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SENATE BILL 516

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Linda M. Lopez

AN ACT

RELATING TO PUBLIC EMPLOYEES; AMENDING THE PUBLIC EMPLOYEES  
RETIREMENT ACT TO ALLOW PURCHASE OF SERVICE CREDIT BY FORMER  
NEW MEXICO CONGRESSIONAL EMPLOYEES.

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

Section 1. Section 10-11-7 NMSA 1978 (being Laws 1987,  
Chapter 253, Section 7, as amended) is amended to read:

"10-11-7. CREDITED SERVICE- -PURCHASE OF SERVICE. - -

A. A member who entered a uniformed service of the  
United States may purchase service credit for periods of active  
duty in the uniformed services subject to the following  
conditions:

(1) the member pays the association the  
purchase cost determined according to Subsection E of this  
section;

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(2) the member has five or more years of service credit acquired as a result of personal service rendered in the employ of an affiliated public employer;

(3) the aggregate amount of service credit purchased ~~[under]~~ pursuant to this subsection does not exceed five years reduced by any period of service credit acquired for military service ~~[under]~~ pursuant to any other provision of the Public Employees Retirement Act;

(4) service credit may not be purchased for periods of service in the uniformed services that are used to obtain or increase a benefit from another retirement program; and

(5) the member must not have received a discharge or separation from uniformed service under other than honorable conditions.

B. A member who was a civilian prisoner of war captured while in service to the United States as an employee of the federal government or as an employee of a contractor with the federal government may purchase service credit for the period of internment as a civilian prisoner of war, provided that:

(1) the member provides proof of employment with the federal government or as a contractor to the federal government in a form acceptable to the association;

(2) the member provides proof of the period of

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1 internment in a form acceptable to the association;

2 (3) the member has at least five years of  
3 service credit acquired as a result of personal service  
4 rendered in the employ of an affiliated public employer;

5 (4) the aggregate amount of service credit  
6 purchased pursuant to this subsection does not exceed five  
7 years reduced by any period of service credit acquired for  
8 military service pursuant to any other provision of the Public  
9 Employees Retirement Act;

10 (5) service credit may not be purchased for  
11 periods of service in internment as a civilian prisoner of war  
12 if such periods are used to obtain or increase a benefit from  
13 another retirement program; and

14 (6) the member pays the association the  
15 purchase cost determined according to Subsection E of this  
16 section.

17 C. A member who was employed by a utility company,  
18 library, museum, transit company or by a nonprofit organization  
19 administering federally funded public service programs, which  
20 utility company, library, museum, transit company or nonprofit  
21 organization administering federally funded public service  
22 programs or federally funded public service programs  
23 administered by a nonprofit organization are subsequently taken  
24 over by an affiliated public employer, or a member who was  
25 employed by an entity created pursuant to a joint powers

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1 agreement between two or more affiliated public employers for  
2 the purpose of administering or providing drug or alcohol  
3 addiction treatment services irrespective of whether the entity  
4 is subsequently taken over by an affiliated public employer,  
5 may purchase credited service for the period of employment  
6 subject to the following conditions:

7 (1) the member pays the association the  
8 purchase cost determined according to Subsection E of this  
9 section;

10 (2) the member has five or more years of  
11 credited service acquired as a result of personal service  
12 rendered in the employ of an affiliated public employer; and

13 (3) the aggregate amount of credited service  
14 purchased [~~under~~] pursuant to this subsection does not exceed  
15 five years.

16 D. A member who was appointed to participate in a  
17 cooperative work study training program established jointly by  
18 the state highway and transportation department and the  
19 university of New Mexico or New Mexico state university may  
20 purchase credited service for the period of participation  
21 subject to the following conditions:

22 (1) the member pays the association the  
23 purchase cost determined according to Subsection E of this  
24 section;

25 (2) the member has five or more years of

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1 credited service acquired as a result of personal service  
2 rendered in the employ of an affiliated public employer; and

3 (3) the aggregate amount of credited service  
4 purchased [~~under~~] pursuant to this subsection does not exceed  
5 five years.

6 E. Except for service to be used under a state  
7 legislator coverage plan, the purchase cost for each month of  
8 credited service purchased [~~under~~] pursuant to the provisions  
9 of this section is equal to the member's final average salary  
10 multiplied by the sum of the member contribution rate and  
11 employer contribution rate, determined in accordance with the  
12 coverage plan applicable to the member at the time of the  
13 written election to purchase. The purchase cost for each year  
14 of credited service to be used under a state legislator  
15 coverage plan is equal to the sum of the member contribution  
16 and an employer contribution of ten times the annual amount of  
17 pension per year of credited service under the state legislator  
18 coverage plan applicable to the member. Full payment shall be  
19 made in a single lump sum within sixty days of the date the  
20 member is informed of the amount of the payment. The portion  
21 of the purchase cost derived from the employer contribution  
22 rate shall be credited to the [~~employer~~] employers accumulation  
23 fund and shall not be paid out of the association in the event  
24 of cessation of membership. In no case shall [~~any~~] a member be  
25 credited with a month of service for less than the purchase

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1 cost as defined in this section.

2 F. A member shall be refunded, upon written request  
3 filed with the association, the portion of the purchase cost of  
4 credited service purchased [~~under~~] pursuant to this section  
5 that the association determines to have been unnecessary to  
6 provide the member with the maximum pension applicable to the  
7 member. The association shall not pay interest on the portion  
8 of the purchase cost refunded to the member.

9 G. A member of the magistrate retirement system  
10 who during his service as a magistrate was eligible to become  
11 a member of the public employees retirement system and  
12 elected not to become a member of that system may purchase  
13 service credit [~~under~~] pursuant to the public employees  
14 retirement system for the period for which the magistrate  
15 elected not to become a public employees retirement system  
16 member, by paying the amount of the increase in the actuarial  
17 present value of the magistrate pension as a consequence of  
18 the purchase as determined by the association. Full payment  
19 shall be made in a single lump-sum amount in accordance with  
20 procedures established by the retirement board. Except as  
21 provided in Subsection F of this section, seventy-five  
22 percent of the purchase cost shall be considered to be  
23 employer contributions and shall not be refunded to the  
24 member in the event of cessation of membership.

25 H. A member who was employed by the government of

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1 the United States as an employee of an elected member of the  
2 United States house of representatives or the United States  
3 senate representing New Mexico may purchase service credit  
4 for that period of employment subject to the following  
5 conditions:

6 (1) the member pays the association the  
7 amount of the increase in the actuarial present value of the  
8 pension of the member as a consequence of the purchase, as  
9 determined by the association;

10 (2) the member has five or more years of  
11 credited service acquired as a result of personal service  
12 rendered in the employ of an affiliated public employer; and

13 (3) the aggregate amount of credited service  
14 purchased pursuant to this subsection does not exceed five  
15 years. "