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SENATE MEMORIAL 16

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

Bill Tallman

A MEMORIAL

REQUESTING THE OFFICE OF THE STATE AUDITOR TO CONVENE A TASK
FORCE TO STUDY THE FEASIBILITY OF IMPLEMENTING A DEFINED
CONTRIBUTION PENSION PLAN FOR PUBLIC EMPLOYEES.

WHEREAS, a defined contribution plan allows the employee
or the employer, or both, to contribute to the employee's
individual account under the plan, and those contributions are
invested on the employee's behalf; and

WHEREAS, at retirement, the employee will receive the
balance in the employee's individual account under the plan,
based on contributions plus investment gains; and

WHEREAS, defined contribution plan holders are empowered
to prepare for retirement by having complete control over the
amount of income they are investing in their financial future;
and

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1 WHEREAS, nineteen other states have implemented defined
2 contribution plans for public employees and almost all of those
3 nineteen states have more robust general funds, indicating that
4 a defined contribution plan could benefit New Mexico in a
5 similar way; and

6 WHEREAS, a shift from defined benefit plans to defined
7 contribution plans may save the state money;

8 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
9 OF NEW MEXICO that the office of the state auditor be requested
10 to convene and administratively support a task force to study
11 the feasibility and effects of implementing a defined
12 contribution pension plan for public employees; and

13 BE IT FURTHER RESOLVED that the task force be composed of
14 representatives of the following:

- 15 A. two members of the educational retirement board;
- 16 B. two members of the public employees retirement
17 association;
- 18 C. one member who is a representative of the
19 interests of the retired public employees of New Mexico;
- 20 D. one member appointed by the governor;
- 21 E. one member appointed by the chair of the senate
22 finance committee; and
- 23 F. one member of the legislative finance committee
24 staff; and

25 BE IT FURTHER RESOLVED that the task force present a

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1 report on the results of its study to the legislative interim
2 committee that is responsible for investments and pensions
3 oversight by December 2023; and

4 BE IT FURTHER RESOLVED that copies of this memorial be
5 transmitted to the executive director and board members of the
6 educational retirement board, the executive director and board
7 members of the public employees retirement association, the
8 president of the retired public employees of New Mexico, the
9 governor, the chair of the senate finance committee, the
10 director of the legislative finance committee and the co-chairs
11 of the New Mexico legislative council.