

CHAPTER.....

AN ACT relating to the Public Employees' Benefits Program; requiring the Board of the Public Employees' Benefits Program to report certain information relating to the costs of health insurance for certain retirees; revising provisions relating to the subsidy paid for certain health and welfare benefits for certain state employees who have retired with state service; revising requirements for certain retired public officers and employees to reinstate insurance under the Program; revising provisions relating to certain subsidies paid to the Program for the 2025-2027 biennium; requiring the Joint Interim Standing Committee on Government Affairs to conduct an interim study on the Program; making an appropriation; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law requires the Office of Finance to establish an assessment to pay for a portion of the costs of the premiums or contributions for the Public Employees' Benefits Program on behalf of persons who were initially hired before January 1, 2012, and have retired with state service, which must be: (1) deposited in the State Retirees' Health and Welfare Benefits Fund to pay a portion of the current and future health and welfare benefits of those retirees; and (2) based upon a base amount approved by the Legislature each session. Existing law also requires that, for retirees who receive health coverage through Medicare, the portion paid to the Program from the Retirees' Fund on behalf of these retirees must be: (1) for persons who retired before January 1, 1994, the base funding level defined by the Legislature multiplied by 15; and (2) for persons who retired on or after January 1, 1994, the base funding level multiplied by the years of service of the person, excluding service purchased, up to a maximum of 20 years. (NRS 287.046) **Section 1** of this bill requires the Board of the Program to report, before August 31 of every even-numbered year, to the Governor and the Interim Retirement and Benefits Committee of the Legislature the typical full cost for such retirees to obtain actuarially comparable health insurance as state retirees enrolled in the plan offered by the Program.

If the Board pays the subsidy for retirees enrolled in the federal TRICARE program or Medicare into a health reimbursement arrangement, **section 3** of this bill prohibits the Board, unless otherwise required by federal law, from: (1) establishing limits on the yearly balance of a health reimbursement arrangement for a person who is enrolled in Medicare that is less than the total amount of the subsidy paid by the Board in the immediately preceding 5 fiscal years; and (2) reverting money in a health reimbursement arrangement to the Retirees' Fund unless the retiree has died or, for more than 2 consecutive years, elected coverage other than coverage provided through TRICARE, Medicare or the plan offered by the Program.

Under existing law, a retired public officer or employee or the surviving spouse of a retired public officer or employee who is deceased may reinstate any insurance under the Program, except life insurance, if the public officer or employee did not



have more than one period during which the retired public officer or employee was not covered by insurance under the Program on or after the later of October 1, 2011, or the date of retirement of the public officer or employee, and the officer or employee retired from: (1) a participating state or local governmental agency under certain circumstances or was enrolled in the retirement program established by the Board of Regents of the University of Nevada for professional staff of the Nevada System of Higher Education; or (2) a nonparticipating local governmental agency, under certain circumstances. (NRS 287.046) To reinstate insurance, the public officer or employee or surviving spouse must provide written notice to the Program not later than 31 days before the commencement of the plan year. (NRS 287.0475) **Section 4** of this bill: (1) removes the prohibition that the retired public officer or employee not have more than one period during which he or she was not covered by insurance under the Program to reinstate insurance; and (2) instead provides that if a person has more than one period during which he or she was not covered by insurance under the Program, the Board may require the person to provide evidence of continuous coverage provided under another health insurance plan during any period other than the first period in which he or she was not covered to reinstate insurance under the Program.

**Section 4** also: (1) authorizes the public officer or employee or surviving spouse to reinstate coverage during any open enrollment period for the plan of insurance; and (2) provides that the retired public officer or employee is eligible, upon reinstatement, to receive the subsidy provided for certain retired employees.

Existing law establishes for the 2025-2027 biennium the share of the cost of qualified medical expenses for individual Medicare insurance plans through the Program that is required to be paid by the State and local governments for retired public officers and employees. (Chapter 57, Statutes of Nevada 2025) **Section 4.1** of this bill increases those amounts for Fiscal Year 2026-2027. **Section 4.3** of this bill makes an appropriation to pay for the increases.

**Section 4.5** of this bill requires the Joint Interim Standing Committee on Government Affairs to conduct a study during the 2025-2026 interim concerning the Public Employees' Benefits Program.

**Section 2** of this bill applies certain definitions in existing law relating to the Program to the provisions of **section 1**.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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

**Section 1.** Chapter 287 of NRS is hereby amended by adding thereto a new section to read as follows:

*On or before August 31 of each even-numbered year, the Board shall submit to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Interim Retirement and Benefits Committee of the Legislature a report setting forth the typical full cost in this State to obtain a plan of health insurance for persons who retired with state service and are provided coverage through the Program by an individual medical plan offered pursuant to the Health Insurance for the Aged Act,*



*42 U.S.C. §§ 1395 et seq., that is actuarially comparable to the plan of health insurance offered by the Program to retirees who do not obtain coverage pursuant to the Health Insurance for the Aged Act, which must include, without limitation:*

*1. The minimum cost of the premium charged for coverage pursuant to Medicare Part B provided pursuant to Part B of Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395j et seq.;*

*2. The average cost in this State to obtain coverage through a Medicare supplemental policy, as defined in 42 U.S.C. § 1395ss, that provides comparable benefits to the plan offered to other retirees by the Program;*

*3. The average cost in this State to obtain prescription drug coverage through Medicare Part D, 42 U.S.C. §§ 1395w et seq.; and*

*4. The average cost to obtain dental and vision coverage, other than the limited coverage provided through a Medicare Advantage plan under Medicare Part C, 42 U.S.C. §§ 1395w-21 et seq.*

**Sec. 2.** NRS 287.0402 is hereby amended to read as follows:

287.0402 As used in NRS 287.0402 to 287.049, inclusive, *and section 1 of this act*, unless the context otherwise requires, the words and terms defined in NRS 287.0404 to 287.04064, inclusive, have the meanings ascribed to them in those sections.

**Sec. 3.** NRS 287.046 is hereby amended to read as follows:

287.046 1. The Office of Finance shall establish an assessment that is to be used to pay for a portion of the cost of premiums or contributions for the Program for persons who were initially hired before January 1, 2012, and have retired with state service.

2. The money assessed pursuant to subsection 1 must be deposited into the Retirees' Fund and must be based upon a base amount approved by the Legislature each session to pay for a portion of the current and future health and welfare benefits for persons who retired before January 1, 1994, or for persons who retire on or after January 1, 1994, as adjusted by subsection 5.

3. Except as otherwise provided in subsections ~~[7]~~ 8 and ~~[9]~~ 10, the portion to be paid to the Program from the Retirees' Fund on behalf of such persons must be equal to a portion of the cost for each retiree and the retiree's dependents who are enrolled in the plan, as defined for each year of the plan by the Program.

4. Except as otherwise provided in subsection 6, the portion of the amount approved by the Legislature as described in subsection 2 to be paid to the Program from the Retirees' Fund for persons who



retired before January 1, 1994, with state service is the base funding level defined for each year of the plan by the Program.

5. Except as otherwise provided in subsection 6, adjustments to the portion of the amount approved by the Legislature as described in subsection 2 to be paid by the Retirees' Fund for persons who retire on or after January 1, 1994, with state service must be as follows:

(a) For each year of service less than 15 years, excluding service purchased pursuant to NRS 1A.310 or 286.300, the portion paid by the Retirees' Fund must be reduced by an amount equal to 7.5 percent of the base funding level defined by the Legislature. In no event may the adjustment exceed 75 percent of the base funding level defined by the Legislature.

(b) For each year of service greater than 15 years, excluding service purchased pursuant to NRS 1A.310 or 286.300, the portion paid by the Retirees' Fund must be increased by an amount equal to 7.5 percent of the base funding level defined by the Legislature. In no event may the adjustment exceed 37.5 percent of the base funding level defined by the Legislature.

6. The portion to be paid to the Program from the Retirees' Fund on behalf of a retired person whose coverage is provided through the TRICARE program, as established pursuant to 32 C.F.R. § 199.17, or provided through the Program by an individual medical plan offered pursuant to the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., must be:

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

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

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

7. *Unless otherwise required by federal law, if the money paid pursuant to subsection 6 is deposited by the Board into a health reimbursement arrangement:*

*(a) The Board shall not establish yearly balance limits in an amount that is less than the total amount of money paid pursuant to subsection 6 in the immediately preceding 5 fiscal years for any account established for a retired person who is provided coverage*



*through an individual medical plan offered pursuant to the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq.; and*

*(b) Any money deposited into the health reimbursement arrangement must remain in the account and may not revert to the Retirees' Fund until:*

*(1) The death of the retired person; or*

*(2) For a period of more than 2 consecutive years, the retired person elects to obtain coverage other than coverage provided through the TRICARE program, as established pursuant to 32 C.F.R. § 199.17, or provided through the Program by an individual medical plan offered pursuant to the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., or the plan offered by the Program.*

8. Except as otherwise provided in subsection ~~[8.]~~ 9, no money may be paid by the Retirees' Fund on behalf of a retired person who is initially hired by the State:

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

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

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

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

~~[8.]~~ 9. The provisions of subsection ~~[7]~~ 8 do not apply to a person who was employed by the State on or before January 1, 2012, who has a break in service and returns to work for the State at the same or another participating state agency after that date, regardless of the length of the break in service, so long as the person did not withdraw from and was eligible to participate in the Public



Employees' Retirement System before or during the break in service.

~~[9.]~~ **10.** If the amount calculated pursuant to subsection 5 or 6 exceeds the actual premium or contribution for the plan of the Program that the retired participant selects, the balance must be credited to the Program Fund.

~~[10.]~~ **11.** For the purposes of this section:

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

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

~~[11.]~~ **12.** The Office of Finance shall agree through the Board with the insurer for billing of remaining premiums or contributions for the retired participant and the retired participant's dependents to the retired participant and to the retired participant's dependents who elect to continue coverage under the Program after the retired participant's death.

**Sec. 4.** NRS 287.0475 is hereby amended to read as follows:

287.0475 1. Except as otherwise provided in subsection ~~[3.]~~ **4**, a retired public officer or employee or the surviving spouse of a retired public officer or employee who is deceased may reinstate any insurance under the Program, except life insurance, that, at the time of reinstatement, is provided by the Program if the retired public officer or employee ~~[:] retired:~~

(a) ~~[Retired:~~

~~—(1)]~~ Pursuant to NRS 1A.350 or 1A.480, or 286.510 or 286.620, from a participating state agency or was enrolled in a retirement program provided pursuant to NRS 286.802;

~~[(2)]~~ (b) Pursuant to NRS 1A.350 or 1A.480, or 286.510 or 286.620, from employment with a county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State which is a participating local governmental agency at the time of the request for reinstatement; or

~~[(3)]~~ (c) Pursuant to NRS 1A.350 or 1A.480, or 286.510 or 286.620, from employment with a county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State which is not a participating local governmental agency at the time of the request for reinstatement and:

~~[(4)]~~ (1) Was enrolled in the Program as a retired public officer or employee on November 30, 2008; and

~~[(4)]~~ (2) Is enrolled in Medicare Part A provided pursuant to Part A of Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395c et seq., and Medicare Part B provided pursuant to



Part B of Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395j et seq., at the time of the request for reinstatement . ~~[-and~~

~~—(b) Did]~~

*2. Except as otherwise provided in this subsection, the Board may require a retired public officer or employee or the surviving spouse of a retired public officer or employee requesting reinstatement pursuant to subsection 1 to provide evidence to the Board of continuous coverage under a health insurance plan, other than the insurance provided by the Program for any period of time, except the first period, in which the person was not covered under the insurance provided by the Program. The Board may not require that a retired public officer or employee or surviving spouse provide such evidence if the public officer, employee or surviving spouse did not have more than one period during which the retired public officer or employee was not covered by insurance under the Program on or after October 1, 2011, or on or after the date of retirement of the public officer or employee, whichever is later.*

~~[2.]~~ 3. Reinstatement pursuant to subsection 1 must be requested by:

(a) Giving written notice to the Program of the intent of the public officer or employee or surviving spouse to reinstate the insurance ~~[not later than 31 days before the commencement of]~~ *during any open enrollment period for the plan [year:] of insurance;*

(b) Accepting the Program's current plan of insurance and any subsequent changes thereto; ~~[and]~~

(c) Except as otherwise provided in NRS 287.046, paying any portion of the premiums or contributions for coverage under the Program, in the manner set forth in NRS 1A.470 or 286.615, which are due from the date of reinstatement and not paid by the public employer ~~[-]~~ ; and

*(d) Providing evidence of continuous coverage under a health insurance plan other than the insurance provided by the Program, if applicable and required by the Board pursuant to subsection 2.*

~~[3.]~~ 4. If a retired public officer or employee retired pursuant to NRS 1A.350 or 1A.480, or 286.510 or 286.620, from employment with a county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency, the retired public officer or employee, or the surviving spouse of such a retired public officer or employee who is deceased, may not reinstate health insurance pursuant to subsection 1 if he or she is excluded from participation in the Program pursuant to



sub-subparagraph (III) of subparagraph (2) of paragraph (h) of subsection 2 of NRS 287.043.

*5. If a retired public officer or employee reinstates the plan of insurance provided by the Program pursuant to this section, the retired officer or employee is eligible, upon reinstatement, to receive any portion of the premium or contributions paid to the Program on behalf of a retired person pursuant to NRS 287.023 or 287.046.*

**Sec. 4.1.** Section 2 of Assembly Bill No. 583 of this session is hereby amended to read as follows:

Sec. 2. 1. Except as otherwise provided in subsection 2, for the purposes of NRS 287.023 and 287.046, the base amount for the share of the cost of premiums or contributions for group insurance for each person who has retired with state service and continues to participate in the Public Employees' Benefits Program to be paid by the State or a local government, as applicable, is:

- (a) For the Fiscal Year 2025-2026, \$650 per month.
- (b) For the Fiscal Year 2026-2027, \$700 per month.

2. For the purposes of NRS 287.023 and 287.046, the share of the cost of qualified medical expenses for each person who has retired with state service and whose coverage is provided through the Public Employees' Benefits Program by an individual medical plan offered pursuant to the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., for Fiscal Year 2025-2026 and Fiscal Year 2026-2027 to be paid by the State or a local government, as applicable, is:

- (a) For those persons who retired before January 1, 1994:

- (1) For the Fiscal Year 2025-2026, \$195 per month.
  - (2) For the Fiscal Year 2026-2027, \$210 per month.

- (b) For those persons who retired on or after January 1, 1994:

- (1) For the Fiscal Year 2025-2026, \$13 per month per year of service, up to 20 years, excluding service purchased pursuant to NRS 1A.310 or 286.300, up to a maximum of \$260 per month.

- (2) For the Fiscal Year 2026-2027, \$14 per month per year of service, up to 20 years, excluding service purchased pursuant to NRS 1A.310 or 286.300, up to a maximum of ~~[\$260]~~ **\$280** per month.

3. If the amount calculated pursuant to this section exceeds the actual premium or contribution for the plan of the Public Employees' Benefits Program that the retired





participant selects, the balance must be credited to the Fund for the Public Employees' Benefits Program created by NRS 287.0435.

**Sec. 4.3.** 1. There is hereby appropriated from the State General Fund to the Public Employees' Benefits Program the sum of \$2,003,655 for the costs of the increases provided in section 4.1 of this act.

2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2027, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 17, 2027, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 17, 2027.

**Sec. 4.5.** 1. The Joint Interim Standing Committee on Government Affairs shall conduct a study during the 2025-2026 interim concerning the Public Employees' Benefits Program.

2. The study must include, without limitation:

(a) An examination of the quality and accessibility of services provided by the Program to participants;

(b) A consideration of whether the position of ombudsman should be created to assist participants in the Program in navigating the benefits offered by the Program;

(c) Recommendations to improve educational outreach to retirees who obtain coverage through Medicare;

(d) An examination of the option for a retiree who obtains coverage through Medicare to opt out of automatic reimbursements from his or her health reimbursement arrangement;

(e) An examination of debit cards for a health reimbursement arrangement provided to retirees who obtain coverage through Medicare; and

(f) An examination of limits on hospital or other provider claims which are based on Medicare rates.

3. The Committee may require the Board of the Public Employees' Benefits Program to submit reports or provide information relating to any issue included in the study conducted pursuant to this section.

4. The Committee shall include its findings and recommendations for legislation relating to this study in the report required by subsection 4 of NRS 218E.330 to be prepared and



submitted to the Director of the Legislative Counsel Bureau for transmittal to the 84th Session of the Legislature.

5. As used in this section, “Medicare” means the program of health insurance for aged persons and persons with disabilities established pursuant to Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395 et seq.

**Sec. 5.** The provisions of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

**Sec. 6.** The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

**Sec. 7.** 1. This section and section 4.1 of this act become effective upon passage and approval.

2. Sections 1 to 4, inclusive, 4.5, 5 and 6 of this act become effective on October 1, 2025.

3. Section 4.3 of this act becomes effective on July 1, 2026.





