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SENATE BILL 529

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

Clemente Sanchez

AN ACT

RELATING TO PENSIONS; AUTHORIZING THE PUBLIC EMPLOYEES
RETIREMENT BOARD TO DETERMINE AND ASSESS THE COSTS ATTRIBUTABLE
TO ACTION TAKEN OR PROPOSED BY AN AFFILIATED PUBLIC EMPLOYER IF
THE ACTION IS LIKELY TO CREATE AN ACTUARIAL LIABILITY TO FUNDS
ADMINISTERED UNDER THE PUBLIC EMPLOYEES RETIREMENT ACT IN AN
AMOUNT EQUAL TO OR GREATER THAN ONE MILLION DOLLARS
(\$1,000,000); PROVIDING FOR PAYMENTS, FEES AND INTEREST
ENFORCEABLE BY THE RETIREMENT BOARD.

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

SECTION 1. A new section of the Public Employees
Retirement Act is enacted to read:

"[NEW MATERIAL] RETIREMENT BOARD AUTHORIZED TO DETERMINE
COSTS OF BENEFIT CHANGES--EMPLOYER PAYS FOR ACTUARIAL STUDY--
EMPLOYER PAYS ACTUARIAL COSTS OF ACTION TAKEN--ENFORCEMENT.--

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

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1 A. The association is authorized to contract with
2 its actuaries for a study to determine the full actuarial
3 present value attributable to action taken or proposed by an
4 affiliated public employer if the action, as determined by the
5 association, is likely to create an actuarial liability to
6 funds administered under the Public Employees Retirement Act in
7 an amount equal to or greater than one million dollars
8 (\$1,000,000). The association has the sole power and
9 discretion to determine whether a study is required. If the
10 action taken or proposed by an affiliated public employer is
11 determined to create an actuarial liability to funds
12 administered under the Public Employees Retirement Act in an
13 amount equal to or greater than one million dollars
14 (\$1,000,000), the cost of the study shall be paid in full by
15 the applicable affiliated public employer. Payment shall be
16 remitted to the association in a time and manner prescribed by
17 rules promulgated by the retirement board.

18 B. Action taken or proposed by an affiliated public
19 employer as provided in Subsection A of this section includes
20 actions applicable to any or all members of a member coverage
21 plan administered pursuant to the Public Employees Retirement
22 Act and includes any action that exceeds the actuarial
23 assumptions adopted by the retirement board.

24 C. If an affiliated public employer takes action
25 that is determined by a study authorized pursuant to this

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

1 section to create an actuarial liability to funds administered
2 under the Public Employees Retirement Act in an amount equal to
3 or greater than one million dollars (\$1,000,000), the
4 affiliated public employer shall provide written acknowledgment
5 of the liability and shall pay in full or contract to pay to
6 the association an amount equal to the full actuarial present
7 value attributable to the action taken by the affiliated public
8 employer. Payments made pursuant to a contract between the
9 employer and the association shall be paid in equal monthly
10 installments not to exceed a period of twenty-four consecutive
11 and continuous months and pursuant to rules promulgated by the
12 retirement board. Failure by an affiliated public employer to
13 pay the full actuarial present value as provided in this
14 section shall result in a late fee and interest assessed in a
15 manner and amount prescribed pursuant to rules promulgated by
16 the retirement board.

17 D. The retirement board, through the attorney
18 general or other legal counsel, may bring such action as deemed
19 necessary and proper for the enforcement of the provisions of
20 this section."

21 **SECTION 2. APPLICABILITY.**--The provisions of this act
22 apply to policies adopted, contracts executed and actions taken
23 by an affiliated public employer that affect the public
24 employees retirement association actuarial valuation for fiscal
25 year 2015 or subsequent fiscal years.

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