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HOUSE BILL 154

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

William "Bill" R. Rehm and Luis M. Terrazas

AN ACT

RELATING TO PUBLIC EMPLOYEES; ALLOWING CERTAIN PUBLIC EMPLOYEES TO RETURN TO WORK FOR AFFILIATED PUBLIC EMPLOYERS UNDER CERTAIN CONDITIONS.

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

SECTION 1. Section 10-11-8 NMSA 1978 (being Laws 1987, Chapter 253, Section 8, as amended) is amended to read:

"10-11-8. NORMAL RETIREMENT--RETURN TO EMPLOYMENT-- BENEFITS CONTINUED--CONTRIBUTIONS.--

A. A member may retire upon fulfilling the following requirements prior to the selected date of retirement:

(1) a written application for normal retirement, in the form prescribed by the association, is filed with the association;

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1 (2) employment is terminated with all
2 employers covered by any state system or the educational
3 retirement system;

4 (3) the member selects an effective date of
5 retirement that is the first day of a calendar month; and

6 (4) the member meets the age and service
7 credit requirement for normal retirement specified in the
8 coverage plan applicable to the member.

9 B. The amount of normal retirement pension is
10 determined in accordance with the coverage plan applicable to
11 the member.

12 C. Except as provided in [~~Subsection~~] Subsections
13 D, J and K of this section, on or after July 1, 2010, a retired
14 member may be subsequently employed by an affiliated public
15 employer only pursuant to the following provisions:

16 (1) the retired member has not been employed
17 as an employee of an affiliated public employer or retained as
18 an independent contractor by the affiliated public employer
19 from which the retired member retired for at least twelve
20 consecutive months from the date of retirement to the
21 commencement of subsequent employment or reemployment with an
22 affiliated public employer;

23 (2) the retired member's pension shall be
24 suspended upon commencement of the subsequent employment;

25 (3) except as provided in Subsection F of this

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1 section, the retired member shall not become a member and shall
2 not accrue service credit, and the retired member and that
3 person's subsequent affiliated public employer shall not make
4 contributions under any coverage plan pursuant to the Public
5 Employees Retirement Act; and

6 (4) upon termination of the subsequent
7 employment, the retired member's pension shall resume in
8 accordance with the provisions of Subsection A of this section.

9 D. The provisions of Subsections C, G, [~~and~~] H, J
10 and K of this section do not apply to:

11 (1) a retired member employed by the
12 legislature for legislative session work;

13 (2) a retired member employed temporarily as a
14 precinct board member for a municipal election or an election
15 covered by the Election Code; or

16 (3) a retired member who is elected to serve a
17 term as an elected official in an office covered pursuant to
18 the Public Employees Retirement Act; provided that:

19 (a) the retired member files an
20 irrevocable exemption from membership with the association
21 within thirty days of taking office; and

22 (b) the irrevocable exemption shall be
23 for the elected official's term of office.

24 E. A retired member who returns to employment
25 during retirement pursuant to Subsection D of this section is

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1 entitled to receive retirement benefits but is not entitled to
2 accrue service credit or to acquire or purchase service credit
3 in the future for the period of the retired member's subsequent
4 employment with an affiliated public employer.

5 F. At any time during a retired member's subsequent
6 employment pursuant to Subsection C of this section, the
7 retired member may elect to become a member and the following
8 conditions shall apply:

9 (1) the previously retired member and the
10 subsequent affiliated public employer shall make the required
11 employee and employer contributions, and the previously retired
12 member shall accrue service credit for the period of subsequent
13 employment; and

14 (2) when the previously retired member
15 terminates the subsequent employment with an affiliated public
16 employer, the previously retired member shall retire according
17 to the provisions of the Public Employees Retirement Act,
18 subject to the following conditions:

19 (a) payment of the pension shall resume
20 in accordance with the provisions of Subsection A of this
21 section;

22 (b) unless the previously retired member
23 accrued at least three years of service credit on account of
24 the subsequent employment, the recalculation of pension shall:

25 1) employ the form of payment selected by the previously

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1 retired member at the time of the first retirement; and 2) use
2 the provisions of the coverage plan applicable to the member on
3 the date of the first retirement; and

4 (c) the recalculated pension shall not
5 be less than the amount of the suspended pension.

6 G. A retired member who returned to work with an
7 affiliated public employer prior to July 1, 2010 shall be
8 subject to the provisions of this section in effect on the date
9 the retired member returned to work; provided that on and after
10 July 1, 2010, the retired member shall pay the employee
11 contribution in an amount specified in the Public Employees
12 Retirement Act for the position in which the retired member is
13 subsequently employed.

14 H. Effective July 1, 2014, if a retired member who,
15 subsequent to retirement, is employed and covered pursuant to
16 the provisions of the Magistrate Retirement Act or Judicial
17 Retirement Act, during the period of subsequent employment:

18 (1) the member shall be entitled to receive
19 retirement benefits;

20 (2) the retired member's cost-of-living
21 pension adjustment shall be suspended upon commencement of the
22 employment; and

23 (3) upon termination of the employment, the
24 retired member's suspended cost-of-living pension adjustment
25 shall be reinstated as provided under Section 10-11-118 NMSA

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1 1978.

2 I. The pension of a member who has earned service
3 credit under more than one coverage plan shall be determined as
4 follows:

5 (1) the pension of a member who has three or
6 more years of service credit earned on or before June 30, 2013
7 under each of two or more coverage plans shall be determined in
8 accordance with the coverage plan that produces the highest
9 pension;

10 (2) the pension of a member who has service
11 credit earned on or before June 30, 2013 under two or more
12 coverage plans but who has three or more years of service
13 credit under only one of those coverage plans shall be
14 determined in accordance with the coverage plan in which the
15 member has three or more years of service credit. If the
16 service credit is acquired under two different coverage plans
17 applied to the same affiliated public employer as a consequence
18 of an election by the members, adoption by the affiliated
19 public employer or a change in the law that results in the
20 application of a coverage plan with a greater pension, the
21 greater pension shall be paid a member retiring from the
22 affiliated public employer under which the change in coverage
23 plan took place regardless of the amount of service credit
24 under the coverage plan producing the greater pension; provided
25 that the member has three or more years of continuous

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1 employment with that affiliated public employer immediately
2 preceding or immediately preceding and immediately following
3 the date the coverage plan changed;

4 (3) the pension of a member who has service
5 credit earned on or before June 30, 2013 under each of two or
6 more coverage plans and who has service credit earned under any
7 coverage plan on or after July 1, 2013 shall be equal to the
8 sum of:

9 (a) the pension attributable to the
10 service credit earned on or before June 30, 2013 determined
11 pursuant to Paragraph (1) or (2) of this subsection; and

12 (b) the pension attributable to the
13 service credit earned under each coverage plan on or after July
14 1, 2013;

15 (4) the pension of a member who has service
16 credit earned only on and after July 1, 2013 shall be equal to
17 the sum of the pension attributable to the service credit the
18 member has accrued under each coverage plan; and

19 (5) the provisions of each coverage plan for
20 the purpose of this subsection shall be those in effect at the
21 time the member ceased to be covered by the coverage plan.

22 "Service credit", for the purposes of this subsection, shall be
23 only personal service rendered an affiliated public employer
24 and credited to the member under the provisions of Subsection A
25 of Section 10-11-4 NMSA 1978. Service credited under any other

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1 provision of the Public Employees Retirement Act shall not be
2 used to satisfy the three-year service credit requirement of
3 this subsection.

4 J. A retired member may be subsequently employed in
5 the following positions by an affiliated public employer;
6 provided that all of the requirements of Subsection K of this
7 section are met:

8 (1) a certified law enforcement officer under
9 any municipal police member coverage plan;

10 (2) a certified law enforcement officer under
11 the state police member, correctional officer member and
12 probation and parole officer member coverage plan 1, including
13 a retired member who retired as a chief of police;

14 (3) a municipal detention officer under
15 municipal detention officer member coverage plan 1;

16 (4) a water resource professional, including
17 water resource managers, as that job family is described in the
18 personnel board rules;

19 (5) an operator of a public water supply
20 system or a public wastewater facility with a level three or
21 four certification; or

22 (6) any position; provided that the retired
23 member retired as a certified law enforcement officer.

24 K. For a retired member provided in Subsection J of
25 this section, the:

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1 (1) retired member shall not have been
2 employed as an employee of an affiliated public employer or
3 retained as an independent contractor by the affiliated public
4 employer from which the retired member retired for at least one
5 hundred twenty consecutive days from the date of retirement to
6 the commencement of subsequent employment or reemployment with
7 an affiliated public employer;

8 (2) retired member shall not be subsequently
9 employed or reemployed by an affiliated public employer that is
10 a municipality with a population greater than five hundred
11 thousand according to the most recent federal decennial census;

12 (3) retired member shall have retired prior to
13 December 31, 2023;

14 (4) retired member's pension, including any
15 cost-of-living adjustment, shall continue to be paid during the
16 period of subsequent employment;

17 (5) retired member shall not become a member
18 during the period of subsequent employment;

19 (6) retired member shall not accrue service
20 credit for any portion of the period of subsequent employment;

21 (7) retired member and the retired member's
22 subsequent affiliated public employer shall make the
23 contributions that would be required for members and employers
24 under the applicable coverage plan during the entire period of
25 subsequent employment;

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1 (8) contributions paid by or on behalf of the
2 retired member during the term of subsequent employment shall
3 not be refundable at the termination of the subsequent
4 employment;

5 (9) retired member shall start employment with
6 the subsequent affiliated public employer at the entry-level
7 personnel class in which the member retired as certified by the
8 affiliated public employer to the association and may advance
9 in the retired member's position pursuant to the affiliated
10 public employer's policies and procedures for advancement;

11 (10) affiliated public employer shall develop
12 and implement a policy that if fully staffed, layoffs will be
13 based on the seniority of employees and shall not include a
14 retired member's prior years of employment;

15 (11) affiliated public employer shall not hire
16 any additional retired members if the affiliated public
17 employer reaches a vacancy rate of ten percent or less; and

18 (12) subsequent employment occurs prior to
19 July 1, 2029, and on that date any employment occurring
20 pursuant to this subsection shall be terminated."

21 SECTION 2. EFFECTIVE DATE.--The effective date of the
22 provisions of this act is July 1, 2024.