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AN ACT

RELATING TO PENSIONS; AMENDING THE EDUCATIONAL RETIREMENT ACT; INCREASING CERTAIN MEMBERS' CONTRIBUTION RATES; CHANGING THE BENEFITS FOR NEW MEMBERS BY IMPOSING A MINIMUM RETIREMENT AGE, DELAYING THE COST-OF-LIVING ADJUSTMENT ELIGIBILITY AND INCREASING THE AGE AND SERVICE RETIREMENT REQUIREMENTS; PROVIDING FOR A REDUCTION IN THE COST-OF-LIVING ADJUSTMENT; ADDING DEFINITIONS.

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

SECTION 1. Section 22-11-21 NMSA 1978 (being Laws 1967, Chapter 16, Section 144, as amended) is amended to read:

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

A. Except as provided in Subsection D of this section, for a member whose annual salary is greater than twenty thousand dollars (\$20,000), the member shall make contributions to the fund according to the following schedule:

(1) from July 1, 2013 through June 30, 2014, the member contribution rate shall be ten and one-tenth percent of the member's annual salary; and

(2) on and after July 1, 2014, the member contribution rate shall be ten and seven-tenths percent of the member's annual salary.

1 B. On and after July 1, 2008, for a member whose
2 annual salary is twenty thousand dollars (\$20,000) or less,
3 the member contribution rate shall be seven and nine-tenths
4 percent of the member's annual salary.

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

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

12 (2) on and after July 1, 2014, a sum equal
13 to thirteen and nine-tenths percent of the annual salary of
14 each member employed by the local administrative unit.

15 D. If, in a calendar year, the salary of a member,
16 initially employed by a local administrative unit on or after
17 July 1, 1996, equals the annual compensation limit set
18 pursuant to Section 401(a)(17) of the Internal Revenue Code
19 of 1986, as amended, then:

20 (1) for the remainder of that calendar year,
21 no additional member contributions or local administrative
22 unit contributions for that member shall be made pursuant to
23 this section; provided that no member shall be denied service
24 credit solely because contributions are not made by the
25 member or on behalf of the member pursuant to the provisions

1 of this subsection; and

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

7 SECTION 2. Section 22-11-23 NMSA 1978 (being Laws 1981,
8 Chapter 293, Section 2, as amended by Laws 2009, Chapter 286,
9 Section 1 and by Laws 2009, Chapter 288, Section 14) is
10 amended to read:

11 "22-11-23. RETIREMENT ELIGIBILITY--INITIAL MEMBERSHIP
12 PRIOR TO JULY 1, 2010.--

13 A. A member who was a member on June 30, 2010, or
14 was a member at any time prior to that date and had not, on
15 that date, been refunded all member contributions pursuant to
16 Subsection A of Section 22-11-15 NMSA 1978, shall be eligible
17 for retirement benefits when:

18 (1) the member is any age and has
19 twenty-five or more years of earned and allowed service
20 credit;

21 (2) the member is at least sixty-five years
22 of age and has five or more years of earned service credit;
23 or

24 (3) the sum of the member's age and years of
25 earned service credit equals at least seventy-five; provided

1 that a member who retires pursuant to this paragraph shall be
2 subject to the benefit reductions provided in Subsection G of
3 Section 22-11-30 NMSA 1978.

4 B. A member shall be subject to the provisions of
5 Subsection A of this section as they existed at the beginning
6 of the member's last cumulated four quarters of earned
7 service credit, regardless of later amendment."

8 SECTION 3. Section 22-11-23.1 NMSA 1978 (being Laws
9 2009, Chapter 286, Section 2 and Laws 2009, Chapter 288,
10 Section 15) is amended to read:

11 "22-11-23.1. RETIREMENT ELIGIBILITY--INITIAL MEMBERSHIP
12 ON OR AFTER JULY 1, 2010.--

13 A. A member who initially became a member on or
14 after July 1, 2010, or a member who was a member at any time
15 prior to that date and had, before that date, been refunded
16 all member contributions pursuant to Subsection A of Section
17 22-11-15 NMSA 1978, shall be eligible for retirement benefits
18 pursuant to the Educational Retirement Act when:

19 (1) the member is any age and has thirty or
20 more years of earned service credit;

21 (2) the member is at least sixty-seven years
22 of age and has five or more years of earned service credit;

23 or

24 (3) the sum of the member's age and years of
25 earned service credit equals at least eighty; provided that a

1 member who retires pursuant to this paragraph shall be
2 subject to the benefit reductions provided in Subsection H of
3 Section 22-11-30 NMSA 1978.

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

8 SECTION 4. A new section of the Educational Retirement
9 Act, Section 22-11-23.2 NMSA 1978, is enacted to read:

10 "22-11-23.2. RETIREMENT ELIGIBILITY MEMBERSHIP ON OR
11 AFTER JULY 1, 2013.--

12 A. A member who initially became a member on or
13 after July 1, 2013 or a member who was a member at any time
14 prior to July 1, 2013 and had, before that date, been
15 refunded all member contributions pursuant to Subsection A of
16 Section 22-11-15 NMSA 1978, and had not restored all refunded
17 contributions and interest before July 1, 2013, shall be
18 eligible for retirement benefits when:

19 (1) the member is any age and has thirty or
20 more years of earned service credit; provided that the
21 benefits of a member who retires pursuant to this paragraph
22 prior to attaining the age of fifty-five years shall be
23 reduced to an amount equal to the actuarial equivalent of the
24 benefit the member would receive if the member had retired at
25 the age of fifty-five years. The board shall recalculate the

1 actuarial factors on which benefits are reduced no less
2 frequently than every ten years beginning July 1, 2013. The
3 benefits of a retired member that have been reduced at the
4 time of retirement pursuant to this paragraph shall not be
5 subject to further change based upon the board's
6 recalculation of the actuarial factors;

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

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

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

19 SECTION 5. Section 22-11-27 NMSA 1978 (being Laws 1967,
20 Chapter 16, Section 150, as amended) is amended to read:

21 "22-11-27. DEFERRED RETIREMENT--RESTRICTION.--

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

25 B. Provided that the contributions that the member SB 115
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1 has made are left in the fund, a member eligible for
2 retirement benefits pursuant to the provisions of Section
3 22-11-23, 22-11-23.1 or 22-11-23.2 NMSA 1978 may terminate
4 employment and retire at any time upon satisfying the
5 applicable age and earned service requirements for
6 retirement.

7 C. A member shall not be on a retirement status
8 while engaged in employment unless the employment falls
9 within an exception established by statute or rule of the
10 board."

11 SECTION 6. Section 22-11-30 NMSA 1978 (being Laws 1967,
12 Chapter 16, Section 153, as amended by Laws 2009, Chapter
13 286, Section 3 and by Laws 2009, Chapter 288, Section 17) is
14 amended to read:

15 "22-11-30. RETIREMENT BENEFITS--REDUCTIONS.--

16 A. Retirement benefits for a member retired
17 pursuant to the Educational Retirement Act on or before
18 June 30, 1967 shall be paid monthly and shall be one-twelfth
19 of a sum equal to one and one-half percent of the first four
20 thousand dollars (\$4,000) of the member's average annual
21 salary and one percent of the remainder of the member's
22 average annual salary multiplied by the number of years of
23 the member's total service credit.

24 B. Retirement benefits for a member retired
25 pursuant to the Educational Retirement Act on or after

1 July 1, 1967 but on or before June 30, 1971 shall be paid
2 monthly and shall be one-twelfth of a sum equal to one and
3 one-half percent of the first six thousand six hundred
4 dollars (\$6,600) of the member's average annual salary and
5 one percent of the remainder of the member's average annual
6 salary multiplied by the number of years of the member's
7 total service credit.

8 C. Retirement benefits for a member retired
9 pursuant to the Educational Retirement Act on or after
10 July 1, 1971 but on or before June 30, 1974 shall be paid
11 monthly and shall be one-twelfth of a sum equal to one and
12 one-half percent of the member's average annual salary
13 multiplied by the number of years of the member's total
14 service credit.

15 D. Retirement benefits for a member retired
16 pursuant to the Educational Retirement Act on or before
17 June 30, 1974 but returning to employment on or after
18 July 1, 1974 for a cumulation of one or more years shall be
19 computed pursuant to Subsection E of this section.

20 Retirement benefits for a member retired pursuant to the
21 Educational Retirement Act on or before June 30, 1974 but
22 returning to employment on or after July 1, 1974 for a
23 cumulation of less than one year shall be computed pursuant
24 to Subsection A of this section if the member's date of last
25 retirement was on or before June 30, 1967 or pursuant to

1 Subsection B of this section if the member's date of last
2 retirement was on or after July 1, 1967 but not later than
3 June 30, 1971 or pursuant to Subsection C of this section if
4 the member's date of last retirement was on or after
5 July 1, 1971 but not later than June 30, 1974.

6 E. Retirement benefits for a member age sixty or
7 over, retired pursuant to the Educational Retirement Act on
8 or after July 1, 1974 but not later than June 30, 1987, shall
9 be paid monthly and shall be one-twelfth of a sum equal to:

10 (1) one and one-half percent of the member's
11 average annual salary multiplied by the number of years of
12 service credit for:

13 (a) prior employment; and

14 (b) allowed service credit for service
15 performed prior to July 1, 1957, except United States
16 military service credit purchased pursuant to Paragraph (3)
17 of Subsection A of Section 22-11-34 NMSA 1978; plus

18 (2) two percent of the member's average
19 annual salary multiplied by the number of years of service
20 credit for:

21 (a) contributory employment;

22 (b) allowed service credit for service
23 performed after July 1, 1957; and

24 (c) United States military service
25 credit for service performed prior to July 1, 1957 and

1 purchased pursuant to Paragraph (3) of Subsection A of
2 Section 22-11-34 NMSA 1978.

3 F. Retirement benefits for a member age sixty or
4 over, retired pursuant to the Educational Retirement Act on
5 or after July 1, 1987 but not later than June 30, 1991, shall
6 be paid monthly and shall be one-twelfth of a sum equal to
7 two and fifteen hundredths percent of the member's average
8 annual salary multiplied by the number of years of the
9 member's total service credit; provided that this subsection
10 shall not apply to any member who was retired in any of the
11 four quarters ending on June 30, 1987 without having
12 accumulated not less than 1.0 years earned service credit
13 after June 30, 1987.

14 G. Retirement benefits for a member who retires
15 pursuant to Section 22-11-23 NMSA 1978 on or after
16 July 1, 1991 shall be paid monthly and shall be one-twelfth
17 of a sum equal to two and thirty-five hundredths percent of
18 the member's average annual salary multiplied by the number
19 of years of the member's total service credit; provided that:

20 (1) the benefit for a member who retires
21 pursuant to Paragraph (3) of Subsection A of Section 22-11-23
22 NMSA 1978 shall be reduced by:

23 (a) six-tenths percent for each
24 one-fourth, or portion thereof, year that retirement occurs
25 prior to the member attaining the age of sixty years but

1 after the member attains the age of fifty-five years; and

2 (b) one and eight-tenths percent for
3 each one-fourth, or portion thereof, year that retirement
4 occurs prior to the member attaining the age of fifty-five
5 years;

6 (2) the benefit formula provided in this
7 subsection shall not apply to any member who was retired in
8 any of the four consecutive quarters ending on June 30, 1991
9 without having accumulated at least one year earned service
10 credit beginning on or after July 1, 1991; and

11 (3) a member shall be subject to the
12 provisions of Paragraph (1) of this subsection 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 H. Retirement benefits for a member who retires
17 pursuant to Section 22-11-23.1 NMSA 1978 shall be paid
18 monthly and shall be one-twelfth of a sum equal to two and
19 thirty-five hundredths percent of the member's average annual
20 salary multiplied by the number of years of the member's
21 total service credit; provided that:

22 (1) the benefit for a member who retires
23 pursuant to Paragraph (3) of Subsection A of Section
24 22-11-23.1 NMSA 1978 shall be reduced by:

25 (a) six-tenths percent for each

1 one-fourth, or portion thereof, year that retirement occurs
2 prior to the member attaining the age of sixty-five years but
3 after the member attains the age of sixty years; and

4 (b) one and eight-tenths percent for
5 each one-fourth, or portion thereof, year that retirement
6 occurs prior to the member attaining the age of sixty years;
7 and

8 (2) a member shall be subject to the
9 provisions of Paragraph (1) of this subsection as they
10 existed at the beginning of the member's last cumulated four
11 quarters of earned service credit, regardless of later
12 amendment.

13 I. Retirement benefits for a member who retires
14 pursuant to Section 22-11-23.2 NMSA 1978 shall be paid
15 monthly and shall be one-twelfth of a sum equal to two and
16 thirty-five hundredths percent of the member's average annual
17 salary multiplied by the number of years of the member's
18 total service credit; provided that:

19 (1) the benefit for a member retiring
20 pursuant to Paragraph (3) of Subsection A of Section
21 22-11-23.2 NMSA 1978 shall be reduced by:

22 (a) six-tenths percent for each
23 one-fourth, or portion thereof, year that retirement occurs
24 prior to the member attaining the age of sixty-five years but
25 after the member attains the age of sixty years; and

1 (b) one and eight-tenths percent for
2 each one-fourth, or portion thereof, year that retirement
3 occurs prior to the member attaining the age of sixty years;
4 and

5 (2) a member shall be subject to the
6 provisions of Paragraph (1) of this subsection as they
7 existed at the beginning of the member's last cumulated four
8 quarters of earned service credit, regardless of later
9 amendment.

10 J. A member's average annual salary, pursuant to
11 this section, shall be computed on the basis of the last five
12 years for which contribution was made or upon the basis of
13 any consecutive five years for which contribution was made by
14 the member, whichever is higher; provided, however, that
15 lump-sum payments made after July 1, 2010 of accrued sick
16 leave or annual leave shall be excluded from the calculation
17 of salary.

18 K. Unless otherwise required by the provisions of
19 the Internal Revenue Code of 1986, members shall begin
20 receiving retirement benefits by age seventy years and six
21 months, or upon termination of employment, whichever occurs
22 later."

23 SECTION 7. Section 22-11-31 NMSA 1978 (being Laws 1979,
24 Chapter 333, Section 2, as amended) is amended to read:

25 "22-11-31. COST-OF-LIVING ADJUSTMENT--ELIGIBILITY--

1 BASED ON FUNDED RATIO--ADDITIONAL CONTRIBUTIONS.--

2 A. For the purposes of this section:

3 (1) "adjustment factor" means a
4 multiplicative factor computed to provide an annuity
5 adjustment pursuant to the provisions of Subsection B of this
6 section;

7 (2) "annuity" means any benefit payable
8 under the Educational Retirement Act or the Public Employees
9 Retirement Reciprocity Act as a retirement benefit,
10 disability benefit or survivor benefit;

11 (3) "calendar year" means the full twelve
12 months beginning January 1 and ending December 31;

13 (4) "consumer price index" means the average
14 of the monthly consumer price indexes for a calendar year for
15 the entire United States for all items as published by the
16 United States department of labor;

17 (5) "funded ratio" means the ratio of the
18 actuarial value of the assets of the fund to the actuarial
19 accrued liability of the educational retirement system;

20 (6) "median adjusted annuity" means the
21 median value of all annuities and retirement benefits paid
22 pursuant to Section 22-11-29 or 22-11-30 NMSA 1978, as
23 calculated each fiscal year; provided, however, that the
24 benefits paid to a member pursuant to Section 22-11-38
25 NMSA 1978 shall not be included in the median adjusted

1 annuity calculation;

2 (7) "next preceding calendar year" means the
3 full calendar year immediately prior to the preceding
4 calendar year; and

5 (8) "preceding calendar year" means the full
6 calendar year preceding the July 1 on which a benefit is to
7 be adjusted.

8 B. On or after July 1, 1984:

9 (1) the annuity of a member who retires
10 pursuant to Subsection A of Section 22-11-23 NMSA 1978 or
11 Subsection A of Section 22-11-23.1 NMSA 1978 shall be
12 adjusted annually and cumulatively commencing on July 1 of
13 the year in which a member attains the age of sixty-five
14 years or on July 1 following the year a member retires,
15 whichever is later; and

16 (2) the annuity of a member who retires
17 pursuant to Subsection A of Section 22-11-23.2 NMSA 1978
18 shall be adjusted annually and cumulatively commencing on
19 July 1 of the year in which the member attains the age of
20 sixty-seven years or on July 1 following the year the member
21 retires, whichever is later.

22 C. Beginning on July 1, 2013 and on each July 1
23 thereafter:

24 (1) if the funded ratio of the fund as
25 reported by the board's actuary in the actuarial valuation

1 report for the next preceding fiscal year is one hundred
2 percent or greater, the annuity adjustments provided for
3 under Subsection B of this section shall be adjusted by
4 applying an adjustment factor based on the percentage
5 increase of the consumer price index between the next
6 preceding calendar year and the preceding calendar year. The
7 adjustment factor shall be applied as follows:

8 (a) if the percentage increase of the
9 consumer price index is less than two percent in absolute
10 value, the adjustment factor shall be the same amount as the
11 percentage increase of the consumer price index; and

12 (b) if the percentage increase of the
13 consumer price index is two percent or greater in absolute
14 value, the adjustment factor shall be one-half of the
15 percentage increase; except that the adjustment shall not
16 exceed four percent in absolute value nor be less than two
17 percent in absolute value;

18 (2) if the funded ratio of the fund as
19 reported by the board's actuary in the actuarial report for
20 the next preceding fiscal year is greater than ninety percent
21 but less than one hundred percent, except for a member who is
22 on disability status in accordance with Section 22-11-35
23 NMSA 1978 and whose benefit is adjusted as provided in
24 Subsection G of this section or a member who is retired
25 pursuant to Section 22-11-38 NMSA 1978, the adjustment factor

1 provided for in Subsection B of this section shall be applied
2 as follows:

3 (a) if the percentage increase in the
4 consumer price index is less than two percent in absolute
5 value, for a member who has twenty-five or more years of
6 service credit at retirement and whose annuity is less than
7 or equal to the median adjusted annuity for the fiscal year
8 next preceding the adjustment date, the adjustment factor
9 shall be ninety-five percent of the adjustment factor
10 determined pursuant to Subparagraph (a) of Paragraph (1) of
11 this subsection;

12 (b) if the percentage increase in the
13 consumer price index is less than two percent in absolute
14 value, for a member who has less than twenty-five years of
15 service credit at retirement and whose annuity is less than
16 or equal to the median adjusted annuity for the fiscal year
17 next preceding the adjustment date, and for a member whose
18 annuity is greater than the median adjusted annuity for the
19 fiscal year next preceding the adjustment date, the
20 adjustment factor shall be ninety percent of the adjustment
21 factor determined pursuant to Subparagraph (a) of Paragraph
22 (1) of this subsection;

23 (c) if the percentage increase in the
24 consumer price index is greater than or equal to two percent
25 in absolute value for a member who has twenty-five or more

1 years of service credit at retirement and whose annuity is
2 less than or equal to the median adjusted annuity for the
3 fiscal year next preceding the adjustment date, the
4 adjustment factor shall be ninety-five percent of the
5 adjustment factor determined under Subparagraph (b) of
6 Paragraph (1) of this subsection; and

7 (d) if the percentage increase in the
8 consumer price index is greater than or equal to two percent
9 in absolute value, for a member who has less than twenty-five
10 years of service credit at retirement and whose annuity is
11 less than or equal to the median adjusted annuity for the
12 fiscal year next preceding the adjustment date, and for a
13 member whose annuity is greater than the median adjusted
14 annuity for the fiscal year next preceding the adjustment
15 date, the adjustment factor shall be ninety percent of the
16 adjustment factor determined under Subparagraph (b) of
17 Paragraph (1) of this subsection;

18 (3) if the funded ratio of the fund as
19 reported by the board's actuary in the actuarial valuation
20 report for the next preceding fiscal year is ninety percent
21 or less, except for a member who is on disability status in
22 accordance with Section 22-11-35 NMSA 1978 and whose benefit
23 is adjusted as provided in Subsection G of this section or a
24 member who is retired pursuant to Section 22-11-38 NMSA 1978,
25 the adjustment factor provided for in Subsection B of this

1 section shall be applied as follows:

2 (a) if the percentage increase in the
3 consumer price index is less than two percent in absolute
4 value, for a member who has twenty-five or more years of
5 service credit at retirement and whose annuity is less than
6 or equal to the median adjusted annuity for the fiscal year
7 next preceding the adjustment date, the adjustment factor
8 shall be ninety percent of the adjustment factor determined
9 pursuant to Subparagraph (a) of Paragraph (1) of this
10 subsection;

11 (b) if the percentage increase in the
12 consumer price index is less than two percent in absolute
13 value, for a member who has less than twenty-five years of
14 service credit at retirement and whose annuity is less than
15 or equal to the median adjusted annuity for the fiscal year
16 next preceding the adjustment date, and for a member whose
17 annuity is greater than the median adjusted annuity for the
18 fiscal year next preceding the adjustment date, the
19 adjustment factor shall be eighty percent of the adjustment
20 factor determined pursuant to Subparagraph (a) of Paragraph
21 (1) of this subsection;

22 (c) if the percentage increase in the
23 consumer price index is greater than or equal to two percent
24 in absolute value for a member who has twenty-five or more
25 years of service credit at retirement and whose annuity is

1 less than or equal to the median adjusted annuity for the
2 fiscal year next preceding the adjustment date, the
3 adjustment factor shall be ninety percent of the adjustment
4 factor determined under Subparagraph (b) of Paragraph (1) of
5 this subsection; and

6 (d) if the percentage increase in the
7 consumer price index is greater than or equal to two percent
8 in absolute value, for a member who has less than twenty-five
9 years of service credit at retirement and whose annuity is
10 less than or equal to the median adjusted annuity for the
11 fiscal year next preceding the adjustment date, and for a
12 member whose annuity is greater than the median adjusted
13 annuity for the fiscal year next preceding the adjustment
14 date, the adjustment factor shall be eighty percent of the
15 adjustment factor determined under Subparagraph (b) of
16 Paragraph (1) of this subsection; and

17 (4) an annuity shall not be decreased if
18 there is a decrease in the consumer price index between the
19 next preceding calendar year and the preceding calendar year.

20 D. A retired member whose benefit is subject to
21 adjustment under the provisions of the Educational Retirement
22 Act in effect prior to July 1, 1984 shall have the member's
23 annuity readjusted annually and cumulatively under the
24 provisions of that act in effect prior to July 1, 1984 until
25 July 1 of the year in which the member attains the age of

1 sixty-five, when the member shall have the annuity readjusted
2 annually and cumulatively under the provisions of this
3 section.

4 E. A member who:

5 (1) retires pursuant to Subsection A of
6 Section 22-11-23 NMSA 1978 or Subsection A of Section
7 22-11-23.1 NMSA 1978 after attaining the age of sixty-five
8 years shall have the member's annuity adjusted as provided in
9 Subsections B and C of this section commencing on July 1 of
10 the year following the member's retirement; and

11 (2) retires pursuant to Subsection A of
12 Section 22-11-23.2 NMSA 1978 after attaining the age of
13 sixty-seven years shall have the member's annuity adjusted as
14 provided in Subsections B and C of this section commencing on
15 July 1 of the year following the member's retirement.

16 F. A retired member who returns to work shall be
17 subject to the provisions of this section as they exist at the
18 time of the member's final retirement.

19 G. Benefits of a member who is on a disability
20 status in accordance with Section 22-11-35 NMSA 1978 or a
21 member who is certified by the board as disabled at regular
22 retirement shall be adjusted in accordance with Subsections B
23 and C of this section, except that the benefits shall be
24 adjusted annually and cumulatively commencing on July 1 of the
25 third full year following the year in which the member was

1 approved by the board for disability or retirement.

2 H. The board shall adjust the benefits of each
3 person receiving an annuity as of June 30, 1999. The
4 adjustment shall be made on July 1, 1999 on the basis of an
5 increase of two dollars (\$2.00) per month for each year since
6 the member's last retirement plus an increase of one dollar
7 (\$1.00) per month for each year of credited service at the
8 time of the last retirement."

9 SECTION 8. EFFECTIVE DATE.--The effective date of the
10 provisions of this act is July 1, 2013. _____

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