

FIFTIETH LEGISLATURE
FIRST SESSION, 2011

HB 628/a

March 12, 2011

Mr. President:

Your **FINANCE COMMITTEE**, to whom has been referred

**HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE
FOR HOUSE BILL 628**

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 16, between lines 16 and 17, insert the following sections:

**"SECTION 14. TEMPORARY PROVISION--ACTUARIAL STUDY--
SUPPLEMENTAL APPROPRIATION REQUEST.--**

A. No later than September 30, 2013, the retirement board of the public employees retirement association and the educational retirement board shall each cause an actuarial study to be conducted for each retirement system administered by the board. Each study shall analyze whether the higher employee contribution rates and lower employer contribution rates required by this act and Laws 2009, Chapter 127 have had or will have an adverse actuarial effect on the retirement system in violation of Article 20, Section 22 of the constitution of New Mexico. The results of each study shall be submitted to the legislative finance committee and the governor.

B. If a study concludes that a retirement system has had or will have an adverse actuarial effect as a result of the higher employee contribution rates and the lower employer contribution rates required by this act and Laws 2009, Chapter 127, the board that administers that retirement system shall submit a request for a supplemental appropriation to the second session of the fifty-first legislature in the amount that will rectify the adverse actuarial effect."

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"SECTION 15. TEMPORARY PROVISION--DETERMINATION OF ANNUAL SALARY FOR PURPOSES OF CALCULATING EMPLOYEE AND EMPLOYER CONTRIBUTIONS.--For the purposes of calculating employee and employer contributions due after June 30, 2011, in determining whether an employee has an annual salary greater or less than twenty thousand dollars (\$20,000), the employee's annual salary shall be the employee's base hourly rate at the time the contribution is made multiplied by the number of compensable hours for a full-time-equivalent in the employee's position at the time the contribution is made as determined by the employer; provided that the department of finance and administration shall determine the number of compensable hours for a full-time-equivalent in the employee's position for employees who are members in a retirement program provided for in the Public Employees Retirement Act, the Magistrate Retirement Act or the Judicial Retirement Act.

SECTION 16. TEMPORARY PROVISION--CONTINGENT CONTRIBUTION RATES FOR FISCAL YEAR 2013.--Notwithstanding a provision of this act to the contrary, the employer and employee contribution rates required by this act for the period from July 1, 2011 through June 30, 2012 shall continue for the period from July 1, 2012 through June 30, 2013 if, after the last consensus revenue forecast before the beginning of the second session of the fiftieth legislature, the secretary of finance and administration certifies to the retirement board of the public employees retirement association, the educational retirement board and the legislative finance committee that, according to the consensus revenue forecast:

(1) general fund revenues in fiscal year 2012 will be less than one hundred million dollars (\$100,000,000) more than the general fund revenue forecast reflected in the fiscal year 2012 state budget; and

(2) at the end of fiscal year 2012, the total amount in the state reserve funds will be less than five percent of the total general fund appropriations for fiscal year 2012."

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2. Renumber the succeeding section accordingly.

Respectfully submitted,

John Arthur Smith, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 9 For 0 Against

Yes: 9

No: 0

Excused: Adair, Neville

Absent: None

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