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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 R028-16**

**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 17th day of June of 2016, at the Richard H. Bryan Building, 901 South Stewart Street, Suite #1002, Carson City, Nevada 89701. 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.
Reducing the waiting period to comply with the Affordable Care Act and administrative processes for Nevada state agencies. Additionally, duplicative regulations will be repealed.
2. Either the terms or the substance of the regulations to be adopted, amended and repealed or a description of the subjects and issues involved.
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.

Affordable Care Act, 42 U.S.C. § 300gg-7

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 Thursday, June 16, 2016. 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. In addition, this notice has been posted on <https://www.leg.state.nv.us/App/Notice/A/> and <https://pebp.state.nv.us/meetings-events/board-meetings/> and <https://nv.notice.gov>

Date: May 18, 2016

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

LCB File No. R028-16

May 6, 2016

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

AUTHORITY: §§1-3, NRS 287.043 and 287.045.

A REGULATION relating to the Public Employees' Benefits Program; revising the date that certain participants are eligible to participate in the Program; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates a Public Employees' Benefits Program to provide group life, accident or health insurance to certain public employees, state officers and members of the Legislature in this State. (NRS 287.043) Existing law also provides that certain public employees, state officers and members of the Legislature become eligible to participate in the Program on: (1) the date of hire or first day of the term of office of the public employee, state officer or member of the Legislature if that date is the first day of the month; or (2) the first day of the month immediately following the date of hire or first day of the term of office of the public employee, state officer or member of the Legislature. (NRS 287.045) This regulation makes conforming changes to certain sections of the Nevada Administrative Code.

Existing regulations provide that certain public employees who are on leave without pay, elect not to pay their Program premiums while on leave and later return to work are not eligible to participate in the Program until after a 90-day waiting period. (NAC 287.450) **Section 1** of this regulation eliminates the waiting period so that such an employee is eligible to participate in the Program on the first day that he or she returns to full-time employment.

Existing regulations provide that a retired justice or judge who accepts reemployment as a justice of the Supreme Court or district judge is eligible to participate in the Program as an active justice or judge: (1) if the first day after the completion of 90 days of full-time employment is on the first day of a month, on the first day after the completion of 90 days of full-time employment; or (2) if the first day after the completion of 90 days of full-time employment is not on the first day of a month, on the first day of the month immediately following the completion of 90 days of full-time employment. (NAC 287.515) **Section 2** of this regulation provides that such a retired justice or judge is eligible to participate in the Program as an active justice or judge: (1) on the effective date of reemployment if that date is on the first day of a month; or (2) on the first day of the month immediately following the effective date of reemployment if the effective date of reemployment is not on the first day of a month.

Section 3 of this regulation repeals certain obsolete regulations.

Section 1. NAC 287.450 is hereby amended to read as follows:

287.450 1. A participating public agency that employs an employee who is on leave without pay shall not pay any amount of the cost of premiums or contributions that is due the Program for group insurance for that employee unless the employee is compensated for a combination of work actually performed and accrued annual leave or sick leave, if the total is at least 80 hours per month for each month that coverage or insurance is provided.

2. An employee who is on approved leave without pay:

(a) May continue coverage or insurance for himself or herself and any of his or her eligible dependents:

(1) If the amount of the paycheck of the employee is more than the cost of the premium or contribution, by having the cost of the premium or contribution deducted from his or her paycheck; or

(2) If the amount of the paycheck of the employee is less than the cost of the premium or contribution, by paying the cost of the premium or contribution directly to the Program.

(b) Is not eligible for coverage or insurance as a dependent of a participant.

(c) Is not eligible for coverage or insurance if the employee elects not to pay the premium or contribution for coverage or insurance.

3. If an employee who is on approved leave without pay elects not to pay the premium or contribution for coverage and insurance from the Program and returns to ~~work~~:

~~—(a) Within 1 year after the last day of his or her coverage from the Program, the employee is not required to complete 90 days of full-time employment, before being eligible to participate in the Program.~~

~~—(b) One year or more after taking leave without pay,~~ the employee is eligible to participate in the Program on the first day ~~{of the month following 90 days}~~ of full-time employment.

4. An employee who is on approved leave without pay may, at the time he or she returns to ~~{work,}~~ *full-time employment*, obtain coverage and insurance for any dependent who was previously covered.

Sec. 2. NAC 287.515 is hereby amended to read as follows:

287.515 1. Except as otherwise provided in this section, a person who participates in the Program as a retired officer or employee and who returns to full-time employment with a participating public agency is eligible to participate in the Program as an active officer or employee:

(a) If the effective date of reemployment is on the first day of a month, on the effective date of reemployment; or

(b) If the effective date of reemployment is not on the first day of a month, on the first day of the month immediately following the effective date of reemployment.

2. If a person who participates in the Program as a retired justice or judge accepts reemployment as a justice of the Supreme Court or district judge pursuant to NRS 1A.370, the person is eligible to participate in the Program as an active justice or judge, as applicable:

(a) If the ~~{first day after the completion of 90 days of full time employment}~~ *effective date of reemployment* is on the first day of a month, on the ~~{first day after the completion of 90 days of full time employment;}~~ *effective date of reemployment;* or

(b) If the ~~{first day after the completion of 90 days of full time employment}~~ *effective date of reemployment* is not on the first day of a month, on the first day of the month immediately following the ~~{completion of 90 days of full time employment.}~~ *effective date of reemployment.*

3. Except as otherwise required by federal law, a retired officer or employee who returns to full-time employment with a participating public agency to fill a position which has been designated as a position for which there is a critical labor shortage pursuant to NRS 286.523 and who continues to receive allowances under the retirement system of which he or she is a member is eligible to participate in the Program in the same manner as he or she participated before returning to full-time employment. Except for a retired officer or employee who was enrolled in the Program on November 30, 2008, and continues his or her participation in the Program, coverage of a retired officer or employee who returns to full-time employment with a participating local governmental agency pursuant to this subsection terminates on the date on which the participating local governmental agency terminates its participation in the Program.

4. A retired officer or employee who returns to full-time employment with a participating state agency to fill a position which has been designated as a position for which there is a critical labor shortage pursuant to NRS 286.523 and who discontinues receiving allowances under the retirement system of which he or she is a member is eligible to participate in the Program as an active officer or employee:

(a) If the effective date of reemployment is on the first day of a month, on the effective date of reemployment; or

(b) If the effective date of reemployment is not on the first day of a month, on the first day of the month immediately following the effective date of reemployment.

5. A retired officer or employee who returns to full-time employment with a participating local governmental agency to fill a position which has been designated as a position for which there is a critical labor shortage pursuant to NRS 286.523 and who discontinues receiving

allowances under the retirement system of which he or she is a member is eligible to participate in the Program as an active officer or employee:

(a) If the effective date of reemployment is on the first day of a month, on the effective date of reemployment; or

(b) If the effective date of reemployment is not on the first day of a month, on the first day of the month immediately following the effective date of reemployment.

↪ Except for a retired officer or employee who was enrolled in the Program on November 30, 2008, and continues his or her participation in the Program, coverage of a retired officer or employee pursuant to this subsection terminates on the date on which the participating local governmental agency with which the retired officer or employee returns to full-time employment terminates its participation in the Program.

Sec. 3. NAC 287.3105 and 287.500 are hereby repealed.

TEXT OF REPEALED SECTIONS

287.3105 Persons eligible to participate in Program. (NRS 287.043, 42 U.S.C. § 300gg-7)

1. Except as otherwise provided in subsection 2 of NRS 287.045, every state officer or employee is eligible to participate in the Program on the first day of the month following the completion of 60 days of full-time employment.

2. Every officer or employee who is employed by a participating local governmental agency on a permanent and full-time basis on the date on which the participating local governmental agency enters into an agreement to participate in the Program pursuant to paragraph (a) of subsection 1 of NRS 287.025, and every officer or employee who commences employment with that participating local governmental agency after that date, is eligible to participate in the Program on the first day of the month following the completion of 60 days of full-time employment, unless that officer or employee is excluded pursuant to sub-subparagraph (III) of subparagraph (2) of paragraph (h) of subsection 2 of NRS 287.043.

3. Every member of the Senate and Assembly is eligible to participate in the Program on the first day of the month following the 60th day after the member's initial term of office begins.

287.500 Coverage of seasonal employees and biennial employees. (NRS 287.043, 287.045, 287.0467)

1. If a seasonal employee returns to work with a participating public agency, the participating public agency shall determine if the employee participated in the Program or was eligible to participate during his or her previous employment with the participating public agency.

2. A seasonal employee who was eligible to participate in the Program during his or her previous employment with a participating public agency and who returns to work within 1 year after the termination of employment is eligible to participate in the Program on the first day of the month following his or her return to work.

3. A seasonal employee who returns to work 1 year or more after the termination of his or her previous employment is eligible to participate in the Program:

(a) If the first day after the completion of 90 days of full-time employment is the first day of a month, on the first day after the completion of 90 days of full-time employment; or

(b) If the first day after the completion of 90 days of full-time employment is not the first day of a month, on the first day of the month immediately following the completion of 90 days of full-time employment.

4. A biennial employee who was working for a participating state agency is not subject to any waiting period upon reenrollment if the biennial employee:

(a) Is returning to the same or a similar position as held during the previous biennial employment period; and

(b) Continues to pay his or her full premium or contribution and allowable administrative fees as required by NRS 287.0467 for the enrolled coverage between biennial employment periods.