



NEW MEXICO LEGISLATURE

INVESTMENTS AND  
PENSIONS OVERSIGHT  
COMMITTEE

2025 INTERIM FINAL REPORT

LEGISLATIVE COUNCIL SERVICE  
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## INTERIM SUMMARY



## **Investments and Pensions Oversight Committee 2025 Interim Summary**

The Investments and Pensions Oversight Committee met six times during the 2025 interim and received testimony regarding fund management, fiscal sustainability and the solvency of the Public Employees Retirement Association (PERA), the Educational Retirement Board (ERB) and the Retiree Health Care Authority. The committee also received updates from the State Investment Council, the Small Business Investment Corporation, the Office of the State Treasurer, the Economic Development Department and the New Mexico Finance Authority.

Committee discussions focused on cost-of-living adjustments for retirees and the overall financial health of state-administered retirement systems. To inform these discussions, the committee invited the National Association of State Retirement Administrators and The Pew Charitable Trusts to present on national trends and best practices. Presentations from the PERA, the ERB and other agencies highlighted legislative proposals, investment updates and actuarial analyses relevant to state pension programs.

At the final meeting of the interim, the committee considered and endorsed two pieces of legislation, a PERA statute cleanup bill (.232419.2SA) and a bill removing the limit on the amount of the income tax exemption for uniformed services retirement pay (.232657.1).





## WORK PLAN AND MEETING SCHEDULE



**2025 APPROVED**  
**WORK PLAN AND MEETING SCHEDULE**  
**for the**  
**INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE**

**Members**

Rep. Cynthia Borrego, Chair	Sen. Antoinette Sedillo Lopez
Sen. Roberto "Bobby" J. Gonzales, Vice Chair	Rep. Linda Serrato
Rep. Mark Duncan	Rep. Sarah Silva
Sen. Natalie Figueroa	Sen. Elizabeth "Liz" Stefanics
Rep. William A. Hall II	Sen. Pat Woods
Rep. Tara L. Lujan	

**Advisory Members**

Rep. Gail Armstrong	Rep. Patricia Roybal Caballero
Rep. Stefani Lord	Sen. Mimi Stewart
Sen. George K. Muñoz	Sen. Anthony L. Thornton

**Work Plan**

During the 2025 interim, the Investments and Pensions Oversight Committee will:

- A. receive reports from the Public Employees Retirement Association (PERA), the Educational Retirement Board (ERB) and the Retiree Health Care Authority (RHCA) on each agency's sustainability and solvency — as measured by actuarial valuation reports, unfunded liabilities, other metrics and experience studies as influenced by funding policies — and on each agency's plans for improving sustainability and solvency;
- B. receive reports from the State Investment Council (SIC), the Office of the State Treasurer, the PERA, the ERB and the RHCA on the value and investment of the funds managed by each respective agency, as demonstrated by the comparative fiscal performance of the funds;
- C. receive reports detailing the constitutional, statutory and regulatory foundations of the PERA, the ERB, the SIC and the RHCA;
- D. receive reports detailing major statutory changes of the past 20 years to the PERA, ERB and RHCA funds and the effects of changes on fund inflows and outflows;
- E. receive updates and reports from the SIC, the PERA, the ERB and the RHCA on each agency's strategic goals and each agency's plans and actions to reach the agency's goals;
- F. receive testimony on issues relevant to the investment of public funds and the administration of pension programs, including testimony from public and private organizations that represent current state and county employees and retirees;

G. receive testimony providing an overview of the state and federal economic outlook and examining how trends may impact the PERA, the ERB and the RHCA;

H. receive testimony specific to the issue of solvency, including any threats to the solvency of the PERA, ERB and RHCA funds;

I. receive testimony detailing the status of PERA retirees, current cost-of-living adjustment restrictions on public funds and potential remedies to operational shortcomings;

J. consider legislation relevant to these topics; and

K. as necessary, examine other issues relevant to the investment of public funds and the administration of pension programs.

**Investments and Pensions Oversight Committee  
2025 Approved Meeting Schedule**

<u>Date</u>	<u>Location</u>
May 22	Santa Fe
July 18	Santa Fe
August 13	Santa Fe
September 12	Santa Fe
October 8-9	Taos
November 5	Santa Fe



# AGENDAS AND MINUTES





**TENTATIVE AGENDA  
for the  
FIRST MEETING  
of the  
INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE**

**May 22, 2025  
State Capitol, Room 322  
Santa Fe**

**Thursday, May 22**

- 10:00 a.m.           **Call to Order and Introductions**  
—Representative Cynthia Borrego, Chair  
—Senator Roberto "Bobby" J. Gonzales, Vice Chair
- 10:15 a.m.       (1)   **[Legislative Finance Committee \(LFC\) Investment Performance Report](#)**  
—Brendon Gray, Economist, LFC
- 11:00 a.m.       (2)   **[Proposed 2025 Interim Work Plan and Meeting Schedule](#)**  
—Paul Estok, Staff Attorney, Legislative Council Service
- 12:15 p.m.           **Adjourn**



**MINUTES  
of the  
FIRST MEETING  
of the  
INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE**

**May 22, 2025  
State Capitol, Room 322  
Santa Fe**

The first meeting of the Investments and Pensions Oversight Committee (IPOC) for the 2025 interim was called to order by Representative Cynthia Borrego, chair, on Thursday, May 22, 2025, at 10:06 a.m. in Room 322 of the State Capitol in Santa Fe.

**Present**

Rep. Cynthia Borrego, Chair  
Sen. Roberto "Bobby" J. Gonzales, Vice Chair  
Rep. Mark Duncan  
Sen. Natalie Figueroa  
Rep. Tara L. Lujan  
Rep. Linda Serrato  
Rep. Sarah Silva  
Sen. Pat Woods

**Absent**

Rep. William A. Hall II  
Sen. Antoinette Sedillo Lopez  
Sen. Elizabeth "Liz" Stefanics

**Advisory Members**

Rep. Stefani Lord  
Rep. Patricia Roybal Caballero

Rep. Gail Armstrong  
Sen. George K. Muñoz  
Sen. Mimi Stewart

**Guest Legislator**

Sen. Anthony L. Thornton

**Staff**

Paul Estok, Staff Attorney, Legislative Council Service (LCS)  
Carrie McGovern, Publication and Editing Coordinator, LCS  
Cristina Vasquez, Staff Attorney, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

Copies of all handouts and written testimony are in the meeting file and posted on the legislature's website.

## **References to Webcast**

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the committee meeting, which can be found at [www.nmlegis.gov](http://www.nmlegis.gov), under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

## **Thursday, May 22**

### **Welcome and Introductions (10:06 a.m.)**

Representative Borrego welcomed committee members to the meeting.

### **Legislative Finance Committee (LFC) Investment Performance Report (10:13 a.m.)**

Brendon Gray, economist, LFC, provided an investment performance report for the state's pension funds administered by the Public Employees Retirement Association (PERA) and the Educational Retirement Board (ERB), as well as the Land Grant Permanent Fund (LGPF), Severance Tax Permanent Fund (STPF) and Early Childhood Education and Care Fund (ECECF). According to Mr. Gray, for the period ending December 31, 2024, the combined value of these funds totaled \$87.2 billion, with an annual increase of \$9.6 billion, or 12 percent, and a five-year increase of \$32.1 billion, or 58.3 percent. While the ERB and the LGPF outperformed their short- and long-term targets, the PERA and the STPF met their short-term benchmarks but underperformed their long-term targets. The ECECF met its short-term target. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=5/22/2025&ItemNumber=1>.

### **Proposed 2025 Interim Work Plan and Meeting Schedule (11:19 a.m.)**

Mr. Estok reviewed the IPOC's proposed 2025 work plan and meeting schedule, and members provided feedback on topics they would like to address during the interim. On a motion made and seconded, and with no opposition, the committee voted unanimously to adopt the proposed 2025 work plan and meeting schedule.

### **Adjournment**

There being no further business before the committee, the meeting adjourned at 12:04 p.m.

**TENTATIVE AGENDA  
for the  
SECOND MEETING  
of the  
INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE**

**July 18, 2025  
State Capitol, Room 307  
Santa Fe**

**Friday, July 18**

- 10:00 a.m.           **Call to Order and Introductions**  
—Representative Cynthia Borrego, Chair  
—Senator Roberto "Bobby" J. Gonzales, Vice Chair
- 10:15 a.m.       (1)   **[The Educational Retirement Board: Information and Updates](#)**  
—David Archuleta, Executive Director, Educational Retirement Board
- 11:45 a.m.           **Lunch**
- 1:00 p.m.       (2)   **[The Public Employees Retirement Association: Information and Updates](#)**  
—Greg Trujillo, Executive Director, Public Employees Retirement Association
- 2:30 p.m.       (3)   **[The Retiree Health Care Authority: Information and Updates](#)**  
—Neil Kueffer, Executive Director, Retiree Health Care Authority
- 4:00 p.m.           **Adjourn**



**MINUTES  
of the  
SECOND MEETING  
of the  
INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE**

**July 18, 2025  
State Capitol, Room 307  
Santa Fe**

The second meeting of the Investments and Pensions Oversight Committee (IPOC) for the 2025 interim was called to order by Representative Cynthia Borrego, chair, on Friday, July 18, 2025, at 10:14 a.m. in Room 307 of the State Capitol in Santa Fe.

**Present**

Rep. Cynthia Borrego, Chair  
Sen. Roberto "Bobby" J. Gonzales, Vice Chair  
Rep. Mark Duncan  
Sen. Natalie Figueroa  
Rep. William A. Hall II  
Rep. Tara L. Lujan  
Sen. Antoinette Sedillo Lopez  
Rep. Linda Serrato  
Sen. Elizabeth "Liz" Stefanics

**Absent**

Rep. Sarah Silva  
Sen. Pat Woods

**Advisory Members**

Rep. Stefani Lord  
Sen. Anthony L. Thornton

Rep. Gail Armstrong  
Sen. George K. Muñoz  
Rep. Patricia Roybal Caballero  
Sen. Mimi Stewart

**Staff**

Paul Estok, Staff Attorney, Legislative Council Service (LCS)  
Carrie McGovern, Publication and Editing Coordinator, LCS  
Lisa Morrison, Staff Attorney, LCS  
Cristina Vasquez, Staff Attorney, LCS  
Gabriel Suazo, Intern, LCS

**Guests**

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**Handouts**

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## **Friday, July 18**

### **The Educational Retirement Board (ERB): Information and Updates (10:19 a.m.)**

David Archuleta, executive director, ERB, and Bob Jacksha, chief investment officer, ERB, provided an overview of and updates on the ERB. Mr. Archuleta reviewed the three ERB-related bills that were enacted during the 2025 session, which made changes to return-to-work and beneficiary provisions as well as administrative changes, and he also noted that the ERB is implementing a new pension administration system and will move into a new Santa Fe building soon. Regarding investments, Mr. Jacksha said that the ERB's diverse asset allocation policies lessen investment risks, the ERB has met most targets for investment returns and the ERB's trust fund hit a new high of \$17.8 billion in assets as of March 31, 2025. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=7/18/2025&ItemNumber=1>.

### **Approval of Minutes (10:21 a.m.)**

On a motion made and seconded and with no opposition, the minutes of the May 22, 2025 IPOC meeting were approved as submitted.

### **The Public Employees Retirement Association (PERA): Information and Updates (1:03 p.m.)**

Greg Trujillo, executive director, PERA, presented a review of the PERA's structure and history, noting that it has 31 different plans and two tiers of benefits for 49,816 active members and 46,026 retired members. Long-term solvency concerns led to PERA pension reforms in 2013 and 2020, which resulted in the two benefit tiers, employer and employee contribution increases and the cost-of-living adjustment (COLA) variable rate model. Mr. Trujillo described upcoming challenges for the PERA, including COLAs not keeping up with inflation, a static funded ratio that is not expected to improve until the end of the decade, state agency recruitment and retention issues and investment staff compensation. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=7/18/2025&ItemNumber=2>.

### **The Retiree Health Care Authority (RHCA): Information and Updates (2:05 p.m.)**

Neil Kueffer, executive director, RHCA, and Linda Atencio, deputy director, RHCA, gave a breakdown of and recent updates for the RHCA. According to the presenters, the RHCA



has more than 93,000 active employees and more than 65,000 retiree participants and offers its retiree members four pre-Medicare plans and six Medicare plans as well as voluntary plans for dental, vision and supplemental term life insurance. While ongoing challenges include lower Medicare reimbursement rates, higher premium increases in some Medicare advantage plans, increased prescription drug costs and health care provider and pharmacist shortages, the presenters noted that the RHCA's trust fund balance hit a 10-year high of \$1.7 billion in May 2025 and the RHCA's funded ratio has improved dramatically from 11.34% in 2017 to 46.99% in 2024. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=7/18/2025&ItemNumber=3>.

**Public Comment (3:23 p.m.)**

A list of individuals making public comment is available in the meeting file.

**Adjournment**

There being no further business before the committee, the meeting adjourned at 3:28 p.m.



**TENTATIVE AGENDA  
for the  
THIRD MEETING  
of the  
INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE**

**August 13, 2025  
State Capitol, Room 307  
Santa Fe**

**Wednesday, August 13**

- 10:00 a.m.           **Call to Order and Committee Introductions**  
—Representative Cynthia Borrego, Chair  
—Senator Roberto "Bobby" J. Gonzales, Vice Chair
- 10:15 a.m.       (1)    **[Update from the State Investment Council \(SIC\)](#)**  
—Jon Clark, State Investment Officer, SIC
- 11:15 a.m.       (2)    **[An Introduction to Bitcoin as an Investment](#)**  
—Senator Anthony "Ant" L. Thornton, Ph.D.
- 12:15 p.m.           **Lunch**
- 1:00 p.m.       (3)    **[Update from the Small Business Investment Corporation \(SBIC\)](#)**  
—Russell Cummins, Executive Director and Investment Advisor, SBIC
- 2:00 p.m.       (4)    **[Economic Development Funding as Strategic State Investments](#)**  
—Mark Roper, Director, Economic Development Division, Economic  
Development Department
- 3:00 p.m.       (5)    **[Overview and Analysis of Funds Managed by the Office of the State  
Treasurer \(OST\)](#)**  
—Laura M. Montoya, State Treasurer, OST  
—Janice Barela, Deputy Treasurer, OST
- 4:00 p.m.           **Adjourn**



**MINUTES  
of the  
THIRD MEETING  
of the  
INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE**

**August 13, 2025  
State Capitol, Room 307  
Santa Fe**

The third meeting of the Investments and Pensions Oversight Committee (IPOC) for the 2025 interim was called to order by Representative Cynthia Borrego, chair, on Wednesday, August 13, 2025, at 10:08 a.m. in Room 307 of the State Capitol in Santa Fe.

**Present**

Rep. Cynthia Borrego, Chair  
Sen. Roberto "Bobby" J. Gonzales, Vice Chair  
Rep. Mark Duncan  
Sen. Natalie Figueroa  
Rep. Tara L. Lujan  
Sen. Antoinette Sedillo Lopez  
Rep. Sarah Silva  
Sen. Elizabeth "Liz" Stefanics  
Sen. Pat Woods

**Absent**

Rep. William A. Hall II  
Rep. Linda Serrato

**Advisory Members**

Sen. George K. Muñoz  
Rep. Patricia Roybal Caballero  
Sen. Anthony L. Thornton

Rep. Gail Armstrong  
Rep. Stefani Lord  
Sen. Mimi Stewart

**Staff**

Paul Estok, Staff Attorney, Legislative Council Service (LCS)  
Carrie McGovern, Publication and Editing Coordinator, LCS  
Lisa Morrison, Staff Attorney, LCS  
Cristina Vasquez, Staff Attorney, LCS  
Gabriel Suazo, Intern, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

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## **Wednesday, August 13**

### **Approval of Minutes (10:15 a.m.)**

On a motion made and seconded and with no opposition, the minutes of the July 18, 2025 IPOC meeting were approved as submitted.

### **Update from the State Investment Council (SIC) (10:16 a.m.)**

Jon Clark, state investment officer, SIC, presented an update on the SIC, noting that as of June 30, 2025, the SIC is managing \$64 billion in assets, and it had \$8.5 billion in asset growth in fiscal year (FY) 2025. According to Mr. Clark, New Mexico now has the nation's second-largest sovereign wealth fund, trailing only Alaska. With the creation of the Behavioral Health Trust Fund and the Medicaid Trust Fund in 2025, the SIC now oversees 14 permanent, endowment and reserve funds. Distributions from these funds to support various state government functions are expected to total a record \$2.56 billion in FY 2026. In FY 2025, permanent fund distributions constituted 13% of the state revenue stream, and by FY 2050, they are expected to account for 32% of the state revenue stream. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=8/13/2025&ItemNumber=1>.

### **Introduction to Bitcoin as an Investment (12:00 noon)**

Senator Thornton provided an overview of bitcoin, a digital asset class created in 2009 that is designed for fairness, transparency and predictable value and features low fees and a secure peer-to-peer network that is available at all times. He explained that the current money system, in which governments can create unlimited amounts of currency through central banks, results in this currency being devalued. However, bitcoin differs in that there can only be 21 million bitcoin in existence, which means that it does not lose its value and its purchasing power increases over time. Additionally, bitcoin has been the best-performing asset class in 11 of the last 14 years, and pension and sovereign funds are now starting to invest in bitcoin. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=8/13/2025&ItemNumber=2>.

### **Update from the Small Business Investment Corporation (SBIC) (1:22 p.m.)**

Russell Cummins, executive director and investment advisor, SBIC, reviewed recent activities at the SBIC, a nonprofit corporation that provides loans to small businesses through agreements with lending partners, mostly consisting of community development financial

institutions. While the SBIC made venture capital equity investments in the past, it is now focused on expanding the Small Business Lending Program, which fills a critical gap in providing loans to small businesses that do not have access to loans from traditional banks. Currently, the SBIC has \$184 million in assets, and since its creation in 2001, it has originated 7,329 loans totaling \$276 million and supported 25,672 jobs. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=8/13/2025&ItemNumber=3>.

### **Economic Development Funding as Strategic State Investments (2:28 p.m.)**

Mark Roper, director, Economic Development Division, Economic Development Department (EDD), described how economic development funding serves to create jobs and diversify the economy. For example, the Job Training Incentive Program reimburses up to 90% of the trainee wages for newly created jobs, and the Local Economic Development Act provides grants to local governments to support business expansion and relocation, especially in rural and underserved locations. He also highlighted three economic-development-related measures enacted in the 2025 session: the Strategic Economic Development Site Readiness Act, the Trade Ports Development Act and the creation of the Technology and Innovation Division in the EDD. Mr. Roper emphasized that economic development is not a cost, but an investment. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=8/13/2025&ItemNumber=4>.

### **Overview and Analysis of Funds Managed by the Office of the State Treasurer (OST) (3:10 p.m.)**

Laura M. Montoya, state treasurer, OST, and Janice Barela, deputy treasurer, OST, provided an analysis of funds managed by the OST as well as an overview of new initiatives the office is developing. For FY 2025, the OST had more than \$19 billion in total assets managed and saw investment earnings of \$722 million, served 140 agencies and had 1,100 bank accounts. In addition, all of its portfolios outperformed the state benchmarks in FY 2025. Treasurer Montoya said that financial literacy is now being taught in 48 of the state's 89 public school districts, and she described how providing publicly funded trust accounts, known as "baby bonds", to each child born in New Mexico could help the state cope with issues caused by population loss, generational poverty and limited access to capital by giving these children access to an investment they can use between the ages of 18 and 35 to build wealth. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=8/13/2025&ItemNumber=5>.

### **Adjournment**

There being no further business, the third meeting of the IPOC for the 2025 interim adjourned at 4:36 p.m.





**TENTATIVE AGENDA  
for the  
FOURTH MEETING  
of the  
INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE**

**September 12, 2025  
State Capitol, Room 307  
Santa Fe**

**Friday, September 12**

- 10:00 a.m.           **Call to Order and Introductions**  
—Representative Cynthia Borrego, Chair  
—Senator Roberto "Bobby" J. Gonzales, Vice Chair
- 10:15 a.m.       (1)   **[State Investment Council \(SIC\) Annual Investment Plan](#)**  
—Robert "Vince" Smith, Chief Investment Officer, SIC
- 11:15 a.m.       (2)   **[An Overview of the Volunteer Firefighters Retirement Program](#)**  
—Greg Trujillo, Executive Director, Public Employees Retirement  
      Association  
—Randy Varela, State Fire Marshal, Homeland Security and Emergency  
      Management Department
- 12:15 p.m.           **Lunch**
- 1:00 p.m.       (3)   **[Legislative Finance Committee \(LFC\): General Fund Reserves  
Overview](#)**  
—Jennifer Faubion, Economist, LFC
- 2:00 p.m.       (4)   **[New Mexico Finance Authority \(NMFA\): Venture Capital Program  
Overview and Update](#)**  
—Marquita D. Russel, Chief Executive Officer, NMFA
- 3:00 p.m.           **Adjourn**



**MINUTES  
of the  
FOURTH MEETING  
of the  
INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE**

**September 12, 2025  
State Capitol, Room 307  
Santa Fe**

The fourth meeting of the Investments and Pensions Oversight Committee (IPOC) for the 2025 interim was called to order by Representative Cynthia Borrego, chair, on Friday, September 12, 2025, at 10:05 a.m. in Room 307 of the State Capitol in Santa Fe.

**Present**

Rep. Cynthia Borrego, Chair  
Sen. Roberto "Bobby" J. Gonzales, Vice Chair  
Rep. Mark Duncan  
Sen. Natalie Figueroa  
Rep. William A. Hall II  
Rep. Tara L. Lujan  
Sen. Antoinette Sedillo Lopez

**Absent**

Rep. Linda Serrato  
Rep. Sarah Silva  
Sen. Elizabeth "Liz" Stefanics  
Sen. Pat Woods

**Advisory Members**

Rep. Gail Armstrong  
Rep. Stefani Lord  
Sen. George K. Muñoz  
Rep. Patricia Roybal Caballero  
Sen. Mimi Stewart  
Sen. Anthony L. Thornton

**Staff**

Paul Estok, Staff Attorney, Legislative Council Service (LCS)  
Carrie McGovern, Publication and Editing Coordinator, LCS  
Cristina Vasquez, Staff Attorney, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

Copies of all handouts and written testimony are in the meeting file and posted on the legislature's website.

**References to Webcast**

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"Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

## **Friday, September 12**

### **Welcome and Introductions (10:05 a.m.)**

Representative Borrego welcomed committee members to the meeting.

### **State Investment Council (SIC) Annual Investment Plan (10:09 a.m.)**

Robert "Vince" Smith, chief investment officer, SIC, reviewed the SIC's annual investment plan, noting that the plan is based on a seven- to 10-year time frame and closely monitors trends in 10-year United States Treasury securities and the Consumer Price Index, as well as global financial trends. Mr. Smith explained that several factors have changed the investment landscape, such as the reversal of globalization, the resolution of record valuations afforded United States publicly traded equity markets, there not being a recession in the last 16 years and China's massive government debt and demographic woes, and have resulted in higher interest and inflation rates, high debt loads and federal budget deficits. As a result, the SIC is expecting lower-than-average investment returns and higher volatility, and it plans to maintain a well-diversified portfolio. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=9/12/2025&ItemNumber=1>.

### **Approval of Minutes (11:14 a.m.)**

On a motion made and seconded and with no opposition, the minutes of the August 13, 2025 IPOC meeting were approved as submitted.

### **An Overview of the Volunteer Firefighters Retirement Program (11:15 a.m.)**

Greg Trujillo, executive director, Public Employees Retirement Association (PERA), and Randy Varela, state fire marshal, Homeland Security and Emergency Management Department, provided an overview of the PERA's Volunteer Firefighters Retirement Program, which has a total fund value of \$88 million, a funded ratio of 172.2% and no unfunded liability. The presenters noted that the program is funded through an annual \$750,000 appropriation from the Fire Protection Fund and requires no contributions from volunteers or employers. To be eligible for retirement, volunteers must be age 55 or older with 10 or more years of service credit, and payments range from \$150 per month to \$250 per month depending on years of service credit. Mr. Varela said that the state is losing volunteer firefighters, with 4,401 in 2025 compared to 7,700 in 2010. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=9/12/2025&ItemNumber=2>.

**Legislative Finance Committee (LFC): General Fund Reserves Overview (12:35 p.m.)**

Jennifer Faubion, economist, LFC, presented a summary of the state's General Fund reserves, whose primary purpose is to backfill General Fund revenues during downturns, although the reserves also act as an overflow for nonrecurring revenues and catch surpluses; however, the reserves are not intended to make up long-term structural deficits. Ms. Faubion described the six reserve funds, the General Fund Operating Reserve, the Appropriation Contingency Fund, the State-Support Reserve Fund, the Behavioral Health Trust Fund, the Government Results and Opportunity Expendable Trust and the Tax Stabilization Reserve. She noted that the reserves have grown, particularly in the last six years, and this is necessary due to large budgets and increasingly volatile revenues. The reserves are invested in the state General Fund investment pool, which earns higher returns with higher interest rates and balances. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=9/12/2025&ItemNumber=3>.

**New Mexico Finance Authority (NMFA): Venture Capital Program Overview and Update (1:27 p.m.)**

Marquita D. Russel, chief executive officer, NMFA, provided an update on the NMFA's Venture Capital Program, created in 2022 to make investments in New Mexico businesses that enhance economic development and create new job opportunities. According to Ms. Russel, the NMFA uses a best-practices policy for the program that delineates fund manager qualifications and investment parameters, and the NMFA is advised by Meketa Investment Group, a highly qualified venture capital consultant. The NMFA is allowed to invest in five to 10 venture capital funds, with commitments ranging from \$2 million to \$10 million. Since 2022, the program's Venture Capital Program Fund has administered \$75 million in funding. Because the program is new, Ms. Russel noted that it will be several years before data on investment returns is available. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=9/12/2025&ItemNumber=4>.

**Adjournment**

There being no further business before the committee, the meeting adjourned at 1:58 p.m.



Revised: October 7, 2025

**TENTATIVE AGENDA  
for the  
FIFTH MEETING  
of the  
INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE**

**October 8-9, 2025  
State Capitol, Room 307  
Santa Fe**

**Wednesday, October 8**

- 9:00 a.m.           **Call to Order and Introductions**  
—Representative Cynthia Borrego, Chair  
—Senator Roberto "Bobby" J. Gonzales, Vice Chair
- 9:15 a.m.       (1)   **[National Association of State Retirement Administrators \(NASRA\):  
Public Retirement Issues and Trends](#)**  
—Keith Brainard, Research Director, NASRA
- 10:30 a.m.       (2)   **[Quantum Briefing for the Investments and Pensions Oversight  
Committee](#)**  
—Alex Greenberg, Economic Development Advisor, Office of the  
Governor
- 12:00 noon       **Lunch**
- 1:00 p.m.       (3)   **[Review of Cost-of-Living Adjustments](#)**  
—Greg Trujillo, Executive Director, Public Employees Retirement  
Association of New Mexico (PERA)  
—Janie Shaw, Actuary, Gabriel, Roeder, Smith & Company
- 2:45 p.m.       (4)   **[Preview of 232419.1 — A PERA Cleanup Bill](#)**  
—Anthony V. Montoya, General Counsel, PERA
- 3:00 p.m.       (5)   **[The New Mexico Economy: Current Data and Outlook](#)**  
—Michael O'Donnell, Director, Bureau of Business and Economic  
Research, University of New Mexico
- 4:00 p.m.       **Recess**

**Thursday, October 9**

- 9:00 a.m.       **Reconvene**

- 9:15 a.m. (6) [Exemplary Pension Practices and State Trends](#)  
—Corryn Hall, Senior Manager, State Fiscal Policy Project, Government  
Performance, The Pew Charitable Trusts
- 10:15 a.m. (7) [Educational Retirement Board \(ERB\): Investment Overview](#)  
—Bob Jacksha, Chief Investment Officer, ERB
- 12:00 noon **Adjourn**



**MINUTES  
of the  
FIFTH MEETING  
of the  
INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE**

**October 8-9, 2025  
State Capitol, Room 307  
Santa Fe**

The fifth meeting of the Investments and Pensions Oversight Committee (IPOC) for the 2025 interim was called to order by Representative Cynthia Borrego, chair, on Wednesday, October 8, 2025, at 9:14 a.m. in Room 307 of the State Capitol in Santa Fe.

**Present**

Rep. Cynthia Borrego, Chair  
Sen. Roberto "Bobby" J. Gonzales, Vice Chair  
Rep. Mark Duncan  
Sen. Natalie Figueroa  
Rep. Tara L. Lujan  
Sen. Elizabeth "Liz" Stefanics  
Sen. Pat Woods (10/8)

**Absent**

Rep. William A. Hall II  
Sen. Antoinette Sedillo Lopez  
Rep. Linda Serrato  
Rep. Sarah Silva

**Advisory Members**

Sen. George K. Muñoz (10/8)  
Sen. Anthony L. Thornton (10/9)

Rep. Gail Armstrong  
Rep. Stefani Lord  
Rep. Patricia Roybal Caballero  
Sen. Mimi Stewart

(Attendance dates are noted for those members not present for the entire meeting.)

**Staff**

Paul Estok, Staff Attorney, Legislative Council Service (LCS)  
Carrie McGovern, Publication and Editing Coordinator, LCS  
Lisa Morrison, Staff Attorney, LCS  
Gabriel Suazo, Intern, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

Copies of all handouts and written testimony are in the meeting file and posted on the legislature's website.

## **References to Webcast**

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the committee meeting, which can be found at [www.nmlegis.gov](http://www.nmlegis.gov), under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

## **Wednesday, October 8**

### **Welcome and Introductions (9:14 a.m.)**

Representative Borrego welcomed everyone to the meeting and asked committee members to introduce themselves.

### **National Association of State Retirement Administrators (NASRA): Public Retirement Issues and Trends (9:16 a.m.)**

Keith Brainard, research director, NASRA, gave a presentation on national public retirement issues and trends and how New Mexico's two pension systems administered through the Educational Retirement Board (ERB) and the Public Employees Retirement Association (PERA) compare to those of other states. He noted that the funding levels of the ERB and the PERA are less than the United States aggregate, largely due to insufficient employer and employee contributions to both New Mexico plans, although the ERB has improved its progression to full funding through a recent increase in employer contributions. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=10/8/2025&ItemNumber=1>.

### **Approval of Minutes (11:03 a.m.)**

On a motion made and seconded and with no opposition, the minutes of the September 12, 2025 meeting were approved as submitted.

### **Quantum Briefing for the IPOC (11:03 a.m.)**

Alex Greenberg, economic development advisor, Office of the Governor, described the economic development potential of quantum computing and how New Mexico is uniquely positioned to benefit from this technology. He said that New Mexico already has a legacy of leadership in applied physics, and its national laboratories and the University of New Mexico (UNM) have been at the forefront of quantum technology, but the state needs to make further investments to keep that advantage. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=10/8/2025&ItemNumber=2>.

### **Review of Cost-of-Living Adjustments (COLAs) (1:02 p.m.)**

Greg Trujillo, executive director, PERA, and Janie Shaw, actuary, Gabriel, Roeder, Smith & Company, presented an overview of the different kinds of COLAs and how this

necessary yet expensive pension benefit affects the PERA's unfunded liability and amortization period. For informational purposes, the presenters described a number of different COLA scenarios and how each would affect the PERA's pension fund performance. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=10/8/2025&ItemNumber=3>.

**Preview of 232419.1 — A PERA Cleanup Bill (2:36 p.m.)**

Anthony V. Montoya, general counsel, PERA, reviewed a proposed bill (.232419.1) for the upcoming regular legislative session that is a technical cleanup of several sections of law pertaining to the PERA. According to Mr. Montoya, the bill removes several ambiguities that should result in fewer administrative burdens for the PERA. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=10/8/2025&ItemNumber=4>.

**The New Mexico Economy: Current Data and Outlook (2:57 p.m.)**

Michael O'Donnell, director, Bureau of Business and Economic Research, UNM, gave a presentation on New Mexico's current economic situation and how that is forecast to change in the next five years. He said that currently, the state's employment data has seen continued improvement, its unemployment rate is moderate and oil and gas prices have held steady while drilling and production have been robust. In the near future, slowdowns in hiring are expected, yet employment should see slight growth, and income growth should average 4.9% per year in 2025 through 2029. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=10/8/2025&ItemNumber=5>.

**Recess**

The meeting recessed at 3:52 p.m.

**Thursday, October 9**

**Reconvene**

The meeting reconvened at 9:35 a.m.

**Exemplary Pension Practices and State Trends (9:37 a.m.)**

Corryn Hall, senior manager, State Fiscal Policy Project, Government Performance, The Pew Charitable Trusts, described how an analysis of the pension practices of three states with well-funded pension systems identified four common practices: the states provide a path to retirement security, they maintain fiscal sustainability, they plan for uncertainty and they ensure investment transparency. She also noted recent pension trends that include the adoption of risk

reporting practices, special reserve funds for pensions, a layered amortization funding policy shift and taking investment volatility into account in pension policies. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=10/8/2025&ItemNumber=6>.

**ERB: Investment Overview (10:40 a.m.)**

Bob Jacksha, chief investment officer, ERB, reviewed the ERB's investment practices, emphasizing that risk and return are equally important criteria when evaluating investment returns. According to a third-party investment consultant, the ERB's excess return per year over the past 10 years was worth an extra \$1.6 billion, during which time the ERB maintained one of the lowest risk levels. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=10/8/2025&ItemNumber=7>.

**Adjournment**

There being no further business before the committee, the meeting adjourned at 11:04 a.m.

Revised: November 4, 2025

**TENTATIVE AGENDA  
for the  
SIXTH MEETING  
of the  
INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE**

**November 5, 2025  
State Capitol, Room 322  
Santa Fe**

**Wednesday, November 5**

- 10:00 a.m.           **Call to Order and Introductions**  
—Representative Cynthia Borrego, Chair  
—Senator Roberto "Bobby" J. Gonzales, Vice Chair
- 10:15 a.m.       (1)   **Retiree Member Presentation**  
—Anne Green-Romig, Retiree, Public Employees Retirement Association  
(PERA)
- 10:30 a.m.           **Public Comment\***
- 11:00 a.m.       (2)   **Educational Retirement Board (ERB): Final Update and Legislative Proposals**  
—David Archuleta, Executive Director, ERB  
—Jacob Maule, General Counsel, ERB
- 12:30 p.m.           **Lunch**
- 1:30 p.m.       (3)   **PERA: Final Update and Legislative Proposals**  
—Greg Trujillo, Executive Director, PERA  
—Anthony Montoya, General Counsel, PERA
- 2:30 p.m.       (4)   **State Investment Council (SIC): Final Update**  
—Jon Clark, State Investment Officer, SIC
- 3:30 p.m.       (5)   **Consideration of Legislation for Endorsement**
- 4:00 p.m.           **Adjourn**

\*Members of the public may make virtual public comments during the public comment period of the meeting by following the instructions under the "Additional Information" section of the Investments and Pensions Oversight Committee [web page](#).



**MINUTES  
of the  
SIXTH MEETING  
of the  
INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE**

**November 5, 2025  
State Capitol, Room 322  
Santa Fe**

The sixth meeting of the Investments and Pensions Oversight Committee for the 2025 interim was called to order by Representative Cynthia Borrego, chair, on Wednesday, November 5, 2025, at 10:05 a.m. in Room 322 of the State Capitol in Santa Fe.

**Present**

Rep. Cynthia Borrego, Chair  
Sen. Roberto "Bobby" J. Gonzales, Vice Chair  
Sen. Natalie Figueroa  
Sen. Antoinette Sedillo Lopez  
Sen. Elizabeth "Liz" Stefanics  
Sen. Pat Woods

**Absent**

Rep. Mark Duncan  
Rep. William A. Hall II  
Rep. Tara L. Lujan  
Rep. Linda Serrato  
Rep. Sarah Silva

**Advisory Members**

Rep. Stefani Lord  
Rep. Patricia Roybal Caballero  
Sen. Mimi Stewart  
Sen. Anthony L. Thornton

Rep. Gail Armstrong  
Sen. George K. Muñoz

**Guest Legislator**

Rep. Joseph Franklin Hernandez

**Staff**

Paul Estok, Staff Attorney, Legislative Council Service (LCS)  
Carrie McGovern, Publication and Editing Coordinator, LCS  
Lisa Morrison, Staff Attorney, LCS

**Minutes Approval**

Because the committee will not meet again this year, the minutes for this meeting have not been officially approved by the committee.

**Guests**

The guest list is in the meeting file.

**Handouts**

Copies of all handouts and written testimony are in the meeting file and posted on the legislature's website.

## **References to Webcast**

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the committee meeting, which can be found at [www.nmlegis.gov](http://www.nmlegis.gov), under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

## **Wednesday, November 5**

### **Welcome and Introductions (10:05 a.m.)**

Representative Borrego welcomed everyone to the meeting and asked members and staff to introduce themselves.

### **Retiree Member Presentation (10:10 a.m.)**

Anne Green-Romig, retiree, Public Employees Retirement Association (PERA), and Roxanna Knight, retiree, PERA, gave a presentation on how the 2020 changes to the cost-of-living adjustment (COLA), in which the yearly 2% compounding COLA was replaced with a COLA tied to fund solvency, have eroded the value of PERA retiree pensions. For example, since 2020, 30,000 PERA retirees have seen their pension values fall 24% while the cost of living has risen 25.9%. The presenters also said that the COLAs were 0.5% for 2023 and 2024 and 0.63% for 2025. They emphasized the need to restore the COLA to what retirees were promised and offered several suggestions on how to restore the COLA and enhance fund solvency. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=11/5/2025&ItemNumber=1>.

### **Public Comment (10:41 a.m.)**

A list of individuals making public comment is available in the meeting file.

### **Educational Retirement Board (ERB): Final Update and Legislative Proposals (11:14 a.m.)**

David Archuleta, executive director, ERB, and Jacob Maule, general counsel, ERB, provided an update on key valuation results and recent changes at the ERB. As of June 30, 2025, Mr. Archuleta said, the ERB had a funded ratio of 67.8% and an amortization period of 19 years, an improvement of 3% and three years, respectively, from the previous year, and its unfunded actuarial accrued liability fell from \$9.4 billion to \$8.9 billion. Mr. Maule described recent updates to the independent contractor review process and provided an overview of the ERB's return-to-work programs. At this time, the ERB had no legislative proposals. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=11/5/2025&ItemNumber=2>.



**Approval of Minutes (12:14 p.m.)**

On a motion made and seconded and with no opposition, the minutes of the October 8-9, 2025 meeting were approved as submitted.

**PERA: Final Update and Legislative Proposals (1:08 p.m.)**

Greg Trujillo, executive director, PERA, and Anthony Montoya, general counsel, PERA, presented an update on the PERA and proposed legislation for the upcoming regular session. At the end of fiscal year (FY) 2025, while the PERA's funded ratio decreased 2% to 65%, its amortization period was 50 years, an improvement of two years over FY 2024. Mr. Trujillo noted that the PERA's active membership increased and its negative cash flow fell to its lowest level since at least 2013. As Tier 2 membership grows, the PERA's amortization period should improve over time; however, without additional funding, the unfunded liability is expected to increase. Next, Mr. Montoya reviewed proposed legislation (.232419.2SA), a PERA technical clean-up bill that was explained in detail during the October meeting, and explained the two changes made to the bill since the previous meeting. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=11/5/2025&ItemNumber=3>.

***Motion for Endorsement:*** On a motion made and seconded, and with no opposition, the committee voted unanimously to endorse .232419.2SA as submitted.

**State Investment Council (SIC): Final Update (2:35 p.m.)**

Jon Clark, state investment officer, SIC, gave an overview of the SIC's strategic venture capital program, noting that over the past two and one-half years, the SIC has committed \$1.7 billion to more than 30 top-tier venture capital fund managers that have an interest in expanding to New Mexico. According to Mr. Clark, the program's key areas of focus are aerospace and defense, advanced energy and deep tech, and in the past six years, the program has seen a net gain of \$32.7 million. Mr. Clark said that the SIC's budget request for FY 2027 is \$106.7 million, an increase of \$28.5 million over the FY 2026 budget request. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=11/5/2025&ItemNumber=4>.

**Consideration of Legislation for Endorsement (3:29 p.m.)**

Senator Woods and Senator Thornton presented two pieces of proposed legislation to the committee: .232657.1, which would remove the limit on the amount of an income tax exemption for uniformed services retirement pay; and .232658.1, which would allow a PERA member who entered a uniformed service of the United States for any amount of time to purchase service credit subject to certain conditions.

***Motion for Endorsement:*** On a motion made and seconded, the committee voted to endorse .232657.1, with one member voting no. Regarding .232658.1, due to uncertainty about its fiscal impact, the committee decided not to pursue endorsement of the bill.

**Endorsed Legislation**

The proposed legislation endorsed by the committee can be found here:

[https://www.nmlegis.gov/Committee/endorsed\\_legislation?CommitteeCode=IPOC&Year=2026](https://www.nmlegis.gov/Committee/endorsed_legislation?CommitteeCode=IPOC&Year=2026).

**Adjournment**

There being no further business before the committee, the meeting adjourned at 3:51 p.m.

## ENDORSED LEGISLATION



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HOUSE BILL

**57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026**

INTRODUCED BY

DISCUSSION DRAFT

ENDORSED BY THE INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

AN ACT

RELATING TO PUBLIC EMPLOYEE PENSIONS; CLARIFYING PROVISIONS  
RELATING TO DISABILITY PENSIONS AND SURVIVOR PENSIONS; ALLOWING  
STATE FIRE MEMBERS ELIGIBILITY FOR CERTAIN SERVICE CREDIT  
RELATING TO WORKERS' COMPENSATION LEAVE; REMOVING  
INCONSISTENCIES RELATING TO SURVIVOR PENSIONS; CLARIFYING THE  
AMOUNT OF PENSION EARNED BY CERTAIN PUBLIC REGULATION  
COMMISSION COMMISSIONERS; ALLOWING THE PUBLIC EMPLOYEES  
RETIREMENT ASSOCIATION TO SHARE CERTAIN INFORMATION WITH THE  
EDUCATIONAL RETIREMENT BOARD REGARDING CERTAIN RECIPROCITY  
RETIREEES; CLARIFYING CERTAIN PROVISIONS RELATING TO GIFTS;  
CLARIFYING THE REQUIREMENTS FOR A RETIRED MEMBER WHO FILES AN  
EXEMPTION FROM MEMBERSHIP UNDER THE MAGISTRATE RETIREMENT ACT;  
MAKING TECHNICAL CHANGES.

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

.232419.2SA

underscoring material = new  
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underscoring material = new  
~~[bracketed material] = delete~~

1           SECTION 1. Section 10-11-4 NMSA 1978 (being Laws 1987,  
2 Chapter 253, Section 4, as amended) is amended to read:

3           "10-11-4. SERVICE CREDIT--REQUIREMENTS FOR--FORFEITURE--  
4 REINSTATEMENT.--

5           A. Personal service rendered an affiliated public  
6 employer by a member shall be credited to the member's service  
7 credit account in accordance with retirement board rules and  
8 regulations. Service shall be credited to the nearest month.  
9 In no case shall any member be credited with a year of service  
10 for less than twelve months of service in any calendar year or  
11 more than a month of service for all service in any calendar  
12 month or more than a year of service for all service in any  
13 calendar year. In no case shall any member be allowed to  
14 purchase service credit unless the purchase is authorized in  
15 the Public Employees Retirement Act.

16           B. Personal service rendered an affiliated public  
17 employer prior to August 1, 1947 shall be credited to a member  
18 if the member acquires one year of service credit for personal  
19 service rendered an affiliated public employer.

20           C. Personal service rendered an affiliated public  
21 employer after July 31, 1947 but prior to the date the public  
22 employer became an affiliated public employer is prior service  
23 and shall be credited to a member if:

24                   (1) the member has the applicable minimum  
25 number of years of service credit required for normal

underscoring material = new  
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1 retirement. As used in this paragraph, "service credit" means  
2 only the service credit earned by the member during periods of  
3 employment with an affiliated public employer; and

4 (2) the member pays the association the amount  
5 determined in accordance with Subsection D of this section.

6 D. The purchase cost for each month of service  
7 credit purchased under the provisions of this section is equal  
8 to the member's final average salary multiplied by the sum of  
9 the member contribution rate and employer contribution rate  
10 determined in accordance with the coverage plan applicable to  
11 the member at the time of the written election to purchase.

12 ~~[Full]~~ Payment shall be made in ~~[a single lump sum amount in]~~  
13 accordance with the procedures established by the retirement  
14 board. The portion of the purchase cost derived from the  
15 employer contribution rate shall be credited to the employers  
16 accumulation fund and shall not be refunded to the member in  
17 the event of cessation of membership. In no case shall any  
18 member be credited with a month of service for less than the  
19 purchase cost as defined in this section.

20 E. Service credit shall be forfeited if a member  
21 terminates employment with an affiliated public employer and  
22 withdraws the member's accumulated member contributions.

23 F. A member or former member who is a member of  
24 another state system or the educational retirement system and  
25 who has forfeited service credit by withdrawal of member

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underscored material = new  
[bracketed material] = delete

1 contributions may reinstate the forfeited service credit by  
2 repaying the amount withdrawn plus compound interest from the  
3 date of withdrawal to the date of repayment at the rate set by  
4 the retirement board. Withdrawn member contributions [~~may~~]  
5 shall be repaid in [~~increments of one year in~~] accordance with  
6 the procedures established by the retirement board [~~Full~~  
7 ~~payment of each one-year increment shall be made in a single~~  
8 ~~lump-sum amount in accordance with procedures established by~~  
9 ~~the retirement board~~]."

10 SECTION 2. Section 10-11-4.2 NMSA 1978 (being Laws 1993,  
11 Chapter 239, Section 1, as amended) is amended to read:

12 "10-11-4.2. CORRECTION OF ERRORS AND OMISSIONS--  
13 ESTOPPEL.--

14 A. If an error or omission results in an  
15 overpayment to a member or beneficiary of a member, the  
16 association shall correct the error or omission and adjust all  
17 future payments accordingly. The association shall recover all  
18 overpayments made for a period of up to one year prior to the  
19 date the error or omission was discovered.

20 B. A person who is paid more than the amount that  
21 is lawfully due [~~him~~] to that person as a result of fraudulent  
22 information provided by the [~~member or beneficiary~~] person  
23 shall be liable for the repayment of that amount to the  
24 association plus interest on that amount at the rate set by the  
25 retirement board plus all costs of collection, including

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underscored material = new  
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1 attorney fees [~~if necessary~~]. Recovery of such overpayments  
2 shall extend back to the date the first payment was made based  
3 on the fraudulent information.

4 C. Statements of fact or law made by retirement  
5 board members or employees of the retirement board or the  
6 association shall not estop the retirement board or the  
7 association from acting in accordance with the applicable  
8 statutes."

9 SECTION 3. Section 10-11-6.1 NMSA 1978 (being Laws 2016,  
10 Chapter 39, Section 2) is amended to read:

11 "10-11-6.1. SERVICE CREDIT FOR CERTAIN INJURED MEMBERS ON  
12 APPROVED WORKERS' COMPENSATION LEAVE.--

13 A. A member whose affiliated public employer has  
14 provided written certification to the association, in the form  
15 and manner prescribed by the association, that the employee was  
16 injured while performing a work-related function or duty in an  
17 inherently dangerous location or under inherently dangerous  
18 circumstances and that the member is absent from work and has  
19 been placed on approved workers' compensation leave as a result  
20 of the injury shall accrue service credit for the period of  
21 absence from work while on workers' compensation leave;  
22 provided that:

23 (1) the member is a peace officer covered  
24 pursuant to state general member coverage plan 3; a state  
25 police member; a state fire member; an adult correctional

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underscored material = new  
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1 officer member; a municipal fire member; a municipal police  
2 member; or a municipal detention officer member;

3 (2) the member retains membership in the  
4 association during the period of absence from work on approved  
5 workers' compensation leave; and

6 (3) the member's affiliated public employer  
7 pays the injured employee's member contributions as well as the  
8 employer contributions and remits to the association the total  
9 amount of employee and employer contributions that would have  
10 been paid if the member had not been absent from work while on  
11 approved workers' compensation leave. The contribution amounts  
12 shall be calculated based upon a salary equal to the member's  
13 salary at the time of the injury.

14 B. The affiliated public employer shall provide an  
15 appeal process for an injured employee on approved workers'  
16 compensation leave who is determined by the affiliated public  
17 employer not to meet the criteria in Subsection A of this  
18 section."

19 SECTION 4. Section 10-11-10.1 NMSA 1978 (being Laws 1993,  
20 Chapter 160, Section 3, as amended) is amended to read:

21 "10-11-10.1. DISABILITY RETIREMENT.--

22 A. There is created a "disability review committee"  
23 of the retirement board. The disability review committee shall  
24 consist of at least three but not more than five retirement  
25 board members and at least one licensed physician [~~licensed in~~

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underscored material = new  
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1 ~~New Mexico~~] appointed by the retirement board. The board shall  
2 give preference to a physician licensed in New Mexico. The  
3 disability review committee shall review all applications for  
4 disability retirement, review reports required under this  
5 section and approve or deny applications for disability  
6 retirement.

7 B. The disability review committee may retire a  
8 member on account of disability before the time the member  
9 would otherwise be eligible for retirement if the following  
10 requirements are satisfied:

11 (1) the member applying for disability  
12 retirement was a member at the time the disability was  
13 incurred;

14 (2) a written application for disability  
15 retirement, in the form and containing the information  
16 prescribed by the association, has been filed with the  
17 association by the member, the member's representative or [~~by~~]  
18 the member's affiliated public employer;

19 (3) employment is terminated within forty-five  
20 days of the date of approval of the application for disability  
21 retirement;

22 (4) if:

23 (a) the member has the applicable  
24 minimum number of years of service credit required for normal  
25 retirement. For the purposes of this subparagraph, "service

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underscoring material = new  
~~[bracketed material] = delete~~

1 credit" means only the service credit earned by the member  
2 during periods of employment with an affiliated public  
3 employer; or

4 (b) the disability review committee  
5 finds the disability to have been the natural and proximate  
6 result of causes arising solely and exclusively out of and in  
7 the course of the member's performance of duty with an  
8 affiliated public employer;

9 (5) the member submits to all medical  
10 examinations and tests and furnishes copies of all medical  
11 reports requested by the association or disability review  
12 committee; provided that if the disability review committee  
13 requires independent medical or other examinations, those  
14 examinations shall be performed at the association's expense;  
15 and

16 (6) the disability review committee makes the  
17 determination required under Subsection C of this section.

18 C. The disability review committee shall review  
19 applications for disability retirement to determine whether:

20 (1) if the member is a currently employed,  
21 contributing employee of an affiliated public employer:

22 (a) the member is mentally or physically  
23 totally incapacitated for continued employment with an  
24 affiliated public employer; and

25 (b) the incapacity is likely to be

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1 permanent; or

2 (2) if the member is not a currently employed,  
3 contributing employee of an affiliated public employer:

4 (a) the member is mentally or physically  
5 totally incapacitated for any gainful employment; and

6 (b) the incapacity is likely to be  
7 permanent.

8 D. The disability retirement pension shall be paid  
9 for a period of one year after approval of the initial  
10 application unless the disability review committee for good  
11 cause shown grants disability retirement for a longer period of  
12 time. [~~After approval~~] Payment shall be effective commencing  
13 the first of the month following [~~submission~~] approval of the  
14 initial application and termination of employment.

15 E. At the end of the first year that a disability  
16 retirement pension is paid, the disability retired member's  
17 condition shall be reevaluated to determine eligibility for  
18 continuation of payment of a disability retirement pension. If  
19 the disability retired member has applied for disability  
20 benefits under the federal social security program, the member  
21 shall submit copies of the member's application. The  
22 association shall continue payment of the state disability  
23 retirement pension if the disability retired member presents a  
24 written final determination from the federal social security  
25 administration that the disability retired member qualifies,

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1 based on the same conditions as presented in the application  
2 for a state disability retirement pension, for federal  
3 disability benefits.

4 F. If the disability retired member applied for  
5 federal disability benefits within thirty days of receiving  
6 approval for a state disability retirement pension but the  
7 federal social security administration has not made a written  
8 final determination of entitlement by the end of the first year  
9 that the disability retired member has received a state  
10 disability retirement pension, eligibility for continued  
11 payment of the state disability retirement pension shall be  
12 determined by the disability review committee. The state  
13 disability retirement pension shall be discontinued if the  
14 disability review committee finds that the disability retired  
15 member is capable of any gainful employment.

16 G. The disability retired member shall notify the  
17 association of the federal social security administration's  
18 final determination within fifteen working days of the date of  
19 issuance of the final written determination. If the federal  
20 social security administration denies federal disability  
21 benefits, the state disability retirement pension shall be  
22 discontinued effective the first of the month following the  
23 month in which the written final determination of the federal  
24 social security administration was issued. If the federal  
25 social security administration grants federal disability

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1 benefits, the state disability retirement pension shall be  
2 continued so long as the disability retired member provides  
3 annually, on or before the anniversary date of commencement of  
4 payment of the state disability retirement pension, written  
5 evidence of continuation of payment of federal disability  
6 benefits. If the disability review committee has denied  
7 continuation of payment of a state disability retirement  
8 pension and the disability retired member is later granted  
9 federal disability benefits, the state disability retirement  
10 pension shall be reinstated effective the first of the month  
11 following the month in which the state disability retirement  
12 pension was discontinued.

13 H. If, at the time of reevaluation under Subsection  
14 E of this section, the disability retired member has applied  
15 for and has qualified for federal disability benefits, but for  
16 a different condition than was reviewed by the disability  
17 review committee, the disability review committee shall review  
18 the disability retired member's condition as described by the  
19 application for federal disability benefits. The process set  
20 forth in Subsection I of this section shall be followed to  
21 determine whether payment of a state disability retirement  
22 pension should be continued.

23 I. If the disability retired member is not eligible  
24 to apply for federal disability benefits or is not a member of  
25 the federal social security program, the disability review

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1 committee annually shall determine eligibility for continuation  
2 of payment of a state disability retirement pension. To make  
3 its determination of continued entitlement, the disability  
4 review committee shall use the guidelines established by the  
5 federal social security administration for determination of  
6 eligibility for federal disability benefits. The determination  
7 shall be based on:

8 (1) the medical and all other information  
9 provided by the disability retired member;

10 (2) at least one independent medical or other  
11 examination performed at the association's expense if required  
12 by the disability review committee; and

13 (3) any medical, vocational or other  
14 information related to the disability compiled during the  
15 period of disability by any medical or other practitioner  
16 consulted by the disability retired member regarding the  
17 disability [~~which~~] that was not paid for by the association.

18 J. Each disability retired member annually shall  
19 submit to the association, prior to July 1, a statement of  
20 earnings from gainful employment during the preceding calendar  
21 year. The statement of earnings shall be in the form  
22 prescribed by the association. Payment of the state disability  
23 retirement pension shall be discontinued if the amount of  
24 earnings from gainful employment is one hundred percent or more  
25 of the amount that causes a decrease or suspension of an old

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1 age benefit under the federal social security program [~~or~~  
2 ~~fifteen thousand dollars (\$15,000), whichever is less~~].

3 Payment of the state disability retirement pension shall be  
4 discontinued starting with the month of July if the statement  
5 of earnings is not received by the association prior to July 1.

6 K. Upon prior approval by the association, a  
7 disability retired member may return to employment with an  
8 affiliated public employer or other employer for a trial period  
9 not to exceed one hundred twenty calendar days without becoming  
10 a member or causing suspension or discontinuation of payment of  
11 a state disability retirement pension. If the trial period of  
12 employment is successfully completed, payment of the disability  
13 retirement pension shall be discontinued beginning the first of  
14 the month following the one hundred twentieth day of the trial  
15 period of employment. Trial periods of employment shall be  
16 limited to two in any five-year period following disability  
17 retirement.

18 L. If the disability retired member meets the  
19 minimum age and service credit requirements for normal  
20 retirement while receiving a disability retirement pension, the  
21 disability retirement pension shall be reclassified by the  
22 association as a normal retirement pension, and no further  
23 determinations of eligibility for continuation of payment of  
24 the disability retirement pension shall be made. Upon  
25 reclassification as a normal retirement pension, all the

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1 provisions of the Public Employees Retirement Act regarding  
2 normal retirement shall be applicable.

3 M. If the disability review committee found the  
4 disability to be the natural and proximate result of causes  
5 arising solely and exclusively out of and in the course of the  
6 member's employment with an affiliated public employer, service  
7 credit shall continue to accrue during the disability  
8 retirement period as though the disability retired member was  
9 actively employed.

10 N. The amount of a disability retirement pension  
11 shall be calculated according to the provisions of the coverage  
12 plan applicable to the member at the time of application,  
13 except that the service credit requirement shall be waived and  
14 the actual amount of service credit shall be used instead. If  
15 the disability is the natural and proximate result of causes  
16 arising solely and exclusively out of and in the course of the  
17 member's performance of duty for an affiliated public employer,  
18 the amount of disability retirement pension shall be calculated  
19 according to the provisions of the coverage plan applicable to  
20 the member, imputing the amount of service credit necessary to  
21 meet the minimum service credit requirements for normal  
22 retirement.

23 O. For the purposes of this section, the following  
24 definitions apply:

25 (1) "continued employment with the affiliated

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1 public employer" means the ability of the member to fulfill the  
2 required duties of the position in which the member was last  
3 employed by an affiliated public employer;

4 (2) "gainful employment" means remunerative  
5 employment or self-employment that is commensurate with the  
6 applicant's background, age, education, experience and any new  
7 skills or training the applicant may have acquired after  
8 terminating public employment or incurring the disability;

9 (3) "state disability retirement pension"  
10 means the pension paid pursuant to the provisions of this  
11 section; and

12 (4) "federal disability benefits" means those  
13 benefits paid by the federal social security program."

14 SECTION 5. Section 10-11-14.5 NMSA 1978 (being Laws 1993,  
15 Chapter 160, Section 4, as amended) is amended to read:

16 "10-11-14.5. DEATH BEFORE RETIREMENT--SURVIVOR  
17 PENSIONS.--

18 A. A survivor pension may be paid to certain  
19 persons related to or designated by a member who dies before  
20 normal or disability retirement if a written application for  
21 the pension, in the form prescribed by the association, is  
22 filed with the association by the potential survivor  
23 beneficiary or beneficiaries within one year of the death of  
24 the member. Applications may be filed on behalf of the  
25 potential survivor beneficiary or beneficiaries or by a person

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1 legally authorized to represent them.

2 B. If ~~[there is no designated survivor beneficiary~~  
3 ~~and]~~ the retirement board finds the death to have been the  
4 natural and proximate result of causes arising solely and  
5 exclusively out of and in the course of the member's  
6 performance of duty with an affiliated public employer, a  
7 survivor pension shall be payable to the designated survivor  
8 beneficiary. If there is no designated survivor beneficiary, a  
9 survivor pension shall be payable to the eligible surviving  
10 spouse. The amount of the survivor pension shall be the  
11 greater of:

12 (1) the amount as calculated under the  
13 coverage plan applicable to the deceased member at the time of  
14 death as though the deceased member had retired the day  
15 preceding death under form of payment B using the actual amount  
16 of service credit attributable to the deceased member at the  
17 time of death; or

18 (2) fifty percent of the deceased member's  
19 final average salary.

20 C. A survivor pension shall also be payable to  
21 eligible surviving children if ~~[there is no designated survivor~~  
22 ~~beneficiary and]~~ the retirement board finds the death to have  
23 been the natural and proximate result of causes arising solely  
24 and exclusively out of and in the course of the member's  
25 performance of duty with an affiliated public employer. The

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1 survivor pension shall be payable to and divided equally among  
2 all eligible surviving children, if any. The total amount of  
3 survivor pension payable for all eligible surviving children  
4 shall be either:

5 (1) fifty percent of the deceased member's  
6 final average salary if an eligible surviving spouse or  
7 designated survivor beneficiary is not paid a pension; or

8 (2) twenty-five percent of the deceased  
9 member's final average salary if an eligible surviving spouse  
10 or designated survivor beneficiary is paid a pension.

11 ~~[The total amount of survivor pension shall be divided~~  
12 ~~equally among all eligible surviving children. If there is~~  
13 ~~only one eligible child, the amount of pension shall be twenty-~~  
14 ~~five percent of the deceased member's final average salary.]~~

15 D. If the member had the applicable minimum number  
16 of years of service credit required for normal retirement, but  
17 the retirement board did not find the death to have been the  
18 natural and proximate result of causes arising solely and  
19 exclusively out of and in the course of the member's  
20 performance of duty with an affiliated public employer, [~~and~~  
21 ~~there is no designated survivor beneficiary~~] a survivor pension  
22 shall be payable to the designated survivor beneficiary. If  
23 there is no designated survivor beneficiary, a survivor pension  
24 shall be payable to the eligible surviving spouse. The amount  
25 of the survivor pension shall be the greater of:

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1 (1) the amount as calculated under the  
2 coverage plan applicable to the deceased member at the time of  
3 death as though the deceased member had retired the day  
4 preceding death under form of payment B using the total amount  
5 of actual service credit attributable to the deceased member at  
6 the time of death; or

7 (2) thirty percent of the deceased member's  
8 final average salary.

9 E. If the member had the applicable minimum number  
10 of years of service credit required for normal retirement, but  
11 the retirement board did not find the death to have been the  
12 natural and proximate result of causes arising solely and  
13 exclusively out of and in the course of the member's  
14 performance of duty with an affiliated public employer and  
15 there is no designated survivor beneficiary, and if there is no  
16 eligible surviving spouse at the time of death, a survivor  
17 pension shall be payable to and divided equally among all  
18 eligible surviving children, if any. The total amount of  
19 survivor pension payable for all eligible surviving children  
20 shall be the greater of:

21 (1) the amount as calculated under the  
22 coverage plan applicable to the deceased member at the time of  
23 death as though the deceased member had retired the day  
24 preceding death under form of payment B with the oldest  
25 eligible surviving child as the survivor beneficiary using the

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1 total amount of actual service credit attributable to the  
2 deceased member at the time of death; or

3 (2) thirty percent of the deceased member's  
4 final average salary.

5 F. An eligible surviving spouse is the spouse to  
6 whom the deceased member was married at the time of death. An  
7 eligible surviving child is a child under the age of eighteen  
8 years and who is an unmarried, natural or adopted child of the  
9 deceased member and who is not the designated survivor  
10 beneficiary of the deceased member.

11 G. An eligible surviving spouse's pension shall  
12 terminate upon death. An eligible surviving child's pension  
13 shall terminate upon death or marriage or reaching age eighteen  
14 years, whichever comes first.

15 H. If there is [~~no designated survivor beneficiary~~  
16 ~~and there is~~] no eligible surviving child, the designated  
17 survivor beneficiary or eligible surviving spouse may elect to  
18 be refunded the deceased member's accumulated member  
19 contributions instead of receiving a survivor pension.

20 I. A member may designate a survivor beneficiary to  
21 receive a pre-retirement survivor pension, subject to the  
22 following conditions:

23 (1) a written designation, in the form  
24 prescribed by the association, is filed by the member with the  
25 association;

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1 (2) if the member is married at the time of  
2 designation, the designation shall only be made with the  
3 consent of the member's spouse, in the form prescribed by the  
4 association;

5 (3) if the member is married subsequent to the  
6 time of designation, any prior designations shall automatically  
7 be revoked upon the date of the marriage;

8 (4) if the member is divorced subsequent to  
9 the time of designation, any prior designation of the former  
10 spouse as survivor beneficiary shall automatically be revoked  
11 upon the date of divorce; and

12 (5) a designation of survivor beneficiary may  
13 be changed, with the member's spouse's consent if the member is  
14 married, by the member at any time prior to the member's death.

15 ~~[J. If there is a designated survivor beneficiary~~  
16 ~~and the retirement board finds the death to have been the~~  
17 ~~natural and proximate result of causes arising solely and~~  
18 ~~exclusively out of and in the course of the member's~~  
19 ~~performance of duty with an affiliated public employer, a~~  
20 ~~survivor pension shall be payable to the designated survivor~~  
21 ~~beneficiary. The amount of the survivor pension shall be the~~  
22 ~~greater of:~~

23 ~~(1) the amount as calculated under the~~  
24 ~~coverage plan applicable to the deceased member at the time of~~  
25 ~~death as though the deceased member had retired the day~~

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1 ~~preceding death under form of payment B using the actual amount~~  
2 ~~of service credit attributable to the member at the time of~~  
3 ~~death; or~~

4 ~~(2) fifty percent of the deceased member's~~  
5 ~~final average salary.~~

6 ~~K. If there is a designated survivor beneficiary,~~  
7 ~~if the member had the applicable minimum number of years of~~  
8 ~~service credit required for normal retirement and if the~~  
9 ~~retirement board did not find the death to have been the~~  
10 ~~natural and proximate result of causes arising solely and~~  
11 ~~exclusively out of and in the course of the member's~~  
12 ~~performance of duty with an affiliated public employer, a~~  
13 ~~survivor pension shall be payable to the designated survivor~~  
14 ~~beneficiary. The amount of the survivor pension shall be the~~  
15 ~~greater of:~~

16 ~~(1) the amount as calculated under the~~  
17 ~~coverage plan applicable to the deceased member at the time of~~  
18 ~~death as though the deceased member had retired the day~~  
19 ~~preceding death under form of payment B using the actual amount~~  
20 ~~of service credit attributable to the member at the time of~~  
21 ~~death; or~~

22 ~~(2) thirty percent of the deceased member's~~  
23 ~~final average salary.~~

24 ~~L.] J. If all pension payments permanently~~  
25 ~~terminate before there is paid an aggregate amount equal to the~~

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1 deceased member's accumulated member contributions at time of  
2 death, the difference between the amount of accumulated member  
3 contributions and the aggregate amount of pension paid shall be  
4 paid to the deceased member's refund beneficiary. If no refund  
5 beneficiary survives the survivor beneficiary, the difference  
6 shall be paid to the estate of the deceased member.

7 ~~[M.]~~ K. For purposes of this section, "service  
8 credit" means only the service credit earned by a member during  
9 periods of employment with an affiliated public employer."

10 SECTION 6. Section 10-11-26.3 NMSA 1978 (being Laws 1994,  
11 Chapter 128, Section 4, as amended) is amended to read:

12 "10-11-26.3. STATE GENERAL MEMBER COVERAGE PLAN 3--AMOUNT  
13 OF PENSION--FORM OF PAYMENT A.--Under state general member  
14 coverage plan 3:

15 A. for a member with age and service requirements  
16 provided under Paragraph (1) or (3) of Subsection A of Section  
17 10-11-26.2 NMSA 1978, the amount of pension under form of  
18 payment A is equal to three percent of final average salary  
19 multiplied by service credit. The amount shall not exceed one  
20 hundred percent of the final average salary; and

21 B. for a member with age and service requirements  
22 provided under Paragraph (2) or (4) of Subsection A of Section  
23 10-11-26.2 NMSA 1978, the amount of pension under form of  
24 payment A is equal to two and one-half percent of the final  
25 average salary multiplied by service credit. The amount shall

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1 not exceed one hundred percent of the final average salary."

2 SECTION 7. Section 10-11-130 NMSA 1978 (being Laws 1987,  
3 Chapter 253, Section 130, as amended) is amended to read:

4 "10-11-130. RETIREMENT BOARD--AUTHORITY--MEMBERSHIP.--

5 A. The "retirement board" is created and is the  
6 trustee of the association and the funds created by the state  
7 retirement system acts and has all the powers necessary or  
8 convenient to carry out and effectuate the purposes and  
9 provisions of the state retirement system acts, including, in  
10 addition to any specific powers provided for in the Public  
11 Employees Retirement Act but without limiting the generality of  
12 the foregoing, the power to:

13 (1) administer the state retirement system  
14 acts, including the management of the association and making  
15 effective the provisions of those acts, as well as to  
16 administer and manage any other employee benefit acts as  
17 provided by law;

18 (2) in addition to utilizing services of the  
19 attorney general and notwithstanding any other provision of  
20 law, employ or contract with and compensate competent legal  
21 counsel to handle the legal matters and litigation of the  
22 retirement board and the association and to give advice and  
23 counsel in regard to any matter connected with the duties of  
24 the retirement board;

25 (3) administer oaths;

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1 (4) adopt and use a seal for authentication of  
2 records, processes and proceedings;

3 (5) create and maintain records relating to  
4 all members, affiliated public employers and all activities and  
5 duties required of the retirement board;

6 (6) issue subpoenas and compel the production  
7 of evidence and attendance of witnesses in connection with any  
8 hearings or proceedings of the retirement board;

9 (7) make and execute contracts;

10 (8) purchase, acquire or hold land adjacent to  
11 the state capitol grounds or other suitable location and build  
12 thereon a building to house the association and its employees  
13 and, in the event additional office space is available in the  
14 building after the retirement board and its employees have been  
15 housed, to rent or lease the additional space to any public  
16 agency or private person; provided that first priority for the  
17 rental or leasing shall be to public agencies; and further  
18 provided that for the purpose of purchasing, acquiring or  
19 holding the land and the building thereon, the retirement board  
20 may use funds from the income fund and any other funds  
21 controlled by the retirement board the use of which for such  
22 purposes is not prohibited by law;

23 (9) after the sale of the land and building  
24 acquired pursuant to Paragraph (8) of this subsection, acquire  
25 land and build thereon a new building to house the association

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1 and its employees and hold the building and land in fee simple  
2 in the name of the association. In order to acquire the land  
3 and plan, design and construct the building, the retirement  
4 board may expend the proceeds of the sale of the land and  
5 building acquired pursuant to Paragraph (8) of this subsection  
6 or any funds controlled by the board, the use of which for such  
7 purposes is not otherwise prohibited by law;

8 (10) make and adopt such reasonable rules as  
9 may be necessary or convenient to carry out the duties of the  
10 retirement board and activities of the association, including  
11 any rules necessary to preserve the status of the association  
12 as a qualified pension plan under the provisions of the  
13 Internal Revenue Code of 1986, as amended, or under successor  
14 or related provisions of law;

15 (11) designate committees and designate  
16 committee members, including individuals who may not be members  
17 of the association; and

18 (12) select and contract for the services of  
19 one or more custodian banks for all funds under the retirement  
20 board's management. For the purpose of this paragraph,  
21 "custodian bank" means a financial institution with the general  
22 fiduciary duties to manage, control and collect the assets of  
23 an investment fund, including receiving all deposits and paying  
24 all disbursements as directed by staff, safekeeping of assets,  
25 coordination of asset transfers, timely settlement of

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1 securities transactions and accurate and timely reporting of  
2 the assets by individual account and in total.

3 B. The retirement board consists of:

4 (1) the secretary of state;

5 (2) the state treasurer;

6 (3) four members under a state coverage plan  
7 to be elected by the members under state coverage plans;

8 (4) four members under a municipal coverage  
9 plan to be elected by the members under municipal coverage  
10 plans; provided that one member shall be a municipal member  
11 employed by a county; and

12 (5) two retired members to be elected by the  
13 retired members of the association.

14 C. The results of elections of elected members of  
15 the retirement board shall be certified at the annual meeting  
16 of the association. Elections shall be conducted according to  
17 rules the retirement board adopts from time to time.

18 D. The regular term of office of the elected  
19 members of the retirement board is four years. The term of one  
20 retirement board member under a state coverage plan expires  
21 annually on December 31. The terms of retirement board members  
22 under a municipal coverage plan expire on December 31 of  
23 noncoinciding years in the pattern set by the retirement board.  
24 Members of the retirement board serve until their successors  
25 have qualified.

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1           E. A member elected to the retirement board who  
2 fails to attend four consecutively scheduled meetings of the  
3 retirement board, unless in each case excused for cause by the  
4 retirement board members in attendance, is considered to have  
5 resigned from the retirement board, and the retirement board  
6 shall by resolution declare the office vacated as of the date  
7 of adoption of the resolution. A vacancy occurring on the  
8 retirement board, except in the case of an elected official,  
9 shall be filled by the remaining retirement board members,  
10 without requirement that a quorum be present. The member  
11 appointed to fill the vacancy serves for the remainder of the  
12 vacated term.

13           F. Members of the retirement board serve without  
14 salary for their services as retirement board members, but they  
15 shall receive those amounts authorized under the Per Diem and  
16 Mileage Act.

17           G. The retirement board shall hold four regular  
18 meetings each year and shall designate in advance the time and  
19 place of the meetings. Special meetings and emergency meetings  
20 of the retirement board may be held upon call of the chair or  
21 any three members of the retirement board. Written notice of  
22 special meetings shall be sent to each member of the retirement  
23 board at least seventy-two hours in advance of the special  
24 meeting. Verbal notice of emergency meetings shall be given to  
25 as many members as is feasible at least eight hours before the

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1 emergency meeting, and the meeting shall commence with a  
2 statement of the nature of the emergency. The retirement board  
3 shall adopt its own rules of procedure and shall keep a record  
4 of its proceedings. All meetings of the retirement board shall  
5 comply with the Open Meetings Act. A majority of retirement  
6 board members shall constitute a quorum. Each attending member  
7 of the retirement board is entitled to one vote on each  
8 question before the retirement board, and at least a majority  
9 of a quorum shall be necessary for a decision by the retirement  
10 board.

11 H. Annual meetings of the members of the  
12 association shall be held in Santa Fe at such time and place as  
13 the retirement board shall from time to time determine.  
14 Special meetings of the members of the association shall be  
15 held in Santa Fe upon call of any seven retirement board  
16 members. The retirement board shall send a written notice to  
17 the last known residence address of each member currently  
18 employed by an affiliated public employer at least ten days  
19 prior to any meeting of the members of the association. The  
20 notice shall contain the call of the meeting and the principal  
21 purpose of the meeting. All meetings of the association shall  
22 be public and shall be conducted according to procedures the  
23 retirement board shall from time to time adopt. The retirement  
24 board shall keep a record of the proceedings of each meeting of  
25 the association.

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1 I. ~~[Neither the retirement board nor the~~  
2 ~~association shall allow public inspection of, or disclosure of,~~  
3 ~~information from any member or retiree file unless a prior~~  
4 ~~release and consent, in the form prescribed by the association,~~  
5 ~~has been executed by the member or retiree; except that~~  
6 ~~applicable coverage plans, amounts of retirement plan~~  
7 ~~contributions made by members and affiliated public employers,~~  
8 ~~pension amounts paid and the names and addresses of public~~  
9 ~~employees retirement association members or retirees requested~~  
10 ~~for election purposes by candidates for election to the~~  
11 ~~retirement board may be produced or disclosed without release~~  
12 ~~or consent.] Except as provided in Subsection J of this~~  
13 ~~section, neither the retirement board nor the association shall~~  
14 ~~allow public inspection of, or disclosure of, the following~~  
15 ~~information:~~

16 (1) information from any member or retiree  
17 file unless a prior release and consent, in the form prescribed  
18 by the association, has been executed by the member or retiree;  
19 or

20 (2) information otherwise protected by law.

21 J. Notwithstanding the provisions of Paragraph (1)  
22 of Subsection I of this section, the association may disclose  
23 the following information:

24 (1) applicable coverage plans, amounts of  
25 retirement plan contributions made by members and affiliated

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1 public employers and aggregate pension amounts paid;

2 (2) the names and addresses of members or  
3 retirees that are requested solely for election purposes by  
4 candidates for election to the retirement board; and

5 (3) member file information to the educational  
6 retirement board for the purpose of administering the  
7 provisions of the Public Employees Retirement Reciprocity Act."

8 SECTION 8. Section 10-11-130.1 NMSA 1978 (being Laws  
9 1999, Chapter 153, Section 1) is amended to read:

10 "10-11-130.1. RESTRICTIONS ON RECEIPT OF GIFTS--  
11 RESTRICTION ON CAMPAIGN CONTRIBUTIONS--REQUIRED REPORTING.--

12 ~~[A. Except for gifts of food or beverage given in a~~  
13 ~~place of public accommodation, consumed at the time of receipt,~~  
14 ~~not exceeding fifty dollars (\$50.00) for a single gift and the~~  
15 ~~aggregate value of which gifts may not exceed one hundred fifty~~  
16 ~~dollars (\$150) in a calendar year, neither a retirement board~~  
17 ~~member nor an employee of the retirement board or association~~  
18 ~~shall receive or accept anything of value directly or~~  
19 ~~indirectly from a person who:~~

20 ~~(1) has a current contract with the retirement~~  
21 ~~board or association;~~

22 ~~(2) is a potential bidder, offeror or~~  
23 ~~contractor for the provision of services or personal property~~  
24 ~~to the retirement board or association;~~

25 ~~(3) is authorized to invest public funds~~

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1 ~~pursuant to state or federal law or is an employee or agent of~~  
2 ~~such a person; or~~

3 ~~(4) is an organization, association or other~~  
4 ~~entity having a membership that includes persons described in~~  
5 ~~Paragraphs (1) through (3) of this subsection.]~~

6 A. Members of the retirement board and employees of  
7 the association shall comply with the provisions of the Gift  
8 Act.

9 B. No person who is a candidate in a primary or  
10 general election for a position that qualifies the person for  
11 ex-officio membership on the retirement board, no member  
12 serving ex officio on the retirement board and no person who is  
13 a nominee for retirement board membership by election by some  
14 or all of the members of the association pursuant to the Public  
15 Employees Retirement Act shall accept anything of a value of  
16 more than twenty-five dollars (\$25.00) as a contribution to an  
17 ex-officio member's statewide campaign in a primary or general  
18 election or as a contribution to the campaign of a nominee for  
19 membership on the board as a member elected by all or some of  
20 the members of the association from a person who:

21 (1) has a current contract with the retirement  
22 board or association;

23 (2) is a potential bidder, offeror or  
24 contractor for the provision of services or personal property  
25 to the retirement board or association;

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1 (3) is authorized to invest public funds  
2 pursuant to state or federal law or is an employee or agent of  
3 such a person; or

4 (4) is an organization, association or other  
5 entity having a membership that includes persons described in  
6 Paragraphs (1) through (3) of this subsection.

7 C. Within ten days after an election in which one  
8 or more board members are elected by some or all of the members  
9 of the association pursuant to the Public Employees Retirement  
10 Act, all persons who were candidates for board membership in  
11 that election shall file with the association a report  
12 disclosing all contributions to their respective campaigns  
13 whether made directly to the candidate, a political action  
14 committee or to some other entity supporting the candidate's  
15 election. The contributions shall be reported by amount and  
16 specific source. Within sixty days after the election, the  
17 association shall publish the reports required by this  
18 subsection."

19 SECTION 9. Section 10-11-135 NMSA 1978 (being Laws 1987,  
20 Chapter 253, Section 135, as amended) is amended to read:

21 "10-11-135. FUNDS NOT SUBJECT TO PROCESS.--Except as  
22 provided in Sections 10-11-136 and 10-11-136.1 NMSA 1978, none  
23 of the money, pensions or other benefits mentioned in the  
24 Public Employees Retirement Act shall be assignable either in  
25 law or in equity or be subject to execution, levy, attachment,

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1 garnishment or other legal process, except as required by  
2 federal law or pursuant to federal action or order of a federal  
3 court or federal agency."

4 SECTION 10. Section 10-11A-7 NMSA 1978 (being Laws 1983,  
5 Chapter 263, Section 7, as amended) is amended to read:

6 "10-11A-7. RETIREMENT ANNUITY--SURVIVING BENEFICIARY.--A  
7 member may designate a spouse or dependent child as a  
8 beneficiary. In the event a retirement annuitant dies, the  
9 surviving beneficiary shall receive an annuity equal to two-  
10 thirds of the retirement annuity being paid to the retirement  
11 annuitant at the time of death; provided that the annuity paid  
12 to a beneficiary spouse shall cease upon the surviving spouse's  
13 [~~marriage or~~] death and the annuity paid to a beneficiary  
14 dependent child shall cease upon the child reaching eighteen  
15 years of age or upon the child's death, whichever comes first."

16 SECTION 11. Section 10-12C-4 NMSA 1978 (being Laws 1992,  
17 Chapter 118, Section 4, as amended by Laws 2014, Chapter 39,  
18 Section 3 and by Laws 2014, Chapter 43, Section 3) is amended  
19 to read:

20 "10-12C-4. MEMBERSHIP.--Unless an irrevocable exemption  
21 is filed pursuant to Subsection C of Section 10-12C-16 NMSA  
22 1978, every magistrate while in office shall become a member  
23 and shall be subject to the provisions of the Magistrate  
24 Retirement Act [~~provided, however, that a magistrate who, prior~~  
25 ~~to July 1, 2014, applied for and received an exemption from~~

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1 ~~membership shall not become a member until such exemption~~  
2 ~~ends~~]. A magistrate who is retired under any state system or  
3 the educational retirement system, including a magistrate who  
4 is otherwise exempt from the provisions of the Magistrate  
5 Retirement Act, shall:

6           A. pay the applicable member contributions and the  
7 state, through the administrative office of the courts, shall  
8 pay the applicable employer contributions as provided pursuant  
9 to the Magistrate Retirement Act; and

10           B. not accrue a service credit and shall not be  
11 eligible to purchase service credit nor to retire pursuant to  
12 the Magistrate Retirement Act."

13           SECTION 12. Section 10-12C-8 NMSA 1978 (being Laws 1992,  
14 Chapter 118, Section 8, as amended by Laws 2014, Chapter 39,  
15 Section 5 and by Laws 2014, Chapter 43, Section 5) is amended  
16 to read:

17           "10-12C-8. AGE AND SERVICE CREDIT REQUIREMENTS FOR NORMAL  
18 RETIREMENT.--

19           A. For a magistrate who was a member on June 30,  
20 2014, the age and service credit requirements for retirement  
21 provided for in the Magistrate Retirement Act are:

22                   (1) age sixty-five years or older and five or  
23 more years of service credit;

24                   (2) age sixty years or older and fifteen or  
25 more years of service credit; or

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1                   (3) any age and twenty-four or more years of  
2 service credit.

3                   B. For a magistrate who initially became a member  
4 on or after July 1, 2014, the age and service requirements for  
5 normal retirement provided for in the Magistrate Retirement Act  
6 are:

7                   (1) age sixty-five years or older and eight or  
8 more years of service credit;

9                   (2) age sixty years or older and fifteen or  
10 more years of service credit; or

11                   (3) any age and twenty-four or more years of  
12 service credit.

13                   C. Except for a member who is retired under any  
14 state system or the educational retirement system, if a member  
15 leaves office for any reason, other than removal pursuant to  
16 Article 6, Section 32 of the constitution of New Mexico before  
17 meeting the age and service credit requirements for retirement  
18 pursuant to the provisions of this section and if that member  
19 leaves the member contributions on deposit in the fund, that  
20 member may apply for retirement when that member meets the age  
21 and service credit requirements for retirement pursuant to the  
22 provisions of the Magistrate Retirement Act or provisions of  
23 the Public Employees Retirement Reciprocity Act.

24                   D. No member shall be eligible to receive a pension  
25 pursuant to the provisions of the Magistrate Retirement Act

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1 while [~~still in office~~] serving a term of office for which  
2 service credit is accrued."

3 SECTION 13. APPLICABILITY.--The provisions of Section 3  
4 of this act shall apply to approved workers' compensation leave  
5 that was taken by a member prior to or after the effective date  
6 of this act.

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SENATE BILL

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

DISCUSSION DRAFT

FOR THE INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

AN ACT

RELATING TO INCOME TAX; REMOVING THE LIMIT ON THE AMOUNT OF THE INCOME TAX EXEMPTION FOR UNIFORMED SERVICES RETIREMENT PAY.

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

SECTION 1. Section 7-2-5.13 NMSA 1978 (being Laws 2022, Chapter 47, Section 6, as amended) is amended to read:

"7-2-5.13. EXEMPTION--~~[ARMED FORCES]~~ UNIFORMED SERVICES RETIREMENT PAY.--

A. An individual who is ~~[an armed forces]~~ a uniformed services retiree or the surviving spouse of ~~[an armed forces]~~ a uniformed services retiree may claim an exemption in ~~[an amount equal to thirty thousand dollars (\$30,000) of armed forces]~~ the amount of the retiree's uniformed services retirement pay includable, except for this exemption, in net income.

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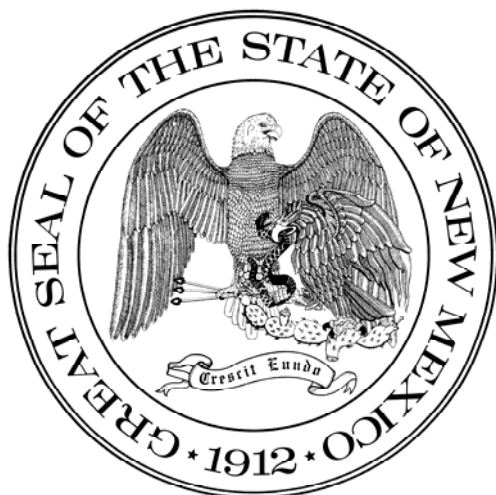
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B. As used in this section, "~~armed forces~~  
uniformed services retiree" means a former member of the ~~armed~~  
~~forces~~ uniformed services of the United States who has  
qualified by years of service or disability to separate from  
~~military~~ uniformed service with lifetime benefits."

SECTION 2. APPLICABILITY.--The provisions of this act  
apply to taxable years beginning on or after January 1, 2027.





LEGISLATIVE COUNCIL SERVICE  
SANTA FE, NEW MEXICO