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ALL AGENCY MEMO - 2018-02

January 22, 2018

To: All Agencies
From: James R. Wells, Director 
Subject: Contracts with Current or Former State Employees

Pursuant to NRS 333.705, agencies wishing to employ current or former employees of the State on a contractual basis must follow certain criteria, including obtaining Board of Examiners' approval for contracts with current employees **OR** with former employees if less than two years have elapsed since the former employee's termination from State service.

Assembly Bill 466 of the 2017 Legislature amended that provision, and the revised law allows current or former state employees who are not receiving retirement benefits under the Public Employees' Retirement System (PERS) for the duration of the term to contract with State agencies without the Board of Examiners' advance approval. Assembly Bill 466 can be found at the following link:

https://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB466_EN.pdf

Effective February 1, 2018, agencies will be required to obtain verification from their contractors who are current or former State employees, or who are employed by third parties, that the former State employee is ineligible to or will not receive retirement benefits from PERS during the term of the contract.

Agencies must include the following language in contracts with former State employees. This document must be attached to the contract record in CETS in the "Does Not Print" folder.

"The contractor certifies that they are, or are employing, a current or former State of Nevada employee. Contractor further certifies that the current or former employee is not receiving retirement benefits from the Public Employees' Retirement System of Nevada (PERS). The current or former employee may not receive retirement benefits from PERS during the term of this contract and any subsequent time extensions.

In the event that the current or former employee elects to receive retirement benefits at any point during the term of this contract, the contractor is required to inform the contracting State agency 30 days prior to that election. The contracting agency must then disclose this information to the State Board of Examiners (BOE). This disclosure will be reviewed at the next scheduled BOE meeting as an Action Item. At that time, the BOE will determine the continuation of this contract and the employee's services as a contractor of the State of Nevada."

New forms have been created for contracting with current of former employees. The forms are available on the State Purchasing website. Please use these new forms for any request to contract with current or former employees.

If you have questions, please contact your assigned Executive Branch Budget Officer.