

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 615

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
AMENDING THE JUDICIAL RETIREMENT ACT TO INCREASE MEMBER
CONTRIBUTIONS; AMENDING THE MAGISTRATE RETIREMENT ACT TO
INCREASE MEMBER CONTRIBUTIONS.

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

Section 1. Section 10-12B-10 NMSA 1978 (being Laws 1992,
Chapter 111, Section 10) is amended to read:

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

A. Members, while in office, shall contribute
[five] six percent of salary to the member contribution fund.

B. Upon implementation, the state, acting as
employer of members covered pursuant to the provisions of the
Judicial Retirement Act, shall, solely for the purpose of
compliance with Section 414(h) of the Internal Revenue Code of

.151065.3

underscored material = new
[bracketed material] = delete

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

22 C. The increase in member contributions provided
23 for in this 2004 act is contingent upon the inclusion of not
24 less than a ten percent salary increase for justices and judges
25 in legislation enacted by the second session of the forty-sixth

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1 legislature."

2 Section 2. Section 10-12C-10 NMSA 1978 (being Laws 1992,
3 Chapter 118, Section 10) is amended to read:

4 "10-12C-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

5 A. Members, while in office, shall contribute
6 [~~five~~] six percent of salary to the member contribution fund.

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

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7 C. The increase in member contributions provided
8 for in this 2004 act is contingent upon the inclusion of not
9 less than a ten percent salary increase for justices and judges
10 in legislation enacted by the second session of the forty-sixth
11 legislature."

12 Section 3. EFFECTIVE DATE.--The effective date of the
13 provisions of this act is July 1, 2004.