

LFC Requester:	Simon, Joseph
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

AgencyAnalysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date 1/24/24
Bill No: SB 128

Sponsor: Senator Michael Padilla **Agency Name and Code** 366 - PERA
Short State Fire Retirement **Number:** _____
Title: _____ **Person Writing** Anna Williams
Phone: 505-259-8489 **Email** anna.williams@pera.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

SB 128 amends the PERA Act [NMSA 1978 10-11-2] to create a State Fire Member and add a definition for “State Fire Member”. The bill also changes the name of the “State Police Member, Correctional Officer member and Probation and Parole Officer Member Coverage Plan 1” to “State Public Safety Member Coverage Plan 1” and includes State Fire Members. The age and service credit requirements for the new State Public Safety Member Coverage Plan 1 will remain the same as the prior plan. The pension multiplier, employer and employee contribution rates for the State Public Safety Coverage Plan 1 also remain the same as the prior plan. Additionally, the bill removes reference to Juvenile Correctional Officers. Juvenile Correctional Officers were permitted the option to join this plan through an election provided within Senate Bill 72 (2020). Ultimately, those members did not elect to join and therefore, references to Juvenile Correctional Officers within this section has no legal effect and the deletion provides a technical update.

The bill will require PERA to conduct an election to allow individuals employed in a position that would be covered by the newly created State Fire Members membership definition (currently covered under State General Member Coverage Plan 3), to elect to adopt the State Public Safety Member Coverage Plan 1. If adopted, the service credit accrued by Tier One State Fire Members after July 1, 2024 shall be increased by twenty percent.

FISCAL IMPLICATIONS

For the year ending June 30, 2023, the State Police/Correction Officer plan has a funded ratio of 124.90%.

PERA actuaries indicated that because the proposed legislation only applies to service accrued on or after July 1, 2024, SB 128 would have a negligible impact on the unfunded actuarial liability and the employer contribution requirement of PERA. of SB 128 on the State Police Correction Plan.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

SB 128 will not impact PERA's performance measures.

ADMINISTRATIVE IMPLICATIONS

None

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

State Fire Members would continue to be covered under their current coverage plans with the current benefit structure.

AMENDMENTS

None