

HOUSE BILL 277

55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

INTRODUCED BY

Jason C. Harper

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO PUBLIC EMPLOYEE RETIREMENT; PROVIDING ADDITIONAL OPTIONS TO CHANGE THE SURVIVOR BENEFICIARY FOR RETIRED MEMBERS WHO HAVE DESIGNATED A SPOUSE AS A SURVIVOR BENEFICIARY.

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

SECTION 1. Section 10-11-116 NMSA 1978 (being Laws 1987, Chapter 253, Section 116, as amended) is amended to read:

"10-11-116. ELECTION OF FORM OF PAYMENT OF A PENSION.--

.219448.1AIC February 19, 2021 (7:00pm)

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A. Except as otherwise provided in Section 10-11-136 NMSA 1978, a member may elect to have pension payments made under any one of the forms of payment provided in Section 10-11-117 NMSA 1978. The election of form of payment and naming of survivor ~~[pension]~~ beneficiary shall be made on a form furnished by and filed with the association prior to the date the first pension payment is made. An election of form of payment may not be changed after the date the first pension payment is made. If the member is married, the association shall obtain the consent of the member's spouse to the election of the form of payment and any designation of survivor ~~[pension]~~ beneficiary before the election or designation is effective. Except as provided in Subsection C, D or E of this section, a named survivor ~~[pension]~~ beneficiary may not be changed after the date the first pension payment is made if form of payment B or C is elected. Except as otherwise provided in Section 10-11-136 NMSA 1978, payment shall be made:

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

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

B. The amount of pension under forms of payment B,

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C and D shall have the same actuarial present value, computed as of the effective date of the pension, as the amount of pension under form of payment A.

C. A retired member who is being paid a pension under form of payment B or C with the member's spouse as the designated survivor [pension] beneficiary may:

(1) exercise a one-time irrevocable option to designate another individual as the survivor beneficiary
HLVMC→and may select either form of payment B or form of payment C←HLVMC ; provided that:

HLVMC→~~(a) the retired member shall not have an option to change from the current form of payment;~~←HLVMC

HLVMC→(b)←HLVMC HLVMC→(a)←HLVMC the amount of the pension under the form of payment selected shall be recalculated and have the same actuarial present value, computed on the effective date of the designation, as the amount of pension under form of payment A;

HLVMC→(c)←HLVMC HLVMC→(b)←HLVMC the member's spouse provides a notarized, written statement expressing the spouse's consent to relinquish the designation as a survivor beneficiary; and

HLVMC→(d)←HLVMC HLVMC→(c)←HLVMC the retired member shall pay one hundred dollars (\$100) to the retirement board to defray the cost of determining the new

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pension amount;

(2) upon becoming divorced from the named spouse and subject to an order of a court as provided for in Section 10-11-136 NMSA 1978, elect to have future payments made under form of payment A; or

(3) upon becoming divorced from the named spouse, exercise a one-time irrevocable option to designate another individual as the survivor beneficiary HLVMC→and may select either form of payment B or form of payment C←HLVMC ; provided that:

HLVMC→~~(a) the retired member shall not have an option to change from the current form of payment;~~←HLVMC

HLVMC→(b)←HLVMC HLVMC→(a)←HLVMC the amount of the pension under the form of payment selected shall be recalculated and have the same actuarial present value, computed on the effective date of the designation, as the amount of pension under form of payment A;

HLVMC→(c)←HLVMC HLVMC→(b)←HLVMC the designation and the amount of the pension shall be subject to a court order as provided for in Section 10-11-136 NMSA 1978; and

HLVMC→(d)←HLVMC HLVMC→(c)←HLVMC the retired member shall pay one hundred dollars (\$100) to the retirement board to defray the cost of determining the new pension amount.

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D. A retired member who was previously being paid a pension under form of payment B or C but, because of the death of HLVMC→or divorce from←HLVMC the designated survivor [pension] beneficiary, is currently receiving a pension under form of payment A may exercise a one-time irrevocable option to designate another individual as the survivor [pension] beneficiary and may select either form of payment B or form of payment C; provided that:

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

(2) the designation and the amount of the pension shall be subject to a court order as provided for in Section 10-11-136 NMSA 1978; and

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

E. A retired member who is being paid a pension under form of payment B or C with a living designated survivor [pension] beneficiary other than the retired member's spouse or former spouse may exercise a one-time irrevocable option to deselect the designated beneficiary and elect to:

(1) designate another survivor [pension] beneficiary HLVMC→and may select either form of payment B or

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form of payment C ← HLVMC , provided that:

HLVMC → (a) ← the retired member shall not
have an option to change from the current form of
payment; ← HLVMC

HLVMC → (b) ← HLVMC HLVMC → (a) ← HLVMC the
amount of the pension under the form of payment shall be
recalculated and shall have the same actuarial present value,
computed as of the effective date of the designation, as the
amount of pension under form of payment A; and

HLVMC → (c) ← HLVMC HLVMC → (b) ← HLVMC the
retired member shall pay one hundred dollars (\$100) to the
retirement board to defray the cost of determining the new
pension amount; or

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

SECTION 2. EFFECTIVE DATE.--The effective date of the
provisions of this act is July 1, 2021.