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HOUSE BILL 288

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Mimi Stewart

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AN ACT

RELATING TO EDUCATIONAL RETIREMENT; CHANGING THE COST-OF-LIVING
ADJUSTMENT; MAKING AN APPROPRIATION.

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

Section 1. Section 22-11-31 NMSA 1978 (being Laws 1979,
Chapter 333, Section 2, as amended) is amended to read:

"22-11-31. COST-OF-LIVING ADJUSTMENT [~~ADDITIONAL
CONTRIBUTIONS~~]. --

A. For the purposes of this section:

~~[(1) "adjustment factor" means a
multiplicative factor computed to provide an annuity adjustment
pursuant to the provisions of Subsection B of this section;~~

~~(2)] (1) "annuity" means any benefit payable
under the Educational Retirement Act or the Public Employees
Retirement Reciprocity Act as a retirement benefit, disability~~

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1 benefit or survivor benefit; and

2 [~~(3)~~] (2) "calendar year" means the full
3 twelve months beginning January 1 and ending December 31.

4 [~~(4)~~] "~~consumer price index~~" ~~means the average~~
5 ~~of the monthly consumer price indexes for a calendar year for~~
6 ~~the entire United States for all items as published by the~~
7 ~~United States department of labor;~~

8 ~~(5)~~ "~~next preceding calendar year~~" ~~means the~~
9 ~~full calendar year immediately prior to the preceding calendar~~
10 ~~year; and~~

11 ~~(6)~~ "~~preceding calendar year~~" ~~means the full~~
12 ~~calendar year preceding the July 1 on which a benefit is to be~~
13 ~~adjusted.~~

14 ~~B. On or after July 1, 1984, each annuity shall be~~
15 ~~adjusted annually and cumulatively commencing on July 1 of the~~
16 ~~year in which a member attains the age of sixty five or on July~~
17 ~~1 following the year a member retires, whichever is later. The~~
18 ~~annuity shall be adjusted by applying an adjustment factor that~~
19 ~~results in either an adjustment equal to one half of the~~
20 ~~percentage increase or decrease of the consumer price index~~
21 ~~between the next preceding calendar year and the preceding~~
22 ~~calendar year, except that the adjustment shall not exceed four~~
23 ~~percent, in absolute value, nor be less than two percent, in~~
24 ~~absolute value. In the event that the percentage increase or~~
25 ~~decrease of the consumer price index is less than two percent,~~

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1 ~~in absolute value, the adjustment factor shall be the same as~~
2 ~~the percentage increase or decrease of the consumer price~~
3 ~~index. No negative adjustment in the retirement benefit shall~~
4 ~~reduce the member's benefit below that which he received upon~~
5 ~~the date of his retirement.~~

6 ~~C. A retired member whose benefit is subject to~~
7 ~~adjustment under the provisions of the Educational Retirement~~
8 ~~Act in effect prior to July 1, 1984 shall have his annuity~~
9 ~~readjusted annually and cumulatively under the provisions of~~
10 ~~that act in effect prior to July 1, 1984 until July 1 of the~~
11 ~~year in which he attains the age of sixty-five, when he shall~~
12 ~~have his annuity readjusted annually and cumulatively under the~~
13 ~~provisions of this section. A member who retires after~~
14 ~~attaining the age of sixty-five shall have his annuity adjusted~~
15 ~~annually and cumulatively commencing on July 1 of the year~~
16 ~~following his retirement.~~

17 ~~D. A retired member who returns to work shall be~~
18 ~~subject to the provisions of this section as they exist at the~~
19 ~~time of his final retirement.]~~

20 B. On each July 1, an annuity shall be increased by
21 three percent if:

22 (1) the retired member has been retired for at
23 least two full calendar years after the effective date of the
24 latest retirement;

25 (2) the retired member has attained the age of

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1 sixty-five years and has been retired for at least one full
2 calendar year after the effective date of the latest
3 retirement;

4 (3) the annuity is paid to a survivor
5 beneficiary who has received a survivor benefit for at least
6 two full calendar years; or

7 (4) the annuity is paid to a survivor
8 beneficiary of a deceased retired member who otherwise would
9 have been retired at least two full calendar years from the
10 effective date of the latest retirement.

11 ~~[E.]~~ C. Benefits of a member who is on a disability
12 status in accordance with Section 22-11-35 NMSA 1978 or a
13 member who the board certifies was disabled at regular
14 retirement shall be adjusted in accordance with ~~[Subsections B~~
15 ~~and C]~~ Subsection B of this section, except that the benefits
16 shall be adjusted annually and cumulatively commencing on July
17 1 ~~[of the third full year following the year in which]~~
18 following one full calendar year after the member was approved
19 by the board for disability or retirement.

20 ~~[F. The board shall adjust the benefits of each~~
21 ~~person receiving an annuity as of June 30, 1999. The~~
22 ~~adjustment shall be made on July 1, 1999 on the basis of an~~
23 ~~increase of two dollars (\$2.00) per month for each year since~~
24 ~~the member's last retirement plus an increase of one dollar~~
25 ~~(\$1.00) per month for each year of credited service at the time~~

