

LCB File No. R015-98

**PROPOSED REGULATION OF THE DEFERRED COMPENSATION COMMITTEE
NAC CHAPTER 287**

NAC 287.705 is hereby amended to read as follows:

287.705 Purpose.

The purpose of NAC 287.705 to 287.735, inclusive, is to set forth the qualifications and the procedures for the selection of [an] administrators and providers for the program.

NAC 287.710 is hereby amended to read as follows:

287.710 Administrators and providers: Selection and removal.

1. The committee will select [an] administrators and providers for the program. One person may be selected to serve in both capacities. The committee will contract with more than [one] two providers if it deems it necessary to offer the participants in the program superior investment options.

2. The selection will be made as often as the committee deems necessary, but not less frequently than in September of every [fourth] fifth year [after September 1991].

3. [The a] Administrators and providers serve at the pleasure of the committee and [each is] are subject to removal [from the position] at any time by a majority vote of the committee.

NAC 287.715 is hereby amended to read as follows:

287.715 Administrators and providers: Bases for selection.

The committee will base its selection, as applicable, of [an] administrators and providers on:

1. The criteria set forth in NAC 287.720;
2. The answers to the questionnaire provided pursuant to NAC 287.725;
3. Any interviews conducted by the committee;
4. The variety and quality of any investment options offered to participants; and
5. The projected costs submitted by each applicant.

The committee will not select the applicant who submits the least expensive proposal if another applicant is better qualified.

NAC 287.720 is hereby amended to read as follows:

287.720 Administrators and providers: Criteria for selection.

In selecting an applicant, the committee will consider:

1. The experience of the applicant in providing services to deferred compensation and similar programs and the rate of return of any investments offered by the applicant;
2. The amount of money the applicant is currently managing and the general financial condition of the applicant;
3. Whether the applicant is qualified to do business in this state; and
4. Whether the applicant employs a sufficient number of employees and possesses sufficient equipment to offer timely and efficient communication and service to the participants in the program.

NAC 287.725 is hereby amended to read as follows:

287.725 Administrators and providers: Notice of intended selection; questionnaires and requests for proposal.

1. The committee will cause to be published a notice of the intended selection in one or more newspapers in the state. The notice will be published three times not more than 30 days before the date by which applications must be returned.
2. The notice will set forth:
 - (a) The date on which the committee will select [an] administrators and providers and the date and time by which the [commission] committee must receive the completed application;
 - (b) The qualifications required of [an] administrators and providers; and
 - (c) The manner in which an applicant may obtain a questionnaire and a request for proposal.
3. The chairman may, if he deems it appropriate, send copies of the notice to state and national trade associations concerned with the business of deferred compensation or similar programs for inclusion in their publications or for dissemination among their members.

4. The chairman shall prepare a questionnaire and a request for proposal and make them available to each applicant at least 30 days before the date on which they must be received by the [commission] committee.

NAC 287.730 is hereby amended to read as follows:

287.730 Appointment of subcommittee to review proposals and make recommendations; general meetings of committee; negotiation of changes to accepted proposals.

1. The chairman shall, if he deems it appropriate, appoint a subcommittee to review the proposals and make recommendations to the full committee.

2. The chairman shall call a general meeting of the committee to:

(a) Accept information from appropriate sources pertaining to any applicant.

(b) Conduct interviews of the applicants.

(c) Select one or more of the applicants for appointment as [the] administrators and provider.

3. Acceptance of an applicant's proposal does not preclude the committee from negotiating specific changes to the proposal which are in the best interests of the State of Nevada.

NAC 287.735 is hereby amended to read as follows:

287.735 Consultants: Selection and removal.

1. The committee will select such consultants as are necessary to provide services needed for the selection of [an] administrators and providers and for the administration of the program and the investment of the money of the participants.

2. Such a consultant serves at the pleasure of the committee and may be removed from the position at any time by a majority vote of the committee.