

Chapter 287 of NAC

**ADOPTED TEMPORARY REGULATION OF THE
BOARD OF THE PUBLIC EMPLOYEES' BENEFITS PROGRAM**

LCB File No. T004-14

287.490 Subsidy for retired officer or employee: Calculation of amount of payment. (NRS 287.043, 287.046)

1. Except as otherwise provided in subsection ~~2~~ 3, 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. Effective for months after July 1, 2015, portion as used in paragraph b of subsection 4 of NRS 287.023 will be defined as the same percentage of the premium as the State provides for each retiree and the retiree's dependents pursuant to subsection 3 of NRS 287.046.

~~2~~ 3. 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 employer for all public employers with which the retired officer or employee was employed.

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS--NRS 233B.066
Informational Statement
LCB File No. T004-14

1. A clear and concise explanation of the need for the adopted regulation.

Currently, the subsidies provided by the former employers of non-state, non-Medicare retirees are based on the dollar amount established for State, non-Medicare retirees. This calculation results in some non-state, non-Medicare retirees paying a substantial amount for their health insurance premiums each month while other non-state, non-Medicare retirees pay less than their State, non-Medicare retiree counterparts.

The PEBP Board is attempting to address the premiums paid by non-state, non-Medicare retirees who participate in the PEBP plans. Pursuant to paragraph b of sub-section 4 of section 287.023 of Nevada Revised Statutes,

"The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of this State...Shall pay 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 287.016 for persons retired with state service who participate in the Program."

The intent of the adoption of the proposed regulation is the re-interpretation of NRS 287.023(4)(b) regarding the calculation of the portion of the cost of coverage a local governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local government agency of this State must pay for retired persons covered under the group health insurance plans administered by the Public Employees' Benefits Program.

2. Description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

Copies of the proposed regulations, notices of workshop and notices of intent to act upon the regulation were sent by U.S. mail to all State agencies, groups and individuals who had specifically requested such notice. These documents were also made available at the Public Employees' Benefits Program's website at <http://www.pebp.state.nv.us>, mailed to the Nevada State Library and Archives, all county libraries in Nevada, and posted at the following locations:

The Legislative Building
401 South Carson Street
Carson City, NV 89701

The Blasdel Building
209 East Musser Street, Suite 6
Carson City, NV 89701

The Richard H Bryan Building
901 South Stewart Street, Suite 1001
Carson City, NV 89701

The Grant Sawyer State Office Building
555 East Washington Avenue, Suite 1000
Las Vegas, NV 89101

The public response to the proposed regulation is summarized below.

Responses in support of the regulation: PEBP received comments (both testimonial and written) in support of adopting the regulation. This support came from fourteen retired participants whose last employer was a local governmental agency and who would be affected by the proposed regulation change. The retirees who voiced their support were in favor of the regulation as it would lower the monthly dollar amount they pay for PEBP-sponsored coverage.

Responses in opposition of the regulation: PEBP received comments (both testimonial and written) in opposition of the adoption of the regulation. The opposition was voiced by five local governmental agencies which would be affected by the proposed regulation change. The adoption of the proposed regulation would result in the amount that the local governmental agencies provide for their retirees' premiums to increase.

3. **The number of persons who:**
 - (a) **Attended each hearing:** November 20, 2014 – (34); January 30, 2015 – (42); April 2, 2015 – (40)
 - (b) **Testified at each hearing:** November 20, 2014 – (3); January 30, 2015 – (4); April 2, 2015 – (6)
 - (c) **Submitted written comments:** November 20, 2014 – (0); January 30, 2015 – (5); April 2, 2015 – (12)

4. **For each person identified in paragraphs (b) and (c) of number 3 above, the following information if provided to the agency conducting the hearing:**
 - (a) **Name;**
 - (b) **Telephone number;**
 - (c) **Business address;**
 - (d) **Business telephone number;**
 - (e) **Electronic mail address; and**
 - (f) **Name of entity or organization represented.**

A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in paragraphs (b) and (c) of number 3, as provided to the agency, is attached as Exhibit A.

5. **A description of how comment was solicited from affected businesses, a summary of their response and an explanation of how other interested persons may obtain a copy of the summary.**

The proposed regulation would change premium contribution rates that local governments would need to make on behalf of their retirees, and would not be expected to have any effect on businesses. Therefore, PEBP did not undertake any outreach efforts over and above its solicitation of input from the general public. No responses were received by businesses as a result of PEBP's outreach efforts.

6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

No proposed alternatives to the regulation, other than the status quo, were put forward in any of the comments. PEBP recognizes that the result of the proposed regulation would be that some local governmental agencies will pay more in subsidized amounts for their previous employees and some will pay less. Opposition to the proposed regulation came from some local governmental agencies that will see an increase. The reason for adopting the regulation remains that a percentage-of-total-premium basis for determining local government subsidies is a more rational way of apportioning the burden of health care costs between former employer and retiree, in keeping with the language in NRS 287.023(4)(b).

For that reason, taking into consideration the opposition of the adoption of the regulation by some local governmental agencies, no changes were made to the proposed regulation which was adopted by the PEBP Board on April 2, 2015.

7. The estimated economic effect of the regulation on the business which it is to regulate and on the public.

(a) Estimated economic effect on the businesses which they are to regulate.

PEBP does not anticipate an economic effect on any businesses.

(b) Estimated economic effect on the public which they are to regulate.

PEBP does not anticipate an economic effect on the public.

8. The estimated cost to the agency for enforcement of the proposed regulation:

PEBP does not anticipate the need for any additional resources to administer the regulation.

9. A description of any regulations of other State or governmental agencies which the regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

There are no known state or government agency regulations that the proposed regulation duplicates.

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

Not applicable.

- 11. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

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

Exhibit A
Informational Statement - LCB File No. T004-14

Additional information regarding persons identified in paragraphs (b) and (c) of number 3 of the Legislative Review of Adopted Regulations Informational Statement.

(b) Persons who testified at each hearing are identified below:

November 20, 2014 Workshop – 3

Priscilla Maloney

Representative of the American Federation of State,
County and Municipal Employees (AFSCME)
(775) 544-7338

Vicki Cameron

Retired Public Employees of Nevada (RPEN)
(702) 435-2234

Marty Bibb

Director of RPEN
(775) 882-7832

January 30, 2015 Public Hearing – 4

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Retired PEBP Participant
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Peggy Lear Bowen

Retired PEBP Participant
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Douglas Unger

UNLV Faculty Senate Chairman

April 2, 2015 Public Hearing – 6

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Peggy Lear Bowen

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(c) Persons who submitted written comments at each hearing are identified below:

November 20, 2014 Workshop – 0

There were no written comments submitted at this workshop.

January 30, 2015 Public Hearing – 5

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Karen Keller

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Maureen Foley-Marenco

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April 2, 2015 Public Hearing – 12

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