# F I S C A L   I M P A C T   R E P O R T

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|---|---|---|---|---|
| | **ORIGINAL DATE** | 02/24/09 | | |
| **SPONSOR** | Martinez, W. Ken | **LAST UPDATED** | **HM** | 27 |

**SHORT TITLE**   Study PERA for Long-Time Session Staff          **SB**

**ANALYST**   Hanika-Ortiz

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT  (dollars in thousands)

| | FY09 | FY10 | FY11 | 3 Year Total Cost | Recurring or Non-Rec | Fund Affected |
|---|---|---|---|---|---|---|
| **Total** | | $0.1 unknown | $0.1 unknown | | Recurring | General Fund |

(Parenthesis ( ) Indicate Expenditure Decreases)

## SOURCES OF INFORMATION
LFC Files

Responses Received From
State Personnel Office (SPO)

## SUMMARY

Synopsis of Bill

House Memorial 27 requests that the New Mexico Legislative Council study the cost of providing retirement benefits for seasonable legislative employees who have served a minimum of twenty years.

The Memorial provides the following:
- the legislature of New Mexico can boast a long list of loyal staff members that return year after year;
- legislators who serve in New Mexico's roundhouse come to know these scores of persons well, taking part in their lives just as those persons contribute to the life of the legislature;
- many of these seasonal workers are retired, but some work the legislative sessions as another source of income in the winter months while working in other short-term jobs during the summer and fall;
- some of the long-time seasonal employees are employed by partisan offices, some by legislative committees, some by the house of representatives, some by the senate and some by legislative agencies;
- the house of representatives would like to recognize the contributions of this group of long-time legislative employees and to provide an incentive for others to follow in their loyal tradition; and

- some of the long-time seasonal employees may not have retirement funds set aside or may not have accrued an adequate retirement fund.

**FISCAL IMPLICATIONS**

SPO notes that while HM 27 addresses the potential pension withdrawals by seasonal legislative employees, it does not address their contribution to PERA. The bill also does not address when the eligibility and withdraws can begin, as well as, how long, if at all, the benefits will be back dated. Based upon this, the overall fiscal impact, whether it be large or small, should be negative.

**SIGNIFICANT ISSUES**

The Memorial acknowledges the important role of seasonal employees to the legislative process.

**PERFORMANCE IMPLICATIONS**

Pending the overall impact revealed by the results of the feasibility and fiscal impact study, these results must be used in tandem with the solvency concerns already facing PERA.

**ADMINISTRATIVE IMPLICATIONS**

PERA will need to conduct an actuarial study to determine the impact on the pension fund. If feasible, the Legislature and PERA will need to take the appropriate steps to ensure the laws and rules allow for these members to participate.

**TECHNICAL ISSUES**

SPO notes that eligibility, withdrawal status and back dating of years of service will need to be clarified before the feasibility study can take place.

It is unclear to whom the findings and recommendations will be reported.

The Memorial does not ask for SPO or PERA participation in the feasibility study.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Long-term session employees offered temporary work at the legislature will not be eligible for retirement.

**POSSIBLE QUESTIONS**

How many seasonal session employees have been working greater than twenty years?

**AMENDMENT**

Replace the word "seasonal" with "temporary".

AHO/mt