

**GROUP INSURANCE, PLAN OF BENEFITS AND MEDICAL AND HOSPITAL SERVICES FOR
OFFICERS AND EMPLOYEES OF LOCAL GOVERNMENTAL AGENCIES**

NRS 287.017 Trust fund for future retirement benefits of local governmental employees and their spouses and dependents.

1. Notwithstanding any other provision of law, the governing body of any local government which provides retirement benefits to retired employees of that local government and the spouses and dependents of those employees may, in addition to any other power granted by law, establish a trust fund for that purpose in accordance with the provisions of this section.

2. If the governing body of a local government establishes a trust fund pursuant to this section:

(a) That local government may, within the limitations of its budget, make contributions to the trust fund in such an amount as it determines, in accordance with generally accepted accounting principles, to be appropriate to provide, in whole or in part, the funding necessary for any future retirement benefits to which the retired employees of that local government and the spouses and dependents of those employees may be entitled pursuant to the benefits plan of that local government.

(b) All contributions to the trust fund, and any interest and income earned on the money in the trust fund, must be held in trust and used only to:

(1) Provide, for the benefit of retired employees of that local government and the spouses and dependents of those employees, retirement benefits in accordance with the benefits plan of that local government; and

(2) Pay any reasonable administrative expenses incident to the provision of those benefits and the administration of the trust.

(c) All contributions to the trust fund are irrevocable and become the property of the beneficiaries of the trust.

(d) The assets of the trust fund are not subject to the claims of any creditors of:

(1) That local government;

(2) The administrator of the benefits plan of that local government; or

(3) The beneficiaries of the trust.

(e) The trust fund must be administered by a board of trustees appointed by the governing body of that local government to act in a fiduciary capacity for the beneficiaries of the trust. The board of trustees shall be deemed to be a governmental entity for the purposes of [chapter 239](#) of NRS and a public body for the purposes of [chapter 241](#) of NRS, and the members of the board of trustees shall be deemed to be public officers for the purposes of [chapter 281A](#) of NRS. Neither the trust nor the board of trustees shall be deemed to be a local government for the purposes of [chapter 350](#) or [354](#) of NRS, and except as otherwise provided in this section and [NRS 355.220](#), no statutory limitation on the investment of public money shall be deemed to apply to the trust. The governing body:

(1) Must require the board of trustees to administer the trust in accordance with generally accepted accounting principles and actuarial studies applicable to the future provision of retirement benefits to retired employees and the spouses and dependents of those employees; and

(2) May authorize the board of trustees to employ such staff and contract for the provision of such management, investment and other services, including, without limitation, the services of accountants, actuaries, attorneys and investment managers, as are necessary for the administration of the trust fund.

(f) The constituent documents that establish the trust must:

(1) Set forth the powers and duties of the board of trustees, which may include any powers and duties that may be exercised by a nonprofit corporation under the laws of this State, but which must not include the power to borrow money or be inconsistent with the provisions of this section;

(2) Establish a procedure for resolving expeditiously any deadlock that arises among the members of the board of trustees; and

(3) Provide for an audit of the trust by an independent certified public accountant at least annually, the results of which must be reported to the governing body of that local government.

(g) Subject to the provisions of paragraph (h) and except as otherwise provided in paragraph (i), the assets of the trust fund or any portion of those assets may, as directed by the board of trustees appointed pursuant to paragraph (e):

(1) Be deposited in or withdrawn from the Retirement Benefits Investment Fund established pursuant to [NRS 355.220](#);

(2) Be invested in any investment which is authorized for a local government pursuant to [NRS 355.170](#); or

(3) Be invested in any stocks or other equity securities or bonds or other debt securities which:

(I) Are traded on a public securities market;

(II) Are approved by the Committee on Local Government Finance or included in any category of stocks or other equity securities or bonds or other debt securities which is approved by the Committee on Local Government Finance; and

(III) Persons of prudence, discretion and intelligence acquire or retain for their own account, ↪ except that in no case may the assets of the trust fund include more than 5 percent of the equity or debt of any single business entity and in no case may more than 5 percent of the assets of the trust fund be invested in the equity or debt of any single business entity.

(h) The assets of the trust fund may be pooled for the purposes of investment with the assets of any trust funds established by any other local governments pursuant to this section only if each participating local government's proportionate share of the pool of assets:

(1) Is accounted for separately;

(2) Is used to provide retirement benefits solely to the retired employees of that local government and the spouses and dependents of those employees; and

(3) Is not subject to any liabilities of any other local governments.

(i) The board of trustees appointed pursuant to paragraph (e) shall not deposit any of the assets of the trust fund in the Retirement Benefits Investment Fund established pursuant to [NRS 355.220](#) unless the board obtains an opinion from the legal counsel for that local government that the investment of those assets in accordance with [NRS 355.220](#) will not violate the provisions of [Section 10 of Article 8](#) of the Constitution of the State of Nevada.

3. The Committee on Local Government Finance may, in the manner prescribed for state agencies in [chapter 233B](#) of NRS, adopt such regulations as it determines to be appropriate for the administration and interpretation of the provisions of this section.

4. As used in this section:

(a) "Benefits plan" means a plan established by a local government or required by law for the provision of retirement benefits to retired employees of a local government and the spouses and dependents of those employees.

(b) "Local government" has the meaning ascribed to it in [NRS 354.474](#).

(c) "Retirement benefits" means any retirement benefits other than a pension and includes, without limitation, life, accident or health insurance, or any combination of such benefits.

(Added to NRS by [2007, 900](#))