal due under the agreement.

**Sec. 35.** NRS 1A.370 is hereby amended to read as follows:

1A.370 1. A retired justice or judge who accepts employment as a justice of the Supreme Court or district judge in any judicial capacity, including, without limitation, employment as a senior justice or senior judge of the Nevada court system, may enroll in the Judicial Retirement Plan as of the effective date of that employment. ~~[As]~~ *Except as otherwise provided in NRS 1A.380, as* of the date of enrollment:

(a) He forfeits all retirement allowances for the duration of that employment; and

(b) Except as otherwise required as a result of NRS 1A.400 or 1A.410, if the duration of the employment is at least 6 months, he gains additional service credit for that employment and is entitled to have a separate service retirement allowance calculated based on his compensation and service, effective upon the termination of that employment. If the duration of the employment is:

(1) Less than 5 years, the additional allowance must be added to his original allowance and must be under the same option and designated the same beneficiary as the original allowance; or

(2) Five years or more, the additional allowance may be under any option and designate any beneficiary in accordance with NRS 1A.430.

2. The original service retirement allowance of such a retired justice or judge must not be recalculated based upon the additional service credit, nor is he entitled to any of the rights of membership that were not in effect at the time of his original retirement. The accrual of service credit pursuant to this section is subject to the limits imposed by:

(a) NRS 1A.440; and

(b) Section 415 of the Internal Revenue Code, 26 U.S.C. § 415.

3. Except as otherwise required as a result of NRS 1A.400 or 1A.410, a retired justice or judge who has been receiving a retirement allowance pursuant to the Judicial Retirement Plan and who is reemployed and is enrolled in the Plan for at least 5 years may have his additional credit for service added to his previous credit for service. This additional credit for service must not apply to more than one period of employment after the original retirement.

4. The survivor of a deceased member of the Judicial Retirement Plan who had previously retired and was reemployed and enrolled in the Plan, who qualifies for benefits pursuant to NRS 1A.340 and 1A.530 to 1A.670, inclusive, is eligible for the benefits based on the service accrued through the second period of employment.

**Sec. 36.** NRS 1A.380 is hereby amended to read as follows:

1A.380 1. The provisions of subsection 1 of NRS 1A.360 do not apply to a retired justice or judge who accepts employment as a justice of the Supreme Court or district judge in a judicial capacity if:

(a) He fills a position for which there is a critical labor shortage; and

(b) At the time of his reemployment, he is receiving:

(1) ~~[An unmodified benefit.]~~ *A benefit that is not actuarially reduced pursuant to subsection 2 of NRS 1A.350;* or

(2) A benefit actuarially reduced pursuant to subsection 2 of NRS 1A.350 and has reached the required age at which he could have retired with ~~[an unmodified benefit.]~~ *a benefit that was not actuarially reduced pursuant to subsection 2 of NRS 1A.350.*

2. A retired justice or judge who is reemployed under the circumstances set forth in subsection 1 may reenroll in the Judicial Retirement Plan as provided in NRS 1A.370.

3. The Supreme Court shall designate positions in the Judicial Branch of State Government for which there are critical labor shortages. *The Supreme Court shall not designate a position pursuant to this subsection as a position for which there is a critical labor shortage for a period longer than 2 years. To be redesignated as such a position, the Supreme Court must consider whether a critical labor shortage continues to exist for the position.*

**Sec. 37.** NRS 1A.440 is hereby amended to read as follows:

1A.440 Except as otherwise required as a result of NRS 1A.400 or 1A.410:

1. Except as otherwise provided in this subsection, a monthly service retirement allowance must be determined by multiplying a member of the Judicial Retirement Plan's average compensation by 3.4091 percent for each year of service, except that a member of the Plan is entitled to a benefit of not more than 75 percent of his average compensation . ~~[with his eligibility for service credit ceasing at 22 years of service.]~~

2. For the purposes of this section, "average compensation" means the average of a member of the Plan's 36 consecutive months of highest compensation as certified by the Court Administrator.

**Sec. 38.** NRS 1A.620 is hereby amended to read as follows:

1A.620 ~~[An-unmarried]~~

1. A member of the Judicial Retirement Plan may designate, in writing, a survivor beneficiary *and one or more additional payees* to receive the payments provided pursuant to NRS 1A.630, 1A.640 or 1A.650 if the member is unmarried on the date of his death.

2. A designation pursuant to ~~[this-section]~~ *subsection 1* must be made on a form approved by the Executive Officer of the Board. *If a member has designated one or more payees in addition to the survivor beneficiary, the member must designate the percentage of the payments that the survivor beneficiary and each additional payee is entitled to receive.*

**Sec. 39.** NRS 1A.630 is hereby amended to read as follows:

1A.630 1. ~~[The]~~ *Except as otherwise provided in this subsection, the* survivor beneficiary of a deceased member of the Judicial Retirement Plan is entitled to receive a cumulative benefit of at least \$450 per month. *If a member has designated one or more payees in addition to the survivor beneficiary pursuant to NRS 1A.620, the cumulative benefit paid pursuant to this subsection must be divided between the survivor beneficiary and any additional payee in the proportion designated by the member pursuant to NRS 1A.620.* The payments must begin on the first day of the month immediately following the death of the member and must cease on the last day of the month in which the survivor beneficiary dies.

2. The benefits paid pursuant to this section are in addition to any benefits paid pursuant to NRS 1A.580.

3. As used in this section, "survivor beneficiary" means a person designated pursuant to NRS 1A.620.

**Sec. 40.** NRS 1A.640 is hereby amended to read as follows:

1A.640 1. ~~[The]~~ *Except as otherwise provided in subsection 2, the* survivor beneficiary of a deceased member of the Judicial Retirement Plan who had 10 or more years of creditable service is entitled to receive a monthly allowance equivalent to that provided by:

(a) Option 3 in NRS 1A.450, if the deceased member had less than 15 years of service on the date of his death; or

(b) Option 2 in NRS 1A.450, if the deceased member had 15 or more years of service on the date of his death.

To apply the provisions of Options 2 and 3, the deceased member shall be deemed to have retired on the date of his death immediately after having named the survivor beneficiary as beneficiary pursuant to the applicable option. This benefit must be computed without any reduction for age for the deceased member. The benefits provided by this subsection must be paid to the survivor beneficiary for the remainder of the life of the survivor beneficiary.

2. *If the member had designated one or more payees in addition to the survivor beneficiary pursuant to NRS 1A.620, the monthly allowance to which a survivor beneficiary is entitled pursuant to subsection 1 must be divided between the survivor beneficiary and any additional payee in the proportion designated by the member pursuant to NRS 1A.620.*

3. The survivor beneficiary may elect to receive the benefits provided by any one of the following only:

- (a) This section; or
- (b) NRS 1A.630.

~~3.~~ 4. As used in this section, “survivor beneficiary” means a person designated pursuant to NRS 1A.620.

**Sec. 41.** NRS 1A.650 is hereby amended to read as follows:

1A.650 1. ~~The~~ *Except as otherwise provided in subsection 2, the survivor beneficiary of a deceased member of the Judicial Retirement Plan who was fully eligible to retire, both as to service and age, is entitled to receive a monthly allowance equivalent to that provided by Option 2 in NRS 1A.450. This section does not apply to the survivor beneficiary of a member who was eligible to retire only pursuant to subsection 2 of NRS 1A.350. For the purposes of applying the provisions of Option 2, the deceased member shall be deemed to have retired on the date of his death immediately after having named the survivor beneficiary as beneficiary pursuant to Option 2. The benefits provided by this section must be paid to the survivor beneficiary for the remainder of the life of the survivor beneficiary. The survivor beneficiary may elect to receive the benefits provided by any one of the following only:*

- (a) This section;
- (b) NRS 1A.630; or
- (c) NRS 1A.640.

2. *If the member had designated one or more payees in addition to the survivor beneficiary pursuant to NRS 1A.620, the monthly allowance to which a survivor beneficiary is entitled pursuant to subsection 1 must be divided between the survivor beneficiary and any additional payee in the proportion designated by the member pursuant to NRS 1A.620.*

3. As used in this section, “survivor beneficiary” means a person designated pursuant to NRS 1A.620.

**Sec. 42.** NRS 2.079 is hereby amended to read as follows:

2.079 1. ~~An unmarried~~ *A justice of the Supreme Court may designate, in writing, a survivor beneficiary and one or more additional payees to receive the payments provided pursuant to this section if the justice is unmarried on the date of his death. A designation pursuant to this section must be made on a form approved by the Court Administrator. If the justice has designated one or more payees in addition to the survivor beneficiary, the*

*justice must designate the percentage of the payments that the survivor beneficiary and each additional payee is entitled to receive.*

2. ~~HH~~ *Except as otherwise provided in this subsection, if a justice of the Supreme Court at the time of his death had retired and was then receiving a pension pursuant to the provisions of NRS 2.060, or if at the time of his death the justice had not retired but had performed sufficient service for retirement pursuant to the provisions of NRS 2.060, the survivor beneficiary designated pursuant to subsection 1, if the survivor beneficiary has attained the age of 60 years, is entitled, until his death, to receive monthly payments of \$2,500 per month. **If the justice had designated one or more payees in addition to the survivor beneficiary pursuant to subsection 1, the monthly payments paid pursuant to this subsection must be divided between the survivor beneficiary and any additional payee in the proportion designated by the justice pursuant to subsection 1.***

3. ~~HH~~ *Except as otherwise provided in this subsection, if a survivor beneficiary of a justice is not eligible to receive benefits pursuant to subsection 2, he is entitled, until his death or until he becomes eligible to receive those benefits, to receive payments equal in amount to the payment provided in subsection 1 of NRS 286.67675 for the survivor beneficiary of a deceased member of the Public Employees' Retirement System. **If the justice had designated one or more payees in addition to the survivor beneficiary pursuant to subsection 1, the payments paid pursuant to this subsection must be divided between the survivor beneficiary and any additional payee in the proportion designated by the justice pursuant to subsection 1.***

4. To obtain ~~[these benefits,]~~ *the benefits authorized in subsection 3*, the survivor beneficiary must make application to the Executive Officer of the Public Employees' Retirement Board and furnish such information as may be required pursuant to reasonable regulations adopted for the purpose of carrying out the intent of this section.

5. Any person receiving a benefit pursuant to the provisions of this section is entitled to receive postretirement increases equal to those provided for persons retired pursuant to the Public Employees' Retirement System.

6. It is the intent of this section that no special fund be created for the purpose of paying these benefits, and all payments made pursuant to the provisions of this section are to be made out of and charged to the Judicial Retirement Fund established pursuant to NRS 1A.160.

**Sec. 43.** NRS 3.098 is hereby amended to read as follows:

3.098 1. ~~[An unmarried]~~ A district judge may designate, in writing, a survivor beneficiary *and one or more additional payees* to receive the payments provided pursuant to this section if the judge is unmarried on the date of his death. A designation pursuant to this section must be made on a form approved by the Court Administrator. *If the district judge has designated one or more payees in addition to the survivor beneficiary, the district judge must designate the percentage of the payments that the survivor beneficiary and each additional payee is entitled to receive.*

2. ~~[H]~~ *Except as otherwise provided in this subsection, if a district judge at the time of his death had retired and was then receiving a pension pursuant to the provisions of NRS 3.090, or if at the time of his death the district judge had not retired but had performed sufficient service for retirement pursuant to the provisions of NRS 3.090, the survivor beneficiary designated pursuant to subsection 1, if the survivor beneficiary has attained the age of 60 years, is entitled, until his death, to receive monthly payments of \$2,500 per month. If the district judge had designated one or more payees in addition to the survivor beneficiary pursuant to subsection 1, the monthly payments paid pursuant to this subsection must be divided between the survivor beneficiary and any additional payee in the proportion designated by the district judge pursuant to subsection 1.*

3. ~~[H]~~ *Except as otherwise provided in this subsection, if a survivor beneficiary of a district judge is not eligible to receive benefits pursuant to subsection 2, he is entitled, until his death or until he becomes eligible to receive those benefits, to receive payments equal in amount to the payment provided in subsection 1 of NRS 286.67675 for the survivor beneficiary of a deceased member of the Public Employees' Retirement System. If the district judge had designated one or more payees in addition to the survivor beneficiary pursuant to subsection 1, the payments paid pursuant to this subsection must be divided between the survivor beneficiary and any additional payee in the proportion designated by the district judge pursuant to subsection 1.*

4. To obtain ~~[these benefits,]~~ *the benefits authorized by subsection 3,* the survivor beneficiary must make application to the Executive Officer of the Public Employees' Retirement ~~[Fund]~~ *Board* and furnish such information as may be required pursuant to reasonable regulations adopted for the purpose of carrying out the intent of this section.

5. Any person receiving a benefit pursuant to the provisions of this section is entitled to receive postretirement increases equal to those provided for persons retired pursuant to the Public Employees' Retirement System.

6. It is the intent of this section that no special fund be created for the purpose of paying these benefits, and all payments made pursuant to the provisions of this section are to be made out of and charged to the Judicial Retirement Fund established pursuant to NRS 1A.160.

**Sec. 44.** The designation of a position for which there is a critical labor shortage pursuant to NRS 1A.380 or 286.523 expires on the date on which the authority to make the designation expires.

**Sec. 45.** 1. This section and sections 1 to 26, inclusive, and 32 to 37, inclusive, and 44 of this act become effective on July 1, 2003.

2. Sections 27 to 31, inclusive, and 38 to 43, inclusive, of this act become effective on January 1, 2004.

3. Sections 20, 21, 35 and 36 of this act expire by limitation on June 30, 2005.