AN ACT
RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
AMENDING THE GROUP INSURANCE CONTRIBUTIONS FOR SCHOOL
DISTRICTS, CHARTER SCHOOLS AND PARTICIPATING ENTITIES IN THE
PUBLIC SCHOOL INSURANCE AUTHORITY.

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

SECTION 1. Section 10-7-4 NMSA 1978 (being Laws 1941,
Chapter 188, Section 1, as amended) is amended to read:

"10-7-4. GROUP INSURANCE--CAFETERIA PLAN--CONTRIBUTIONS
FROM PUBLIC FUNDS.--

A. All state departments and institutions and all
political subdivisions of the state, excluding
municipalities, counties and political subdivisions of the
state with twenty-five employees or fewer, shall cooperate in
providing group term life, medical or disability income
insurance for the benefit of eligible employees or salaried
officers of the respective departments, institutions and
political subdivisions.

B. The group insurance contributions of the state
or any of its departments or institutions, including
institutions of higher education, shall be made as follows:

(1) at least seventy-five percent of the
cost of the insurance of an employee whose annual salary is
less than fifteen thousand dollars ($15,000);
(2) at least seventy percent of the cost of the insurance of an employee whose annual salary is fifteen thousand dollars ($15,000) or more but less than twenty thousand dollars ($20,000);

(3) at least sixty-five percent of the cost of the insurance of an employee whose annual salary is twenty thousand dollars ($20,000) or more but less than twenty-five thousand dollars ($25,000); and

(4) at least sixty percent of the cost of the insurance of an employee whose annual salary is twenty-five thousand dollars ($25,000) or more.

C. The group insurance contributions of school districts and charter schools shall be made as follows:

(1) at least eighty percent of the cost of the insurance of an employee whose annual salary is less than fifty thousand dollars ($50,000);

(2) at least seventy percent of the cost of the insurance of an employee whose annual salary is fifty thousand dollars ($50,000) or more but less than sixty thousand dollars ($60,000); and

(3) at least sixty percent of the cost of the insurance of an employee whose annual salary is sixty thousand dollars ($60,000) or more.

D. Effective July 1, 2004, the group insurance contributions of the state or any of its executive, judicial
or legislative departments, including agencies, boards or
commissions, shall be made as follows; provided that the
contribution percentage shall be the same for all affected
public employees in a given salary bracket:

(1) up to eighty percent of the cost of the
insurance of an employee whose annual salary is less than
thirty thousand dollars ($30,000);

(2) up to seventy percent of the cost of the
insurance of an employee whose annual salary is thirty
thousand dollars ($30,000) or more but less than forty
thousand dollars ($40,000); and

(3) up to sixty percent of the cost of the
insurance of an employee whose annual salary is forty
thousand dollars ($40,000) or more.

E. Except as provided in Subsection H of this
section, effective July 1, 2005, the group insurance
contributions of the state or any of its executive, judicial
or legislative departments, including agencies, boards or
commissions, shall be made as follows; provided that the
contribution percentage shall be the same for all affected
public employees in a given salary bracket:

(1) up to eighty percent of the cost of the
insurance of an employee whose annual salary is less than
fifty thousand dollars ($50,000);

(2) up to seventy percent of the cost of the
insurance of an employee whose annual salary is fifty thousand dollars ($50,000) or more but less than sixty thousand dollars ($60,000); and

(3) up to sixty percent of the cost of the insurance of an employee whose annual salary is sixty thousand dollars ($60,000) or more.

F. Effective July 1, 2013, the employer shall pay one hundred percent of basic life insurance premiums for employees, and employees who choose to carry disability insurance shall pay one hundred percent of the premium.

G. The state shall not make any group insurance contributions for legislators. A legislator shall be eligible for group benefits only if the legislator contributes one hundred percent of the cost of the insurance.

H. An employer shall pay one hundred percent of the employee group insurance contributions due and payable on or after July 1, 2016 for an employee who is injured while performing a public safety function or duty and, as a result of the injury, is placed on approved workers' compensation leave.

I. As used in this section, "cost of the insurance" means the premium required to be paid to provide coverages. Any contributions of the political subdivisions of the state, except the public schools and political subdivisions of the state with twenty-five employees or
fewer, shall not exceed sixty percent of the cost of the insurance.

J. When a public employee elects to participate in a cafeteria plan as authorized by the Cafeteria Plan Act and enters into a salary reduction agreement with the governmental employer, the provisions of Subsections B through G of this section with respect to the maximum contributions that can be made by the employer are not violated and will still apply. The employer percentage or dollar contributions as provided in Subsections B through E of this section shall be determined by the employee's gross salary prior to any salary reduction agreement.

K. Any group medical insurance plan offered pursuant to this section shall include effective cost-containment measures to control the growth of health care costs. The responsible public body that administers a plan offered pursuant to this section shall report annually by September 1 to appropriate interim legislative committees on the effectiveness of the cost-containment measures required by this subsection.

L. Within available revenue, school districts, charter schools and participating entities pursuant to the Public School Insurance Authority Act may contribute up to one hundred percent of the cost of the insurance of all employees and institutions of higher education may contribute
up to eighty percent of the cost of the insurance of all employees."

SECTION 2. Section 22-29-10 NMSA 1978 (being Laws 1989, Chapter 373, Section 5, as amended) is amended to read:

"22-29-10. GROUP INSURANCE CONTRIBUTIONS.--

A. Group insurance contributions for school districts, charter schools and participating entities in the authority shall be made as follows:

(1) at least eighty percent of the cost of the insurance of an employee whose annual salary is less than fifty thousand dollars ($50,000); 

(2) at least seventy percent of the cost of the insurance of an employee whose annual salary is fifty thousand dollars ($50,000) or more but less than sixty thousand dollars ($60,000); and

(3) at least sixty percent of the cost of the insurance of an employee whose annual salary is sixty thousand dollars ($60,000) or more.

B. Within available revenue, school districts, charter schools and participating entities in the authority may contribute up to one hundred percent of the cost of the insurance of all employees.

C. Whenever a school district, charter school or participating entity in the authority offers to its employees alternative health plan benefit options, including health
maintenance organizations, preferred provider organizations or panel doctor plans, the school district, charter school or participating entity may pay an amount on behalf of the employee and family member for the indemnity health insurance plan sufficient to result in equal employee monthly costs to the cost of the health maintenance organization plans, preferred provider organization plans or panel doctor plans, regardless of the percentage limitations in the Public School Insurance Authority Act. School districts, charter schools and participating entities in the authority may pay up to one hundred percent of the first fifty thousand dollars ($50,000) of term life insurance."

SECTION 3. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2023.