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STATE OF NEVADA  
**PUBLIC EMPLOYEES' BENEFITS PROGRAM**

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LEO M. DROZDOFF, P.E.  
Board Chairman

**NOTICE OF INTENT TO ACT UPON  
A PROPOSED PERMANENT REGULATION R013-15**

Notice of Hearing for the Adoption, Amendment and Repeal of a Regulation  
of the Public Employees' Benefits Program

The Board of the Public Employees' Benefits Program will hold a public hearing no earlier than 9:00 am on the 17<sup>th</sup> day of September of 2015, at the Legislative Building, 401 South Carson Street, Room #4100, Carson City, Nevada 89701 and video conferenced to the Grant Sawyer State Office Building, 555 East Washington Avenue, Room #4412E, Las Vegas, NV 89101. The purpose of the hearing is to receive comments from all interested persons regarding the adoption, amendment and repeal of regulations that pertain to Chapter 287 of the Nevada Administrative Code.

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. The need for and the purpose of the proposed regulation.  
*The proposed permanent regulation revises the manner of calculating the subsidies required to be paid by the local governments for certain retired public officers and employees so that the governing body will pay the same portion of the cost of coverage under the Program as the State pays for persons who retire from state service and participate in the Program.*
2. How to obtain the approved or revised text of the proposed regulation prepared by the Legislative Counsel pursuant to NRS 233B.063:  
*See attached proposed regulation.*
3. The estimated economic effect of the regulation on the business which it is to regulate and on the public. These must be stated separately and in each case must include:
  - (a) Both adverse and beneficial effects; and  
*Adverse effects: None.*  
*Beneficial effects: None.*
  - (b) Both immediate and long term effects:  
*None.*
4. The estimated cost to the agency for enforcement of the proposed regulation.  
*None.*

5. A description of and citation to any regulations of other state or local governmental agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the proposed regulation overlaps or duplicates a federal regulation, the notice must include the name of the regulating federal agency.

***None.***

6. If the regulation is required pursuant to federal law, a citation and description of the federal law.

***Not applicable.***

7. If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.

***Not applicable.***

8. Whether the proposed regulation establishes a new fee or increases an existing fee.

***This regulation does not provide for a new fee or an increase to an existing fee.***

Persons wishing to comment upon the proposed action of Public Employees' Benefits Program Board may appear at the scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Public Employees' Benefits Program, Attention: Kari Pedroza, 901 South Stewart Street, Suite 1001, Carson City, Nevada 89701. Written submissions must be received by the Public Employees' Benefits Program on or before Wednesday, September 16, 2015. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Public Employees' Benefits Program may proceed immediately to act upon any written submissions.

A copy of this notice and the regulation to be adopted, amended and repealed will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation to be adopted, amended and repealed will be available at the Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, Nevada, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at <http://www.leg.state.nv.us>. Copies of this notice and the proposed regulation will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary. This information is also available at Public Employees' Benefits Program's web site at <http://www.pebp.state.nv.us>.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

The Nevada State Library and Archives, 100 North Stewart Street, Carson City, Nevada, The Legislative Building, 401 South Carson Street, Carson City, Nevada, The Blasdel Building, 209 East Musser Street, Carson City; Nevada, The Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City; Nevada, and The Grant Sawyer State Office Building, 555 E. Washington Avenue., Las Vegas, Nevada. In addition, the notice was mailed to all State agencies and to groups and individuals as requested.

Date: August 17, 2015

**PROPOSED REGULATION OF THE  
BOARD OF THE PUBLIC EMPLOYEES' BENEFITS PROGRAM**

**LCB File No. R013-15**

August 17, 2015

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

AUTHORITY: §§1 and 2, NRS 287.043 and 287.046.

A REGULATION relating to public employees; revising the manner of calculating the subsidies required to be paid by local governments for certain retired public officers and employees; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Under existing law, the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada may negotiate and contract with the Board of the Public Employees' Benefits Program to secure exclusive group insurance for all of its officers and employees and their dependents in certain circumstances. (NRS 287.025) When an officer or employee of such a governing body retires, he or she has the option to cancel any such coverage or to continue any such coverage to the extent he or she is not eligible for Medicare under federal law. (NRS 287.023) If the officer or employee chooses to continue the coverage, the governing body must pay the same portion of the cost of the coverage under the Program as the State pays for persons who retire from state service and participate in the Program. (NRS 287.023) **Section 1** of this regulation interprets the phrase "the same portion of the cost of coverage under the Public Employees' Benefits Program for retired persons covered under the Program as the State pays pursuant to NRS 287.046 for persons retired with state service who participate in the Program."

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

*As used in NRS 287.023, the Board interprets "the same portion of the cost of coverage under the Public Employees' Benefits Program for retired persons covered under the Program as the State pays pursuant to NRS 287.046 for persons retired with state service who participate in the Program" to mean the same percentage of the subsidy as the State pays*

*pursuant to subsection 3 of NRS 287.046 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.*

**Sec. 2.** NAC 287.490 is hereby amended to read as follows:

287.490 1. Except as otherwise provided in subsection 2 ~~and~~ *and section 1 of this regulation*, the amount of the subsidy that must be paid by each public employer with which a retired officer or employee was employed is calculated in the manner set forth in NRS 287.046.

2. Each public employer with which the retired officer or employee was employed shall pay an amount of the total subsidy for the retired officer or employee equal to the proportion that the service credit earned by the retired officer or employee with that public employer bears to the total service credit earned by the retired officer or employee with all public employers with which the retired officer or employee was employed. The amount of the total subsidy must be based on the cumulative total years and months of service by the retired officer or employee for all public employers with which the retired officer or employee was employed.