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SENATE BILL 600

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

Pete Campos

AN ACT

RELATING TO PUBLIC EMPLOYEES; AMENDING AND ENACTING SECTIONS OF
THE PUBLIC EMPLOYEES RETIREMENT ACT TO ALLOW SPECIAL HOSPITAL
DISTRICTS THE OPTION OF BEING CONSIDERED PUBLIC EMPLOYERS;
MAKING AN APPROPRIATION.

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

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

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

A. "accumulated member contributions" means the
amounts deducted from the salary of a member and credited to
the member's individual account, together with interest, if
any, credited to that account;

B. "affiliated public employer" means the state and

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1 any public employer affiliated with the association as provided
2 in the Public Employees Retirement Act, but does not include an
3 employer pursuant to the Magistrate Retirement Act, the
4 Judicial Retirement Act or the Educational Retirement Act;

5 C. "association" means the public employees
6 retirement association established under the Public Employees
7 Retirement Act;

8 D. "disability retired member" means a retired
9 member who is receiving a pension pursuant to the disability
10 retirement provisions of the Public Employees Retirement Act;

11 E. "disability retirement pension" means the
12 pension paid pursuant to the disability retirement provisions
13 of the Public Employees Retirement Act;

14 F. "educational retirement system" means that
15 retirement system provided for in the Educational Retirement
16 Act;

17 G. "employee" means any employee of an affiliated
18 public employer;

19 H. "federal social security program" means that
20 program or those programs created and administered pursuant to
21 the act of congress approved August 14, 1935, Chapter 531, 49
22 Stat. 620, as that act may be amended;

23 I. "final average salary" means the final average
24 salary calculated in accordance with the provisions of the
25 applicable coverage plan;

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1 J. "form of payment" means the applicable form of
2 payment of a pension provided for in Section 10-11-117 NMSA
3 1978;

4 K. "former member" means a person who was
5 previously employed by an affiliated public employer, who has
6 terminated that employment and who has received a refund of
7 member contributions;

8 L. "fund" means the funds included under the Public
9 Employees Retirement Act;

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

16 (1) "adult correctional officer member" means
17 a member who is employed as an adult correctional officer or an
18 adult correctional officer specialist by a state correctional
19 facility of the corrections department or its successor agency;

20 (2) "juvenile correctional officer member"
21 means a member who is employed as a juvenile correctional
22 officer by the children, youth and families department or its
23 successor agency;

24 (3) "municipal detention officer member" means
25 a member who is employed by an affiliated public employer other

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1 than the state and who has inmate custodial responsibilities at
2 a facility used for the confinement of persons charged with or
3 convicted of a violation of a law or ordinance;

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

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

12 (6) "state police member" means a member who
13 is an officer of the New Mexico state police and who has taken
14 the oath prescribed for such officers, except that a state
15 police member shall not include a member who is an officer of
16 the New Mexico state police division and who was certified and
17 commissioned as of June 30, 2015 in the former motor
18 transportation division or the former special investigations
19 division of the department of public safety;

20 N. "membership" means membership in the
21 association;

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

25 P. "public employer" means the state, any

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1 municipality, city, county, metropolitan arroyo flood control
2 authority, economic development district, special hospital
3 district that opts to participate in the state system for
4 public employee retirement, regional housing authority, soil
5 and water conservation district, entity created pursuant to a
6 joint powers agreement, council of government, conservancy
7 district, irrigation district, water and sanitation district,
8 water district and metropolitan water board, including the
9 boards, departments, bureaus and agencies of a public employer,
10 so long as these entities fall within the meaning of
11 governmental plan as that term is used in Section 414(d) of the
12 Internal Revenue Code of 1986, as amended;

13 Q. "refund beneficiary" means a person designated
14 by the member, in writing, in the form prescribed by the
15 association, as the person who would be refunded the member's
16 accumulated member contributions payable if the member dies and
17 no survivor pension is payable or who would receive the
18 difference between pension paid and accumulated member
19 contributions if the retired member dies before receiving in
20 pension payments the amount of the accumulated member
21 contributions;

22 R. "retire" means to:

23 (1) terminate employment with all employers
24 covered by any state system or the educational retirement
25 system; and

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

3 S. "retired member" means a person who has met all
4 requirements for retirement and who is receiving a pension from
5 the fund;

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

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

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1 V. "state system" means the retirement programs
2 provided for in the Public Employees Retirement Act, the
3 Magistrate Retirement Act and the Judicial Retirement Act;

4 W. "state retirement system acts" means
5 collectively the Public Employees Retirement Act, the
6 Magistrate Retirement Act, the Judicial Retirement Act and the
7 Volunteer Firefighters Retirement Act; and

8 X. "survivor beneficiary" means a person who
9 receives a pension or who has been designated to be paid a
10 pension as a result of the death of a member or retired
11 member."

12 **SECTION 2.** A new section of the Public Employees
13 Retirement Act is enacted to read:

14 "[NEW MATERIAL] SPECIAL HOSPITAL DISTRICT--OPTING INTO
15 PUBLIC EMPLOYEE RETIREMENT COVERAGE.--Upon approval by the
16 special hospital district's board of trustees, a special
17 hospital district may elect to participate in the state system
18 for public employee retirement pursuant to the Public Employees
19 Retirement Act."

20 **SECTION 3.** APPROPRIATION.--Fifty thousand dollars
21 (\$50,000) is appropriated from the general fund to the public
22 employees retirement association for expenditure in fiscal year
23 2020 to cover the administrative costs related to the
24 classification of special hospital district employees as public
25 employees pursuant to the Public Employees Retirement Act, in

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1 accordance with the provisions of Section 1 of this act. Any
2 unexpended or unencumbered balance remaining at the end of
3 fiscal year 2020 shall revert to the general fund.

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