

## DIVISION OF NEVADA RETIREMENT SYSTEMS FOR OASDI PURPOSES

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JUNE 16 (legislative day, MARCH 30), 1964.—Ordered to be printed

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Mr. BYRD of Virginia, from the Committee on Finance, submitted the following

### R E P O R T

[To accompany H.R. 287]

The Committee on Finance, to whom was referred the bill (H.R. 287) to amend title II of the Social Security Act to include Nevada among those States which are permitted to divide their retirement systems into two parts for purposes of obtaining social security coverage under Federal-State agreement, having considered the same, report favorably thereon without amendment and recommended that the bill do pass.

#### GENERAL STATEMENT

H.R. 287 amends title II of the Social Security Act to include the State of Nevada under the provision of present law which permits specified States to divide State or local government retirement systems into two parts and provide social security coverage for the part consisting of the positions of those employees who desire such coverage

#### EXPLANATION OF COVERAGE EXTENSION

Under a provision of section 218 of the Social Security Act which is designed to facilitate the social security coverage of members of State and local government retirement systems, 17 specified States (and all interstate instrumentalities) are permitted to divide a State or local government retirement system into two parts for purposes of old-age, survivors, and disability insurance coverage, one part consisting of the positions of members who desire coverage, and the other consisting of the positions of members who do not desire coverage. Services performed by the members in the part consisting of the positions of members who desire coverage may then be covered under old-age, survivors, and disability insurance, and, once those services are covered, the services of all persons who in the future

become members of the retirement system must also be covered. The 17 States which are now permitted to extend coverage under this provision are California, Connecticut, Florida, Georgia, Hawaii, Massachusetts, Minnesota, New Mexico, New York, North Dakota, Pennsylvania, Rhode Island, Tennessee, Texas, Vermont, Washington, and Wisconsin. Your committee's bill would add Nevada to this group of States.

Your committee recommends enactment of this bill.

#### DEPARTMENTAL REPORT

Although the Department of Health, Education, and Welfare prefers general legislation to include all States, it does not oppose enactment of this bill. The full text of the report of the Department of Health, Education, and Welfare follows:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,  
*Washington, June 1, 1964.*

HON. HARRY F. BYRD,  
*Chairman, Committee on Finance,*  
*U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This letter is in response to your request of May 4, 1964, for a report on H.R. 287, a bill to amend title II of the Social Security Act to include Nevada among those States which are permitted to divide their retirement systems into two parts for purposes of obtaining social security coverage under Federal-State agreement.

As you know, under a provision of the Social Security Act which is designed to facilitate the social security coverage of members of State and local retirement systems, 17 specified States and all interstate instrumentalities may extend coverage to only those current members of a retirement system who desire such coverage, with compulsory coverage for all persons who later become members of the retirement system group. H.R. 287 would make this provision applicable to the State of Nevada.

We believe that social security legislation applying only to specified States should generally be avoided, since such legislation tends to nullify the effect of the general provisions of law and also complicates the social security program. However, in this case the effect of the bill would be to broaden an existing provision rather than to add a new provision to the law.

While we recommend that the committee give consideration to including all States under the provision in question, we would not oppose the enactment of this bill.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

ANTHONY J. CELEBREZZE, *Secretary.*

#### CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in

black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 218(d)(6)(C) OF THE SOCIAL SECURITY ACT

Voluntary Agreements for Coverage of State and Local Employees

Purpose of Agreement

SEC. 218. (a) \* \* \*

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Positions Covered by Retirement Systems

(d)(1) \* \* \*

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(C) For the purposes of this subsection, any retirement system established by the State of California, Connecticut, Florida, Georgia, Massachusetts, Minnesota, *Nevada*, New Mexico, New York, North Dakota, Pennsylvania, Rhode Island, Tennessee, Texas, Vermont, Washington, Wisconsin, or Hawaii, or any political subdivision of any such State, which, on, before, or after the date of enactment of this subparagraph, is divided into two divisions or parts, one of which is composed of positions of members of such system who desire coverage under an agreement under this section and the other of which is composed of positions of members of such system who do not desire such coverage, shall, if the State so desires and if it is provided that there shall be included in such division or part composed of members desiring such coverage the positions of individuals who become members of such system after such coverage is extended, be deemed to be a separate retirement system with respect to each such division or part. If, in the case of a separate retirement system which is deemed to exist by reason of subparagraph (A) and which has been divided into two divisions or parts pursuant to the first sentence of this subparagraph, individuals become members of such system by reason of action taken by a political subdivision after coverage under an agreement under this section has been extended to the division or part thereof composed of positions of individuals who desire such coverage, the positions of such individuals who become members of such retirement system by reason of the action so taken shall be included in the division or part of such system composed of positions of members who do not desire such coverage if (i) such individuals, on the day before becoming such members, were in the division or part of another separate retirement system (deemed to exist by reason of subparagraph (A)) composed of positions of members of such system who do not desire coverage under an agreement under this section and (ii) all of the positions in the separate retirement system of which such individuals so become members and all of the positions in the separate retirement system referred to in clause (i) would have been covered by a single retirement system if the State had not taken action to provide for separate retirement systems under this paragraph.

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