

SENATE BILL NO. 518—COMMITTEE ON FINANCE

MAY 24, 2013

Referred to Committee on Finance

SUMMARY—Establishes for the 2013-2015 biennium the subsidies to be paid to the Public Employees' Benefits Program for insurance for certain active and retired public officers and employees. (BDR S-1235)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Executive Budget.

~

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

AN ACT relating to programs for public personnel; establishing for the 2013-2015 biennium the subsidies to be paid to the Public Employees' Benefits Program for insurance for certain active and retired public officers and employees; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Section 1** of this bill establishes the amount of the State's share of the costs of
2 premiums or contributions for group insurance for active state officers and
3 employees who participate in the Public Employees' Benefits Program. **Section 2**
4 of this bill establishes the base amount for the share of the costs of premiums or
5 contributions for group insurance under the Program that is required to be paid by
6 the State and local governments for retired public officers and employees. **Section**
7 **2** also establishes the share of the cost of qualified medical expenses for individual
8 Medicare insurance plans through the Program that is required to be paid by the
9 State and local governments for retired public officers and employees.

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

1 **Section 1.** 1. For the purposes of NRS 287.044 and
2 287.0445, the State's share of the cost of premiums or contributions
3 for group insurance for each active state officer or employee who
4 elects to participate in the Public Employees' Benefits Program is:
5 (a) For the Fiscal Year 2013-2014, \$688.37 per month.



* S B 5 1 8 *

1 (b) For the Fiscal Year 2014-2015, \$695.35 per month.

2 2. If the amount of the State's share pursuant to this section
3 exceeds the actual premium or contribution for the plan of the
4 Public Employees' Benefits Program that the state officer or
5 employee selects less any amount paid by the state officer or
6 employee toward the premium or contribution, the balance must be
7 credited to the Fund for the Public Employees' Benefits Program
8 created by NRS 287.0435, which may be used to pay a portion of
9 the premiums or contributions for persons that are eligible to
10 participate in the Public Employees' Benefits Program through such
11 a state officer or employee.

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

18 (a) For the Fiscal Year 2013-2014, \$452.26 per month.

19 (b) For the Fiscal Year 2014-2015, \$462.20 per month.

20 2. For the purposes of NRS 287.023 and NRS 287.046, the
21 share of the cost of qualified medical expenses for each person who
22 has retired with state service and whose coverage is provided
23 through the Public Employees' Benefits Program by an individual
24 medical plan offered pursuant to the Health Insurance for the Aged
25 Act, 42 U.S.C. §§ 1395 et seq., for Fiscal Year 2013-2014 and
26 Fiscal Year 2014-2015 to be paid by the State or a local
27 government, as applicable, is:

28 (a) For those persons who retired before January 1, 1994, \$165
29 per month.

30 (b) For those persons who retired on or after January 1, 1994,
31 \$11 per month per year of service, excluding service purchased
32 pursuant to NRS 1A.310 or 286.300, up to a maximum of \$200 per
33 month.

34 3. For Fiscal Year 2013-2014 and Fiscal Year 2014-2015, the
35 share of the cost of qualified medical expenses set forth in
36 subsection 2 for each person who has retired with state service and
37 whose coverage is provided through the Public Employees' Benefits
38 Program by an individual medical plan offered pursuant to the
39 Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., to be
40 paid by the State or a local government, as applicable, must be
41 increased by \$2 per month.

42 4. No money may be paid by the State Retirees' Health and
43 Welfare Benefits Fund created by NRS 287.0436 on behalf of a
44 person who is initially hired by the State on or after January 1, 2010,
45 and who:



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

3 (b) Does not have at least 15 years of service credit upon
4 retirement, unless the person does not have at least 15 years of
5 service credit as a result of a disability for which disability benefits
6 are received under the Public Employees' Retirement System or a
7 retirement program for professional employees offered by or
8 through the Nevada System of Higher Education, and has
9 participated in the Program on a continuous basis since his or her
10 retirement from such employment.

11 5. If the amount calculated pursuant to this section exceeds the
12 actual premium or contribution for the plan of the Public
13 Employees' Benefits Program that the retired participant selects, the
14 balance must be credited to the Fund for the Public Employees'
15 Benefits Program created by NRS 287.0435.

16 **Sec. 3.** This act becomes effective on July 1, 2013.



