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SENATE BILL 160

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

INTRODUCED BY

Sue Wilson Beffort

FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO PENSIONS; AMENDING MAGISTRATE RETIREMENT ACT  
PROVISIONS APPLICABLE TO CERTAIN MEMBERS BY CHANGING THE AGE  
AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT, INCREASING THE  
NUMBER OF YEARS USED TO CALCULATE THE FINAL AVERAGE SALARY,  
PROVIDING THAT THE PENSION MULTIPLIER FOR SERVICE CREDIT EARNED  
AFTER JUNE 30, 2014 IS THE SAME AS THE MULTIPLIER FOR STATE  
GENERAL PLAN 3 MEMBERS COVERED UNDER THE PUBLIC EMPLOYEES  
RETIREMENT ACT, PROVIDING A TEMPORARY SUSPENSION OF AND  
DECREASE AND DELAY OF THE COST-OF-LIVING ADJUSTMENT AND  
INCREASING THE MAXIMUM PENSION BENEFIT; INCREASING CONTRIBUTION  
RATES; REQUIRING MEMBERSHIP; CHANGING THE PENSION FORM OF  
PAYMENT AND SURVIVOR BENEFICIARY PROVISIONS; MAKING AN  
APPROPRIATION.

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

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1           SECTION 1. Section 10-11-8 NMSA 1978 (being Laws 1987,  
2 Chapter 253, Section 8, as amended) is amended to read:

3           "10-11-8. NORMAL RETIREMENT--RETURN TO EMPLOYMENT--  
4 BENEFITS CONTINUED--CONTRIBUTIONS.--

5           A. A member may retire upon fulfilling the  
6 following requirements prior to the selected date of  
7 retirement:

8                   (1) a written application for normal  
9 retirement, in the form prescribed by the association, is filed  
10 with the association;

11                   (2) employment is terminated with all  
12 employers covered by any state system or the educational  
13 retirement system;

14                   (3) the member selects an effective date of  
15 retirement that is the first day of a calendar month; and

16                   (4) the member meets the age and service  
17 credit requirement for normal retirement specified in the  
18 coverage plan applicable to the member.

19           B. The amount of normal retirement pension is  
20 determined in accordance with the coverage plan applicable to  
21 the member.

22           C. Except as provided in Subsection E of this  
23 section, on or after July 1, 2010, a retired member may be  
24 subsequently employed by an affiliated public employer only  
25 pursuant to the following provisions:

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1 (1) the retired member has not been employed  
2 as an employee of an affiliated public employer or retained as  
3 an independent contractor by the affiliated public employer  
4 from which the retired member retired for at least twelve  
5 consecutive months from the date of retirement to the  
6 commencement of employment or reemployment with an affiliated  
7 public employer;

8 (2) the previously retired member's pension  
9 shall be suspended upon commencement of the employment;

10 (3) except as provided in Subsection G of this  
11 section, the previously retired member shall not become a  
12 member and thus the previously retired member shall not accrue  
13 service credit, and the previously retired member and that  
14 person's affiliated public employer shall not make  
15 contributions under any coverage plan pursuant to the Public  
16 Employees Retirement Act; and

17 (4) upon termination of the subsequent  
18 employment, the previously retired member's pension shall  
19 resume in accordance with the provisions of Subsection A of  
20 this section.

21 D. Notwithstanding the provisions of Subsection B  
22 of Section 10-11-118 NMSA 1978, on and after July 1, 2013, if a  
23 retired member becomes employed with an employer pursuant to  
24 the Educational Retirement Act, and on and after July 1, 2014,  
25 if a retired member becomes a magistrate employed by the state

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1 pursuant to the Magistrate Retirement Act:

2 (1) the retired member's cost-of-living  
3 pension adjustment shall be suspended upon commencement of the  
4 employment; and

5 (2) upon termination of the employment, the  
6 retired member's suspended cost-of-living pension adjustment  
7 shall be reinstated as provided under Subsection B of  
8 Section 10-11-118 NMSA 1978.

9 E. The provisions of Subsections C and H of this  
10 section do not apply to:

11 (1) a retired member employed by the  
12 legislature for legislative session work;

13 (2) a retired member employed temporarily as a  
14 precinct board member for a municipal election or an election  
15 covered by the Election Code; or

16 (3) a retired member who is elected to serve a  
17 term as an elected official; provided that:

18 (a) the retired member files an  
19 irrevocable exemption from membership with the association  
20 within thirty days of taking office; and

21 (b) the irrevocable exemption shall be  
22 for the elected official's term of office.

23 F. A retired member who returns to employment  
24 during retirement pursuant to Subsection E of this section is  
25 entitled to receive retirement benefits but is not entitled to

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1 accrue service credit or to acquire or purchase service credit  
2 in the future for the period of the previously retired member's  
3 reemployment with an affiliated public employer.

4 G. At any time during a previously retired member's  
5 subsequent employment pursuant to Subsection C of this section,  
6 the previously retired member may elect to become a member and  
7 the following conditions shall apply:

8 (1) the previously retired member and the  
9 subsequent affiliated public employer shall make the required  
10 employee and employer contributions, and the previously retired  
11 member shall accrue service credit for the period of subsequent  
12 employment; and

13 (2) when the previously retired member  
14 terminates the subsequent employment with an affiliated public  
15 employer, the previously retired member shall retire according  
16 to the provisions of the Public Employees Retirement Act,  
17 subject to the following conditions:

18 (a) payment of the pension shall resume  
19 in accordance with the provisions of Subsection A of this  
20 section;

21 (b) unless the previously retired member  
22 accrued at least three years of service credit on account of  
23 the subsequent employment, the recalculation of pension shall:  
24 1) employ the form of payment selected by the previously  
25 retired member at the time of the first retirement; and 2) use

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1 the provisions of the coverage plan applicable to the member on  
2 the date of the first retirement; and

3 (c) the recalculated pension shall not  
4 be less than the amount of the suspended pension.

5 H. A previously retired member who returned to work  
6 with an affiliated public employer prior to July 1, 2010 shall  
7 be subject to the provisions of this section in effect on the  
8 date the previously retired member returned to work; provided  
9 that:

10 (1) on and after July 1, 2010, the previously  
11 retired member shall pay the employee contribution in an amount  
12 specified in the Public Employees Retirement Act for the  
13 position in which the previously retired member is employed;

14 (2) notwithstanding the provisions of  
15 Subsection B of Section 10-11-118 NMSA 1978, on and after July  
16 1, 2013, the previously retired member's cost-of-living pension  
17 adjustment shall be suspended; and

18 (3) upon termination of the employment with an  
19 affiliated public employer, the previously retired member's  
20 cost-of-living pension adjustment shall be reinstated as  
21 provided in Subsection B of Section 10-11-118 NMSA 1978.

22 I. The pension of a member who has earned service  
23 credit under more than one coverage plan shall be determined as  
24 follows:

25 (1) the pension of a member who has three or

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1 more years of service credit earned on or before June 30, 2013  
2 under each of two or more coverage plans shall be determined in  
3 accordance with the coverage plan that produces the highest  
4 pension;

5 (2) the pension of a member who has service  
6 credit earned on or before June 30, 2013 under two or more  
7 coverage plans but who has three or more years of service  
8 credit under only one of those coverage plans shall be  
9 determined in accordance with the coverage plan in which the  
10 member has three or more years of service credit. If the  
11 service credit is acquired under two different coverage plans  
12 applied to the same affiliated public employer as a consequence  
13 of an election by the members, adoption by the affiliated  
14 public employer or a change in the law that results in the  
15 application of a coverage plan with a greater pension, the  
16 greater pension shall be paid a member retiring from the  
17 affiliated public employer under which the change in coverage  
18 plan took place regardless of the amount of service credit  
19 under the coverage plan producing the greater pension; provided  
20 that the member has three or more years of continuous  
21 employment with that affiliated public employer immediately  
22 preceding or immediately preceding and immediately following  
23 the date the coverage plan changed;

24 (3) the pension of a member who has service  
25 credit earned on or before June 30, 2013 under each of two or

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1 more coverage plans and who has service credit earned under any  
2 coverage plan on or after July 1, 2013 shall be equal to the  
3 sum of:

4 (a) the pension attributable to the  
5 service credit earned on or before June 30, 2013 determined  
6 pursuant to Paragraph (1) or (2) of this subsection; and

7 (b) the pension attributable to the  
8 service credit earned under each coverage plan on or after July  
9 1, 2013;

10 (4) the pension of a member who has service  
11 credit earned only on and after July 1, 2013 shall be equal to  
12 the sum of the pension attributable to the service credit the  
13 member has accrued under each coverage plan; and

14 (5) the provisions of each coverage plan for  
15 the purpose of this subsection shall be those in effect at the  
16 time the member ceased to be covered by the coverage plan.

17 "Service credit", for the purposes of this subsection, shall be  
18 only personal service rendered an affiliated public employer  
19 and credited to the member under the provisions of Subsection A  
20 of Section 10-11-4 NMSA 1978. Service credited under any other  
21 provision of the Public Employees Retirement Act shall not be  
22 used to satisfy the three-year service credit requirement of  
23 this subsection."

24 **SECTION 2.** Section 10-12C-2 NMSA 1978 (being Laws 1992,  
25 Chapter 118, Section 2, as amended) is amended to read:

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1 "10-12C-2. DEFINITIONS.--As used in the Magistrate  
2 Retirement Act:

3 A. "association" means the public employees  
4 retirement association provided for in the Public Employees  
5 Retirement Act;

6 B. "board" means the retirement board provided for  
7 in the Public Employees Retirement Act;

8 ~~[C. "dependent child" means a natural or adopted  
9 child who is physically or mentally incapable of financial  
10 self-support, regardless of age;~~

11 ~~D.]~~ C. "educational retirement system" means the  
12 retirement system provided for in the Educational Retirement  
13 Act;

14 ~~[E.]~~ D. "effective date of retirement" means the  
15 first day of the month following the month in which the member  
16 met all requirements for retirement;

17 ~~[F.]~~ E. "former member" means a person no longer in  
18 office who was previously covered pursuant to the provisions of  
19 Sections 10-12A-1 through 10-12A-13 NMSA 1978, but who has not  
20 retired pursuant to the provisions of the Magistrate Retirement  
21 Act and who has received a refund of member contributions  
22 pursuant to the provisions of Sections 10-12C-1 through  
23 10-12C-18 NMSA 1978;

24 ~~[G.]~~ F. "fund" means the magistrate retirement  
25 fund;

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1           [H.] G. "magistrate" means a magistrate judge;  
2           [I.] H. "member" means any magistrate who is in  
3 office and ~~[covered]~~ required to pay member contributions  
4 pursuant to the provisions of the Magistrate Retirement Act, or  
5 any person no longer in office who was previously a magistrate  
6 ~~[covered]~~ pursuant to the provisions of the Magistrate  
7 Retirement Act, who has not retired and who has not received a  
8 refund of member contributions from the fund;

9           [J.] I. "member contributions" means the amounts  
10 deducted from the salary of a member and credited to the  
11 member's individual account, together with interest, if any,  
12 credited thereto;

13           ~~[K. "minor child" means a natural or adopted child  
14 who has not reached his eighteenth birthday and who has not  
15 been emancipated by marriage or otherwise;~~

16           [L.] J. "pension" means a series of monthly payments  
17 to a retired member or survivor beneficiary pursuant to the  
18 provisions of the Magistrate Retirement Act;

19           [M.] K. "refund beneficiary" means a person  
20 designated by the member, in writing in the form prescribed by  
21 the association, as the person who would be refunded the  
22 member's accumulated member contributions payable if the member  
23 dies and no survivor pension is payable, or as the person who  
24 would receive the difference between pension paid and  
25 accumulated member contributions if the retired member dies

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1 before receiving in pension payments the amount of the  
2 accumulated member contributions;

3 [~~N.~~] L. "retire" means to:

4 (1) terminate employment with all employers  
5 covered by any state system or the educational retirement  
6 system; and

7 (2) receive a pension from one state system or  
8 the educational retirement system;

9 [~~Q.~~] M. "retired member" means a person who has met  
10 all requirements for retirement and who is receiving a pension  
11 from the fund;

12 [~~P.~~] N. "salary" means the base salary or wages  
13 paid a member, including longevity pay, for personal services  
14 rendered; provided that salary does not include overtime pay;  
15 allowances for housing, clothing, equipment or travel; payments  
16 for unused sick leave, unless the unused sick leave payment is  
17 made through continuation of the member on the regular payroll  
18 for the period represented by that payment; and any other form  
19 of remuneration not specifically designated by law as included  
20 in salary pursuant to the provisions of the Magistrate  
21 Retirement Act;

22 [~~Q.~~] O. "state system" means the retirement  
23 programs provided pursuant to the provisions of the Public  
24 Employees Retirement Act, the Magistrate Retirement Act and the  
25 Judicial Retirement Act;

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1           ~~[R.]~~ P. "surviving spouse" means the spouse to whom  
2 the member was married at the time of the member's death;

3           ~~[S.]~~ Q. "survivor beneficiary" means a person who  
4 receives a pension or who has been designated to be paid a  
5 pension as a result of the death of a member or retired member;  
6 and

7           ~~[T.]~~ R. "years of service" means a period of time  
8 beginning on the date a person commences to hold office as a  
9 magistrate because of appointment or election and ending on the  
10 date a person ceases to hold office as a magistrate because of  
11 expiration of the magistrate's term, voluntary resignation,  
12 death or disability and shall include any fractions of years of  
13 service."

14           **SECTION 3.** Section 10-12C-4 NMSA 1978 (being Laws 1992,  
15 Chapter 118, Section 4) is amended to read:

16           "10-12C-4. MEMBERSHIP.--~~[Except for those magistrates who~~  
17 ~~elected pursuant to the provisions of prior law to continue to~~  
18 ~~be covered pursuant to the provisions of the Public Employees~~  
19 ~~Retirement Act and any magistrate who has previously retired~~  
20 ~~pursuant to the provisions of any state system or the~~  
21 ~~educational retirement system]~~ Every magistrate in office [~~on~~  
22 ~~or after the effective date of the Magistrate Retirement Act]~~  
23 shall become a member upon appointment or election to that  
24 office and shall be subject to the provisions of the Magistrate  
25 Retirement Act upon taking office; [~~unless a written~~

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1 ~~application for exemption from membership is filed with the~~  
2 ~~association within ninety days of taking office. The~~  
3 ~~application for exemption from membership may be revoked by~~  
4 ~~filing with the association a written application for~~  
5 ~~membership in the form prescribed by the association. If~~  
6 ~~exemption from membership is revoked, membership shall commence~~  
7 ~~on the first day of the first pay period following the date the~~  
8 ~~application for membership was received by the association.]~~  
9 provided, however, that a magistrate who is retired under any  
10 state system or the educational retirement system shall pay  
11 working retiree contributions at a rate equal to the member  
12 contributions, and the state, through the administrative office  
13 of the courts, shall pay the applicable employer contributions  
14 as provided pursuant to the Magistrate Retirement Act. The  
15 working retiree contributions shall not accrue a benefit and  
16 the working retiree shall not be eligible to purchase service  
17 credit, receive a refund of working retiree contributions, nor  
18 retire pursuant to the Magistrate Retirement Act."

19 SECTION 4. Section 10-12C-5 NMSA 1978 (being Laws 1992,  
20 Chapter 118, Section 5, as amended) is amended to read:

21 "10-12C-5. SERVICE CREDIT--REINSTATEMENT OF FORFEITED  
22 SERVICE--PRIOR SERVICE--MILITARY SERVICE.--

23 A. Personal service rendered by a member shall be  
24 credited to the member's service credit account in accordance  
25 with board rules and regulations. Service shall be credited to

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1 the nearest month. In no case shall any member be credited  
2 with a year of service for less than twelve months of service  
3 in any calendar year or more than a month of service for all  
4 service in any calendar month or more than a year of service  
5 for all service in any calendar year.

6 B. Service credit shall be forfeited if a member  
7 leaves office and withdraws the member's accumulated member  
8 contributions. A member or former member who is a member of  
9 another state system or the educational retirement system who  
10 has forfeited service credit by withdrawal of member  
11 contributions may reinstate the forfeited service credit by  
12 repaying the amount withdrawn plus compound interest from the  
13 date of withdrawal to the date of repayment at a rate set by  
14 the board. Withdrawn member contributions may be repaid in  
15 increments of one year in accordance with procedures  
16 established by the board. Full payment of each one-year  
17 increment shall be made in a single lump-sum amount in  
18 accordance with procedures established by the board.

19 C. Service credit that a member would have earned  
20 if the member had not elected to be excluded from membership  
21 may be purchased if the member pays the purchase cost  
22 determined pursuant to the provisions of Subsection F of this  
23 section.

24 D. A member who during a term of office enters a  
25 uniformed service of the United States shall be given service

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1 credit for periods of service in the uniformed services subject  
2 to the following conditions:

3 (1) the member returns to office within ninety  
4 days following termination of the period of intervening service  
5 in the uniformed services or the affiliated employer certifies  
6 in writing to the association that the member is entitled to  
7 reemployment rights under the federal Uniformed Services  
8 Employment and Reemployment Rights Act of 1994;

9 (2) the member retains membership in the  
10 association during the period of service in the uniformed  
11 services;

12 (3) free service credit shall not be given for  
13 periods of intervening service in the uniformed services  
14 following voluntary reenlistment. Service credit for such  
15 periods shall only be given after the member pays the  
16 association the sum of the contributions that the person would  
17 have been required to contribute had the person remained  
18 continuously employed throughout the period of intervening  
19 service following voluntary reenlistment, which payment shall  
20 be made during the period beginning with the date of  
21 reemployment and whose duration is three times the period of  
22 the person's intervening service in the uniformed services  
23 following voluntary reenlistment, not to exceed five years;

24 (4) service credit shall not be given for  
25 periods of intervening service in the uniformed services that

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1 are used to obtain or increase a benefit from another state  
2 system or the retirement program provided under the Educational  
3 Retirement Act; and

4 (5) the member must not have received a  
5 discharge or separation from uniformed service under other than  
6 honorable conditions.

7 Notwithstanding any provision of this plan to the  
8 contrary, contributions, benefits and service credit with  
9 respect to qualified military service will be provided in  
10 accordance with Section 414(u) of the Internal Revenue Code of  
11 1986, as amended.

12 E. A member who entered a uniformed service of the  
13 United States may purchase service credit for periods of active  
14 duty in the uniformed services, subject to the following  
15 conditions:

16 (1) the member pays the purchase cost  
17 determined pursuant to the provisions of Subsection F of this  
18 section;

19 (2) the member has [~~five or more~~] the  
20 applicable minimum number of years of service credit accrued  
21 according to the provisions of the Magistrate Retirement Act;

22 (3) the aggregate amount of service credit  
23 purchased pursuant to the provisions of this subsection does  
24 not exceed five years, reduced by any period of service credit  
25 acquired for military service under any other provision of the

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1 Magistrate Retirement Act;

2 (4) service credit may not be purchased for  
3 periods of service in the uniformed services that are used to  
4 obtain or increase a benefit from another retirement program;  
5 and

6 (5) the member must not have received a  
7 discharge or separation from uniformed service under other than  
8 honorable conditions.

9 F. The purchase cost for each year of service  
10 credit purchased pursuant to the provisions of this section  
11 shall be the increase in the actuarial present value of the  
12 pension of the member under the Magistrate Retirement Act as a  
13 consequence of the purchase, as determined by the association.  
14 Full payment shall be made in a single lump-sum amount in  
15 accordance with procedures established by the board. Except as  
16 provided in Subsection G of this section, seventy-five percent  
17 of the purchase cost shall be considered to be employer  
18 contributions and shall not be refunded to the member in the  
19 event of cessation of membership.

20 G. A member shall be refunded, after retirement and  
21 upon written request filed with the association, the portion of  
22 the purchase cost of service credit purchased pursuant to the  
23 provisions of this section that the association determines to  
24 have been unnecessary to provide the member with the maximum  
25 pension applicable to the member. The association shall not

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1 pay interest on the portion of the purchase cost refunded to  
2 the member.

3 H. At any time prior to retirement, a member may  
4 purchase service credit in monthly increments, subject to the  
5 following conditions:

6 (1) the member has [~~at least five~~] the  
7 applicable minimum number of years of service credit acquired  
8 as a result of personal service rendered under the Magistrate  
9 Retirement Act;

10 (2) the aggregate amount of service credit  
11 purchased pursuant to this subsection does not exceed one year;

12 (3) the member pays full actuarial present  
13 value of the amount of the increase in the member's pension as  
14 a consequence of the purchase, as determined by the  
15 association;

16 (4) the member pays the full cost of the  
17 purchase within sixty days of the date the member is informed  
18 of the amount of the payment; and

19 (5) the purchase of service credit under this  
20 subsection cannot be used to exceed the pension maximum."

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

23 "10-12C-8. AGE AND SERVICE CREDIT REQUIREMENTS FOR NORMAL  
24 RETIREMENT.--

25 A. For a magistrate who was a member on June 30,

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1 2014, the age and service credit requirements for retirement  
2 provided for in the Magistrate Retirement Act are:

3 (1) age [~~sixty-four~~] sixty-five years or older  
4 and five or more years of service credit;

5 (2) age sixty years or older and fifteen or  
6 more years of service credit; or

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

9 B. For a magistrate who initially became a member  
10 on or after July 1, 2014, the age and service requirements for  
11 normal retirement provided for in the Magistrate Retirement Act  
12 are:

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

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

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

19 [~~B.~~] C. If a member leaves office for any reason,  
20 other than removal pursuant to Article 6, Section 32 of the  
21 constitution of New Mexico before meeting the age and service  
22 credit requirements for retirement pursuant to the provisions  
23 of this section and if that member leaves [~~his~~] the member  
24 contributions on deposit in the fund, that member may apply for  
25 retirement when that member meets the age and service credit

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1 requirements for retirement pursuant to the provisions of the  
2 Magistrate Retirement Act or provisions of the Public Employees  
3 Retirement Reciprocity Act. [~~if enacted by the second session~~  
4 ~~of the fortieth legislature of the state of New Mexico.~~

5 ~~G.]~~ D. No member shall be eligible to receive a  
6 pension pursuant to the provisions of the Magistrate Retirement  
7 Act while still in office."

8 SECTION 6. Section 10-12C-9 NMSA 1978 (being Laws 1992,  
9 Chapter 118, Section 9) is amended to read:

10 "10-12C-9. AMOUNT OF PENSION.--

11 A. For a magistrate who was a member on June 30,  
12 2014:

13 (1) for service credit earned on or before  
14 June 30, 2014, the amount of pension is equal to one-twelfth  
15 of:

16 seventy-five percent  
17 of salary received (number of years of  
18 during last year in X .05 X service, not exceeding  
19 office prior to fifteen years, [+]  
20 retirement plus five years); and

21 (2) for service credit earned on and after  
22 July 1, 2014, the amount of pension is equal to one-sixtieth of  
23 the greatest aggregate amount of salary received for sixty  
24 consecutive, but not necessarily continuous, months in office  
25 multiplied by the product of three percent times the sum of the

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1 number of years of service.

2 B. For a magistrate who initially became a member  
3 on or after July 1, 2014, the amount of pension is equal to  
4 one-sixtieth of the greatest aggregate amount of salary  
5 received for sixty consecutive, but not necessarily continuous,  
6 months in office multiplied by the product of three percent  
7 times the sum of the number of years of service."

8 SECTION 7. A new section of the Magistrate Retirement  
9 Act, Section 10-12C-9.1 NMSA 1978, is enacted to read:

10 "10-12C-9.1. [NEW MATERIAL] PENSION UNDER FORM OF PAYMENT

11 A.--

12 A. The amount of pension under form of payment A  
13 for a pension calculated pursuant to Subsection A of Section  
14 10-12C-9 NMSA 1978 shall be determined as follows:

15 (1) the portion calculated pursuant to  
16 Paragraph (1) of Subsection A of Section 10-12C-9 NMSA 1978  
17 shall not exceed eighty-five percent of one-twelfth of the  
18 salary received during the member's last year in office; and

19 (2) the portion calculated pursuant to  
20 Paragraph (2) of Subsection A of Section 10-12C-9 NMSA 1978  
21 shall not exceed eighty-five percent of one-sixtieth of the  
22 greatest aggregate amount of salary received for sixty  
23 consecutive, but not necessarily continuous, months prior to  
24 the member leaving office.

25 B. The amount of pension under form of payment A

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1 calculated pursuant to Subsection B of Section 10-12C-9 NMSA  
2 1978 shall not exceed eighty-five percent of one-sixtieth of  
3 the greatest aggregate amount of salary received for sixty  
4 consecutive, but not necessarily continuous, months prior to  
5 the member leaving office."

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

8 "10-12C-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

9 A. On and after July 1, 2014, members, while in  
10 office, shall contribute [~~the following amounts~~] ten and one-  
11 half percent of salary to the member contribution fund.

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

14 [~~(2) on and after July 1, 2006, seven and one-~~  
15 ~~half percent of salary, except that for members whose annual~~  
16 ~~salary is greater than twenty thousand dollars (\$20,000):~~

17 [~~(a) from July 1, 2009 through June 30,~~  
18 ~~2011, the member contribution rate shall be nine percent of~~  
19 ~~salary;~~

20 [~~(b) from July 1, 2011 through June 30,~~  
21 ~~2012, the member contribution rate shall be ten and three-~~  
22 ~~fourths percent of salary; and~~

23 [~~(c) from July 1, 2012 through June 30,~~  
24 ~~2013, the member contribution rate shall be nine percent of~~  
25 ~~salary]~~

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

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1           SECTION 9. Section 10-12C-11 NMSA 1978 (being Laws 1992,  
2 Chapter 118, Section 11, as amended) is amended to read:

3           "10-12C-11. EMPLOYER CONTRIBUTIONS.--

4           A. The state, through the administrative office of  
5 the courts, shall contribute [~~the following amounts~~] to the  
6 fund fifteen percent of salary for each member in office.

7                       ~~[(1) through June 30, 2006, ten percent of~~  
8 ~~salary for each member in office; and~~

9                       ~~(2) on and after July 1, 2006, eleven percent~~  
10 ~~of salary for each member in office, except that for members~~  
11 ~~whose annual salary is greater than twenty thousand dollars~~  
12 ~~(\$20,000):~~

13                               ~~(a) from July 1, 2009 through June 30,~~  
14 ~~2011, the state contribution rate shall be nine and one-half~~  
15 ~~percent of salary for each member in office;~~

16                               ~~(b) from July 1, 2011 through June 30,~~  
17 ~~2012, the state contribution rate shall be seven and three-~~  
18 ~~fourths percent of salary for each member in office; and~~

19                               ~~(c) from July 1, 2012 through June 30,~~  
20 ~~2013, the state contribution rate shall be nine and one-half~~  
21 ~~percent of salary for each member in office]~~

22           B. Twenty-five dollars (\$25.00) from each civil  
23 case docket fee paid in magistrate court and ten dollars  
24 (\$10.00) from each civil jury fee paid in magistrate court  
25 shall be paid by the court clerk to the employer's accumulation

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1 fund."

2 SECTION 10. Section 10-12C-12 NMSA 1978 (being Laws 1992,  
3 Chapter 118, Section 12) is amended to read:

4 "10-12C-12. DISABILITY RETIREMENT PENSION.--

5 A. A magistrate with [~~five~~] the applicable minimum  
6 number of years [~~or more~~] of service credit accrued pursuant to  
7 the provisions of the Magistrate Retirement Act who becomes  
8 unable to carry out the duties of that office due to physical  
9 or mental disability shall, upon determination of the  
10 disability and relinquishment of office, receive a pension from  
11 the fund so long as the disability continues. Determination of  
12 disability shall be made by the board in accordance with the  
13 provisions of the Public Employees Retirement Act and rules  
14 promulgated [~~thereunder~~] pursuant to that act.

15 B. The amount of the pension shall be calculated  
16 using the formula for normal retirement set out in Section [~~9~~  
17 ~~of the Magistrate Retirement Act~~] 10-12C-9 NMSA 1978.

18 C. The [~~five-year~~] applicable service credit  
19 requirement shall be waived if the board finds the disability  
20 to have been the natural and proximate result of causes arising  
21 solely and exclusively out of and in the course of the member's  
22 performance of duty as a magistrate, and the amount of pension  
23 shall be computed as if the member had [~~five~~] the applicable  
24 minimum number of years of service credit as a magistrate."

25 SECTION 11. Section 10-12C-13 NMSA 1978 (being Laws 1992,

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1 Chapter 118, Section 13) is amended to read:

2 "10-12C-13. ~~[SURVIVOR'S PENSION]~~ ELECTION OF FORM OF  
3 PENSION PAYMENT.--

4 ~~[A. Unless a member has designated a survivor~~  
5 ~~beneficiary in accordance with Subsection B of this section, a~~  
6 ~~survivor pension shall be paid for life to a member's or~~  
7 ~~retired member's surviving spouse.~~

8 ~~B. A member may designate, in writing in a form~~  
9 ~~prescribed by the association, a survivor beneficiary to~~  
10 ~~receive the survivor's pension described in this section. If~~  
11 ~~the member is married, a designation of survivor beneficiary~~  
12 ~~other than the member's spouse may only be made with the~~  
13 ~~written consent of the member's spouse. Marriage subsequent to~~  
14 ~~a designation of survivor beneficiary shall automatically~~  
15 ~~revoke the designation of survivor beneficiary. A designation~~  
16 ~~of survivor beneficiary made pursuant to a court order issued~~  
17 ~~under Section 7 of the Magistrate Retirement Act shall not~~  
18 ~~require the consent of the member's spouse, if any, and shall~~  
19 ~~not be revoked by the subsequent remarriage of the member. A~~  
20 ~~designation of survivor beneficiary may be revoked by the~~  
21 ~~member at any time prior to the member's retirement. If the~~  
22 ~~member is married, a revocation of designation of survivor~~  
23 ~~beneficiary may only be made with the written consent of the~~  
24 ~~member's spouse.~~

25 ~~C. If there is no surviving spouse and no~~

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1 ~~designated survivor beneficiary or if the surviving spouse dies~~  
2 ~~while there are still minor and dependent children of the~~  
3 ~~member, the survivor's pension shall be paid to all minor and~~  
4 ~~dependent children, if any, of the member, in equal shares, so~~  
5 ~~long as each child remains a minor or dependent child. As each~~  
6 ~~child ceases to be a minor or dependent child, the number of~~  
7 ~~shares shall be reduced and the amount payable to each~~  
8 ~~remaining child increased proportionately so that the total~~  
9 ~~survivor's pension remains unchanged as long as there is any~~  
10 ~~such child.~~

11 ~~D. The survivor's pension is equal to seventy-five~~  
12 ~~percent of the member's pension.~~

13 ~~E. Survivor beneficiaries shall be eligible for~~  
14 ~~other benefits provided pursuant to the provisions of the~~  
15 ~~Magistrate Retirement Act, including cost-of-living adjustments~~  
16 ~~and continuation of group insurance benefits.~~

17 ~~F. If a member dies while receiving a disability~~  
18 ~~retirement pension, the survivor beneficiary shall receive the~~  
19 ~~survivor pension provided pursuant to the provisions of the~~  
20 ~~Magistrate Retirement Act.]~~

21 A. Except as otherwise provided in Section 10-12C-7  
22 NMSA 1978, a member may elect to have pension payments made  
23 under any one of the forms of payment provided in Section  
24 10-12C-13.1 NMSA 1978. The election of form of payment and  
25 naming of survivor pension beneficiary shall be made on a form

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1 furnished by and filed with the association prior to the date  
2 the first pension payment is made. An election of form of  
3 payment may not be changed after the date the first pension  
4 payment is made. If the member is married, the association  
5 shall obtain the consent of the member's spouse to the election  
6 of the form of payment and any designation of survivor pension  
7 beneficiary before the election or designation is effective.  
8 Except as provided in Subsection C, D or E of this section, a  
9 named survivor pension beneficiary may not be changed after the  
10 date the first pension payment is made if form of payment B or  
11 C is elected. Except as otherwise provided in Section 10-12C-7  
12 NMSA 1978, payment shall be made:

13 (1) under form of payment A if the member is  
14 not married at the time of retirement and if there is not a  
15 timely election of another form of payment; or

16 (2) under form of payment C with the member's  
17 spouse as survivor pension beneficiary if the member is married  
18 at the time of retirement and there is not a timely election of  
19 another form of payment.

20 B. The amount of pension under forms of payment B,  
21 C and D shall have the same actuarial present value, computed  
22 as of the effective date of the pension, as the amount of  
23 pension under form of payment A.

24 C. A retired member who is being paid a pension  
25 under form of payment B or C with the member's spouse as the

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1 designated survivor pension beneficiary may, upon becoming  
2 divorced from the named spouse and subject to an order of a  
3 court as provided for in Section 10-12C-7 NMSA 1978, elect to  
4 have future payments made under form of payment A.

5 D. A retired member who was previously being paid a  
6 pension under form of payment B or C but, because of the death  
7 of the designated survivor pension beneficiary, is currently  
8 receiving a pension under form of payment A may exercise a one-  
9 time irrevocable option to designate another individual as the  
10 survivor pension beneficiary and may select either form of  
11 payment B or form of payment C; provided that:

12 (1) the amount of the pension under the form  
13 of payment selected shall be recalculated and have the same  
14 actuarial present value, computed on the effective date of the  
15 designation, as the amount of pension under form of payment A;

16 (2) the designation and the amount of the  
17 pension shall be subject to a court order as provided for in  
18 Section 10-12C-7 NMSA 1978; and

19 (3) the retired member shall pay one hundred  
20 dollars (\$100) to the board to defray the cost of determining  
21 the new pension amount.

22 E. A retired member who is being paid a pension  
23 under form of payment B or C with a living designated survivor  
24 pension beneficiary other than the retired member's spouse or  
25 former spouse may exercise a one-time irrevocable option to

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1 deselect the designated beneficiary and elect to:

2 (1) designate another survivor pension  
3 beneficiary; provided that:

4 (a) the retired member shall not have an  
5 option to change from the current form of payment;

6 (b) the amount of the pension under the  
7 form of payment shall be recalculated and shall have the same  
8 actuarial present value, computed as of the effective date of  
9 the designation, as the amount of pension under form of payment  
10 A; and

11 (c) the retired member shall pay one  
12 hundred dollars (\$100) to the board to defray the cost of  
13 determining the new pension amount; or

14 (2) have future payments made under form of  
15 payment A."

16 SECTION 12. A new section of the Magistrate Retirement  
17 Act, Section 10-12C-13.1 NMSA 1978, is enacted to read:

18 "10-12C-13.1. [NEW MATERIAL] FORM OF PENSION PAYMENT.--

19 A. Straight life pension is form of payment A. The  
20 retired member is paid the pension for life under form of  
21 payment A. All payments stop upon the death of the retired  
22 member, except as provided by Subsection E of this section.  
23 The amount of pension is determined in accordance with the  
24 coverage plan applicable to the retired member.

25 B. Life payments with full continuation to one

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1 survivor beneficiary is form of payment B. The retired member  
2 is paid a reduced pension for life under form of payment B.  
3 When the retired member dies, the designated survivor  
4 beneficiary is paid the full amount of the reduced pension  
5 until death. If the designated survivor beneficiary  
6 predeceases the retired member, the amount of pension shall be  
7 changed to the amount that would have been payable had the  
8 retired member elected form of payment A.

9 C. Life payment with one-half continuation to one  
10 survivor beneficiary is form of payment C. The retired member  
11 is paid a reduced pension for life under form of payment C.  
12 When the retired member dies, the designated survivor  
13 beneficiary is paid one-half the amount of the reduced pension  
14 until death. If the designated survivor beneficiary  
15 predeceases the retired member, the amount of pension shall be  
16 changed to the amount that would have been payable had the  
17 retired member elected form of payment A.

18 D. Life payments with temporary survivor benefits  
19 for children is form of payment D. The retired member is paid  
20 a reduced pension for life under form of payment D. When the  
21 retired member dies, each declared eligible child is paid a  
22 share of the reduced pension until death or age twenty-five  
23 years, whichever occurs first. The share is the share  
24 specified in writing and filed with the association by the  
25 retired member. If shares are not specified in writing and

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1 filed with the association, each declared eligible child is  
2 paid an equal share of the reduced pension. A redetermination  
3 of shares shall be made when the pension of any child  
4 terminates. An eligible child is a natural or adopted child of  
5 the retired member who is under age twenty-five years. A  
6 declared eligible child is an eligible child whose name has  
7 been declared in writing and filed with the association by the  
8 retired member at the time of election of form of payment D.  
9 The amount of pension shall be changed to the amount of pension  
10 that would have been payable had the retired member elected  
11 form of payment A upon there ceasing to be a declared eligible  
12 child during the lifetime of the retired member.

13 E. If all pension payments permanently terminate  
14 before there is paid an aggregate amount equal to the retired  
15 member's accumulated member contributions at the time of  
16 retirement, the difference between the amount of accumulated  
17 member contributions and the aggregate amount of pension paid  
18 shall be paid to the retired member's refund beneficiary. If  
19 no refund beneficiary survives the retired member, the  
20 difference shall be paid to the estate of the retired member."

21 SECTION 13. A new section of the Magistrate Retirement  
22 Act, Section 10-12C-13.2 NMSA 1978, is enacted to read:

23 "10-12C-13.2. [NEW MATERIAL] DEATH BEFORE RETIREMENT--  
24 SURVIVOR PENSION.--

25 A. A survivor pension may be paid to certain

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1 persons related to or designated by a member who dies before  
2 normal or disability retirement if a written application for  
3 the pension, in the form prescribed by the association, is  
4 filed with the association by the potential survivor  
5 beneficiary or beneficiaries within one year of the death of  
6 the member. Applications may be filed on behalf of the  
7 potential survivor beneficiary or beneficiaries or by a person  
8 legally authorized to represent them.

9 B. If there is no designated survivor beneficiary  
10 and the board finds the death to have been the natural and  
11 proximate result of causes arising solely and exclusively out  
12 of and in the course of the member's performance of duty while  
13 in office, a survivor pension shall be payable to the eligible  
14 surviving spouse. The amount of the survivor pension shall be  
15 the greater of:

16 (1) the amount as calculated pursuant to the  
17 Magistrate Retirement Act and applicable to the deceased member  
18 at the time of death as though the deceased member had retired  
19 the day preceding death under form of payment B using the  
20 actual amount of service credit attributable to the deceased  
21 member at the time of death; or

22 (2) fifty percent of the deceased member's  
23 final average salary.

24 C. A survivor pension shall also be payable to  
25 eligible surviving children if there is no designated survivor

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1 beneficiary and the board finds the death to have been the  
2 natural and proximate result of causes arising solely and  
3 exclusively out of and in the course of the member's  
4 performance of duty while in office. The total amount of  
5 survivor pension payable for all eligible surviving children  
6 shall be either:

7 (1) fifty percent of the deceased member's  
8 final average salary if an eligible surviving spouse is not  
9 paid a pension; or

10 (2) twenty-five percent of the deceased  
11 member's final average salary if an eligible surviving spouse  
12 is paid a pension.

13 The total amount of survivor pension shall be divided  
14 equally among all eligible surviving children. If there is  
15 only one eligible child, the amount of pension shall be  
16 twenty-five percent of the deceased member's final average  
17 salary.

18 D. If the member had the applicable minimum number  
19 of years of service credit required for normal retirement but  
20 the board did not find the death to have been the natural and  
21 proximate result of causes arising solely and exclusively out  
22 of and in the course of the member's performance of duty while  
23 in office and there is no designated survivor beneficiary, a  
24 survivor pension shall be payable to the eligible surviving  
25 spouse. The amount of the survivor pension shall be the

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1 greater of:

2 (1) the amount as calculated under the  
3 coverage plan applicable to the deceased member at the time of  
4 death as though the deceased member had retired the day  
5 preceding death under form of payment B using the total amount  
6 of actual service credit attributable to the deceased member at  
7 the time of death; or

8 (2) thirty percent of the deceased member's  
9 final average salary.

10 E. If the member had the applicable minimum number  
11 of years of service credit required for normal retirement but  
12 the board did not find the death to have been the natural and  
13 proximate result of causes arising solely and exclusively out  
14 of and in the course of the member's performance of duty while  
15 in office and there is no designated survivor beneficiary, and  
16 if there is no eligible surviving spouse at the time of death,  
17 a survivor pension shall be payable to and divided equally  
18 among all eligible surviving children, if any. The total  
19 amount of survivor pension payable for all eligible surviving  
20 children shall be the greater of:

21 (1) the amount as calculated under the  
22 coverage plan applicable to the deceased member at the time of  
23 death as though the deceased member had retired the day  
24 preceding death under form of payment B with the oldest  
25 eligible surviving child as the survivor beneficiary using the

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1 total amount of actual service credit attributable to the  
2 deceased member at the time of death; or

3 (2) thirty percent of the deceased member's  
4 final average salary.

5 F. An eligible surviving spouse is the spouse to  
6 whom the deceased member was married at the time of death. An  
7 eligible surviving child is a child under the age of eighteen  
8 years and who is an unmarried, natural or adopted child of the  
9 deceased member.

10 G. An eligible surviving spouse's pension shall  
11 terminate upon death. An eligible surviving child's pension  
12 shall terminate upon death or marriage or reaching age eighteen  
13 years, whichever comes first.

14 H. If there is no designated survivor beneficiary  
15 and there is no eligible surviving child, the eligible  
16 surviving spouse may elect to be refunded the deceased member's  
17 accumulated member contributions instead of receiving a  
18 survivor pension.

19 I. A member may designate a survivor beneficiary to  
20 receive a pre-retirement survivor pension, subject to the  
21 following conditions:

22 (1) a written designation, in the form  
23 prescribed by the association, is filed by the member with the  
24 association;

25 (2) if the member is married at the time of

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1 designation, the designation shall only be made with the  
2 consent of the member's spouse, in the form prescribed by the  
3 association;

4 (3) if the member is married subsequent to the  
5 time of designation, any prior designations shall automatically  
6 be revoked upon the date of the marriage;

7 (4) if the member is divorced subsequent to  
8 the time of designation, any prior designation of the former  
9 spouse as survivor beneficiary shall automatically be revoked  
10 upon the date of divorce; and

11 (5) a designation of survivor beneficiary may  
12 be changed, with the member's spouse's consent if the member is  
13 married, by the member at any time prior to the member's death.

14 J. If there is a designated survivor beneficiary  
15 and the board finds the death to have been the natural and  
16 proximate result of causes arising solely and exclusively out  
17 of and in the course of the member's performance of duty while  
18 in office, a survivor pension shall be payable to the  
19 designated survivor beneficiary. The amount of the survivor  
20 pension shall be the greater of:

21 (1) the amount as calculated under the  
22 coverage plan applicable to the deceased member at the time of  
23 death as though the deceased member had retired the day  
24 preceding death under form of payment B using the actual amount  
25 of service credit attributable to the member at the time of

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1 death; or

2 (2) fifty percent of the deceased member's  
3 final average salary.

4 K. If there is a designated survivor beneficiary,  
5 if the member had the applicable minimum number of years of  
6 service credit required for normal retirement and if the board  
7 did not find the death to have been the natural and proximate  
8 result of causes arising solely and exclusively out of and in  
9 the course of the member's performance of duty while in office,  
10 a survivor pension shall be payable to the designated survivor  
11 beneficiary. The amount of the survivor pension shall be the  
12 greater of:

13 (1) the amount as calculated under the  
14 coverage plan applicable to the deceased member at the time of  
15 death as though the deceased member had retired the day  
16 preceding death under form of payment B using the actual amount  
17 of service credit attributable to the member at the time of  
18 death; or

19 (2) thirty percent of the deceased member's  
20 final average salary.

21 L. If all pension payments permanently terminate  
22 before there is paid an aggregate amount equal to the deceased  
23 member's accumulated member contributions at time of death, the  
24 difference between the amount of accumulated member  
25 contributions and the aggregate amount of pension paid shall be

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1 paid to the deceased member's refund beneficiary. If no refund  
2 beneficiary survives the survivor beneficiary, the difference  
3 shall be paid to the estate of the deceased member.

4 M. For purposes of this section, "service credit"  
5 means only the service credit earned by a member during periods  
6 in office as a magistrate."

7 SECTION 14. Section 10-12C-14 NMSA 1978 (being Laws 1992,  
8 Chapter 118, Section 14) is amended to read:

9 "10-12C-14. COST-OF-LIVING ADJUSTMENT.--A [~~yearly~~]  
10 qualified pension recipient is eligible for a cost-of-living  
11 adjustment [~~shall be made to each pension~~] payable pursuant to  
12 the provisions of the Magistrate Retirement Act [~~as provided in~~  
13 ~~the Public Employees Retirement Act~~] as follows:

14 A. beginning July 1, 2014 and continuing through  
15 June 30, 2016, there shall not be a cost-of-living adjustment  
16 applied to a pension payable pursuant to the Magistrate  
17 Retirement Act; and

18 B. beginning on May 1, 2016 and no later than each  
19 May 1 thereafter:

20 (1) the board shall certify to the association  
21 the actuarial funded ratio of the fund as of June 30 of the  
22 preceding calendar year;

23 (2) if, pursuant to Paragraph (1) of this  
24 subsection, the certified funded ratio is greater than or equal  
25 to one hundred percent, the board shall next certify the

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1 projected funded ratio of the fund on July 1 of the next  
2 succeeding calendar year if, effective July 1 of the current  
3 calendar year, a cost-of-living increase of two percent is  
4 applied to all payable pensions; and

5 (3) on each July 1 following the board's  
6 certification of the funded ratio, the cost-of-living  
7 adjustment, if any, applied to a pension payable pursuant to  
8 the Magistrate Retirement Act shall be determined as follows:

9 (a) if, pursuant to Paragraph (1) of  
10 this subsection, the funded ratio of the fund is greater than  
11 or equal to one hundred percent, and if, pursuant to Paragraph  
12 (2) of this subsection, the projected funded ratio is greater  
13 than or equal to one hundred percent, the amount of pension  
14 payable beginning July 1 of the next fiscal year shall be  
15 increased two percent. The amount of the increase shall be  
16 determined by multiplying the amount of the pension inclusive  
17 of all prior adjustments by two percent; and

18 (b) if the funded ratio of the fund, as  
19 certified pursuant to Paragraph (1) or (2) of this subsection,  
20 is less than one hundred percent, the amount of pension payable  
21 shall not include a cost-of-living increase; provided, however,  
22 that, if, pursuant to the provisions of this subparagraph, the  
23 cost-of-living adjustment is suspended for the two consecutive  
24 fiscal years immediately prior to the most recent certification  
25 by the board of the funded ratio: 1) the amount of pension

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1 payable in the fiscal year immediately following the two-year  
2 suspension shall be increased two percent regardless of the  
3 certified funded ratio; and 2) thereafter, if, pursuant to the  
4 provisions of Paragraph (1) of this subsection, the certified  
5 funded ratio is less than one hundred percent, the provisions  
6 of this subsection shall apply without exception in the next  
7 succeeding fiscal year."

8 SECTION 15. A new section of the Magistrate Retirement  
9 Act, Section 10-12C-14.1 NMSA 1978, is enacted to read:

10 "10-12C-14.1. [NEW MATERIAL] QUALIFIED PENSION  
11 RECIPIENT--COST-OF-LIVING ADJUSTMENT WAIT PERIOD--DECLINING  
12 INCREASE.--

13 A. Pursuant to the Magistrate Retirement Act, a  
14 qualified pension recipient is a:

15 (1) normal retired member who retires:

16 (a) on or before June 30, 2014 and has  
17 been retired for at least two full calendar years from the  
18 effective date of the latest retirement prior to July 1 of the  
19 year in which the pension is being adjusted;

20 (b) between July 1, 2014 and June 30,  
21 2015 and has been retired for at least three full calendar  
22 years from the effective date of the latest retirement prior to  
23 July 1 of the year in which the pension is being adjusted;

24 (c) between July 1, 2015 and June 30,  
25 2016 and has been retired for at least four full calendar years

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1 from the effective date of the latest retirement prior to July  
2 1 of the year in which the pension is being adjusted; or

3 (d) on or after July 1, 2016 and has  
4 been retired for at least seven full calendar years from the  
5 effective date of the latest retirement prior to July 1 of the  
6 year in which the pension is being adjusted;

7 (2) normal retired member who is at least  
8 sixty-five years of age and has been retired for at least one  
9 full calendar year from the effective date of the latest  
10 retirement prior to July 1 of the year in which the pension is  
11 being adjusted;

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

16 (4) survivor beneficiary who has received a  
17 survivor pension for at least two full calendar years; or

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

23 B. A qualified pension recipient may decline an  
24 increase in a pension by giving the association written notice  
25 of the decision to decline the increase at least thirty days

.195242.4

underscoring material = new  
~~[bracketed material] = delete~~

1 prior to the date the increase would take effect."

2 SECTION 16. APPROPRIATION.--One million dollars  
3 (\$1,000,000) is appropriated from the general fund to the  
4 magistrate retirement fund for expenditure in fiscal year 2015  
5 and subsequent fiscal years to improve the funded ratio of the  
6 magistrate retirement fund. Any unexpended or unencumbered  
7 balance remaining at the end of a fiscal year shall not revert  
8 to the general fund.

9 SECTION 17. SEVERABILITY.--If any part or application of  
10 this act is held invalid, the remainder or its application to  
11 other situations or persons shall not be affected.

12 SECTION 18. EFFECTIVE DATE.--The effective date of the  
13 provisions of this act is July 1, 2014.