

HOUSE BILL 45

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

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This document incorporates amendments that have been adopted during the current legislative session. The document is a tool to show the amendments in context and is not to be used for the purpose of amendments.

ENDORSED BY THE INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

AN ACT

RELATING TO RETIREE HEALTH CARE; INCREASING EMPLOYEE AND EMPLOYER CONTRIBUTION RATES TO THE RETIREE HEALTH CARE FUND
HAFC→; ~~TRANSFERRING MONEY TO THE RETIREE HEALTH CARE FUND;~~
~~MAKING AN APPROPRIATION.~~←HAFC HAFC→.←HAFC

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:

.216154.2SAAIC February 8, 2020 (1:10pm)

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

A. Following completion of the preliminary contribution period, each participating employer shall make contributions to the fund pursuant to the following provisions:

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

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

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

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

~~(d)] two and thirty-three hundredths percent of each participating employee's salary [~~beginning July 1, 2012~~];~~

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

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

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

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

~~(d)] two and [one-half] ninety-three hundredths percent of each participating employee's salary [beginning July 1, 2012]; and~~

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

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

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

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

~~(b) eight hundred thirty-three thousandths of one percent of the employee's salary for the~~

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~~period from July 1, 2010 through June 30, 2011;~~

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

~~(d)] one and seventeen-hundredths percent
of the employee's salary [beginning July 1, 2012];~~

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

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

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

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

~~(d)] one and [one-fourth] forty-seven
hundredths percent of the employee's salary [beginning July 1,
2012]; and~~

(3) as a condition of employment, each
participating employee of an employer that chooses to become a
participating employer after January 1, 1998 shall contribute
to the fund an amount that is determined to be appropriate by

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the board. Each month, participating employers shall deduct the contribution from the participating employee's salary and shall remit it to the board as provided by any procedures that the board may require.

C. [~~On or after July 1, 2009~~] No person who has obtained service credit pursuant to Subsection B of Section 10-11-6 NMSA 1978, Section 10-11-7 NMSA 1978 or Paragraph (3) or (4) of Subsection A of Section 22-11-34 NMSA 1978 may enroll with the authority unless the person makes a contribution to the fund equal to the full actuarial present value of the amount of the increase in the person's health care benefit, as determined by the authority.

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

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

F. Except in the case of erroneously made

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

G. Notwithstanding any other provision in the Retiree Health Care Act and at the first session of the legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section ~~[7-1-6.1]~~ 7-1-6.30 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

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

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

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

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

(c) municipal fire member coverage plan

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3, 4 or 5; or

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

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

H AFC → ~~SECTION 2. TRANSFER. -- Twelve million three hundred eighty-four thousand two hundred ninety-six dollars (\$12,384,296) is transferred from the general fund to the retiree health care fund to restore a portion of the losses to the retiree health care fund resulting from previous changes to the distributions received from the tax administration suspense fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.~~ ← H AFC

SECTION H AFC → 3 ← H AFC H AFC → 2 ← H AFC. EFFECTIVE DATE. -- The effective date of the provisions of this act is July 1, 2020.

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