

SENATE BILL NO. 272—SENATORS SCHEIBLE  
AND CANNIZZARO

MARCH 13, 2019

Referred to Committee on Government Affairs

**SUMMARY**—Revises provisions relating to the Public Employees’ Retirement System. (BDR 23-749)

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

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

**AN ACT** relating to the Public Employees’ Retirement System; requiring the State of Nevada to pay to the System the employees’ portion of contributions for certain employees; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 With certain exceptions, retired public employees receive retirement  
2 allowances through membership in and contributions to the Public Employees’  
3 Retirement System. (Chapter 286 of NRS) Contributions paid by or for police and  
4 firefighters to the System are credited separately to the Police and Firefighters’  
5 Retirement Fund, whereas contributions paid by or for other public employees to  
6 the System are credited to the Public Employees’ Retirement Fund. (NRS 286.220,  
7 286.225) With certain exceptions, the public employer and the public employee  
8 each pay a portion of the contribution. (NRS 286.410-286.425) One exception in  
9 existing law requires all employers in the System except the State of Nevada to pay  
10 the employee’s portion of the contribution for their employees whose contributions  
11 are credited to the Police and Firefighters’ Retirement Fund. (NRS 286.421) This  
12 bill extends to the State of Nevada the requirement to pay the employee’s portion of  
13 the contribution for: (1) its employees whose contributions are credited to the  
14 Police and Firefighters’ Retirement Fund; and (2) the classified employees of the  
15 Department of Public Safety who provide dispatch services. Thus, the entire  
16 contribution for these employees is paid by the State of Nevada.



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

1       **Section 1.** NRS 286.421 is hereby amended to read as follows:

2       286.421 1. A public employer that elected to pay on behalf of  
3 its employees the contributions required by subsection 1 of NRS  
4 286.410 before July 1, 1983, shall continue to do so, but a public  
5 employer may not elect to pay those contributions on behalf of its  
6 employees on or after July 1, 1983.

7       2. An employee of a public employer that did not elect to pay  
8 on behalf of its employees the contributions required by subsection  
9 1 of NRS 286.410 before July 1, 1983, may elect to:

10       (a) Pay the contribution required by subsection 1 of NRS  
11 286.410 on the employee's own behalf; or

12       (b) Have the employee's portion of the contribution paid by the  
13 employee's employer pursuant to the provisions of NRS 286.425.

14       3. Except for any person chosen by election or appointment to  
15 serve in an elective office of a political subdivision or as a district  
16 judge, a judge of the Court of Appeals or a justice of the Supreme  
17 Court of this State:

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

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

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

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

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

40       5. The membership of an employee who became a member on  
41 or after July 1, 1975, and all contributions on whose behalf were



1 made by the member's public employer must not be cancelled upon  
2 the termination of the member's service.

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

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

11 (b) Except as otherwise provided in subsection 7, adjusted on  
12 the first monthly retirement reporting period commencing on or  
13 after July 1 of each odd-numbered year based on the actuarially  
14 determined contribution rate indicated in the biennial actuarial  
15 valuation and report of the immediately preceding year. The  
16 adjusted rate must be rounded to the nearest one-quarter of 1  
17 percent.

18 7. The total contribution rate for employers must not be  
19 adjusted in accordance with the provisions of paragraph (b) of  
20 subsection 6 if:

21 (a) The existing rate is lower than the actuarially determined rate  
22 but is within one-half of 1 percent of the actuarially determined rate.

23 (b) The existing rate is higher than the actuarially determined  
24 rate but is within 2 percent of the actuarially determined rate. If the  
25 existing rate is more than 2 percent higher than the actuarially  
26 determined rate, the existing rate must be reduced by the amount by  
27 which it exceeds 2 percent above the actuarially determined rate.

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

31 9. Public employees other than the State of Nevada shall pay  
32 the entire employee contribution for those employees who  
33 contribute to the Police and Firefighters' Retirement Fund on and  
34 after July 1, 1981. *The State of Nevada shall pay the entire*  
35 *employee contribution on and after July 1, 2019, for:*

36 (a) *Those employees of the State who contribute to the Police*  
37 *and Firefighters' Retirement Fund; and*

38 (b) *The classified employees of the Department of Public*  
39 *Safety who provide dispatch services.*

40 **Sec. 2.** This act becomes effective on July 1, 2019.



