
ASSEMBLY BILL NO. 67—COMMITTEE
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE CITY OF RENO)

PREFILED DECEMBER 15, 2010

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the Public Employees’ Retirement System. (BDR 23-317)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

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

AN ACT relating to financial administration; eliminating the liability of a public employer to its employees for erroneously reporting wages to the Public Employees’ Retirement System; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, public employers are required periodically to file payroll
2 reports concerning their employees and remit contributions to the Public
3 Employees’ Retirement System, which are based on the compensation paid to their
4 employees. (NRS 286.460) The portions of an employee’s compensation that are
5 required to be reported and on which retirement contributions are required to be
6 paid are set forth in existing law. (NRS 286.025) A public employer is responsible
7 to an employee under existing law for any resulting impact to the employee’s
8 retirement benefit if the public employer erroneously reports to the System wages
9 for the employee for which retirement contributions were not required. (NRS
10 286.460) Therefore, under existing law, an employee’s retirement benefit is not
11 adjusted as a result of any such erroneous reporting of wages by his or her public
12 employer. This bill eliminates the liability of a public employer for any resulting
13 impact to an employee’s retirement benefit if the public employer erroneously
14 reports the employee’s wages to the System. Therefore, an employee’s retirement
15 benefit will be adjusted as a result of any such erroneous reporting of wages.



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

- 1 **Section 1.** NRS 286.460 is hereby amended to read as follows:
2 286.460 1. Each participating public employer which pays
3 compensation to its officers or employees in whole or in part from
4 money received from sources other than money appropriated from
5 the State General Fund shall pay public employer contributions, or
6 the proper portion thereof, to the System from the money of the
7 department, board, commission or agency.
- 8 2. Public employer contributions for compensation paid from
9 the State General Fund must be paid directly by each department,
10 board, commission or other agency concerned, and allowance
11 therefor must be made in the appropriation made for each
12 department, board, commission or other state agency.
- 13 3. All participating public employers that are required to make
14 payments pursuant to this section shall file payroll reports not later
15 than 15 days after the end of the reporting period, together with the
16 remittance of the amount due the System. The 15-day limit is
17 extended 1 working day for each legal holiday that falls within the
18 15-day period and is officially recognized by the public employer.
- 19 4. Payroll reports must contain accurate payroll information
20 and be filed in a form prescribed by the Board. If the payroll reports
21 are not filed or the amounts due are not remitted within the time
22 provided, a penalty on the unpaid balance due must be assessed at a
23 rate of 4 percent more than the prime rate of interest as published in
24 the Wall Street Journal (Western Edition) for the first date the
25 payment or report becomes delinquent. For purposes of calculating
26 the penalty on the unpaid balance due, the unpaid balance due must
27 be calculated based on the most recent payroll report submitted to
28 the System by the public employer.
- 29 5. A notice of the penalty assessed must be mailed by certified
30 mail to the chief administrator of the delinquent public employer.
31 The public employer shall pay the assessment within 90 days after
32 receipt of the notice or an additional penalty of 1 percent of the
33 assessment per month must be imposed until paid. Refusal or failure
34 by the public employer to pay the assessment within 12 months after
35 receipt is a misdemeanor on the part of the chief administrator of the
36 delinquent public employer. The Board may accept, no later than 30
37 days after the notice is received, an appeal from a public employer
38 for waiver or reduction of a penalty assessed on account of
39 extenuating circumstances and make any adjustment it deems
40 necessary.
- 41 6. Except as otherwise required as a result of NRS 286.537,
42 upon notification that a current employee was not properly enrolled



1 in the System by the public employer, the public employer shall pay
2 within 90 days all the employee and employer contributions and the
3 interest that is due as computed by the System from the first day the
4 employee was eligible for membership. The public employer is
5 entitled to recover from the employee the employee contributions
6 and interest thereon.

7 ~~7. If an employer reports wages pursuant to this section that~~
8 ~~are ineligible pursuant to the definition of compensation under NRS~~
9 ~~286.025, the public employer is responsible to the employee for the~~
10 ~~impact to the member's benefit, if any, that results from the~~
11 ~~erroneously reported wages.~~

12 ~~—8.]~~ As used in this section, "reporting period" means the
13 calendar month for which members' compensation and service
14 credits are reported and certified by participating public employers.
15 Compensation paid during each month must be reported separately,
16 and retroactive salary increases must be identified separately for
17 each month to which they apply.

18 **Sec. 2.** This act becomes effective upon passage and approval.



