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SENATE BILL 26

**51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

INTRODUCED BY

George K. Munoz

FOR THE INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

AN ACT

RELATING TO PENSIONS; AMENDING THE PUBLIC EMPLOYEES RETIREMENT ACT, THE MAGISTRATE RETIREMENT ACT AND THE JUDICIAL RETIREMENT ACT; AUTHORIZING THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION TO DETERMINE AND IMPOSE SUPPLEMENTAL MEMBER CONTRIBUTION RATES AND COST-OF-LIVING ADJUSTMENTS FOR MEMBERS AND RETIRED MEMBERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 10-11-26.5 NMSA 1978 (being Laws 1994, Chapter 128, Section 6, as amended) is amended to read:

"10-11-26.5. STATE GENERAL MEMBER COVERAGE PLAN 3--MEMBER CONTRIBUTION RATE.--

A. A member under state general member coverage plan 3 shall contribute seven and forty-two hundredths percent of salary starting with the first full pay period that ends within the calendar month in which state general member

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1 coverage plan 3 becomes applicable to the member [~~except that~~  
2 ~~for members whose annual salary is greater than twenty thousand~~  
3 ~~dollars (\$20,000):~~

4 ~~A. from July 1, 2009 through June 30, 2011, the~~  
5 ~~member contribution rate shall be eight and ninety-two~~  
6 ~~hundredths percent of salary;~~

7 ~~B. from July 1, 2011 through June 30, 2012, the~~  
8 ~~member contribution rate shall be ten and sixty-seven~~  
9 ~~hundredths percent of salary; and~~

10 ~~C. from July 1, 2012 through June 30, 2013, the~~  
11 ~~member contribution rate shall be eight and ninety-two~~  
12 ~~hundredths percent of salary].~~

13 B. In addition to the member contribution required  
14 pursuant to Subsection A of this section, a member under state  
15 general member coverage plan 3 shall make a supplemental  
16 contribution as determined by the retirement board. The rate  
17 of the supplemental contribution, if any, shall be determined  
18 annually and shall take effect on July 1 of each year or in the  
19 first full pay period that ends within the calendar month in  
20 which state general member coverage plan 3 becomes applicable  
21 to the member. In determining the supplemental contribution  
22 rate, the retirement board shall:

23 (1) consider the solvency of the coverage plan  
24 and whether the plan is projected to be ninety percent funded  
25 within thirty years;

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1                   (2) consider any other relevant factors as  
2 determined by the retirement board;

3                   (3) not set a supplemental contribution rate  
4 in excess of thirty-five percent of the contribution rate set  
5 forth in Subsection A of this section; and

6                   (4) act to enhance or preserve the actuarial  
7 soundness of the plan."

8           SECTION 2. Section 10-11-38.5 NMSA 1978 (being Laws 1994,  
9 Chapter 128, Section 13, as amended) is amended to read:

10           "10-11-38.5. STATE HAZARDOUS DUTY MEMBER COVERAGE PLAN  
11 2--MEMBER CONTRIBUTION RATE.--

12           A. A member under state hazardous duty member  
13 coverage plan 2 shall contribute four and seventy-eight  
14 hundredths percent of salary starting with the first full pay  
15 period that ends within the calendar month in which state  
16 hazardous duty member coverage plan 2 becomes applicable to the  
17 member [~~except that for members whose annual salary is greater~~  
18 ~~than twenty thousand dollars (\$20,000):~~

19           ~~A. from July 1, 2009 through June 30, 2011, the~~  
20 ~~member contribution rate shall be six and twenty-eight~~  
21 ~~hundredths percent of salary;~~

22           ~~B. from July 1, 2011 through June 30, 2012, the~~  
23 ~~member contribution rate shall be eight and three-hundredths~~  
24 ~~percent of salary; and~~

25           ~~C. from July 1, 2012 through June 30, 2013, the~~

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1 ~~member contribution rate shall be six and twenty-eight~~  
2 ~~hundredths percent of salary].~~

3 B. In addition to the member contribution required  
4 pursuant to Subsection A of this section, a member under state  
5 hazardous duty member coverage plan 2 shall make a supplemental  
6 contribution as determined by the retirement board. The rate  
7 of the supplemental contribution, if any, shall be determined  
8 annually and shall take effect on July 1 of each year or in the  
9 first full pay period that ends within the calendar month in  
10 which state hazardous duty member coverage plan 2 becomes  
11 applicable to the member. In determining the supplemental  
12 contribution rate, the retirement board shall:

13 (1) consider the solvency of the coverage plan  
14 and whether the plan is projected to be ninety percent funded  
15 within thirty years;

16 (2) consider any other relevant factors as  
17 determined by the retirement board;

18 (3) not set a supplemental contribution rate  
19 in excess of thirty-five percent of the contribution rate set  
20 forth in Subsection A of this section; and

21 (4) act to enhance or preserve the actuarial  
22 soundness of the plan."

23 SECTION 3. Section 10-11-48 NMSA 1978 (being Laws 1987,  
24 Chapter 253, Section 48) is amended to read:

25 "10-11-48. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 1--  
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1 MEMBER CONTRIBUTION RATE.--

2 A. A member under municipal general member coverage  
3 plan 1 shall contribute seven percent of salary.

4 B. In addition to the member contribution required  
5 pursuant to Subsection A of this section, a member under  
6 municipal general member coverage plan 1 shall make a  
7 supplemental contribution as determined by the retirement  
8 board. The rate of the supplemental contribution, if any,  
9 shall be determined annually and shall take effect on July 1 of  
10 each year or in the first full pay period that ends within the  
11 calendar month in which municipal general member coverage plan  
12 1 becomes applicable to the member. In determining the  
13 supplemental contribution rate, the retirement board shall:

14 (1) consider the solvency of the coverage plan  
15 and whether the plan is projected to be ninety percent funded  
16 within thirty years;

17 (2) consider any other relevant factors as  
18 determined by the retirement board;

19 (3) not set a supplemental contribution rate  
20 in excess of thirty-five percent of the contribution rate set  
21 forth in Subsection A of this section; and

22 (4) act to enhance or preserve the actuarial  
23 soundness of the plan."

24 SECTION 4. Section 10-11-54 NMSA 1978 (being Laws 1987,  
25 Chapter 253, Section 54) is amended to read:

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1 "10-11-54. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 2--  
2 MEMBER CONTRIBUTION RATE.--

3 A. A member under municipal general member coverage  
4 plan 2 shall contribute nine and [~~fifteen one hundredths~~]  
5 fifteen-hundredths percent of salary starting with the first  
6 full pay period in the calendar month in which coverage plan 2  
7 becomes applicable to the member.

8 B. In addition to the member contribution required  
9 pursuant to Subsection A of this section, a member under  
10 municipal general member coverage plan 2 shall make a  
11 supplemental contribution as determined by the retirement  
12 board. The rate of the supplemental contribution, if any,  
13 shall be determined annually and shall take effect on July 1 of  
14 each year or in the first full pay period that ends within the  
15 calendar month in which municipal general member coverage plan  
16 2 becomes applicable to the member. In determining the  
17 supplemental contribution rate, the retirement board shall:

18 (1) consider the solvency of the coverage plan  
19 and whether the plan is projected to be ninety percent funded  
20 within thirty years;

21 (2) consider any other relevant factors as  
22 determined by the retirement board;

23 (3) not set a supplemental contribution rate  
24 in excess of thirty-five percent of the contribution rate set  
25 forth in Subsection A of this section; and

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1                   (4) act to enhance or preserve the actuarial  
2 soundness of the plan."

3           SECTION 5. Section 10-11-55.5 NMSA 1978 (being Laws 1993,  
4 Chapter 58, Section 5) is amended to read:

5           "10-11-55.5. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 3--  
6 MEMBER CONTRIBUTION RATE.--

7           A. A member under municipal general member coverage  
8 plan 3 shall contribute thirteen and [~~fifteen one-hundredths~~]  
9 fifteen-hundredths percent of salary starting with the first  
10 full pay period in the calendar month in which coverage plan 3  
11 becomes applicable to the member.

12           B. In addition to the member contribution required  
13 pursuant to Subsection A of this section, a member under  
14 municipal general member coverage plan 3 shall make a  
15 supplemental contribution as determined by the retirement  
16 board. The rate of the supplemental contribution, if any,  
17 shall be determined annually and shall take effect on July 1 of  
18 each year or in the first full pay period that ends within the  
19 calendar month in which municipal general member coverage plan  
20 3 becomes applicable to the member. In determining the  
21 supplemental contribution rate, the retirement board shall:

22                   (1) consider the solvency of the coverage plan  
23 and whether the plan is projected to be ninety percent funded  
24 within thirty years;

25                   (2) consider any other relevant factors as

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1 determined by the retirement board;

2 (3) not set a supplemental contribution rate  
3 in excess of thirty-five percent of the contribution rate set  
4 forth in Subsection A of this section; and

5 (4) act to enhance or preserve the actuarial  
6 soundness of the plan."

7 SECTION 6. Section 10-11-55.11 NMSA 1978 (being Laws  
8 1998, Chapter 106, Section 5) is amended to read:

9 "10-11-55.11. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 4--  
10 MEMBER CONTRIBUTION RATE.--

11 A. A member under municipal general member coverage  
12 plan 4 shall contribute fifteen and sixty-five hundredths  
13 percent of salary starting with the first full pay period in  
14 the calendar month in which coverage plan 4 becomes applicable  
15 to the member.

16 B. In addition to the member contribution required  
17 pursuant to Subsection A of this section, a member under  
18 municipal general member coverage plan 4 shall make a  
19 supplemental contribution as determined by the retirement  
20 board. The rate of the supplemental contribution, if any,  
21 shall be determined annually and shall take effect on July 1 of  
22 each year or in the first full pay period that ends within the  
23 calendar month in which municipal general member coverage plan  
24 4 becomes applicable to the member. In determining the  
25 supplemental contribution rate, the retirement board shall:

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1                   (1) consider the solvency of the coverage plan  
2 and whether the plan is projected to be ninety percent funded  
3 within thirty years;

4                   (2) consider any other relevant factors as  
5 determined by the retirement board;

6                   (3) not set a supplemental contribution rate  
7 in excess of thirty-five percent of the contribution rate set  
8 forth in Subsection A of this section; and

9                   (4) act to enhance or preserve the actuarial  
10 soundness of the plan."

11           SECTION 7. Section 10-11-60 NMSA 1978 (being Laws 1987,  
12 Chapter 253, Section 60) is amended to read:

13           "10-11-60. MUNICIPAL POLICE MEMBER COVERAGE PLAN 1--  
14 MEMBER CONTRIBUTION RATE.--

15           A. A member under municipal police member coverage  
16 plan 1 shall contribute seven percent of salary.

17           B. In addition to the member contribution required  
18 pursuant to Subsection A of this section, a member under  
19 municipal police member coverage plan 1 shall make a  
20 supplemental contribution as determined by the retirement  
21 board. The rate of the supplemental contribution, if any,  
22 shall be determined annually and shall take effect on July 1 of  
23 each year or in the first full pay period that ends within the  
24 calendar month in which municipal police member coverage plan 1  
25 becomes applicable to the member. In determining the

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1 supplemental contribution rate, the retirement board shall:

2 (1) consider the solvency of the coverage plan  
3 and whether the plan is projected to be ninety percent funded  
4 within thirty years;

5 (2) consider any other relevant factors as  
6 determined by the retirement board;

7 (3) not set a supplemental contribution rate  
8 in excess of thirty-five percent of the contribution rate set  
9 forth in Subsection A of this section; and

10 (4) act to enhance or preserve the actuarial  
11 soundness of the plan."

12 SECTION 8. Section 10-11-66 NMSA 1978 (being Laws 1987,  
13 Chapter 253, Section 66) is amended to read:

14 "10-11-66. MUNICIPAL POLICE MEMBER COVERAGE PLAN 2--  
15 MEMBER CONTRIBUTION RATE.--

16 A. A member under municipal police member coverage  
17 plan 2 shall contribute seven percent of salary.

18 B. In addition to the member contribution required  
19 pursuant to Subsection A of this section, a member under  
20 municipal police member coverage plan 2 shall make a  
21 supplemental contribution as determined by the retirement  
22 board. The rate of the supplemental contribution, if any,  
23 shall be determined annually and shall take effect on July 1 of  
24 each year or in the first full pay period that ends within the  
25 calendar month in which municipal police member coverage plan 2

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1 becomes applicable to the member. In determining the  
2 supplemental contribution rate, the retirement board shall:

3 (1) consider the solvency of the coverage plan  
4 and whether the plan is projected to be ninety percent funded  
5 within thirty years;

6 (2) consider any other relevant factors as  
7 determined by the retirement board;

8 (3) not set a supplemental contribution rate  
9 in excess of thirty-five percent of the contribution rate set  
10 forth in Subsection A of this section; and

11 (4) act to enhance or preserve the actuarial  
12 soundness of the plan."

13 SECTION 9. Section 10-11-72 NMSA 1978 (being Laws 1987,  
14 Chapter 253, Section 72) is amended to read:

15 "10-11-72. MUNICIPAL POLICE MEMBER COVERAGE PLAN 3--  
16 MEMBER CONTRIBUTION RATE.--

17 A. A member under municipal police member coverage  
18 plan 3 shall contribute seven percent of salary.

19 B. In addition to the member contribution required  
20 pursuant to Subsection A of this section, a member under  
21 municipal police member coverage plan 3 shall make a  
22 supplemental contribution as determined by the retirement  
23 board. The rate of the supplemental contribution, if any,  
24 shall be determined annually and shall take effect on July 1 of  
25 each year or in the first full pay period that ends within the

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1 calendar month in which municipal police member coverage plan 3  
2 becomes applicable to the member. In determining the  
3 supplemental contribution rate, the retirement board shall:

4 (1) consider the solvency of the coverage plan  
5 and whether the plan is projected to be ninety percent funded  
6 within thirty years;

7 (2) consider any other relevant factors as  
8 determined by the retirement board;

9 (3) not set a supplemental contribution rate  
10 in excess of thirty-five percent of the contribution rate set  
11 forth in Subsection A of this section; and

12 (4) act to enhance or preserve the actuarial  
13 soundness of the plan."

14 SECTION 10. Section 10-11-78 NMSA 1978 (being Laws 1987,  
15 Chapter 253, Section 78) is amended to read:

16 "10-11-78. MUNICIPAL POLICE MEMBER COVERAGE PLAN 4--  
17 MEMBER CONTRIBUTION RATE.--

18 A. A member under municipal police member coverage  
19 plan 4 shall contribute twelve and thirty-five [~~one-hundredths~~]  
20 hundredths percent of salary starting with the first full pay  
21 period in the calendar month in which municipal police member  
22 coverage plan 4 becomes applicable to the member.

23 B. In addition to the member contribution required  
24 pursuant to Subsection A of this section, a member under  
25 municipal police member coverage plan 4 shall make a

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1 supplemental contribution as determined by the retirement  
2 board. The rate of the supplemental contribution, if any,  
3 shall be determined annually and shall take effect on July 1 of  
4 each year or in the first full pay period that ends within the  
5 calendar month in which municipal police member coverage plan 4  
6 becomes applicable to the member. In determining the  
7 supplemental contribution rate, the retirement board shall:

8 (1) consider the solvency of the coverage plan  
9 and whether the plan is projected to be ninety percent funded  
10 within thirty years;

11 (2) consider any other relevant factors as  
12 determined by the retirement board;

13 (3) not set a supplemental contribution rate  
14 in excess of thirty-five percent of the contribution rate set  
15 forth in Subsection A of this section; and

16 (4) act to enhance or preserve the actuarial  
17 soundness of the plan."

18 SECTION 11. Section 10-11-84 NMSA 1978 (being Laws 1987,  
19 Chapter 253, Section 84) is amended to read:

20 "10-11-84. MUNICIPAL POLICE MEMBER COVERAGE PLAN 5--  
21 MEMBER CONTRIBUTION RATE.--

22 A. A member under municipal police member coverage  
23 plan 5 shall contribute sixteen and three-tenths percent of  
24 salary starting with the first full pay period in the calendar  
25 month in which municipal police member coverage plan 5 becomes

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1 applicable to the member.

2 B. In addition to the member contribution required  
3 pursuant to Subsection A of this section, a member under  
4 municipal police member coverage plan 5 shall make a  
5 supplemental contribution as determined by the retirement  
6 board. The rate of the supplemental contribution, if any,  
7 shall be determined annually and shall take effect on July 1 of  
8 each year or in the first full pay period that ends within the  
9 calendar month in which municipal police member coverage plan 5  
10 becomes applicable to the member. In determining the  
11 supplemental contribution rate, the retirement board shall:

12 (1) consider the solvency of the coverage plan  
13 and whether the plan is projected to be ninety percent funded  
14 within thirty years;

15 (2) consider any other relevant factors as  
16 determined by the retirement board;

17 (3) not set a supplemental contribution rate  
18 in excess of thirty-five percent of the contribution rate set  
19 forth in Subsection A of this section; and

20 (4) act to enhance or preserve the actuarial  
21 soundness of the plan."

22 SECTION 12. Section 10-11-90 NMSA 1978 (being Laws 1987,  
23 Chapter 253, Section 90, as amended) is amended to read:

24 "10-11-90. MUNICIPAL FIRE MEMBER COVERAGE PLAN 1--MEMBER  
25 CONTRIBUTION RATE.--

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1           A. A member under municipal fire member coverage  
2 plan 1 shall contribute eight percent of salary.

3           B. In addition to the member contribution required  
4 pursuant to Subsection A of this section, a member under  
5 municipal fire member coverage plan 1 shall make a supplemental  
6 contribution as determined by the retirement board. The rate  
7 of the supplemental contribution, if any, shall be determined  
8 annually and shall take effect on July 1 of each year or in the  
9 first full pay period that ends within the calendar month in  
10 which municipal fire member coverage plan 1 becomes applicable  
11 to the member. In determining the supplemental contribution  
12 rate, the retirement board shall:

13                   (1) consider the solvency of the coverage plan  
14 and whether the plan is projected to be ninety percent funded  
15 within thirty years;

16                   (2) consider any other relevant factors as  
17 determined by the retirement board;

18                   (3) not set a supplemental contribution rate  
19 in excess of thirty-five percent of the contribution rate set  
20 forth in Subsection A of this section; and

21                   (4) act to enhance or preserve the actuarial  
22 soundness of the plan."

23           SECTION 13. Section 10-11-96 NMSA 1978 (being Laws 1987,  
24 Chapter 253, Section 96, as amended) is amended to read:

25           "10-11-96. MUNICIPAL FIRE MEMBER COVERAGE PLAN 2--MEMBER  
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1 CONTRIBUTION RATE.--

2           A. A member under municipal fire member coverage  
3 plan 2 shall contribute eight percent of salary.

4           B. In addition to the member contribution required  
5 pursuant to Subsection A of this section, a member under  
6 municipal fire member coverage plan 2 shall make a supplemental  
7 contribution as determined by the retirement board. The rate  
8 of the supplemental contribution, if any, shall be determined  
9 annually and shall take effect on July 1 of each year or in the  
10 first full pay period that ends within the calendar month in  
11 which municipal fire member coverage plan 2 becomes applicable  
12 to the member. In determining the supplemental contribution  
13 rate, the retirement board shall:

14                   (1) consider the solvency of the coverage plan  
15 and whether the plan is projected to be ninety percent funded  
16 within thirty years;

17                   (2) consider any other relevant factors as  
18 determined by the retirement board;

19                   (3) not set a supplemental contribution rate  
20 in excess of thirty-five percent of the contribution rate set  
21 forth in Subsection A of this section; and

22                   (4) act to enhance or preserve the actuarial  
23 soundness of the plan."

24           SECTION 14. Section 10-11-102 NMSA 1978 (being Laws 1987,  
25 Chapter 253, Section 102, as amended) is amended to read:

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[bracketed material] = delete

1 "10-11-102. MUNICIPAL FIRE MEMBER COVERAGE PLAN 3--MEMBER  
2 CONTRIBUTION RATE.--

3 A. A member under municipal fire member coverage  
4 plan 3 shall contribute eight percent of salary.

5 B. In addition to the member contribution required  
6 pursuant to Subsection A of this section, a member under  
7 municipal fire member coverage plan 3 shall make a supplemental  
8 contribution as determined by the retirement board. The rate  
9 of the supplemental contribution, if any, shall be determined  
10 annually and shall take effect on July 1 of each year or in the  
11 first full pay period that ends within the calendar month in  
12 which municipal fire member coverage plan 3 becomes applicable  
13 to the member. In determining the supplemental contribution  
14 rate, the retirement board shall:

15 (1) consider the solvency of the coverage plan  
16 and whether the plan is projected to be ninety percent funded  
17 within thirty years;

18 (2) consider any other relevant factors as  
19 determined by the retirement board;

20 (3) not set a supplemental contribution rate  
21 in excess of thirty-five percent of the contribution rate set  
22 forth in Subsection A of this section; and

23 (4) act to enhance or preserve the actuarial  
24 soundness of the plan."

25 SECTION 15. Section 10-11-108 NMSA 1978 (being Laws 1987,  
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1 Chapter 253, Section 108, as amended) is amended to read:

2 "10-11-108. MUNICIPAL FIRE MEMBER COVERAGE PLAN 4--MEMBER  
3 CONTRIBUTION RATE.--

4 A. A member under municipal fire member coverage  
5 plan 4 shall contribute twelve and eight-tenths percent of  
6 salary.

7 B. In addition to the member contribution required  
8 pursuant to Subsection A of this section, a member under  
9 municipal fire member coverage plan 4 shall make a supplemental  
10 contribution as determined by the retirement board. The rate  
11 of the supplemental contribution, if any, shall be determined  
12 annually and shall take effect on July 1 of each year or in the  
13 first full pay period that ends within the calendar month in  
14 which municipal fire member coverage plan 4 becomes applicable  
15 to the member. In determining the supplemental contribution  
16 rate, the retirement board shall:

17 (1) consider the solvency of the coverage plan  
18 and whether the plan is projected to be ninety percent funded  
19 within thirty years;

20 (2) consider any other relevant factors as  
21 determined by the retirement board;

22 (3) not set a supplemental contribution rate  
23 in excess of thirty-five percent of the contribution rate set  
24 forth in Subsection A of this section; and

25 (4) act to enhance or preserve the actuarial

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1 soundness of the plan."

2 SECTION 16. Section 10-11-114 NMSA 1978 (being Laws 1987,  
3 Chapter 253, Section 114, as amended) is amended to read:

4 "10-11-114. MUNICIPAL FIRE MEMBER COVERAGE PLAN 5--MEMBER  
5 CONTRIBUTION RATE.--

6 A. A member under municipal fire member coverage  
7 plan 5 shall contribute sixteen and two-tenths percent of  
8 salary.

9 B. In addition to the member contribution required  
10 pursuant to Subsection A of this section, a member under  
11 municipal fire member coverage plan 5 shall make a supplemental  
12 contribution as determined by the retirement board. The rate  
13 of the supplemental contribution, if any, shall be determined  
14 annually and shall take effect on July 1 of each year or in the  
15 first full pay period that ends within the calendar month in  
16 which municipal fire member coverage plan 5 becomes applicable  
17 to the member. In determining the supplemental contribution  
18 rate, the retirement board shall:

19 (1) consider the solvency of the coverage plan  
20 and whether the plan is projected to be ninety percent funded  
21 within thirty years;

22 (2) consider any other relevant factors as  
23 determined by the retirement board;

24 (3) not set a supplemental contribution rate  
25 in excess of thirty-five percent of the contribution rate set

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1 forth in Subsection A of this section; and

2 (4) act to enhance or preserve the actuarial  
3 soundness of the plan."

4 SECTION 17. Section 10-11-115.5 NMSA 1978 (being Laws  
5 2003, Chapter 268, Section 6) is amended to read:

6 "10-11-115.5. MUNICIPAL DETENTION OFFICER MEMBER COVERAGE  
7 PLAN 1--MEMBER CONTRIBUTION RATE.--

8 A. A member under municipal detention officer  
9 member coverage plan 1 shall contribute sixteen and sixty-five  
10 hundredths percent of salary starting with the first full pay  
11 period that ends within the calendar month in which municipal  
12 detention officer member coverage plan 1 becomes applicable to  
13 the member.

14 B. In addition to the member contribution required  
15 pursuant to Subsection A of this section, a member under  
16 municipal detention officer member coverage plan 1 shall make a  
17 supplemental contribution as determined by the retirement  
18 board. The rate of the supplemental contribution, if any,  
19 shall be determined annually and shall take effect on July 1 of  
20 each year or in the first full pay period that ends within the  
21 calendar month in which municipal detention officer member  
22 coverage plan 1 becomes applicable to the member. In  
23 determining the supplemental contribution rate, the retirement  
24 board shall:

25 (1) consider the solvency of the coverage plan

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1 and whether the plan is projected to be ninety percent funded  
2 within thirty years;

3 (2) consider any other relevant factors as  
4 determined by the retirement board;

5 (3) not set a supplemental contribution rate  
6 in excess of thirty-five percent of the contribution rate set  
7 forth in Subsection A of this section; and

8 (4) act to enhance or preserve the actuarial  
9 soundness of the plan."

10 SECTION 18. Section 10-11-118 NMSA 1978 (being Laws 1987,  
11 Chapter 253, Section 118, as amended) is amended to read:

12 "10-11-118. COST-OF-LIVING ADJUSTMENTS.--

13 A. ~~[For the purposes of this section:~~

14 ~~(1) "preceding calendar year" means the~~  
15 ~~twelve-month period ending on the December 31 preceding the~~  
16 ~~July 1 in which pensions are being adjusted; and~~

17 ~~(2) "second preceding calendar year" means the~~  
18 ~~full calendar year prior to the preceding calendar year.] On~~  
19 March 1 of each year, the retirement board shall determine the  
20 funded status of each coverage plan in the state system. On  
21 May 1 of each year, the retirement board shall determine for  
22 each coverage plan a cost-of-living adjustment that is no less  
23 than zero percent and no greater than three percent. In  
24 determining the percentage of a cost-of-living adjustment, the  
25 retirement board shall:

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1                   (1) consider the solvency of that plan and  
2 whether the plan is projected to be ninety percent funded  
3 within thirty years;

4                   (2) consider the change, if any, in the  
5 consumer price index for the previous twelve months;

6                   (3) consider any other relevant factors as  
7 determined by the retirement board; and

8                   (4) act to enhance or preserve the actuarial  
9 soundness of the plan.

10                   B. The amount of pension payable to a qualified  
11 pension recipient [~~shall~~] may be increased [~~three percent~~] each  
12 July 1. The amount of the increase shall be determined by  
13 multiplying the amount of pension inclusive of all prior  
14 adjustments by [~~three percent~~] a cost-of-living adjustment  
15 determined by the retirement board pursuant to Subsection A of  
16 this section.

17                   C. A qualified pension recipient is:

18                   (1) a normal retired member who has been  
19 retired for at least two full calendar years from the effective  
20 date of the latest retirement prior to July 1 of the year in  
21 which the pension is being adjusted;

22                   (2) a normal retired member who has attained  
23 age sixty-five years and been retired for at least one full  
24 calendar year from the effective date of the latest retirement  
25 prior to July 1 of the year in which the pension is being

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1 adjusted;

2 (3) a disability retired member who has been  
3 retired for at least one full calendar year from the effective  
4 date of the latest retirement prior to July 1 of the year in  
5 which the pension is being adjusted;

6 (4) a survivor beneficiary who has received a  
7 survivor pension for at least two full calendar years; or

8 (5) a survivor beneficiary of a deceased  
9 retired member who otherwise would have been retired at least  
10 two full calendar years from the effective date of the latest  
11 retirement prior to July 1 of the year in which the pension is  
12 being adjusted.

13 D. A qualified pension recipient may decline an  
14 increase in a pension by giving the association written notice  
15 of the decision to decline the increase at least thirty days  
16 prior to the date the increase would take effect."

17 SECTION 19. Section 10-12B-10 NMSA 1978 (being Laws 1992,  
18 Chapter 111, Section 10, as amended) is amended to read:

19 "10-12B-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

20 A. Members, while in office, shall contribute to  
21 the member contribution fund [~~pursuant to the following~~  
22 ~~schedule:~~

23 ~~(1) prior to July 1, 2005, five and one-half~~  
24 ~~percent of salary;~~

25 ~~(2) from July 1, 2005 through June 30, 2006,~~

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1 ~~six and one-half percent of salary; and~~

2 ~~(3) on and after July 1, 2006] seven and one-~~  
3 ~~half percent of salary [except that for members whose annual~~  
4 ~~salary is greater than twenty thousand dollars (\$20,000):~~

5 ~~(a) from July 1, 2009 through June 30,~~  
6 ~~2011, the member contribution rate shall be nine percent of~~  
7 ~~salary;~~

8 ~~(b) from July 1, 2011 through June 30,~~  
9 ~~2012, the member contribution rate shall be ten and three-~~  
10 ~~fourths percent of salary; and~~

11 ~~(c) from July 1, 2012 through June 30,~~  
12 ~~2013, the member contribution rate shall be nine percent of~~  
13 ~~salary].~~

14 B. In addition to the member contribution required  
15 pursuant to Subsection A of this section, a member under the  
16 Judicial Retirement Act shall make a supplemental contribution  
17 as determined by the retirement board. The rate of the  
18 supplemental contribution, if any, shall be determined annually  
19 and shall take effect on July 1 of each year or in the first  
20 full pay period that the member is in office. In determining  
21 the supplemental contribution rate, the retirement board shall:

22 (1) consider the solvency of the coverage plan  
23 and whether the plan is projected to be ninety percent funded  
24 within thirty years;

25 (2) consider any other relevant factors as



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1 determined by the retirement board;

2 (3) not set a supplemental contribution rate  
3 in excess of thirty-five percent of the contribution rate set  
4 forth in Subsection A of this section; and

5 (4) act to enhance or preserve the actuarial  
6 soundness of the plan.

7 ~~[B-]~~ C. Upon implementation, the state, acting as  
8 employer of members covered pursuant to the provisions of the  
9 Judicial Retirement Act, shall, solely for the purpose of  
10 compliance with Section 414(h) of the Internal Revenue Code of  
11 1986, pick up for the purposes specified in that section member  
12 contributions required by this section for all annual salary  
13 earned by the member. Member contributions picked up pursuant  
14 to the provisions of this section shall be treated as employer  
15 contributions for purposes of determining income tax  
16 obligations under the Internal Revenue Code of 1986; however,  
17 such picked-up member contributions shall be included in the  
18 determination of the member's gross annual salary for all other  
19 purposes under federal and state laws. Member contributions  
20 picked up pursuant to the provisions of this section shall  
21 continue to be designated member contributions for all purposes  
22 of the Judicial Retirement Act and shall be considered as part  
23 of the member's annual salary for purposes of determining the  
24 amount of the member's contribution. The provisions of this  
25 section are mandatory, and the member shall have no option

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1 concerning the pickup or concerning the receipt of the  
2 contributed amounts directly instead of having the amounts paid  
3 by the employer to the retirement system. Implementation  
4 occurs upon authorization by the board. In no event may  
5 implementation occur other than at the beginning of a pay  
6 period applicable to the member."

7 SECTION 20. Section 10-12C-10 NMSA 1978 (being Laws 1992,  
8 Chapter 118, Section 10, as amended) is amended to read:

9 "10-12C-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

10 A. Members, while in office, shall contribute [~~the~~  
11 ~~following amounts~~] to the member contribution fund

12 [~~(1) through June 30, 2006, six and one-half~~  
13 ~~percent of salary; and~~

14 ~~(2) on and after July 1, 2006]~~ seven and one-  
15 half percent of salary [~~except that for members whose annual~~  
16 ~~salary is greater than twenty thousand dollars (\$20,000):~~

17 ~~(a) from July 1, 2009 through June 30,~~  
18 ~~2011, the member contribution rate shall be nine percent of~~  
19 ~~salary;~~

20 ~~(b) from July 1, 2011 through June 30,~~  
21 ~~2012, the member contribution rate shall be ten and three-~~  
22 ~~fourths percent of salary; and~~

23 ~~(c) from July 1, 2012 through June 30,~~  
24 ~~2013, the member contribution rate shall be nine percent of~~  
25 ~~salary].~~

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1           B. In addition to the member contribution required  
2 pursuant to Subsection A of this section, a member under the  
3 Magistrate Retirement Act shall make a supplemental  
4 contribution as determined by the retirement board. The rate  
5 of the supplemental contribution, if any, shall be determined  
6 annually and shall take effect on July 1 of each year or in the  
7 first full pay period that the member is in office. In  
8 determining the supplemental contribution rate, the retirement  
9 board shall:

10                   (1) consider the solvency of the coverage plan  
11 and whether the plan is projected to be ninety percent funded  
12 within thirty years;

13                   (2) consider any other relevant factors as  
14 determined by the retirement board;

15                   (3) not set a supplemental contribution rate  
16 in excess of thirty-five percent of the contribution rate set  
17 forth in Subsection A of this section; and

18                   (4) act to enhance or preserve the actuarial  
19 soundness of the plan.

20           ~~[B-]~~ C. Upon implementation, the state, acting as  
21 employer of members covered pursuant to the provisions of the  
22 Magistrate Retirement Act, shall, solely for the purpose of  
23 compliance with Section 414(h) of the Internal Revenue Code of  
24 1986, pick up for the purposes specified in that section member  
25 contributions required by this section for all annual salary

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1 earned by the member. Member contributions picked up pursuant  
2 to the provisions of this section shall be treated as employer  
3 contributions for purposes of determining income tax  
4 obligations under the Internal Revenue Code of 1986; however,  
5 such picked-up member contributions shall be included in the  
6 determination of the member's gross annual salary for all other  
7 purposes under federal and state laws. Member contributions  
8 picked up pursuant to the provisions of this section shall  
9 continue to be designated member contributions for all purposes  
10 of the Magistrate Retirement Act and shall be considered as  
11 part of the member's annual salary for purposes of determining  
12 the amount of the member's contribution. The provisions of  
13 this section are mandatory, and the member shall have no option  
14 concerning the ~~[pick-up]~~ pickup or concerning the receipt of  
15 the contributed amounts directly instead of having the amounts  
16 paid by the employer to the retirement system. Implementation  
17 occurs upon authorization by the board. In no event may  
18 implementation occur other than at the beginning of a pay  
19 period applicable to the member."

20 SECTION 21. EFFECTIVE DATE.--The effective date of the  
21 provisions of this act is July 1, 2013.