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HOUSE BILL 65

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

INTRODUCED BY

William "Bill" R. Rehm

AN ACT

RELATING TO PUBLIC RETIREMENT; INCREASING CERTAIN EMPLOYEE CONTRIBUTION RATES; ADJUSTING THE CALCULATION TO DETERMINE MAXIMUM PENSION BENEFITS; CHANGING COST-OF-LIVING ADJUSTMENT PROVISIONS.

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

**SECTION 1.** Section 10-11-26.3 NMSA 1978 (being Laws 1994, Chapter 128, Section 4, as amended) is amended to read:

"10-11-26.3. STATE GENERAL MEMBER COVERAGE PLAN 3--AMOUNT OF PENSION--FORM OF PAYMENT A.--Under state general member coverage plan 3:

A. for a member with age and service requirements provided under Paragraph (1) or (3) of Subsection A of Section 10-11-26.2 NMSA 1978, the amount of pension under form of payment A is equal to three percent of final average salary

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1 multiplied by service credit [~~The amount shall not exceed~~  
2 ~~ninety percent of the final average salary~~]; provided that the  
3 final average salary shall be multiplied by one percent for  
4 that portion of service credit that would increase the amount  
5 of pension in excess of ninety percent of the final average  
6 salary if the final average salary was otherwise multiplied by  
7 three percent; and

8 B. for a member with age and service requirements  
9 provided under Paragraph (2) of Subsection A of Section  
10 10-11-26.2 NMSA 1978, the amount of pension under form of  
11 payment A is equal to two and one-half percent of the final  
12 average salary multiplied by service credit [~~The amount shall~~  
13 ~~not exceed ninety percent of the final average salary~~];  
14 provided that the final average salary shall be multiplied by  
15 one percent for that portion of service credit that would  
16 increase the amount of pension in excess of ninety percent of  
17 the final average salary if the final average salary was  
18 otherwise multiplied by two and one-half percent."

19 SECTION 2. Section 10-11-26.5 NMSA 1978 (being Laws 1994,  
20 Chapter 128, Section 6, as amended) is amended to read:

21 "10-11-26.5. STATE GENERAL MEMBER COVERAGE PLAN 3--MEMBER  
22 CONTRIBUTION RATE.--A member under state general member  
23 coverage plan 3 shall contribute seven and forty-two hundredths  
24 percent of salary starting with the first full pay period that  
25 ends within the calendar month in which state general member

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1 coverage plan 3 becomes applicable to the member, except that a  
2 member whose annual salary is greater than twenty-five thousand  
3 dollars (\$25,000) shall contribute:

4 A. beginning July 1, 2020 and continuing through  
5 June 30, 2021, nine and forty-two hundredths percent of salary;

6 B. beginning July 1, 2021 and continuing through  
7 June 30, 2022, nine and ninety-two hundredths percent of  
8 salary;

9 C. beginning July 1, 2022 and continuing through  
10 June 30, 2023, ten and forty-two hundredths percent of salary;  
11 [~~and~~]

12 D. beginning July 1, 2023 and [~~thereafter, ten and~~  
13 ~~ninety-two hundredths percent of salary~~] continuing through  
14 June 30, 2024, ten and ninety-two hundredths percent of salary;

15 E. beginning July 1, 2024 and continuing through  
16 June 30, 2025, twelve and forty-two hundredths percent of  
17 salary;

18 F. beginning July 1, 2025 and continuing through  
19 June 30, 2026, thirteen and ninety-two hundredths percent of  
20 salary;

21 G. beginning July 1, 2026 and continuing through  
22 June 30, 2027, fifteen and forty-two hundredths percent of  
23 salary;

24 H. beginning July 1, 2027 and continuing through  
25 June 30, 2028, sixteen and ninety-two hundredths percent of

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1 salary;

2 I. beginning July 1, 2028 and continuing through  
3 June 30, 2029, eighteen and forty-two hundredths percent of  
4 salary; and

5 J. beginning July 1, 2029 and thereafter, nineteen  
6 and forty-two hundredths percent of salary."

7 SECTION 3. Section 10-11-29 NMSA 1978 (being Laws 1987,  
8 Chapter 253, Section 29, as amended) is amended to read:

9 "10-11-29. STATE POLICE MEMBER, CORRECTIONAL OFFICER  
10 MEMBER AND PROBATION AND PAROLE OFFICER MEMBER COVERAGE PLAN  
11 1--AMOUNT OF PENSION--FORM OF PAYMENT A.--Under state police  
12 member, correctional officer member and probation and parole  
13 officer member coverage plan 1, the amount of pension under  
14 form of payment A is equal to three percent of final average  
15 salary multiplied by credited service [~~The amount shall not~~  
16 ~~exceed ninety percent of the final average salary~~]; provided  
17 that the final average salary shall be multiplied by one and  
18 one-half percent for that portion of service credit that would  
19 increase the amount of pension in excess of ninety percent of  
20 the final average salary if the final average salary was  
21 otherwise multiplied by three percent."

22 SECTION 4. Section 10-11-38.3 NMSA 1978 (being Laws 1994,  
23 Chapter 128, Section 11, as amended) is amended to read:

24 "10-11-38.3. JUVENILE CORRECTIONAL OFFICER MEMBER  
25 COVERAGE PLAN 2--AMOUNT OF PENSION--FORM OF PAYMENT A.--Under

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1 juvenile correctional officer member coverage plan 2, the  
2 amount of pension under form of payment A is equal to three  
3 percent of final average salary multiplied by service credit  
4 ~~[The amount shall not exceed ninety percent of the final~~  
5 ~~average salary];~~ provided that the final average salary shall  
6 be multiplied by one and one-half percent for that portion of  
7 service credit that would increase the amount of pension in  
8 excess of ninety percent of the final average salary if the  
9 final average salary was otherwise multiplied by three  
10 percent."

11 SECTION 5. Section 10-11-38.5 NMSA 1978 (being Laws 1994,  
12 Chapter 128, Section 13, as amended) is amended to read:

13 "10-11-38.5. JUVENILE CORRECTIONAL OFFICER MEMBER  
14 COVERAGE PLAN 2--MEMBER CONTRIBUTION RATE.--A member under  
15 juvenile correctional officer member coverage plan 2 shall  
16 contribute four and seventy-eight hundredths percent of salary  
17 starting with the first full pay period that ends within the  
18 calendar month in which juvenile correctional officer member  
19 coverage plan 2 becomes applicable to the member, except that a  
20 member whose annual salary is greater than twenty-five thousand  
21 dollars (\$25,000) shall contribute:

22 A. beginning July 1, 2020 and continuing through  
23 June 30, 2021, six and seventy-eight hundredths percent of  
24 salary;

25 B. beginning July 1, 2021 and continuing through

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1 June 30, 2022, seven and twenty-eight hundredths percent of  
2 salary;

3 C. beginning July 1, 2022 and continuing through  
4 June 30, 2023, seven and seventy-eight hundredths percent of  
5 salary; ~~and~~

6 D. beginning July 1, 2023 and ~~[thereafter, eight~~  
7 ~~and twenty-eight hundredths percent of salary]~~ continuing  
8 through June 30, 2024, eight and twenty-eight hundredths  
9 percent of salary;

10 E. beginning July 1, 2024 and continuing through  
11 June 30, 2025, nine and seventy-eight hundredths percent of  
12 salary;

13 F. beginning July 1, 2025 and continuing through  
14 June 30, 2026, eleven and twenty-eight hundredths percent of  
15 salary;

16 G. beginning July 1, 2026 and continuing through  
17 June 30, 2027, twelve and seventy-eight hundredths percent of  
18 salary;

19 H. beginning July 1, 2027 and continuing through  
20 June 30, 2028, fourteen and twenty-eight hundredths percent of  
21 salary;

22 I. beginning July 1, 2028 and continuing through  
23 June 30, 2029, fifteen and seventy-eight hundredths percent of  
24 salary; and

25 J. beginning July 1, 2029 and thereafter, sixteen

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1 and seventy-eight hundredths percent of salary."

2 SECTION 6. Section 10-11-46 NMSA 1978 (being Laws 1987,  
3 Chapter 253, Section 46, as amended) is amended to read:

4 "10-11-46. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 1--  
5 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal general  
6 member coverage plan 1, the amount of pension under form of  
7 payment A is equal to two percent of the final average salary  
8 multiplied by credited service [~~The amount shall not exceed~~  
9 ~~ninety percent of the final average salary~~]; provided that the  
10 final average salary shall be multiplied by one percent for  
11 that portion of service credit that would increase the amount  
12 of pension in excess of ninety percent of the final average  
13 salary if the final average salary was otherwise multiplied by  
14 two percent."

15 SECTION 7. Section 10-11-48 NMSA 1978 (being Laws 1987,  
16 Chapter 253, Section 48, as amended) is amended to read:

17 "10-11-48. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 1--  
18 MEMBER CONTRIBUTION RATE.--A member under municipal general  
19 member coverage plan 1 shall contribute seven percent of salary  
20 starting with the first full pay period in the calendar month  
21 in which municipal general member coverage plan 1 becomes  
22 applicable to the member, except that a member whose annual  
23 salary is greater than twenty-five thousand dollars (\$25,000)  
24 shall contribute:

25 A. prior to July 1, 2022, eight and one-half

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1 percent of salary;

2 B. beginning July 1, 2022 and continuing through  
3 June 30, 2023, nine percent of salary;

4 C. beginning July 1, 2023 and continuing through  
5 June 30, 2024, nine and one-half percent of salary;

6 D. beginning July 1, 2024 and continuing through  
7 June 30, 2025, ten percent of salary; ~~and~~

8 E. beginning July 1, 2025 and ~~[thereafter, ten and~~  
9 ~~one-half percent of salary]~~ continuing through June 30, 2026,  
10 ten and one-half percent of salary;

11 F. beginning July 1, 2026 and continuing through  
12 June 30, 2027, twelve percent of salary;

13 G. beginning July 1, 2027 and continuing through  
14 June 30, 2028, thirteen and one-half percent of salary;

15 H. beginning July 1, 2028 and continuing through  
16 June 30, 2029, fifteen percent of salary;

17 I. beginning July 1, 2029 and continuing through  
18 June 30, 2030, seventeen and one-half percent of salary; and

19 J. beginning July 1, 2030 and thereafter, eighteen  
20 and one-half percent of salary."

21 SECTION 8. Section 10-11-52 NMSA 1978 (being Laws 1987,  
22 Chapter 253, Section 52, as amended) is amended to read:

23 "10-11-52. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 2--  
24 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal general  
25 member coverage plan 2:

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1           A. for a member with age and service requirements  
2 provided in Subsection A of Section 10-11-51 NMSA 1978, the  
3 amount of pension under form of payment A is equal to two and  
4 one-half percent of the final average salary multiplied by  
5 credited service [~~The amount shall not exceed ninety percent of~~  
6 ~~the final average salary~~]; provided that the final average  
7 salary shall be multiplied by one percent for that portion of  
8 service credit that would increase the amount of pension in  
9 excess of ninety percent of the final average salary if the  
10 final average salary was otherwise multiplied by two and one-  
11 half percent; and

12           B. for a member with age and service requirements  
13 provided in Subsection B of Section 10-11-51 NMSA 1978, the  
14 amount of pension under form of payment A is equal to two  
15 percent of the final average salary multiplied by service  
16 credit [~~The amount shall not exceed ninety percent of the final~~  
17 ~~average salary~~]; provided that the final average salary shall  
18 be multiplied by one percent for that portion of service credit  
19 that would increase the amount of pension in excess of ninety  
20 percent of the final average salary if the final average salary  
21 was otherwise multiplied by two percent."

22           SECTION 9. Section 10-11-54 NMSA 1978 (being Laws 1987,  
23 Chapter 253, Section 54, as amended) is amended to read:

24           "10-11-54. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 2--  
25 MEMBER CONTRIBUTION RATE.--A member under municipal general

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1 member coverage plan 2 shall contribute nine and fifteen-  
2 hundredths percent of salary starting with the first full pay  
3 period in the calendar month in which municipal general member  
4 coverage plan 2 becomes applicable to the member, except that a  
5 member whose annual salary is greater than twenty-five thousand  
6 dollars (\$25,000) shall contribute:

7 A. prior to July 1, 2022, ten and sixty-five  
8 hundredths percent of salary;

9 B. beginning July 1, 2022 and continuing through  
10 June 30, 2023, eleven and fifteen-hundredths percent of salary;

11 C. beginning July 1, 2023 and continuing through  
12 June 30, 2024, eleven and sixty-five hundredths percent of  
13 salary;

14 D. beginning July 1, 2024 and continuing through  
15 June 30, 2025, twelve and fifteen-hundredths percent of salary;

16 [~~and~~]

17 E. beginning July 1, 2025 and [~~thereafter, twelve~~  
18 ~~and sixty-five hundredths percent of salary~~] continuing through  
19 June 30, 2026, twelve and sixty-five hundredths percent of  
20 salary;

21 F. beginning July 1, 2026 and continuing through  
22 June 30, 2027, fourteen and fifteen-hundredths percent of  
23 salary;

24 G. beginning July 1, 2027 and continuing through  
25 June 30, 2028, fifteen and sixty-five hundredths percent of

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1 salary;

2 H. beginning July 1, 2028 and continuing through  
3 June 30, 2029, seventeen and fifteen-hundredths percent of  
4 salary;

5 I. beginning July 1, 2029 and continuing through  
6 June 30, 2030, eighteen and sixty-five hundredths percent of  
7 salary;

8 J. beginning July 1, 2030 and continuing through  
9 June 30, 2031, nineteen and sixty-five hundredths percent of  
10 salary; and

11 K. beginning July 1, 2031 and thereafter, twenty  
12 and sixty-five hundredths percent of salary."

13 SECTION 10. Section 10-11-55.3 NMSA 1978 (being Laws  
14 1993, Chapter 58, Section 3, as amended) is amended to read:

15 "10-11-55.3. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 3--  
16 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal general  
17 member coverage plan 3:

18 A. for a member with age and service requirements  
19 provided under Subsection A of Section 10-11-55.2 NMSA 1978,  
20 the amount of pension under form of payment A is equal to three  
21 percent of the final average salary multiplied by credited  
22 service [~~The amount shall not exceed ninety percent of the~~  
23 ~~final average salary~~]; provided that the final average salary  
24 shall be multiplied by one percent for that portion of service  
25 credit that would increase the amount of pension in excess of

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1 ninety percent of the final average salary if the final average  
2 salary was otherwise multiplied by three percent; and

3 B. for a member with age and service requirements  
4 provided under Subsection B of Section 10-11-55.2 NMSA 1978,  
5 the amount of pension under form of payment A is equal to two  
6 and one-half percent of the final average salary multiplied by  
7 credited service [~~The amount shall not exceed ninety percent of~~  
8 ~~the final average salary~~]; provided that the final average  
9 salary shall be multiplied by one percent for that portion of  
10 service credit that would increase the amount of pension in  
11 excess of ninety percent of the final average salary if the  
12 final average salary was otherwise multiplied by two and one-  
13 half percent."

14 SECTION 11. Section 10-11-55.5 NMSA 1978 (being Laws  
15 1993, Chapter 58, Section 5, as amended) is amended to read:

16 "10-11-55.5. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 3--  
17 MEMBER CONTRIBUTION RATE.--A member under municipal general  
18 member coverage plan 3 shall contribute thirteen and fifteen-  
19 hundredths percent of salary starting with the first full pay  
20 period in the calendar month in which municipal general member  
21 coverage plan 3 becomes applicable to the member, except that a  
22 member whose annual salary is greater than twenty-five thousand  
23 dollars (\$25,000) shall contribute:

24 A. prior to July 1, 2022, fourteen and sixty-five  
25 hundredths percent of salary;

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1           B. beginning July 1, 2022 and continuing through  
2 June 30, 2023, fifteen and fifteen-hundredths percent of  
3 salary;

4           C. beginning July 1, 2023 and continuing through  
5 June 30, 2024, fifteen and sixty-five hundredths percent of  
6 salary;

7           D. beginning July 1, 2024 and continuing through  
8 June 30, 2025, sixteen and fifteen-hundredths percent of  
9 salary; ~~and~~

10           E. beginning July 1, 2025 and ~~[thereafter, sixteen~~  
11 ~~and sixty-five hundredths percent of salary]~~ continuing through  
12 June 30, 2026, sixteen and sixty-five hundredths percent of  
13 salary;

14           F. beginning July 1, 2026 and continuing through  
15 June 30, 2027, eighteen and fifteen-hundredths percent of  
16 salary;

17           G. beginning July 1, 2027 and continuing through  
18 June 30, 2028, nineteen and sixty-five hundredths percent of  
19 salary;

20           H. beginning July 1, 2028 and continuing through  
21 June 30, 2029, twenty-one and fifteen-hundredths percent of  
22 salary;

23           I. beginning July 1, 2029 and continuing through  
24 June 30, 2030, twenty-two and sixty-five hundredths percent of  
25 salary;

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1           J. beginning July 1, 2030 and continuing through  
2           June 30, 2031, twenty-three and sixty-five hundredths percent  
3           of salary; and

4           K. beginning July 1, 2031 and thereafter, twenty-  
5           four and sixty-five hundredths percent of salary."

6           SECTION 12. Section 10-11-55.9 NMSA 1978 (being Laws  
7           1998, Chapter 106, Section 3, as amended) is amended to read:

8           "10-11-55.9. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 4--  
9           AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal general  
10          member coverage plan 4:

11           A. for a member with age and service requirements  
12          provided under Subsection A of Section 10-11-55.8 NMSA 1978,  
13          the amount of pension under form of payment A is equal to three  
14          percent of the final average salary multiplied by credited  
15          service [~~The amount shall not exceed ninety percent of the~~  
16          ~~final average salary~~]; provided that the final average salary  
17          shall be multiplied by one percent for that portion of service  
18          credit that would increase the amount of pension in excess of  
19          ninety percent of the final average salary if the final average  
20          salary was otherwise multiplied by three percent; and

21           B. for a member with age and service requirements  
22          provided under Subsection B of Section 10-11-55.8 NMSA 1978,  
23          the amount of pension under form of payment A is equal to two  
24          and one-half percent of the final average salary multiplied by  
25          credited service [~~The amount shall not exceed ninety percent of~~

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1 ~~the final average salary~~]; provided that the final average  
2 salary shall be multiplied by one percent for that portion of  
3 service credit that would increase the amount of pension in  
4 excess of ninety percent of the final average salary if the  
5 final average salary was otherwise multiplied by two and one-  
6 half percent."

7 SECTION 13. Section 10-11-55.11 NMSA 1978 (being Laws  
8 1998, Chapter 106, Section 5, as amended) is amended to read:

9 "10-11-55.11. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 4--  
10 MEMBER CONTRIBUTION RATE.--A member under municipal general  
11 member coverage plan 4 shall contribute fifteen and sixty-five  
12 hundredths percent of salary starting with the first full pay  
13 period in the calendar month in which municipal general member  
14 coverage plan 4 becomes applicable to the member, except that a  
15 member whose annual salary is greater than twenty-five thousand  
16 dollars (\$25,000) shall contribute:

17 A. prior to July 1, 2022, seventeen and [~~fifteen~~  
18 ~~hundredths~~] fifteen-hundredths percent of salary;

19 B. beginning July 1, 2022 and continuing through  
20 June 30, 2023, seventeen and sixty-five hundredths percent of  
21 salary;

22 C. beginning July 1, 2023 and continuing through  
23 June 30, 2024, eighteen and [~~fifteen hundredths~~] fifteen-  
24 hundredths percent of salary;

25 D. beginning July 1, 2024 and continuing through

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1 June 30, 2025, eighteen and sixty-five hundredths percent of  
2 salary; ~~and~~

3 E. beginning July 1, 2025 and ~~[thereafter, nineteen~~  
4 ~~and fifteen hundredths percent of salary]~~ continuing through  
5 June 30, 2026, nineteen and fifteen-hundredths percent of  
6 salary;

7 F. beginning July 1, 2026 and continuing through  
8 June 30, 2027, twenty and sixty-five hundredths percent of  
9 salary;

10 G. beginning July 1, 2027 and continuing through  
11 June 30, 2028, twenty-two and fifteen-hundredths percent of  
12 salary;

13 H. beginning July 1, 2028 and continuing through  
14 June 30, 2029, twenty-three and sixty-five hundredths percent  
15 of salary;

16 I. beginning July 1, 2029 and continuing through  
17 June 30, 2030, twenty-five and fifteen-hundredths percent of  
18 salary;

19 J. beginning July 1, 2030 and continuing through  
20 June 30, 2031, twenty-six and fifteen-hundredths percent of  
21 salary; and

22 K. beginning July 1, 2031 and thereafter, twenty-  
23 seven and fifteen-hundredths percent of salary."

24 SECTION 14. Section 10-11-58 NMSA 1978 (being Laws 1987,  
25 Chapter 253, Section 58, as amended) is amended to read:

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1           "10-11-58. MUNICIPAL POLICE MEMBER COVERAGE PLAN 1--  
2 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal police  
3 member coverage plan 1, the amount of pension under form of  
4 payment A is equal to two percent of the final average salary  
5 multiplied by credited service [~~The amount shall not exceed~~  
6 ~~ninety percent of the final average salary~~]; provided that the  
7 final average salary shall be multiplied by one and one-half  
8 percent for that portion of service credit that would increase  
9 the amount of pension in excess of ninety percent of the final  
10 average salary if the final average salary was otherwise  
11 multiplied by two percent."

12           SECTION 15. Section 10-11-60 NMSA 1978 (being Laws 1987,  
13 Chapter 253, Section 60, as amended) is amended to read:

14           "10-11-60. MUNICIPAL POLICE MEMBER COVERAGE PLAN 1--  
15 MEMBER CONTRIBUTION RATE.--A member under municipal police  
16 member coverage plan 1 shall contribute seven percent of salary  
17 starting with the first full pay period in the calendar month  
18 in which municipal police member coverage plan 1 becomes  
19 applicable to the member, except that a member whose annual  
20 salary is greater than twenty-five thousand dollars (\$25,000)  
21 shall contribute:

22           A. prior to July 1, 2022, eight and one-half  
23 percent of salary;

24           B. beginning July 1, 2022 and continuing through  
25 June 30, 2023, nine percent of salary;

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1 C. beginning July 1, 2023 and continuing through  
2 June 30, 2024, nine and one-half percent of salary;

3 D. beginning July 1, 2024 and continuing through  
4 June 30, 2025, ten percent of salary; [~~and~~]

5 E. beginning July 1, 2025 and [~~thereafter, ten and~~  
6 ~~one-half percent of salary~~] continuing through June 30, 2026,  
7 ten and one-half percent of salary;

8 F. beginning July 1, 2026 and continuing through  
9 June 30, 2027, eleven and one-half percent of salary;

10 G. beginning July 1, 2027 and continuing through  
11 June 30, 2028, twelve and one-half percent of salary;

12 H. beginning July 1, 2028 and continuing through  
13 June 30, 2029, thirteen and one-half percent of salary; and

14 I. beginning July 1, 2029 and thereafter, fourteen  
15 and one-half percent of salary."

16 SECTION 16. Section 10-11-64 NMSA 1978 (being Laws 1987,  
17 Chapter 253, Section 64, as amended) is amended to read:

18 "10-11-64. MUNICIPAL POLICE MEMBER COVERAGE PLAN 2--  
19 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal police  
20 member coverage plan 2:

21 A. for a member with age and service requirements  
22 provided under Subsection A of Section 10-11-63 NMSA 1978, the  
23 amount of pension under form of payment A is equal to two and  
24 one-half percent of the final average salary multiplied by  
25 credited service [~~The amount shall not exceed ninety percent of~~

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1 ~~the final average salary~~]; provided that the final average  
2 salary shall be multiplied by one and one-half percent for that  
3 portion of service credit that would increase the amount of  
4 pension in excess of ninety percent of the final average salary  
5 if the final average salary was otherwise multiplied by two and  
6 one-half percent; and

7 B. for a member with age and service requirements  
8 provided under Subsection B of Section 10-11-63 NMSA 1978, the  
9 amount of pension under form of payment A is equal to two  
10 percent of the final average salary multiplied by credited  
11 service [~~The amount shall not exceed ninety percent of the~~  
12 ~~final average salary~~]; provided that the final average salary  
13 shall be multiplied by one and one-half percent for that  
14 portion of service credit that would increase the amount of  
15 pension in excess of ninety percent of the final average salary  
16 if the final average salary was otherwise multiplied by two  
17 percent."

18 SECTION 17. Section 10-11-66 NMSA 1978 (being Laws 1987,  
19 Chapter 253, Section 66, as amended) is amended to read:

20 "10-11-66. MUNICIPAL POLICE MEMBER COVERAGE PLAN 2--  
21 MEMBER CONTRIBUTION RATE.--A member under municipal police  
22 member coverage plan 2 shall contribute seven percent of salary  
23 with the first full pay period in the calendar month in which  
24 municipal police member coverage plan 2 becomes applicable to  
25 the member, except that a member whose annual salary is greater

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1 than twenty-five thousand dollars (\$25,000) shall contribute:

2 A. prior to July 1, 2022, eight and one-half  
3 percent of salary;

4 B. beginning July 1, 2022 and continuing through  
5 June 30, 2023, nine percent of salary;

6 C. beginning July 1, 2023 and continuing through  
7 June 30, 2024, nine and one-half percent of salary;

8 D. beginning July 1, 2024 and continuing through  
9 June 30, 2025, ten percent of salary; ~~and~~

10 E. beginning July 1, 2025 and ~~[thereafter, ten and~~  
11 ~~one-half percent of salary]~~ continuing through June 30, 2026,  
12 ten and one-half percent of salary;

13 F. beginning July 1, 2026 and continuing through  
14 June 30, 2027, eleven and one-half percent of salary;

15 G. beginning July 1, 2027 and continuing through  
16 June 30, 2028, twelve and one-half percent of salary;

17 H. beginning July 1, 2028 and continuing through  
18 June 30, 2029, thirteen and one-half percent of salary; and

19 I. beginning July 1, 2029 and thereafter, fourteen  
20 and one-half percent of salary."

21 SECTION 18. Section 10-11-70 NMSA 1978 (being Laws 1987,  
22 Chapter 253, Section 70, as amended) is amended to read:

23 "10-11-70. MUNICIPAL POLICE MEMBER COVERAGE PLAN 3--  
24 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal police  
25 member coverage plan 3:

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1           A. for a member with age and service requirements  
2 provided under Subsection A of Section 10-11-69 NMSA 1978, the  
3 amount of pension under form of payment A is equal to two and  
4 one-half percent of the final average salary multiplied by  
5 credited service [~~The amount shall not exceed ninety percent of~~  
6 ~~the final average salary~~]; provided that the final average  
7 salary shall be multiplied by one and one-half percent for that  
8 portion of service credit that would increase the amount of  
9 pension in excess of ninety percent of the final average salary  
10 if the final average salary was otherwise multiplied by two and  
11 one-half percent; and

12           B. for a member with age and service requirements  
13 provided under Subsection B of Section 10-11-69 NMSA 1978, the  
14 amount of pension under form of payment A is equal to two  
15 percent of the final average salary multiplied by credited  
16 service [~~The amount shall not exceed ninety percent of the~~  
17 ~~final average salary~~]; provided that the final average salary  
18 shall be multiplied by one and one-half percent for that  
19 portion of service credit that would increase the amount of  
20 pension in excess of ninety percent of the final average salary  
21 if the final average salary was otherwise multiplied by two  
22 percent."

23           SECTION 19. Section 10-11-72 NMSA 1978 (being Laws 1987,  
24 Chapter 253, Section 72, as amended) is amended to read:

25           "10-11-72. MUNICIPAL POLICE MEMBER COVERAGE PLAN 3--

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1 MEMBER CONTRIBUTION RATE.--A member under municipal police  
2 member coverage plan 3 shall contribute seven percent of salary  
3 with the first full pay period in the calendar month in which  
4 municipal police member coverage plan 3 becomes applicable to  
5 the member, except that a member whose annual salary is greater  
6 than twenty-five thousand dollars (\$25,000) shall contribute:

7 A. prior to July 1, 2022, eight and one-half  
8 percent of salary;

9 B. beginning July 1, 2022 and continuing through  
10 June 30, 2023, nine percent of salary;

11 C. beginning July 1, 2023 and continuing through  
12 June 30, 2024, nine and one-half percent of salary;

13 D. beginning July 1, 2024 and continuing through  
14 June 30, 2025, ten percent of salary; ~~and~~

15 E. beginning July 1, 2025 and ~~[thereafter, ten and~~  
16 ~~one-half percent of salary]~~ continuing through June 30, 2026,  
17 ten and one-half percent of salary;

18 F. beginning July 1, 2026 and continuing through  
19 June 30, 2027, eleven and one-half percent of salary;

20 G. beginning July 1, 2027 and continuing through  
21 June 30, 2028, twelve and one-half percent of salary;

22 H. beginning July 1, 2028 and continuing through  
23 June 30, 2029, thirteen and one-half percent of salary; and

24 I. beginning July 1, 2029 and thereafter, fourteen  
25 and one-half percent of salary."

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[bracketed material] = delete

1           SECTION 20. Section 10-11-76 NMSA 1978 (being Laws 1987,  
2 Chapter 253, Section 76, as amended) is amended to read:

3           "10-11-76. MUNICIPAL POLICE MEMBER COVERAGE PLAN 4--  
4 AMOUNT OF PENSION--FORM OF [PENSION] PAYMENT A.--Under  
5 municipal police member coverage plan 4:

6           A. for a member with age and service requirements  
7 provided under Subsection A of Section 10-11-75 NMSA 1978, the  
8 amount of pension under form of payment A is equal to three  
9 percent of the final average salary multiplied by credited  
10 service [~~The amount shall not exceed ninety percent of the~~  
11 ~~final average salary~~]; provided that the final average salary  
12 shall be multiplied by one and one-half percent for that  
13 portion of service credit that would increase the amount of  
14 pension in excess of ninety percent of the final average salary  
15 if the final average salary was otherwise multiplied by three  
16 percent; and

17           B. for a member with age and service requirements  
18 provided under Subsection B of Section 10-11-75 NMSA 1978, the  
19 amount of pension under form of payment A is equal to two and  
20 one-half percent of the final average salary multiplied by  
21 credited service [~~The amount shall not exceed ninety percent of~~  
22 ~~the final average salary~~]; provided that the final average  
23 salary shall be multiplied by one and one-half percent for that  
24 portion of service credit that would increase the amount of  
25 pension in excess of ninety percent of the final average salary

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1 if the final average salary was otherwise multiplied by two and  
2 one-half percent."

3 SECTION 21. Section 10-11-78 NMSA 1978 (being Laws 1987,  
4 Chapter 253, Section 78, as amended) is amended to read:

5 "10-11-78. MUNICIPAL POLICE MEMBER COVERAGE PLAN 4--  
6 MEMBER CONTRIBUTION RATE.--A member under municipal police  
7 member coverage plan 4 shall contribute twelve and thirty-five  
8 hundredths percent of salary starting with the first full pay  
9 period in the calendar month in which municipal police member  
10 coverage plan 4 becomes applicable to the member, except that a  
11 member whose annual salary is greater than twenty-five thousand  
12 dollars (\$25,000) shall contribute:

13 A. prior to July 1, 2022, thirteen and eighty-five  
14 hundredths percent of salary;

15 B. beginning July 1, 2022 and continuing through  
16 June 30, 2023, fourteen and thirty-five hundredths percent of  
17 salary;

18 C. beginning July 1, 2023 and continuing through  
19 June 30, 2024, fourteen and eighty-five hundredths percent of  
20 salary;

21 D. beginning July 1, 2024 and continuing through  
22 June 30, 2025, fifteen and thirty-five hundredths percent of  
23 salary; ~~and~~

24 E. beginning July 1, 2025 and ~~[thereafter, fifteen~~  
25 ~~and eighty-five hundredths percent of salary]~~ continuing

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1 through June 30, 2026, fifteen and eighty-five hundredths  
2 percent of salary;

3 F. beginning July 1, 2026 and continuing through  
4 June 30, 2027, sixteen and eighty-five hundredths percent of  
5 salary;

6 G. beginning July 1, 2027 and continuing through  
7 June 30, 2028, seventeen and eighty-five hundredths percent of  
8 salary;

9 H. beginning July 1, 2028 and continuing through  
10 June 30, 2029, eighteen and eighty-five hundredths percent of  
11 salary; and

12 I. beginning July 1, 2029 and thereafter, nineteen  
13 and eighty-five hundredths percent of salary."

14 SECTION 22. Section 10-11-82 NMSA 1978 (being Laws 1987,  
15 Chapter 253, Section 82, as amended) is amended to read:

16 "10-11-82. MUNICIPAL POLICE MEMBER COVERAGE PLAN 5--  
17 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal police  
18 member coverage plan 5:

19 A. for a member with age and service requirements  
20 provided under Subsection A of Section 10-11-81 NMSA 1978, the  
21 amount of pension under form of payment A is equal to three and  
22 one-half percent of the final average salary multiplied by  
23 credited service [~~The amount shall not exceed ninety percent of~~  
24 ~~the final average salary~~]; provided that the final average  
25 salary shall be multiplied by one and one-half percent for that

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1 portion of service credit that would increase the amount of  
2 pension in excess of ninety percent of the final average salary  
3 if the final average salary was otherwise multiplied by three  
4 and one-half percent; and

5 B. for a member with age and service requirements  
6 provided under Subsection B of Section 10-11-81 NMSA 1978, the  
7 amount of pension under form of payment A is equal to three  
8 percent of the final average salary multiplied by credited  
9 service [~~The amount shall not exceed ninety percent of the~~  
10 ~~final average salary~~]; provided that the final average salary  
11 shall be multiplied by one and one-half percent for that  
12 portion of service credit that would increase the amount of  
13 pension in excess of ninety percent of the final average salary  
14 if the final average salary was otherwise multiplied by three  
15 percent."

16 SECTION 23. Section 10-11-84 NMSA 1978 (being Laws 1987,  
17 Chapter 253, Section 84, as amended) is amended to read:

18 "10-11-84. MUNICIPAL POLICE MEMBER COVERAGE PLAN 5--  
19 MEMBER CONTRIBUTION RATE.--A member under municipal police  
20 member coverage plan 5 shall contribute sixteen and three-  
21 tenths percent of salary starting with the first full pay  
22 period in the calendar month in which municipal police member  
23 coverage plan 5 becomes applicable to the member, except that a  
24 member whose annual salary is greater than twenty-five thousand  
25 dollars (\$25,000) shall contribute:

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- 1           A. prior to July 1, 2022, seventeen and eight-  
2 tenths percent of salary;
- 3           B. beginning July 1, 2022 and continuing through  
4 June 30, 2023, eighteen and three-tenths percent of salary;
- 5           C. beginning July 1, 2023 and continuing through  
6 June 30, 2024, eighteen and eight-tenths percent of salary;
- 7           D. beginning July 1, 2024 and continuing through  
8 June 30, 2025, nineteen and three-tenths percent of salary;  
9 ~~and~~
- 10           E. beginning July 1, 2025 and ~~[thereafter, nineteen~~  
11 ~~and eight-tenths percent of salary]~~ continuing through June 30,  
12 2026, nineteen and eight-tenths percent of salary;
- 13           F. beginning July 1, 2026 and continuing through  
14 June 30, 2027, twenty and eight-tenths percent of salary;
- 15           G. beginning July 1, 2027 and continuing through  
16 June 30, 2028, twenty-one and eight-tenths percent of salary;
- 17           H. beginning July 1, 2028 and continuing through  
18 June 30, 2029, twenty-two and eight-tenths percent of salary;  
19 and
- 20           I. beginning July 1, 2029 and thereafter, twenty-  
21 three and eight-tenths percent of salary."

22           SECTION 24. Section 10-11-88 NMSA 1978 (being Laws 1987,  
23 Chapter 253, Section 88, as amended) is amended to read:

24           "10-11-88. MUNICIPAL FIRE MEMBER COVERAGE PLAN 1--AMOUNT  
25 OF PENSION--FORM OF PAYMENT A.--Under municipal fire member

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1 coverage plan 1, the amount of pension under form of payment A  
2 is equal to two percent of the final average salary multiplied  
3 by credited service [~~The amount shall not exceed ninety percent~~  
4 ~~of the final average salary~~]; provided that the final average  
5 salary shall be multiplied by one and one-half percent for that  
6 portion of service credit that would increase the amount of  
7 pension in excess of ninety percent of the final average salary  
8 if the final average salary was otherwise multiplied by two  
9 percent."

10 SECTION 25. Section 10-11-90 NMSA 1978 (being Laws 1987,  
11 Chapter 253, Section 90, as amended) is amended to read:

12 "10-11-90. MUNICIPAL FIRE MEMBER COVERAGE PLAN 1--MEMBER  
13 CONTRIBUTION RATE.--A member under municipal fire member  
14 coverage plan 1 shall contribute eight percent of salary with  
15 the first full pay period in the calendar month in which  
16 municipal fire member coverage plan 1 becomes applicable to the  
17 member, except that a member whose annual salary is greater  
18 than twenty-five thousand dollars (\$25,000) shall contribute:

19 A. prior to July 1, 2022, nine and one-half percent  
20 of salary;

21 B. beginning July 1, 2022 and continuing through  
22 June 30, 2023, ten percent of salary;

23 C. beginning July 1, 2023 and continuing through  
24 June 30, 2024, ten and one-half percent of salary;

25 D. beginning July 1, 2024 and continuing through

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1 June 30, 2025, eleven percent of salary; [~~and~~]

2 E. beginning July 1, 2025 and [~~thereafter, eleven~~  
3 ~~and one-half percent of salary~~] continuing through June 30,  
4 2026, eleven and one-half percent of salary;

5 F. beginning July 1, 2026 and continuing through  
6 June 30, 2027, thirteen percent of salary;

7 G. beginning July 1, 2027 and continuing through  
8 June 30, 2028, fourteen and one-half percent of salary;

9 H. beginning July 1, 2028 and continuing through  
10 June 30, 2029, sixteen percent of salary;

11 I. beginning July 1, 2029 and continuing through  
12 June 30, 2030, seventeen and one-half percent of salary;

13 J. beginning July 1, 2030 and continuing through  
14 June 30, 2031, nineteen percent of salary;

15 K. beginning July 1, 2031 and continuing through  
16 June 30, 2032, twenty and one-half percent of salary; and

17 L. beginning July 1, 2032 and thereafter, twenty-  
18 one and one-half percent of salary."

19 SECTION 26. Section 10-11-94 NMSA 1978 (being Laws 1987,  
20 Chapter 253, Section 94, as amended) is amended to read:

21 "10-11-94. MUNICIPAL FIRE MEMBER COVERAGE PLAN 2--AMOUNT  
22 OF PENSION--FORM OF PAYMENT A.--Under municipal fire member  
23 contribution plan 2:

24 A. for a member with age and service requirements  
25 provided under Subsection A of Section 10-11-93 NMSA 1978, the

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underscored material = new  
[bracketed material] = delete

1 amount of pension under form of payment A is equal to two and  
2 one-half percent of the final average salary multiplied by  
3 credited service [~~The amount shall not exceed ninety percent of~~  
4 ~~the final average salary~~]; provided that the final average  
5 salary shall be multiplied by one and one-half percent for that  
6 portion of service credit that would increase the amount of  
7 pension in excess of ninety percent of the final average salary  
8 if the final average salary was otherwise multiplied by two and  
9 one-half percent; and

10 B. for a member with age and service requirements  
11 provided under Subsection B of Section 10-11-93 NMSA 1978, the  
12 amount of pension under form of payment A is equal to two  
13 percent of the final average salary multiplied by credited  
14 service [~~The amount shall not exceed ninety percent of the~~  
15 ~~final average salary~~]; provided that the final average salary  
16 shall be multiplied by one and one-half percent for that  
17 portion of service credit that would increase the amount of  
18 pension in excess of ninety percent of the final average salary  
19 if the final average salary was otherwise multiplied by two  
20 percent."

21 SECTION 27. Section 10-11-96 NMSA 1978 (being Laws 1987,  
22 Chapter 253, Section 96, as amended) is amended to read:

23 "10-11-96. MUNICIPAL FIRE MEMBER COVERAGE PLAN 2--MEMBER  
24 CONTRIBUTION RATE.--A member under municipal fire member  
25 coverage plan 2 shall contribute eight percent of salary with

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1 the first full pay period in the calendar month in which  
2 municipal fire member coverage plan 2 becomes applicable to the  
3 member, except that a member whose annual salary is greater  
4 than twenty-five thousand dollars (\$25,000) shall contribute:

5 A. prior to July 1, 2022, nine and one-half percent  
6 of salary;

7 B. beginning July 1, 2022 and continuing through  
8 June 30, 2023, ten percent of salary;

9 C. beginning July 1, 2023 and continuing through  
10 June 30, 2024, ten and one-half percent of salary;

11 D. beginning July 1, 2024 and continuing through  
12 June 30, 2025, eleven percent of salary; ~~and~~

13 E. beginning July 1, 2025 and ~~[thereafter, eleven~~  
14 ~~and one-half percent of salary]~~ continuing through June 30,  
15 2026, eleven and one-half percent of salary;

16 F. beginning July 1, 2026 and continuing through  
17 June 30, 2027, thirteen percent of salary;

18 G. beginning July 1, 2027 and continuing through  
19 June 30, 2028, fourteen and one-half percent of salary;

20 H. beginning July 1, 2028 and continuing through  
21 June 30, 2029, sixteen percent of salary;

22 I. beginning July 1, 2029 and continuing through  
23 June 30, 2030, seventeen and one-half percent of salary;

24 J. beginning July 1, 2030 and continuing through  
25 June 30, 2031, nineteen percent of salary;

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1                   K. beginning July 1, 2031 and continuing through  
2 June 30, 2032, twenty and one-half percent of salary; and

3                   L. beginning July 1, 2032 and thereafter, twenty-  
4 one and one-half percent of salary."

5                   SECTION 28. Section 10-11-100 NMSA 1978 (being Laws 1987,  
6 Chapter 253, Section 100, as amended) is amended to read:

7                   "10-11-100. MUNICIPAL FIRE MEMBER COVERAGE PLAN 3--AMOUNT  
8 OF PENSION--FORM OF PAYMENT A.--Under municipal fire member  
9 coverage plan 3:

10                   A. for a member with age and service requirements  
11 provided under Subsection A of Section 10-11-99 NMSA 1978, the  
12 amount of pension under form of payment A is equal to two and  
13 one-half percent of the final average salary multiplied by  
14 credited service [~~The amount shall not exceed ninety percent of~~  
15 ~~the final average salary~~]; provided that the final average  
16 salary shall be multiplied by one and one-half percent for that  
17 portion of service credit that would increase the amount of  
18 pension in excess of ninety percent of the final average salary  
19 if the final average salary was otherwise multiplied by two and  
20 one-half percent; and

21                   B. for a member with age and service requirements  
22 provided under Subsection B of Section 10-11-99 NMSA 1978, the  
23 amount of pension under form of payment A is equal to two  
24 percent of the final average salary multiplied by credited  
25 service [~~The amount shall not exceed ninety percent of the~~



underscored material = new  
[bracketed material] = delete

1 ~~final average salary~~]; provided that the final average salary  
2 shall be multiplied by one and one-half percent for that  
3 portion of service credit that would increase the amount of  
4 pension in excess of ninety percent of the final average salary  
5 if the final average salary was otherwise multiplied by two  
6 percent."

7 SECTION 29. Section 10-11-102 NMSA 1978 (being Laws 1987,  
8 Chapter 253, Section 102, as amended) is amended to read:

9 "10-11-102. MUNICIPAL FIRE MEMBER COVERAGE PLAN 3--MEMBER  
10 CONTRIBUTION RATE.--A member under municipal fire member  
11 coverage plan 3 shall contribute eight percent of salary with  
12 the first full pay period in the calendar month in which  
13 municipal fire member coverage plan 3 becomes applicable to the  
14 member, except that a member whose annual salary is greater  
15 than twenty-five thousand dollars (\$25,000) shall contribute:

16 A. prior to July 1, 2022, nine and one-half percent  
17 of salary;

18 B. beginning July 1, 2022 and continuing through  
19 June 30, 2023, ten percent of salary;

20 C. beginning July 1, 2023 and continuing through  
21 June 30, 2024, ten and one-half percent of salary;

22 D. beginning July 1, 2024 and continuing through  
23 June 30, 2025, eleven percent of salary; ~~and~~

24 E. beginning July 1, 2025 and ~~[thereafter, eleven~~  
25 ~~and one-half percent of salary]~~ continuing through June 30,

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- 1 2026, eleven and one-half percent of salary;
- 2 F. beginning July 1, 2026 and continuing through
- 3 June 30, 2027, thirteen percent of salary;
- 4 G. beginning July 1, 2027 and continuing through
- 5 June 30, 2028, fourteen and one-half percent of salary;
- 6 H. beginning July 1, 2028 and continuing through
- 7 June 30, 2029, sixteen percent of salary;
- 8 I. beginning July 1, 2029 and continuing through
- 9 June 30, 2030, seventeen and one-half percent of salary;
- 10 J. beginning July 1, 2030 and continuing through
- 11 June 30, 2031, nineteen percent of salary;
- 12 K. beginning July 1, 2031 and continuing through
- 13 June 30, 2032, twenty and one-half percent of salary; and
- 14 L. beginning July 1, 2032 and thereafter, twenty-
- 15 one and one-half percent of salary."

16 SECTION 30. Section 10-11-106 NMSA 1978 (being Laws 1987,  
17 Chapter 253, Section 106, as amended) is amended to read:

18 "10-11-106. MUNICIPAL FIRE MEMBER COVERAGE PLAN 4--AMOUNT  
19 OF PENSION--FORM OF PAYMENT A.--Under municipal fire member  
20 coverage plan 4:

21 A. for a member with age and service requirements  
22 provided under Subsection A of Section 10-11-105 NMSA 1978, the  
23 amount of pension under form of payment A is equal to three  
24 percent of the final average salary multiplied by credited  
25 service [~~The amount shall not exceed ninety percent of the~~

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1 ~~final average salary~~]; provided that the final average salary  
2 shall be multiplied by one and one-half percent for that  
3 portion of service credit that would increase the amount of  
4 pension in excess of ninety percent of the final average salary  
5 if the final average salary was otherwise multiplied by three  
6 percent; and

7 B. for a member with age and service requirements  
8 provided under Subsection B of Section 10-11-105 NMSA 1978, the  
9 amount of pension under form of payment A is equal to two and  
10 one-half percent of the final average salary multiplied by  
11 credited service [~~The amount shall not exceed ninety percent of~~  
12 ~~the final average salary~~]; provided that the final average  
13 salary shall be multiplied by one and one-half percent for that  
14 portion of service credit that would increase the amount of  
15 pension in excess of ninety percent of the final average salary  
16 if the final average salary was otherwise multiplied by two and  
17 one-half percent."

18 SECTION 31. Section 10-11-108 NMSA 1978 (being Laws 1987,  
19 Chapter 253, Section 108, as amended) is amended to read:

20 "10-11-108. MUNICIPAL FIRE MEMBER COVERAGE PLAN 4--MEMBER  
21 CONTRIBUTION RATE.--A member under municipal fire member  
22 coverage plan 4 shall contribute twelve and eight-tenths  
23 percent of salary with the first full pay period in the  
24 calendar month in which municipal fire member coverage plan 4  
25 becomes applicable to the member, except that a member whose

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underscored material = new  
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1 annual salary is greater than twenty-five thousand dollars  
2 (\$25,000) shall contribute:

3 A. prior to July 1, 2022, fourteen and three-tenths  
4 percent of salary;

5 B. beginning July 1, 2022 and continuing through  
6 June 30, 2023, fourteen and eight-tenths percent of salary;

7 C. beginning July 1, 2023 and continuing through  
8 June 30, 2024, fifteen and three-tenths percent of salary;

9 D. beginning July 1, 2024 and continuing through  
10 June 30, 2025, fifteen and eight-tenths percent of salary;

11 [~~and~~]

12 E. beginning July 1, 2025 and [~~thereafter, sixteen~~  
13 ~~and three-tenths percent of salary~~] continuing through June 30,  
14 2026, sixteen and three-tenths percent of salary;

15 F. beginning July 1, 2026 and continuing through  
16 June 30, 2027, seventeen and eight-tenths percent of salary;

17 G. beginning July 1, 2027 and continuing through  
18 June 30, 2028, nineteen and three-tenths percent of salary;

19 H. beginning July 1, 2028 and continuing through  
20 June 30, 2029, twenty and eight-tenths percent of salary;

21 I. beginning July 1, 2029 and continuing through  
22 June 30, 2030, twenty-two and three-tenths percent of salary;

23 J. beginning July 1, 2030 and continuing through  
24 June 30, 2031, twenty-three and eight-tenths percent of salary;

25 K. beginning July 1, 2031 and continuing through

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1 June 30, 2032, twenty-four and eight-tenths percent of salary;  
2 and

3 L. beginning July 1, 2032 and thereafter, twenty-  
4 six and three-tenths percent of salary."

5 SECTION 32. Section 10-11-112 NMSA 1978 (being Laws 1987,  
6 Chapter 253, Section 112, as amended) is amended to read:

7 "10-11-112. MUNICIPAL FIRE MEMBER COVERAGE PLAN 5--AMOUNT  
8 OF PENSION--FORM OF PAYMENT A.--Under municipal fire member  
9 coverage plan 5:

10 A. for a member with age and service requirements  
11 provided under Subsection A of Section 10-11-111 NMSA 1978,  
12 the amount of pension under form of payment A is equal to three  
13 and one-half percent of the final average salary multiplied by  
14 credited service [~~The amount shall not exceed ninety percent of~~  
15 ~~the final average salary~~]; provided that the final average  
16 salary shall be multiplied by one and one-half percent for that  
17 portion of service credit that would increase the amount of  
18 pension in excess of ninety percent of the final average salary  
19 if the final average salary was otherwise multiplied by three  
20 and one-half percent; and

21 B. for a member with age and service requirements  
22 provided under Subsection B of Section 10-11-111 NMSA 1978, the  
23 amount of pension under form of payment A is equal to three  
24 percent of the final average salary multiplied by credited  
25 service [~~The amount shall not exceed ninety percent of the~~

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1 ~~final average salary~~]; provided that the final average salary  
2 shall be multiplied by one and one-half percent for that  
3 portion of service credit that would increase the amount of  
4 pension in excess of ninety percent of the final average salary  
5 if the final average salary was otherwise multiplied by three  
6 percent."

7 SECTION 33. Section 10-11-114 NMSA 1978 (being Laws 1987,  
8 Chapter 253, Section 114, as amended) is amended to read:

9 "10-11-114. MUNICIPAL FIRE MEMBER COVERAGE PLAN 5--MEMBER  
10 CONTRIBUTION RATE.--A member under municipal fire member  
11 coverage plan 5 shall contribute sixteen and two-tenths percent  
12 of salary with the first full pay period in the calendar month  
13 in which municipal fire member coverage plan 5 becomes  
14 applicable to the member, except that a member whose annual  
15 salary is greater than twenty-five thousand dollars (\$25,000)  
16 shall contribute:

17 A. prior to July 1, 2022, seventeen and seven-  
18 tenths percent of salary;

19 B. beginning July 1, 2022 and continuing through  
20 June 30, 2023, eighteen and two-tenths percent of salary;

21 C. beginning July 1, 2023 and continuing through  
22 June 30, 2024, eighteen and seven-tenths percent of salary;

23 D. beginning July 1, 2024 and continuing through  
24 June 30, 2025, nineteen and two-tenths percent of salary; ~~and~~

25 E. beginning July 1, 2025 and ~~[thereafter, nineteen~~

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1 ~~and seven-tenths percent of salary]~~ continuing through June 30,  
2 2026, nineteen and seven-tenths percent of salary;

3 F. beginning July 1, 2026 and continuing through  
4 June 30, 2027, twenty-one and two-tenths percent of salary;

5 G. beginning July 1, 2027 and continuing through  
6 June 30, 2028, twenty-two and seven-tenths percent of salary;

7 H. beginning July 1, 2028 and continuing through  
8 June 30, 2029, twenty-four and two-tenths percent of salary;

9 I. beginning July 1, 2029 and continuing through  
10 June 30, 2030, twenty-five and seven-tenths percent of salary;

11 J. beginning July 1, 2030 and continuing through  
12 June 30, 2031, twenty-seven and two-tenths percent of salary;

13 K. beginning July 1, 2031 and continuing through  
14 June 30, 2032, twenty-eight and seven-tenths percent of salary;

15 and

16 L. beginning July 1, 2032 and thereafter, twenty-  
17 nine and seven-tenths percent of salary."

18 SECTION 34. Section 10-11-118 NMSA 1978 (being Laws 2020,  
19 Chapter 11, Section 61) is amended to read:

20 "10-11-118. COST-OF-LIVING ADJUSTMENTS--QUALIFIED PENSION  
21 RECIPIENT--DECLINING INCREASE.--

22 A. As used in this section,

23 [~~(1) "cost-of-living adjustment hurdle rate"~~  
24 ~~means the investment rate of return required to fund a cost-of-~~  
25 ~~living adjustment in excess of one-half percent, as determined~~

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1 ~~by the association's actuaries;~~

2 ~~(2) "funded ratio" means the ratio of the~~  
3 ~~actuarial value of the assets of the fund to the actuarial~~  
4 ~~accrued liability of the association for payments from the~~  
5 ~~fund, as determined by the association's actuaries;~~

6 ~~(3)] "preceding calendar year" means the full~~  
7 ~~calendar year preceding the July 1 on which pensions are being~~  
8 ~~adjusted [and~~

9 ~~(4) "smoothed investment rate of return" means~~  
10 ~~a calculation made by spreading the difference between the~~  
11 ~~expected actuarial value in investment income and the actual~~  
12 ~~market value investment income over a smoothing period, as~~  
13 ~~determined by the association's actuaries].~~

14 B. A qualified pension recipient is eligible for a  
15 cost-of-living pension adjustment. A qualified pension  
16 recipient is:

17 ~~[(1) a normal retired member who has been~~  
18 ~~retired for at least two full calendar years from the effective~~  
19 ~~date of the latest retirement prior to July 1 of the year in~~  
20 ~~which the pension is being adjusted;~~

21 ~~(2)]~~ (1) a normal retired member who has  
22 attained the age of [~~sixty-five~~] sixty years and has been  
23 retired for at least one full calendar year from the effective  
24 date of the member's latest retirement prior to July 1 of the  
25 year in which the pension is being adjusted;

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1                   ~~[(3)]~~ (2) a disability retired member who has  
2 been retired for at least one full calendar year from the  
3 effective date of the latest retirement prior to July 1 of the  
4 year in which the pension is being adjusted;

5                   ~~[(4)]~~ (3) a survivor beneficiary who has  
6 received a survivor pension for at least two full calendar  
7 years; or

8                   ~~[(5)]~~ (4) a survivor beneficiary of a deceased  
9 retired member who otherwise would have been retired at least  
10 two full calendar years from the effective date of the latest  
11 retirement prior to July 1 of the year in which the pension is  
12 being adjusted.

13                   C. Except as provided in Subsections ~~[F, G and H]~~  
14 E, F and G of this section, during fiscal years 2021, 2022 and  
15 2023, a qualified pension recipient shall receive an annual,  
16 non-compounding, additional payment. The amount of the payment  
17 shall be determined by multiplying the amount of annual pension  
18 payments, inclusive of all cost-of-living adjustments prior to  
19 fiscal year 2021, by two percent.

20                   ~~[D. Beginning May 1, 2023 and no later than each~~  
21 ~~May 1 thereafter, the retirement board shall certify to the~~  
22 ~~association the:~~

23                   ~~(1) funded ratio as of June 30 of the~~  
24 ~~preceding calendar year; and~~

25                   ~~(2) smoothed investment rate of return as of~~

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1 ~~June 30 of the preceding calendar year.~~

2 ~~E.] D. Except as provided in Subsections [F, G and~~  
3 ~~H] E, F and G of this section, beginning July 1, 2023 and each~~  
4 ~~July 1 thereafter, [immediately following the retirement~~  
5 ~~board's certification of the funded ratio and smoothed~~  
6 ~~investment rate of return] the cost-of-living adjustment to a~~  
7 ~~qualified pension recipient payable pursuant to the Public~~  
8 ~~Employees Retirement Act shall be [determined as an amount~~  
9 ~~equal to the smoothed investment rate of return on the~~  
10 ~~actuarial value of assets on June 30 of the preceding calendar~~  
11 ~~year less the cost-of-living adjustment hurdle rate, as~~  
12 ~~determined by the association's actuaries, multiplied by the~~  
13 ~~funded ratio on June 30 of the preceding calendar year or five-~~  
14 ~~tenths percent, whichever is greater, and subject to the~~  
15 ~~following conditions:~~

16 ~~(1) if the funded ratio of the fund is less~~  
17 ~~than one hundred percent on June 30 of the preceding calendar~~  
18 ~~year, the amount of the adjustment made pursuant to this~~  
19 ~~subsection shall not exceed three percent;~~

20 ~~(2) if the funded ratio of the fund is equal~~  
21 ~~to or greater than one hundred percent on June 30 of the~~  
22 ~~preceding calendar year, the adjustment made pursuant to this~~  
23 ~~subsection shall not exceed five percent;~~

24 ~~(3) notwithstanding the provisions of this~~  
25 ~~subsection, a qualified pension recipient shall receive a~~

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1 ~~minimum annual cost-of-living adjustment of five-tenths~~  
2 ~~percent; and~~

3 ~~(4) the~~ increased by two percent each July 1.

4 The amount of increase shall be determined by multiplying the  
5 amount of pension, inclusive of all prior adjustments, by [~~the~~  
6 ~~cost-of-living adjustment as determined by this subsection~~] two  
7 percent.

8 [~~F.~~] E. For a normal retired member who worked for  
9 at least twenty-five years under one or more applicable  
10 coverage plans and whose annual pension benefit, after all  
11 previous annual cost-of-living adjustments, is equal to an  
12 amount not greater than twenty-five thousand dollars (\$25,000),  
13 the pension benefit shall be increased by two [~~and one-half~~]  
14 percent each July 1. The amount of the increase shall be  
15 determined by multiplying the amount of pension, inclusive of  
16 all prior adjustments, by two [~~and one-half~~] percent.

17 [~~G.~~] F. For a disability retired member whose  
18 annual pension benefit, after all previous annual cost-of-  
19 living adjustments, is equal to an amount not greater than  
20 twenty-five thousand dollars (\$25,000), the pension benefit  
21 shall be increased by two [~~and one-half~~] percent each July 1.  
22 The amount of the increase shall be determined by multiplying  
23 the amount of pension, inclusive of all prior adjustments, by  
24 two [~~and one-half~~] percent.

25 [~~H.~~] G. For a normal retired member who has

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1 attained the age of seventy-five years prior to July 1, 2020,  
2 the pension benefit shall be increased by two and one-half  
3 percent each July 1. The amount of the increase shall be  
4 determined by multiplying the amount of pension, inclusive of  
5 all prior adjustments, by two and one-half percent.

6 ~~[F.]~~ H. A qualified pension recipient may decline  
7 an increase in a pension by giving the association written  
8 notice of the decision to decline the increase at least thirty  
9 days prior to the date the increase would take effect."