

HOUSE CONSUMER AND PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 363

**51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014**

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;  
AMENDING THE RETIREE HEALTH CARE ACT BY INCREASING THE EMPLOYER  
AND EMPLOYEE CONTRIBUTION RATES PAID TO THE RETIREE HEALTH CARE  
FUND; RECONCILING MULTIPLE AMENDMENTS TO THE SAME SECTION OF  
LAW BY REPEALING LAWS 2009, CHAPTER 287, SECTION 2; MAKING AN  
APPROPRIATION.

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

**SECTION 1.** Section 10-7C-15 NMSA 1978 (being Laws 1990,  
Chapter 6, Section 15, as amended by Laws 2009, Chapter 287,  
Section 2 and by Laws 2009, Chapter 288, Section 3) is amended  
to read:

"10-7C-15. RETIREE HEALTH CARE FUND CONTRIBUTIONS.--

A. Following completion of the preliminary  
contribution period, each participating employer shall make

.196642.1

underscored material = new  
[bracketed material] = delete

1 contributions to the fund pursuant to the following provisions:

2 (1) for participating employees who are not  
3 members of an enhanced retirement plan, the employer's  
4 contribution shall equal:

5 (a) one and three-tenths percent of each  
6 participating employee's salary for the period from July 1,  
7 2002 through June 30, 2010;

8 (b) one and six hundred sixty-six  
9 thousandths percent of each participating employee's salary for  
10 the period from July 1, 2010 through June 30, 2011;

11 (c) one and eight hundred thirty-four  
12 thousandths percent of each participating employee's salary for  
13 the period from July 1, 2011 through June 30, 2012; ~~and~~

14 (d) two percent of each participating  
15 employee's salary ~~beginning~~ from July 1, 2012 through June  
16 30, 2014;

17 (e) two and twenty-five hundredths  
18 percent of each participating employee's salary from July 1,  
19 2014 through June 30, 2015;

20 (f) two and one-half percent of each  
21 participating employee's salary from July 1, 2015 through June  
22 30, 2016;

23 (g) two and seventy-five hundredths  
24 percent of each participating employee's salary from July 1,  
25 2016 through June 30, 2017;

underscoring material = new  
[bracketed material] = delete

1                   (h) three percent of each participating  
2 employee's salary from July 1, 2017 through June 30, 2018;

3                   (i) three and twenty-five hundredths  
4 percent of each participating employee's salary from July 1,  
5 2018 through June 30, 2019; and

6                   (j) three and one-half percent of each  
7 participating employee's salary on and after July 1, 2019;

8                   (2) for participating employees who are  
9 members of an enhanced retirement plan, the employer's  
10 contribution shall equal:

11                   (a) one and three-tenths percent of each  
12 participating employee's salary for the period from July 1,  
13 2002 through June 30, 2010;

14                   (b) two and eighty-four thousandths  
15 percent of each participating employee's salary for the period  
16 from July 1, 2010 through June 30, 2011;

17                   (c) two and two hundred ninety-two  
18 thousandths percent of each participating employee's salary for  
19 the period from July 1, 2011 through June 30, 2012; ~~[and]~~

20                   (d) two and one-half percent of each  
21 participating employee's salary ~~[beginning July 1, 2012; and]~~  
22 from July 1, 2012 through June 30, 2014;

23                   (e) two and eight hundred thirteen  
24 thousandths percent of each participating employee's salary  
25 from July 1, 2014 through June 30, 2015;

.196642.1

1                   (f) three and one hundred twenty-five  
2 thousandths percent of each participating employee's salary  
3 from July 1, 2015 through June 30, 2016;

4                   (g) three and four hundred thirty-eight  
5 thousandths percent of each participating employee's salary  
6 from July 1, 2016 through June 30, 2017;

7                   (h) three and seventy-five hundredths  
8 percent of each participating employee's salary from July 1,  
9 2017 through June 30, 2018;

10                  (i) four and sixty-three thousandths  
11 percent of each participating employee's salary from July 1,  
12 2018 through June 30, 2019; and

13                  (j) four and three hundred seventy-five  
14 thousandths percent of each participating employee's salary on  
15 and after July 1, 2019; and

16                  (3) each employer that chooses to become a  
17 participating employer after January 1, 1998 shall make  
18 contributions to the fund in the amount determined to be  
19 appropriate by the board.

20                  B. Following completion of the preliminary  
21 contribution period, each participating employee, as a  
22 condition of employment, shall contribute to the fund pursuant  
23 to the following provisions:

24                  (1) for a participating employee who is not a  
25 member of an enhanced retirement plan, the employee's

1 contribution shall equal:

2 (a) sixty-five hundredths of one percent  
3 of the employee's salary for the period from July 1, 2002  
4 through June 30, 2010;

5 (b) eight hundred thirty-three  
6 thousandths of one percent of the employee's salary for the  
7 period from July 1, 2010 through June 30, 2011;

8 (c) nine hundred seventeen thousandths  
9 of one percent of the employee's salary for the period from  
10 July 1, 2011 through June 30, 2012; ~~[and]~~

11 (d) one percent of the employee's salary  
12 ~~[beginning]~~ from July 1, 2012 through June 30, 2014;

13 (e) one and one hundred twenty-five  
14 thousandths percent of the employee's salary from July 1, 2014  
15 through June 30, 2015;

16 (f) one and twenty-five hundredths  
17 percent of the employee's salary from July 1, 2015 through June  
18 30, 2016;

19 (g) one and three hundred seventy-five  
20 thousandths percent of the employee's salary from July 1, 2016  
21 through June 30, 2017;

22 (h) one and one-half percent of the  
23 employee's salary from July 1, 2017 through June 30, 2018;

24 (i) one and six hundred twenty-five  
25 thousandths percent of the employee's salary from July 1, 2018

.196642.1

1 through June 30, 2019; and

2 (j) one and seventy-five hundredths  
3 percent of the employee's salary on and after July 1, 2019;

4 (2) for a participating employee who is a  
5 member of an enhanced retirement plan, the employee's  
6 contribution shall equal:

7 (a) sixty-five hundredths of one percent  
8 of the employee's salary for the period from July 1, 2002  
9 through June 30, 2010;

10 (b) one and forty-two thousandths  
11 percent of the employee's salary for the period from July 1,  
12 2010 through June 30, 2011;

13 (c) one and one hundred forty-six  
14 thousandths percent of the employee's salary from July 1, 2011  
15 through June 30, 2012; [~~and~~]

16 (d) one and one-fourth percent of the  
17 employee's salary [~~beginning July 1, 2012; and~~] from July 1,  
18 2012 through June 30, 2014;

19 (e) one and four hundred six thousandths  
20 percent of the employee's salary from July 1, 2014 through June  
21 30, 2015;

22 (f) one and five hundred sixty-three  
23 thousandths percent of the employee's salary from July 1, 2015  
24 through June 30, 2016;

25 (g) one and seven hundred nineteen

.196642.1

1 thousandths percent of the employee's salary from July 1, 2016  
2 through June 30, 2017;

3 (h) one and eight hundred seventy-five  
4 thousandths percent of the employee's salary from July 1, 2017  
5 through June 30, 2018;

6 (i) two and thirty-one thousandths  
7 percent of the employee's salary from July 1, 2018 through June  
8 30, 2019; and

9 (j) two and one hundred eighty-eight  
10 thousandths percent of the employee's salary on and after July  
11 1, 2019; and

12 (3) as a condition of employment, each  
13 participating employee of an employer that chooses to become a  
14 participating employer after January 1, 1998 shall contribute  
15 to the fund an amount that is determined to be appropriate by  
16 the board. Each month, participating employers shall deduct  
17 the contribution from the participating employee's salary and  
18 shall remit it to the board as provided by any procedures that  
19 the board may require.

20 C. On or after July 1, 2009, no person who has  
21 obtained service credit pursuant to Subsection B of Section  
22 10-11-6 NMSA 1978, Section 10-11-7 NMSA 1978 or Paragraph (3)  
23 or (4) of Subsection A of Section 22-11-34 NMSA 1978 may enroll  
24 with the authority unless the person makes a contribution to  
25 the fund equal to the full actuarial present value of the

.196642.1

1 amount of the increase in the person's health care benefit, as  
2 determined by the authority.

3 D. Except for contributions made pursuant to  
4 Subsection C of this section, a participating employer that  
5 fails to remit before the tenth day after the last day of the  
6 month all employer and employee deposits required by the  
7 Retiree Health Care Act to be remitted by the employer for the  
8 month shall pay to the fund, in addition to the deposits,  
9 interest on the unpaid amounts at the rate of six percent per  
10 year compounded monthly.

11 E. Except for contributions made pursuant to  
12 Subsection C of this section, the employer and employee  
13 contributions shall be paid in monthly installments based on  
14 the percent of payroll certified by the employer.

15 F. Except in the case of erroneously made  
16 contributions or as may be otherwise provided in Subsection D  
17 of Section 10-7C-9 NMSA 1978, contributions from participating  
18 employers and participating employees shall become the property  
19 of the fund on receipt by the board and shall not be refunded  
20 under any circumstances, including termination of employment or  
21 termination of the participating employer's operation or  
22 participation in the Retiree Health Care Act.

23 G. Notwithstanding any other provision in the  
24 Retiree Health Care Act and at the first session of the  
25 legislature following July 1, 2013, the legislature shall

.196642.1

1 review and adjust the distributions pursuant to Section 7-1-6.1  
2 NMSA 1978 and the employer and employee contributions to the  
3 authority in order to ensure the actuarial soundness of the  
4 benefits provided under the Retiree Health Care Act.

5 H. As used in this section, "member of an enhanced  
6 retirement plan" means:

7 (1) a member of the public employees  
8 retirement association who, pursuant to the Public Employees  
9 Retirement Act, is included in:

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

12 (b) municipal police member coverage  
13 plan 3, 4 or 5;

14 (c) municipal fire member coverage plan  
15 3, 4 or 5; or

16 (d) municipal detention officer member  
17 coverage plan 1; or

18 (2) a member pursuant to the provisions of the  
19 Judicial Retirement Act."

20 SECTION 2. REPEAL.--Laws 2009, Chapter 287, Section 2 is  
21 repealed.

22 SECTION 3. EFFECTIVE DATE.--The effective date of the  
23 provisions of this act is July 1, 2014.