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HOUSE BILL 270

**50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012**

INTRODUCED BY

Mimi Stewart

AN ACT

RELATING TO PENSIONS; AMENDING THE PUBLIC EMPLOYEES RETIREMENT ACT, THE JUDICIAL RETIREMENT ACT, THE MAGISTRATE RETIREMENT ACT AND THE EDUCATIONAL RETIREMENT ACT; PROVIDING FOR AN INCREASE IN EMPLOYEE CONTRIBUTIONS; DEFINING "PUBLIC SAFETY MEMBER"; REDUCING AND DELAYING COST-OF-LIVING ADJUSTMENTS FOR NON-VESTED, NON-PUBLIC SAFETY MEMBERS; INCREASING AGE AND SERVICE REQUIREMENTS FOR RETIREMENT OF NON-VESTED, NON-PUBLIC SAFETY MEMBERS.

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

**SECTION 1.** Section 10-11-2 NMSA 1978 (being Laws 1987, Chapter 253, Section 2, as amended) is amended to read:

"10-11-2. DEFINITIONS.--As used in the Public Employees Retirement Act:

A. "accumulated member contributions" means the

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1 amounts deducted from the salary of a member and credited to  
2 the member's individual account, together with interest, if  
3 any, credited to that account;

4 B. "affiliated public employer" means the state and  
5 any public employer affiliated with the association as provided  
6 in the Public Employees Retirement Act, but does not include an  
7 employer pursuant to the Magistrate Retirement Act, the  
8 Judicial Retirement Act or the Educational Retirement Act;

9 C. "association" means the public employees  
10 retirement association established under the Public Employees  
11 Retirement Act;

12 D. "disability retired member" means a retired  
13 member who is receiving a pension pursuant to the disability  
14 retirement provisions of the Public Employees Retirement Act;

15 E. "disability retirement pension" means the  
16 pension paid pursuant to the disability retirement provisions  
17 of the Public Employees Retirement Act;

18 F. "educational retirement system" means that  
19 retirement system provided for in the Educational Retirement  
20 Act;

21 G. "employee" means any employee of an affiliated  
22 public employer;

23 H. "federal social security program" means that  
24 program or those programs created and administered pursuant to  
25 the act of congress approved August 14, 1935, Chapter 531, 49

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1 Stat. 620, as that act may be amended;

2 I. "final average salary" means the final average  
3 salary calculated in accordance with the provisions of the  
4 applicable coverage plan;

5 J. "form of payment" means the applicable form of  
6 payment of a pension provided for in Section 10-11-117 NMSA  
7 1978;

8 K. "former member" means a person who was  
9 previously employed by an affiliated public employer, who has  
10 terminated that employment and who has received a refund of  
11 member contributions;

12 L. "fund" means the funds included under the Public  
13 Employees Retirement Act;

14 M. "member" means a currently employed,  
15 contributing employee of an affiliated public employer, or a  
16 person who has been but is not currently employed by an  
17 affiliated public employer, who has not retired and who has not  
18 received a refund of member contributions; "member" also  
19 includes the following:

20 (1) "adult correctional officer member" means  
21 a member who is an adult correctional officer or an adult  
22 correctional officer specialist employed by a correctional  
23 facility of the corrections department or its successor agency;

24 (2) "hazardous duty member" means a member who  
25 is a juvenile correctional officer employed by the children,

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1 youth and families department or its successor agency;

2 (3) "municipal detention officer member" means  
3 a member who is employed by an affiliated public employer other  
4 than the state and who has inmate custodial responsibilities at  
5 a facility used for the confinement of persons charged with or  
6 convicted of a violation of a law or ordinance;

7 (4) "municipal fire member" means any member  
8 who is employed as a full-time nonvolunteer firefighter by an  
9 affiliated public employer and who has taken the oath  
10 prescribed for firefighters;

11 (5) "municipal police member" means any member  
12 who is employed as a police officer by an affiliated public  
13 employer, other than the state, and who has taken the oath  
14 prescribed for police officers; and

15 (6) "state police member" means any member who  
16 is an officer of the New Mexico state police and who has taken  
17 the oath prescribed for such officers;

18 N. "membership" means membership in the  
19 association;

20 O. "pension" means a series of monthly payments to  
21 a retired member or survivor beneficiary as provided in the  
22 Public Employees Retirement Act;

23 P. "public employer" means the state, any  
24 municipality, city, county, metropolitan arroyo flood control  
25 authority, economic development district, regional housing

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1 authority, soil and water conservation district, entity created  
2 pursuant to a joint powers agreement, council of government,  
3 conservancy district, irrigation district, water and sanitation  
4 district, water district and metropolitan water board,  
5 including the boards, departments, bureaus and agencies of a  
6 public employer, so long as these entities fall within the  
7 meaning of governmental plan as that term is used in Section  
8 414(d) of the Internal Revenue Code of 1986, as amended;

9 Q. "public safety member" means a peace officer  
10 under state general member coverage plan 3 or a member in:

11 (1) state police member and adult correctional  
12 officer member coverage plan 1;

13 (2) state hazardous duty member coverage plan  
14 1;

15 (3) state hazardous duty member coverage plan  
16 2;

17 (4) municipal police member coverage plan 1;

18 (5) municipal police member coverage plan 2;

19 (6) municipal police member coverage plan 3;

20 (7) municipal police member coverage plan 4;

21 (8) municipal police member coverage plan 5;

22 (9) municipal fire member coverage plan 1;

23 (10) municipal fire member coverage plan 2;

24 (11) municipal fire member coverage plan 3;

25 (12) municipal fire member coverage plan 4;

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1                    (13) municipal fire member coverage plan 5; or  
2                    (14) municipal detention officer member  
3 coverage plan 1;

4                    [~~Q~~] R. "refund beneficiary" means a person  
5 designated by the member, in writing, in the form prescribed by  
6 the association, as the person who would be refunded the  
7 member's accumulated member contributions payable if the member  
8 dies and no survivor pension is payable or who would receive  
9 the difference between pension paid and accumulated member  
10 contributions if the retired member dies before receiving in  
11 pension payments the amount of the accumulated member  
12 contributions;

13                    [~~R~~] S. "retire" means to:

14                    (1) terminate employment with all employers  
15 covered by any state system or the educational retirement  
16 system; and

17                    (2) receive a pension from a state system or  
18 the educational retirement system;

19                    [~~S~~] T. "retired member" means a person who has met  
20 all requirements for retirement and who is receiving a pension  
21 from the fund;

22                    [~~T~~] U. "retirement board" means the retirement  
23 board provided for in the Public Employees Retirement Act;

24                    [~~U~~] V. "salary" means the base salary or wages  
25 paid a member, including longevity pay, for personal services

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1 rendered an affiliated public employer. "Salary" shall not  
2 include overtime pay, allowances for housing, clothing,  
3 equipment or travel, payments for unused sick leave, unless the  
4 unused sick leave payment is made through continuation of the  
5 member on the regular payroll for the period represented by  
6 that payment, and any other form of remuneration not  
7 specifically designated by law as included in salary for Public  
8 Employees Retirement Act purposes. Salary in excess of the  
9 limitations set forth in Section 401(a) (17) of the Internal  
10 Revenue Code of 1986, as amended, shall be disregarded. The  
11 limitation on compensation for eligible employees shall not be  
12 less than the amount that was allowed to be taken into account  
13 under the state retirement system acts in effect on July 1,  
14 1993. For purposes of this subsection, "eligible employee"  
15 means an individual who was a member of a state system before  
16 the first plan year beginning after December 31, 1995;

17 ~~[V.]~~ W. "state system" means the retirement  
18 programs provided for in the Public Employees Retirement Act,  
19 the Magistrate Retirement Act and the Judicial Retirement Act;

20 ~~[W.]~~ X. "state retirement system acts" means  
21 collectively the Public Employees Retirement Act, the  
22 Magistrate Retirement Act, the Judicial Retirement Act and the  
23 Volunteer Firefighters Retirement Act; and

24 ~~[X.]~~ Y. "survivor beneficiary" means a person who  
25 receives a pension or who has been designated to be paid a

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1 pension as a result of the death of a member or retired  
2 member."

3 SECTION 2. Section 10-11-26.2 NMSA 1978 (being Laws 1994,  
4 Chapter 128, Section 3, as amended) is amended to read:

5 "10-11-26.2. STATE GENERAL MEMBER COVERAGE PLAN 3--AGE  
6 AND SERVICE CREDIT REQUIREMENTS FOR NORMAL RETIREMENT.--

7 A. Under state general member coverage plan 3:

8 (1) for a member who is a peace officer and  
9 for a member who is not a peace officer but ~~[was a retired~~  
10 ~~member or a member on June 30, 2010]~~ has five or more years of  
11 service credit on July 1, 2012, the age and service credit  
12 requirements for normal retirement are:

13 (a) age sixty-five years or older and  
14 five or more years of service credit;

15 (b) age sixty-four years and eight or  
16 more years of service credit;

17 (c) age sixty-three years and eleven or  
18 more years of service credit;

19 (d) age sixty-two years and fourteen or  
20 more years of service credit;

21 (e) age sixty-one years and seventeen or  
22 more years of service credit;

23 (f) age sixty years and twenty or more  
24 years of service credit; ~~and~~ or

25 (g) any age and twenty-five or more

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1 years of service credit; and

2 (2) for a member who is not a peace officer  
3 and ~~[was not a retired member or a member on June 30, 2010]~~ who  
4 does not have five or more years of service credit on July 1,  
5 2012, the age and service requirements for normal retirement  
6 are:

7 (a) age ~~[sixty-seven]~~ sixty-five years  
8 or older and five or more years of service credit; or

9 ~~[(b) any age if the sum of the member's~~  
10 ~~age and years of service credit equals at least eighty; or~~

11 ~~(c) any]~~ (b) age fifty-five years or  
12 older and thirty or more years of service credit.

13 B. As used in this section, "peace officer" means  
14 any employee of the state with a duty to maintain public order  
15 or to make arrests for crime, whether that duty extends to all  
16 crimes or is limited to specific crimes, and who is not  
17 specifically covered by another coverage plan."

18 SECTION 3. Section 10-11-26.5 NMSA 1978 (being Laws 1994,  
19 Chapter 128, Section 6, as amended) is amended to read:

20 "10-11-26.5. STATE GENERAL MEMBER COVERAGE PLAN 3--MEMBER  
21 CONTRIBUTION RATE.--

22 A. From July 1, 2012 through June 30, 2013, a  
23 member under state general member coverage plan 3 shall  
24 contribute seven and forty-two hundredths percent of salary  
25 starting with the first full pay period that ends within the

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1 calendar month in which state general member coverage plan 3  
2 becomes applicable to the member, except that for members whose  
3 annual salary is greater than twenty thousand dollars  
4 (\$20,000),

5 ~~[A. from July 1, 2009 through June 30, 2011, the~~  
6 ~~member contribution rate shall be eight and ninety-two~~  
7 ~~hundredths percent of salary;~~

8 ~~B. from July 1, 2011 through June 30, 2012, the~~  
9 ~~member contribution rate shall be ten and sixty-seven~~  
10 ~~hundredths percent of salary; and~~

11 ~~C. from July 1, 2012 through June 30, 2013]~~ the  
12 member contribution rate shall be eight and ninety-two  
13 hundredths percent of salary.

14 B. On and after July 1, 2013, a member under state  
15 general member coverage plan 3 shall contribute eight and  
16 ninety-two hundredths percent of salary starting with the first  
17 full pay period that ends within the calendar month in which  
18 state general member coverage plan 3 becomes applicable to the  
19 member."

20 SECTION 4. Section 10-11-31 NMSA 1978 (being Laws 1987,  
21 Chapter 253, Section 31, as amended) is amended to read:

22 "10-11-31. STATE POLICE MEMBER AND ADULT CORRECTIONAL  
23 OFFICER MEMBER COVERAGE PLAN 1--MEMBER CONTRIBUTION RATE.--

24 A. From July 1, 2012 through June 30, 2013, a  
25 member under state police member and adult correctional officer

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1 member coverage plan 1 shall contribute seven and six-tenths  
2 percent of salary, except that for members whose annual salary  
3 is greater than twenty thousand dollars (\$20,000),

4 ~~[A. from July 1, 2009 through June 30, 2011, the~~  
5 ~~member contribution rate shall be nine and one-tenth percent of~~  
6 ~~salary;~~

7 ~~B. from July 1, 2011 through June 30, 2012, the~~  
8 ~~member contribution rate shall be ten and eighty-five~~  
9 ~~hundredths percent of salary; and~~

10 ~~C. from July 1, 2012 through June 30, 2013]~~ the  
11 member contribution rate shall be nine and one-tenth percent of  
12 salary.

13 B. On and after July 1, 2013, a member under state  
14 police member and adult correctional officer member coverage  
15 plan 1 shall contribute nine and one-tenth percent of salary."

16 SECTION 5. Section 10-11-37 NMSA 1978 (being Laws 1987,  
17 Chapter 253, Section 37) is amended to read:

18 "10-11-37. STATE HAZARDOUS DUTY MEMBER COVERAGE PLAN 1--  
19 MEMBER CONTRIBUTION RATE.--A member under state hazardous duty  
20 member coverage plan 1 shall contribute [~~four~~] five and one-  
21 half percent of salary."

22 SECTION 6. Section 10-11-38.5 NMSA 1978 (being Laws 1994,  
23 Chapter 128, Section 13, as amended) is amended to read:

24 "10-11-38.5. STATE HAZARDOUS DUTY MEMBER COVERAGE PLAN  
25 2--MEMBER CONTRIBUTION RATE.--

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1           A. From July 1, 2012 through June 30, 2013, a  
2 member under state hazardous duty member coverage plan 2 shall  
3 contribute four and seventy-eight hundredths percent of salary  
4 starting with the first full pay period that ends within the  
5 calendar month in which state hazardous duty member coverage  
6 plan 2 becomes applicable to the member, except that for  
7 members whose annual salary is greater than twenty thousand  
8 dollars (\$20,000),

9           ~~[A. from July 1, 2009 through June 30, 2011, the~~  
10 ~~member contribution rate shall be six and twenty-eight~~  
11 ~~hundredths percent of salary;~~

12           ~~B. from July 1, 2011 through June 30, 2012, the~~  
13 ~~member contribution rate shall be eight and three-hundredths~~  
14 ~~percent of salary; and~~

15           ~~C. from July 1, 2012 through June 30, 2013]~~ the  
16 member contribution rate shall be six and twenty-eight  
17 hundredths percent of salary.

18           B. On and after July 1, 2013, a member under state  
19 hazardous duty member coverage plan 2 shall contribute six and  
20 twenty-eight hundredths percent of salary."

21           SECTION 7. Section 10-11-45 NMSA 1978 (being Laws 1987,  
22 Chapter 253, Section 45, as amended) is amended to read:

23           "10-11-45. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 1--AGE  
24 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under  
25 municipal general member coverage plan 1:

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1           A. for a member who has five or more years of  
2 service credit on July 1, 2012, and who was a retired member or  
3 a member on June 30, 2010, the age and service requirements for  
4 normal retirement are:

5                   (1) age sixty-five years or older and five or  
6 more years of service credit;

7                   (2) age sixty-four years and eight or more  
8 years of service credit;

9                   (3) age sixty-three years and eleven or more  
10 years of service credit;

11                   (4) age sixty-two years and fourteen or more  
12 years of service credit;

13                   (5) age sixty-one years and seventeen or more  
14 years of service credit;

15                   (6) age sixty years and twenty or more years  
16 of service credit; or

17                   (7) any age and twenty-five or more years of  
18 service credit; and

19           B. for a member who [~~was not a retired member or a~~  
20 ~~member on June 30, 2010~~] does not have five or more years of  
21 service credit on July 1, 2012, the age and service  
22 requirements for normal retirement are:

23                   (1) age [~~sixty-seven~~] sixty-five years or  
24 older and five or more years of service credit; or

25                   [~~(2) any age if the sum of the member's age~~

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1 ~~and years of service credit equals at least eighty; or~~

2 ~~(3) any~~] (2) age fifty-five years or older  
3 and thirty or more years of service credit."

4 SECTION 8. Section 10-11-48 NMSA 1978 (being Laws 1987,  
5 Chapter 253, Section 48) is amended to read:

6 "10-11-48. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 1--  
7 MEMBER CONTRIBUTION RATE.--A member under municipal general  
8 member coverage plan 1 shall contribute [~~seven~~] eight and one-  
9 half percent of salary."

10 SECTION 9. Section 10-11-51 NMSA 1978 (being Laws 1987,  
11 Chapter 253, Section 51, as amended) is amended to read:

12 "10-11-51. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 2--AGE  
13 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under  
14 municipal general member coverage plan 2:

15 A. for a member who has five or more years of  
16 service credit on July 1, 2012, and who was a retired member or  
17 a member on June 30, 2010, the age and service requirements for  
18 normal retirement are:

19 (1) age sixty-five years or older and five or  
20 more years of service credit;

21 (2) age sixty-four years and eight or more  
22 years of service credit;

23 (3) age sixty-three years and eleven or more  
24 years of service credit;

25 (4) age sixty-two years and fourteen or more

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1 years of service credit;

2 (5) age sixty-one years and seventeen or more  
3 years of service credit;

4 (6) age sixty years and twenty or more years  
5 of service credit; or

6 (7) any age and twenty-five or more years of  
7 service credit; and

8 B. for a member who [~~was not a retired member or a~~  
9 ~~member on June 30, 2010~~] does not have five or more years of  
10 service credit on July 1, 2012, the age and service  
11 requirements for normal retirement are:

12 (1) age [~~sixty-seven~~] sixty-five years or  
13 older and five or more years of service credit; or

14 [~~(2) any age if the sum of the member's age~~  
15 ~~and years of service credit equals at least eighty; or~~

16 ~~(3) any~~] (2) age fifty-five years or older  
17 and thirty or more years of service credit."

18 SECTION 10. Section 10-11-54 NMSA 1978 (being Laws 1987,  
19 Chapter 253, Section 54) is amended to read:

20 "10-11-54. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 2--  
21 MEMBER CONTRIBUTION RATE.--A member under municipal general  
22 member coverage plan 2 shall contribute [~~nine and fifteen one-~~  
23 ~~hundredths~~] ten and sixty-five hundredths percent of salary  
24 starting with the first full pay period in the calendar month  
25 in which coverage plan 2 becomes applicable to the member."

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1           SECTION 11. Section 10-11-55.2 NMSA 1978 (being Laws  
2 1993, Chapter 58, Section 2, as amended) is amended to read:

3           "10-11-55.2. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 3--  
4 AGE AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under  
5 municipal general member coverage plan 3:

6           A. for a member who has five or more years of  
7 service credit on July 1, 2012, and who was a retired member or  
8 a member on June 30, 2010, the age and service requirements for  
9 normal retirement are:

10                   (1) age sixty-five years or older and five or  
11 more years of service credit;

12                   (2) age sixty-four years and eight or more  
13 years of service credit;

14                   (3) age sixty-three years and eleven or more  
15 years of service credit;

16                   (4) age sixty-two years and fourteen or more  
17 years of service credit;

18                   (5) age sixty-one years and seventeen or more  
19 years of service credit;

20                   (6) age sixty years and twenty or more years  
21 of service credit; or

22                   (7) any age and twenty-five or more years of  
23 service credit; and

24           B. for a member who [~~was not a retired member or a~~  
25 ~~member on June 30, 2010~~] does not have five or more years of

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1 service credit on July 1, 2012, the age and service  
2 requirements for normal retirement are:

3 (1) age [~~sixty-seven~~] sixty-five years or  
4 older and five or more years of service credit; or  
5 [~~(2) any age if the sum of the member's age~~  
6 ~~and years of service credit equals at least eighty; or~~  
7 ~~(3) any~~] (2) age fifty-five years or older  
8 and thirty or more years of service credit."

9 SECTION 12. Section 10-11-55.5 NMSA 1978 (being Laws  
10 1993, Chapter 58, Section 5) is amended to read:

11 "10-11-55.5. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 3--  
12 MEMBER CONTRIBUTION RATE.--A member under municipal general  
13 member coverage plan 3 shall contribute [~~thirteen and fifteen~~  
14 ~~one-hundredths~~] fourteen and sixty-five hundredths percent of  
15 salary starting with the first full pay period in the calendar  
16 month in which coverage plan 3 becomes applicable to the  
17 member."

18 SECTION 13. Section 10-11-55.8 NMSA 1978 (being Laws  
19 1998, Chapter 106, Section 2, as amended) is amended to read:

20 "10-11-55.8. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 4--  
21 AGE AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under  
22 municipal general member coverage plan 4:

23 A. for a member who has five or more years of  
24 service credit on July 1, 2012, and who was a retired member or  
25 a member on June 30, 2010, the age and service requirements for

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1 normal retirement are:

2 (1) age sixty-five years or older and five or  
3 more years of service credit;

4 (2) age sixty-four years and eight or more  
5 years of service credit;

6 (3) age sixty-three years and eleven or more  
7 years of service credit;

8 (4) age sixty-two years and fourteen or more  
9 years of service credit;

10 (5) age sixty-one years and seventeen or more  
11 years of service credit;

12 (6) age sixty years and twenty or more years  
13 of service credit; or

14 (7) any age and twenty-five or more years of  
15 service credit; and

16 B. for a member who ~~[was not a retired member or a~~  
17 ~~member on June 30, 2010]~~ does not have five or more years of  
18 service credit on July 1, 2012, the age and service  
19 requirements for normal retirement are:

20 (1) age ~~[sixty-seven]~~ sixty-five years or  
21 older and five or more years of service credit; or

22 ~~[(2) any age if the sum of the member's age~~  
23 ~~and years of service credit equals at least eighty; or~~

24 ~~(3) any]~~ (2) age fifty-five years or older  
25 and thirty or more years of service credit."

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1           SECTION 14. Section 10-11-55.11 NMSA 1978 (being Laws  
2 1998, Chapter 106, Section 5) is amended to read:

3           "10-11-55.11. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 4--  
4 MEMBER CONTRIBUTION RATE.--A member under municipal general  
5 member coverage plan 4 shall contribute [~~fifteen and sixty-~~  
6 ~~five~~] seventeen and fifteen hundredths percent of salary  
7 starting with the first full pay period in the calendar month  
8 in which coverage plan 4 becomes applicable to the member."

9           SECTION 15. Section 10-11-60 NMSA 1978 (being Laws 1987,  
10 Chapter 253, Section 60) is amended to read:

11           "10-11-60. MUNICIPAL POLICE MEMBER COVERAGE PLAN 1--  
12 MEMBER CONTRIBUTION RATE.--A member under municipal police  
13 member coverage plan 1 shall contribute [~~seven~~] eight and one-  
14 half percent of salary."

15           SECTION 16. Section 10-11-66 NMSA 1978 (being Laws 1987,  
16 Chapter 253, Section 66) is amended to read:

17           "10-11-66. MUNICIPAL POLICE MEMBER COVERAGE PLAN 2--  
18 MEMBER CONTRIBUTION RATE.--A member under municipal police  
19 member coverage plan 2 shall contribute [~~seven~~] eight and one-  
20 half percent of salary."

21           SECTION 17. Section 10-11-72 NMSA 1978 (being Laws 1987,  
22 Chapter 253, Section 72) is amended to read:

23           "10-11-72. MUNICIPAL POLICE MEMBER COVERAGE PLAN 3--  
24 MEMBER CONTRIBUTION RATE.--A member under municipal police  
25 member coverage plan 3 shall contribute [~~seven~~] eight and one-

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1 half percent of salary."

2 SECTION 18. Section 10-11-78 NMSA 1978 (being Laws 1987,  
3 Chapter 253, Section 78) is amended to read:

4 "10-11-78. MUNICIPAL POLICE MEMBER COVERAGE PLAN 4--  
5 MEMBER CONTRIBUTION RATE.--A member under municipal police  
6 member coverage plan 4 shall contribute [~~twelve and thirty-five~~  
7 ~~one-hundredths~~] thirteen and eighty-five hundredths percent of  
8 salary starting with the first full pay period in the calendar  
9 month in which municipal police member coverage plan 4 becomes  
10 applicable to the member."

11 SECTION 19. Section 10-11-84 NMSA 1978 (being Laws 1987,  
12 Chapter 253, Section 84) is amended to read:

13 "10-11-84. MUNICIPAL POLICE MEMBER COVERAGE PLAN 5--  
14 MEMBER CONTRIBUTION RATE.--A member under municipal police  
15 member coverage plan 5 shall contribute [~~sixteen and three-~~  
16 ~~tenths~~] seventeen and eight-tenths percent of salary starting  
17 with the first full pay period in the calendar month in which  
18 municipal police member coverage plan 5 becomes applicable to  
19 the member."

20 SECTION 20. Section 10-11-90 NMSA 1978 (being Laws 1987,  
21 Chapter 253, Section 90, as amended) is amended to read:

22 "10-11-90. MUNICIPAL FIRE MEMBER COVERAGE PLAN 1--MEMBER  
23 CONTRIBUTION RATE.--A member under municipal fire member  
24 coverage plan 1 shall contribute [~~eight~~] nine and one-half  
25 percent of salary."

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1           SECTION 21. Section 10-11-96 NMSA 1978 (being Laws 1987,  
2 Chapter 253, Section 96, as amended) is amended to read:

3           "10-11-96. MUNICIPAL FIRE MEMBER COVERAGE PLAN 2--MEMBER  
4 CONTRIBUTION RATE.--A member under municipal fire member  
5 coverage plan 2 shall contribute [~~eight~~] nine and one-half  
6 percent of salary."

7           SECTION 22. Section 10-11-102 NMSA 1978 (being Laws 1987,  
8 Chapter 253, Section 102, as amended) is amended to read:

9           "10-11-102. MUNICIPAL FIRE MEMBER COVERAGE PLAN 3--MEMBER  
10 CONTRIBUTION RATE.--A member under municipal fire member  
11 coverage plan 3 shall contribute [~~eight~~] nine and one-half  
12 percent of salary."

13           SECTION 23. Section 10-11-108 NMSA 1978 (being Laws 1987,  
14 Chapter 253, Section 108, as amended) is amended to read:

15           "10-11-108. MUNICIPAL FIRE MEMBER COVERAGE PLAN 4--MEMBER  
16 CONTRIBUTION RATE.--A member under municipal fire member  
17 coverage plan 4 shall contribute [~~twelve and eight-tenths~~]  
18 fourteen and three-tenths percent of salary."

19           SECTION 24. Section 10-11-114 NMSA 1978 (being Laws 1987,  
20 Chapter 253, Section 114, as amended) is amended to read:

21           "10-11-114. MUNICIPAL FIRE MEMBER COVERAGE PLAN 5--MEMBER  
22 CONTRIBUTION RATE.--A member under municipal fire member  
23 coverage plan 5 shall contribute [~~sixteen and two-tenths~~]  
24 seventeen and seven-tenths percent of salary."

25           SECTION 25. Section 10-11-115.5 NMSA 1978 (being Laws

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1 2003, Chapter 268, Section 6) is amended to read:

2 "10-11-115.5. MUNICIPAL DETENTION OFFICER MEMBER COVERAGE  
3 PLAN 1--MEMBER CONTRIBUTION RATE.--A member under municipal  
4 detention officer member coverage plan 1 shall contribute  
5 [~~sixteen and sixty-five~~] eighteen and fifteen hundredths  
6 percent of salary starting with the first full pay period that  
7 ends within the calendar month in which municipal detention  
8 officer member coverage plan 1 becomes applicable to the  
9 member."

10 SECTION 26. Section 10-11-118 NMSA 1978 (being Laws 1987,  
11 Chapter 253, Section 118, as amended) is amended to read:

12 "10-11-118. COST-OF-LIVING ADJUSTMENTS.--

13 A. For the purposes of this section:

14 (1) "adjustment factor" means a multiplicative  
15 factor computed to provide a pension adjustment pursuant to the  
16 provisions of Subsection C of this section;

17 (2) "consumer price index" means the average  
18 of the monthly consumer price indexes for a calendar year for  
19 the entire United States for all items as published by the  
20 United States department of labor;

21 [~~(1)~~] (3) "preceding calendar year" means the  
22 twelve-month period ending on the December 31 preceding the  
23 July 1 in which pensions are being adjusted; and

24 [~~(2)~~] (4) "second preceding calendar year"  
25 means the full calendar year prior to the preceding calendar

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1 year.

2 B. The amount of pension payable to a qualified  
3 pension recipient who is a public safety member or who is not a  
4 public safety member but who had five or more years of service  
5 credit on July 1, 2012 shall be increased three percent each  
6 July 1. The amount of the increase shall be determined by  
7 multiplying the amount of pension inclusive of all prior  
8 adjustments by three percent. The increase shall commence when  
9 the member has been retired for at least two full calendar  
10 years from the effective date of the latest retirement prior to  
11 July 1 of the year in which the pension is being adjusted.

12 C. The amount of pension payable to a qualified  
13 pension recipient who is not a public safety member and who did  
14 not have five or more years of service credit on July 1, 2012  
15 shall be adjusted annually and cumulatively each July 1 but  
16 shall not be increased more than four percent nor be decreased  
17 if there is a decrease in the consumer price index between the  
18 second preceding calendar year and the preceding calendar year.  
19 The amount of the annual increase shall be one-half percent of  
20 the consumer price index between the second preceding calendar  
21 year and the preceding calendar year, or if the percentage  
22 increase of the consumer price index is less than two percent  
23 in absolute value, the same as the percentage increase of the  
24 consumer price index. The increase shall commence in the year  
25 the qualified pension recipient attains the age of sixty-five

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1 or the year the qualified pension recipient retires, whichever  
2 is later.

3 ~~[G.]~~ D. A qualified pension recipient is:

4 (1) a normal retired member ~~[who has been~~  
5 ~~retired for at least two full calendar years from the effective~~  
6 ~~date of the latest retirement prior to July 1 of the year in~~  
7 ~~which the pension is being adjusted;~~

8 ~~(2) a normal retired member who has attained~~  
9 ~~age sixty-five years and been retired for at least one full~~  
10 ~~calendar year from the effective date of the latest retirement~~  
11 ~~prior to July 1 of the year in which the pension is being~~  
12 ~~adjusted] pursuant to Subsections B and C of this section;~~

13 ~~[(3)]~~ (2) a disability retired member who has  
14 been retired for at least one full calendar year from the  
15 effective date of the latest retirement prior to July 1 of the  
16 year in which the pension is being adjusted;

17 ~~[(4)]~~ (3) a survivor beneficiary who has  
18 received a survivor pension for at least two full calendar  
19 years; or

20 ~~[(5)]~~ (4) a survivor beneficiary of a deceased  
21 retired member who otherwise would have been retired at least  
22 two full calendar years from the effective date of the latest  
23 retirement prior to July 1 of the year in which the pension is  
24 being adjusted.

25 ~~[D.]~~ E. A qualified pension recipient may decline

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1 an increase in a pension by giving the association written  
2 notice of the decision to decline the increase at least thirty  
3 days prior to the date the increase would take effect."

4 SECTION 27. Section 10-12B-10 NMSA 1978 (being Laws 1992,  
5 Chapter 111, Section 10, as amended) is amended to read:

6 "10-12B-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

7 A. Members, while in office, shall contribute to  
8 the member contribution fund pursuant to the following  
9 schedule:

10 [~~(1) prior to July 1, 2005, five and one-half~~  
11 ~~percent of salary;~~

12 ~~(2) from July 1, 2005 through June 30, 2006,~~  
13 ~~six and one-half percent of salary; and~~

14 ~~(3) on and after July 1, 2006]~~

15 (1) from July 1, 2012 through June 30 2013,  
16 seven and one-half percent of salary, except that for members  
17 whose annual salary is greater than twenty thousand dollars  
18 (\$20,000),

19 [~~(a) from July 1, 2009 through June 30,~~  
20 ~~2011, the member contribution rate shall be nine percent of~~  
21 ~~salary;~~

22 ~~(b) from July 1, 2011 through June 30,~~  
23 ~~2012, the member contribution rate shall be ten and three-~~  
24 ~~fourths percent of salary; and~~

25 ~~(c) from July 1, 2012 through June 30,~~

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1 2013] the member contribution rate shall be nine percent of  
2 salary; and

3 (2) on and after July 1, 2013, nine percent of  
4 salary.

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

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1 by the employer to the retirement system. Implementation  
2 occurs upon authorization by the board. In no event may  
3 implementation occur other than at the beginning of a pay  
4 period applicable to the member."

5 SECTION 28. Section 10-12C-8 NMSA 1978 (being Laws 1992,  
6 Chapter 118, Section 8) is amended to read:

7 "10-12C-8. AGE AND SERVICE CREDIT REQUIREMENTS FOR NORMAL  
8 RETIREMENT.--

9 A. The age and service credit requirements for  
10 retirement provided for in the Magistrate Retirement Act for a  
11 member who has five or more years of service credit on July 1,  
12 2012 are:

13 (1) age sixty-four or older and five or more  
14 years of service credit;

15 (2) age sixty or older and fifteen or more  
16 years of service credit; or

17 (3) any age and twenty-four or more years of  
18 service credit.

19 B. The age and service credit requirements for  
20 retirement provided for in the Magistrate Retirement Act for a  
21 member who does not have five or more years of service credit  
22 on July 1, 2012 are:

23 (1) age sixty-four or older and five or more  
24 years of service credit;

25 (2) age sixty or older and fifteen or more

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1 years of service credit; or

2 (3) age fifty-five or older and twenty-four or  
3 more years of service credit.

4 ~~[B.]~~ C. If a member leaves office for any reason,  
5 other than removal pursuant to Article 6, Section 32 of the  
6 constitution of New Mexico before meeting the age and service  
7 credit requirements for retirement pursuant to the provisions  
8 of this section and if that member leaves ~~[his]~~ the member  
9 contributions on deposit in the fund, that member may apply for  
10 retirement when that member meets the age and service credit  
11 requirements for retirement pursuant to the provisions of the  
12 Magistrate Retirement Act or provisions of the Public Employees  
13 Retirement Reciprocity Act. ~~[if enacted by the second session~~  
14 ~~of the fortieth legislature of the state of New Mexico.~~

15 ~~E.]~~ D. No member shall be eligible to receive a  
16 pension pursuant to the provisions of the Magistrate Retirement  
17 Act while still in office."

18 SECTION 29. Section 10-12C-10 NMSA 1978 (being Laws 1992,  
19 Chapter 118, Section 10, as amended) is amended to read:

20 "10-12C-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

21 A. Members, while in office, shall contribute the  
22 following amounts to the member contribution fund:

23 ~~[(1) through June 30, 2006, six and one-half~~  
24 ~~percent of salary; and~~

25 ~~(2) on and after July 1, 2006]~~

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1                   (1) from July 1, 2012 through June 30, 2013,  
2 seven and one-half percent of salary, except that for members  
3 whose annual salary is greater than twenty thousand dollars  
4 (\$20,000),

5                   ~~[(a) from July 1, 2009 through June 30,~~  
6 ~~2011, the member contribution rate shall be nine percent of~~  
7 ~~salary;~~

8                   ~~(b) from July 1, 2011 through June 30,~~  
9 ~~2012, the member contribution rate shall be ten and three-~~  
10 ~~fourths percent of salary; and~~

11                   ~~(c) from July 1, 2012 through June 30,~~  
12 ~~2013] the member contribution rate shall be nine percent of~~  
13 ~~salary; and~~

14                   (2) on and after July 1, 2013, nine percent of  
15 salary.

16                   B. Upon implementation, the state, acting as  
17 employer of members covered pursuant to the provisions of the  
18 Magistrate Retirement Act, shall, solely for the purpose of  
19 compliance with Section 414(h) of the Internal Revenue Code of  
20 1986, pick up for the purposes specified in that section member  
21 contributions required by this section for all annual salary  
22 earned by the member. Member contributions picked up pursuant  
23 to the provisions of this section shall be treated as employer  
24 contributions for purposes of determining income tax  
25 obligations under the Internal Revenue Code of 1986; however,

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

16 SECTION 30. Section 22-11-21 NMSA 1978 (being Laws 1967,  
17 Chapter 16, Section 144, as amended) is amended to read:

18 "22-11-21. CONTRIBUTIONS--MEMBERS--LOCAL ADMINISTRATIVE  
19 UNITS.--

20 A. Except as provided in Subsection C of this  
21 section, each member shall make contributions to the fund  
22 according to the following schedule:

23 (1) through June 30, 2005, an amount equal to  
24 seven and six-tenths percent of the member's annual salary;

25 (2) from July 1, 2005 through June 30, 2006,

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1 an amount equal to seven and six hundred seventy-five  
2 thousandths percent of the member's annual salary;

3 (3) from July 1, 2006 through June 30, 2007,  
4 an amount equal to seven and seventy-five hundredths percent of  
5 the member's annual salary;

6 (4) from July 1, 2007 through June 30, 2008,  
7 an amount equal to seven and eight hundred twenty-five  
8 thousandths percent of the member's annual salary; ~~and~~

9 (5) ~~on and after~~ from July 1, 2008 through  
10 June 30, 2013, an amount equal to seven and nine-tenths percent  
11 of the member's annual salary, except that for members whose  
12 annual salary is greater than twenty thousand dollars  
13 (\$20,000):

14 (a) from July 1, 2009 through June 30,  
15 2011, the member contribution rate shall be nine and four-  
16 tenths percent of the member's annual salary;

17 (b) from July 1, 2011 through June 30,  
18 2012, the member contribution rate shall be eleven and fifteen-  
19 hundredths percent of the member's annual salary; and

20 (c) from July 1, 2012 through June 30,  
21 2013, the member contribution rate shall be nine and four-  
22 tenths percent of the member's annual salary; and

23 (6) on and after July 1, 2013, nine and four-  
24 tenths percent of the member's annual salary; provided,  
25 however, that if the local administrative unit's annual

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1 contribution per member in Paragraph (9) of Subsection B of  
2 this section is reduced to a sum less than thirteen and  
3 fifteen-hundredths percent of the member's annual salary from  
4 July 1, 2013 through June 30, 2014, the member contribution  
5 rate from July 1, 2013 through June 30, 2014 shall be seven and  
6 nine-tenths percent of the member's annual salary.

7 B. Except as provided in Subsection C of this  
8 section, each local administrative unit shall make an annual  
9 contribution to the fund according to the following schedule:

10 (1) through June 30, 2005, a sum equal to  
11 eight and sixty-five hundredths percent of the annual salary of  
12 each member employed by the local administrative unit;

13 (2) from July 1, 2005 through June 30, 2006, a  
14 sum equal to nine and forty-hundredths percent of the annual  
15 salary of each member employed by the local administrative  
16 unit;

17 (3) from July 1, 2006 through June 30, 2007, a  
18 sum equal to ten and fifteen-hundredths percent of the annual  
19 salary of each member employed by the local administrative  
20 unit;

21 (4) from July 1, 2007 through June 30, 2008, a  
22 sum equal to ten and ninety-hundredths percent of the annual  
23 salary of each member employed by the local administrative  
24 unit;

25 (5) from July 1, 2008 through June 30, 2009, a

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1 sum equal to eleven and sixty-five hundredths percent of the  
2 annual salary of each member employed by the local  
3 administrative unit;

4 (6) from July 1, 2009 through June 30, 2011, a  
5 sum equal to ten and nine-tenths percent of the annual salary  
6 of each member employed by the local administrative unit,  
7 except that for members whose annual salary is twenty thousand  
8 dollars (\$20,000) or less, the local administrative unit shall  
9 contribute twelve and four-tenths percent of the member's  
10 annual salary;

11 (7) from July 1, 2011 through June 30, 2012, a  
12 sum equal to nine and fifteen-hundredths percent of the annual  
13 salary of each member employed by the local administrative  
14 unit, except that for members whose annual salary is twenty  
15 thousand dollars (\$20,000) or less, the local administrative  
16 unit shall contribute twelve and four-tenths percent of the  
17 member's annual salary;

18 (8) from July 1, 2012 through June 30, 2013, a  
19 sum equal to ten and nine-tenths percent of the annual salary  
20 of each member employed by the local administrative unit,  
21 except that for members whose annual salary is twenty thousand  
22 dollars (\$20,000) or less, the local administrative unit shall  
23 contribute twelve and four-tenths percent of the member's  
24 annual salary;

25 (9) from July 1, 2013 through June 30, 2014, a  
  
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1 sum equal to thirteen and fifteen-hundredths percent of the  
2 annual salary of each member employed by the local  
3 administrative unit; and

4 (10) on and after July 1, 2014, a sum equal to  
5 thirteen and nine-tenths percent of the annual salary of each  
6 member employed by the local administrative unit.

7 C. If, in a calendar year, the salary of a member,  
8 initially employed by a local administrative unit on or after  
9 July 1, 1996, equals the annual compensation limit set pursuant  
10 to Section 401(a)(17) of the Internal Revenue Code of 1986, as  
11 amended, then:

12 (1) for the remainder of that calendar year,  
13 no additional member contributions or local administrative unit  
14 contributions for that member shall be made pursuant to this  
15 section; provided that no member shall be denied service credit  
16 solely because contributions are not made by the member or on  
17 behalf of the member pursuant to the provisions of this  
18 subsection; and

19 (2) the amount of the annual compensation  
20 limit shall be divided into four equal portions, and, for  
21 purposes of attributing contributory employment and crediting  
22 service credit, each portion shall be attributable to one of  
23 the four quarters of the calendar year."

24 SECTION 31. Section 22-11-23 NMSA 1978 (being Laws 1981,  
25 Chapter 293, Section 2, as amended by Laws 2009, Chapter 286,

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1 Section 1 and by Laws 2009, Chapter 288, Section 14) is amended  
2 to read:

3 "22-11-23. RETIREMENT ELIGIBILITY [~~INITIAL MEMBERSHIP~~  
4 ~~PRIOR TO JULY 1, 2010~~].--

5 A. The retirement eligibility for a member who has  
6 five or more years of service credit on or before June 30, 2012  
7 and who [~~either was a member on June 30, 2010, or was a member~~  
8 ~~at any time prior to~~] on or before that date [~~and~~] had [~~not, on~~  
9 ~~that date~~] been refunded all member contributions pursuant to  
10 Subsection A of Section 22-11-15 NMSA 1978 and had restored all  
11 of the refunded contributions, is as follows:

12 (1) a member shall be eligible for retirement  
13 benefits pursuant to the Educational Retirement Act when either  
14 of the following conditions occurs:

15 (a) the sum of the member's age and  
16 years of earned service credit equals seventy-five; or

17 (b) upon completion of five years of  
18 earned service credit and upon becoming sixty-five years of  
19 age;

20 (2) a member under sixty years of age eligible  
21 to retire under Paragraph (1) of this subsection may retire and  
22 receive retirement benefits pursuant to the Educational  
23 Retirement Act that the member would be eligible to receive if  
24 the member were to retire at the age of sixty years reduced by  
25 six-tenths of one percent for each one-fourth, or portion

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1       thereof, year that retirement occurs prior to the member's  
2       sixtieth birthday but after the fifty-fifth birthday, and one  
3       and eight-tenths percent for each one-fourth, or portion  
4       thereof, year that retirement occurs prior to age fifty-five;  
5       or

6                       (3) a member under sixty years of age  
7       acquiring twenty-five or more years of earned and allowed  
8       service credit may retire and receive retirement benefits  
9       pursuant to the Educational Retirement Act computed on the same  
10      basis as if the member were sixty years of age.

11                    B. A member shall be subject to the provisions of  
12      Paragraphs (2) and (3) of Subsection A of this section as they  
13      existed at the beginning of the member's last cumulated four  
14      quarters of earned service credit, regardless of later  
15      amendment."

16                    SECTION 32. Section 22-11-23.1 NMSA 1978 (being Laws  
17      2009, Chapter 286, Section 2 and Laws 2009, Chapter 288,  
18      Section 15) is amended to read:

19                    "22-11-23.1. RETIREMENT ELIGIBILITY [~~INITIAL MEMBERSHIP~~  
20      ~~ON OR AFTER JULY 1, 2010]~~.--

21                    A. A member who [~~initially became a member on or~~  
22      ~~after July 1, 2010]~~ does not have five or more years of service  
23      credit on or before June 30, 2012 or a member who was a member  
24      at any time prior to that date and had, before that date, been  
25      refunded all member contributions pursuant to Subsection A of

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1 Section 22-11-15 NMSA 1978 and had not restored all of the  
2 refunded contributions, shall be eligible for retirement  
3 benefits pursuant to the Educational Retirement Act when one of  
4 the following conditions occurs:

5 (1) the member is [~~any~~] age fifty-five or  
6 older and has thirty or more years of earned service credit;

7 (2) the member is at least [~~sixty-seven~~]  
8 sixty-five years of age and has five or more years of earned  
9 service credit; or

10 (3) the member is at least fifty-five years of  
11 age and the sum of the member's age and years of earned service  
12 credit equals at least eighty; provided that a member who  
13 retires pursuant to this paragraph shall be subject to the  
14 benefit reductions provided in Paragraphs (1) and (2) of  
15 Subsection H of Section 22-11-30 NMSA 1978.

16 B. A member shall be subject to the provisions of  
17 this section as they existed at the beginning of the member's  
18 last cumulated four quarters of earned service credit,  
19 regardless of later amendment."

20 **SECTION 33.** Section 22-11-27 NMSA 1978 (being Laws 1967,  
21 Chapter 16, Section 150, as amended) is amended to read:

22 "22-11-27. DEFERRED RETIREMENT--RESTRICTION.--

23 A. A member eligible for retirement may continue in  
24 employment and shall continue to pay contributions as provided  
25 by the Educational Retirement Act.

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1                   ~~[B. A member may terminate his employment and~~  
2 ~~retire at any time after his age and his earned service credit~~  
3 ~~equal the sum of seventy-five if the contributions he member~~  
4 ~~has made are left in the fund.~~

5                   ~~C. A member having five years or more of earned~~  
6 ~~service credit may terminate his employment and retire at any~~  
7 ~~time after reaching the age of sixty-five years if the~~  
8 ~~contributions he has made are left in the fund.]~~

9                   B. Provided that the contributions the member has  
10 made are left in the fund, a member who is eligible to retire  
11 pursuant to Subsection A of Section 22-11-23 NMSA 1978 may  
12 terminate employment and retire at any time:

13                         (1) if the sum of the member's age and years  
14 of earned service credit equals at least seventy-five; or

15                         (2) after the member has at least five years  
16 of earned service credit and is at least sixty-five years of  
17 age.

18                   C. Provided that the contributions the member has  
19 made are left in the fund, a member who is eligible to retire  
20 pursuant to Subsection A of Section 22-11-23.1 NMSA 1978 may  
21 terminate employment and retire at any time:

22                         (1) if the member is age fifty-five years of  
23 age or older and has thirty or more years of earned service  
24 credit;

25                         (2) after the member has at least five years

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1 of earned service credit and is at least sixty-five years of  
2 age; or

3 (3) if the member is age fifty-five years of  
4 age or older and the sum of the member's age and years of  
5 earned service credit equals at least eighty.

6 D. No member shall be on a retirement status while  
7 engaged in employment unless the employment falls within  
8 exceptions established by statute or rule of the board."

9 SECTION 34. EFFECTIVE DATE.--The effective date of the  
10 provisions of this act is July 1, 2012.