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SENATE MEMORIAL 29

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

H. Diane Snyder

A MEMORIAL

REQUESTING THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION TO
REPORT ON THE IMPACT THAT WOULD RESULT FROM CHANGING HOW AN
EMPLOYEE'S FINAL AVERAGE SALARY IS CALCULATED.

WHEREAS, the formula for calculating a public employee's
final average salary for purposes of determining the employee's
pension under plans offered by the public employees retirement
association is based on the highest salary the employee
received for any consecutive thirty-six month period; and

WHEREAS, the formula puts at a financial disadvantage some
dedicated public employees whose salary histories have peak
salary periods that are not consecutive; and

WHEREAS, there may be potential benefits and costs to
changing the formula so that an employee's final average salary
is based on the employee's highest salaried thirty-six months

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1 regardless of whether those months are consecutive; and

2 WHEREAS, the legislature wishes to be fully informed
3 before changing the statutory formula;

4 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
5 OF NEW MEXICO that the public employees retirement association
6 be requested to assess the impact that would result from basing
7 an employee's final average salary on the employee's highest
8 salaried thirty-six months regardless of whether the months are
9 consecutive and that the association be requested to report its
10 findings to the appropriate interim committee of the
11 legislature in 2006; and

12 BE IT FURTHER RESOLVED that a copy of this memorial be
13 transmitted to the executive director of the public employees
14 retirement association.