

HOUSE BILL 182

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

Patricia Roybal Caballero and Elizabeth "Liz" Stefanics

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO JUDICIAL RETIREMENT; PROVIDING FOR APPROPRIATIONS AND INCOME DERIVED FROM INVESTMENTS TO BE CREDITED TO THE JUDICIAL RETIREMENT FUND; ADJUSTING YEARS OF SERVICE CREDIT REQUIRED FOR CERTAIN JUDGES; INCREASING CERTAIN SERVICE CREDIT MULTIPLIERS PROVIDED IN THE JUDICIAL RETIREMENT ACT.

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

SECTION 1. Section 10-12B-3 NMSA 1978 (being Laws 1992,

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Chapter 111, Section 3, as amended) is amended to read:

"10-12B-3. JUDICIAL RETIREMENT FUND ESTABLISHED--
ADMINISTRATION OF FUND--ACCOUNTING FUNDS.--

A. There is established in the state treasury the "judicial retirement fund". The fund [~~is comprised~~] consists of appropriations, money received from docket and jury fees of metropolitan courts, district courts, the court of appeals and the supreme court, employer and employee contributions and [~~any~~] all income derived from the investment [earnings on fees and contributions] of the fund. The board is the trustee of the fund and shall administer and invest the fund. Investment of the fund shall be conducted pursuant to the provisions of the Public Employees Retirement Act. The provisions of the Judicial Retirement Act shall be administered by the board. The board is authorized to promulgate rules. Expenses related to the investment of the fund and administration of the Judicial Retirement Act shall be paid from the fund.

B. For purposes of this section, the accounting funds shall be known as the "member contribution fund", "employer's accumulation fund", "retirement reserve fund" and "income fund". The maintenance of separate accounting funds shall not require the actual segregation of the assets of the fund.

C. The accounting funds provided for in this section are trust funds and shall be used only for the purposes

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provided for in the Judicial Retirement Act.

D. The member contribution fund is the accounting fund in which shall be accumulated contributions of members and from which shall be made refunds and transfers of accumulated member contributions as provided in the Judicial Retirement Act. The member's court shall cause member contributions to be deducted from the salary of the member and shall remit the deducted member contributions to the association in accordance with procedures and schedules established by the association. The association may assess an interest charge and a penalty charge on any late remittance. Each member shall be deemed to consent and agree to the deductions made and provided for in this section. Contributions by members shall be credited to the members' individual accounts in the member contribution fund. A member's accumulated member contributions shall be transferred to the retirement reserve fund when a pension becomes payable.

E. The employer's accumulation fund is the accounting fund in which shall be accumulated the contributions paid by the state through the member's court. The state, through the member's court, shall remit its contributions to the association in accordance with procedures and schedules established by the association. The board may assess an interest charge and a penalty charge on any late remittance.

F. The retirement reserve fund is the accounting

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fund from which shall be paid all pensions to retired members and survivor beneficiaries and all residual refunds to refund beneficiaries of retired members and survivor beneficiaries.

G. Each year, following receipt of the report of the annual actuarial valuation, the excess, if any, of the reported actuarial present value of pensions being paid and likely to be paid to retired members and survivor beneficiaries and residual refunds likely to be paid to refund beneficiaries of retired members and survivor beneficiaries over the balance in the retirement reserve fund shall be transferred to the retirement reserve fund from the employer's accumulation fund.

H. The income fund is the accounting fund to which shall be credited all interest, dividends, rents and other income from investments of the fund, all gifts and bequests, all unclaimed member contributions and all other money the disposition of which is not specifically provided for in the Judicial Retirement Act. Expenses related to the administration of the Judicial Retirement Act shall be paid for from the income fund.

I. The association shall at least annually distribute all or a portion of the balance in the income fund to the member contribution fund, the retirement reserve fund and the employer's accumulation fund. Distribution rates shall be determined by the board and may vary for the respective accounting funds."

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SECTION 2. Section 10-12B-8 NMSA 1978 (being Laws 1992, Chapter 111, Section 8, as amended) is amended to read:

"10-12B-8. AGE AND SERVICE CREDIT REQUIREMENTS FOR NORMAL RETIREMENT.--

A. For an individual who initially became a member prior to July 1, 2005, the age and service credit requirements for retirement provided for in the Judicial Retirement Act are:

(1) age sixty-five years or older and five or more years of service credit; or

(2) age sixty years or older and fifteen or more years of service credit.

B. For an individual who initially became a member after June 30, 2005 but on or before June 30, 2014, the age and service credit requirements for retirement provided for in the Judicial Retirement Act are:

(1) age sixty-five years or older and five or more years of service credit; or

(2) age fifty-five years or older and sixteen or more years of service credit.

C. For an individual who initially became a member on or after July 1, 2014, the age and service requirements provided for in the Judicial Retirement Act are:

(1) age sixty-five years and ~~eight~~ five or more years of service credit; or

(2) age sixty years and fifteen or more years

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of service credit.

D. Except for a member who is retired under any state system or the educational retirement system, if a member leaves office for any reason, other than removal pursuant to Article 6, Section 32 of the constitution of New Mexico, before meeting the age and service credit requirements for retirement pursuant to the provisions of this section and if that member leaves the member contributions on deposit in the fund, that member may apply for retirement when that member meets the age and service credit requirements for retirement pursuant to the provisions of the Judicial Retirement Act or provisions of the Public Employees Retirement Reciprocity Act.

E. No member shall be eligible to receive a pension pursuant to the provisions of the Judicial Retirement Act while still in office."

SECTION 3. Section 10-12B-9 NMSA 1978 (being Laws 1992, Chapter 111, Section 9, as amended) is amended to read:

"10-12B-9. AMOUNT OF PENSION.--

A. For a judge or justice who occupied such an office prior to July 1, 1980, but who had ceased to hold such an office prior to that date and who elected to be excluded from the provisions of the Judicial Retirement Act; or a judge or justice who occupied such an office on July 1, 1980, but who elected to be covered under the provisions of the retirement plan in effect at that time, the amount of monthly pension is

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an amount equal to one-twelfth of:

seventy-five percent		number of years
of salary received	X	service Hf11→credit←Hf11
during last year in		, not exceeding
office prior to		ten years, divided
retirement		By ten.

B. For a judge or justice who initially became a member before July 1, 2005 and who initially occupied such an office after July 1, 1980; or a judge or justice who occupied such an office on or before July 1, 1980 and who has elected to be covered pursuant to the provisions of the Judicial Retirement Act, the amount of monthly pension is an amount equal to the sum of:

(1) for service credit earned on or before June 30, 2014, an amount equal to one-twelfth of:

seventy-five		(number of years of
percent of salary		service Hf11→credit←Hf11
received during	X.05 X	not exceeding fifteen
last year, in office		years, plus five
prior to retirement		year); [and]

(2) for service credit earned on and after July 1, 2014, but before July 1, 2025, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months

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in office multiplied by the product of three and one-half percent times the number of years of service

Hf11→[credit]←Hf11 Hf11→credit←Hf11 ;

(3) for service credit earned on and after July 1, 2025, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of four percent times the number of years of service credit, up to ten years, or one hundred twenty months, of accumulated service credit; and

(4) for service credit earned after ten years, or one hundred twenty months, of service credit earned pursuant to this section, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of three and one-half percent times the number of years of service Hf11→credit←Hf11 .

C. For a judge or justice who initially became a member after June 30, 2005 but on or before June 30, 2014, the amount of monthly pension is an amount equal to the sum of:

(1) for service credit earned on or before June 30, 2014, an amount equal to one-twelfth of the salary received during the last year in office prior to retirement multiplied by the product of three and seventy-five hundredths percent times the sum of the number of years of service

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(2) for service credit earned on and after July 1, 2014, but before July 1, 2025, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of three and one-half percent times the number of years of service credit;

(3) for service credit earned on and after July 1, 2025, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of four percent times the number of years of service credit up to ten years, or one hundred twenty months, of accumulated service credit; and

(4) for service credit earned after ten years, or one hundred twenty months, of service credit earned pursuant to this section, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of three and one-half percent times the number of years of service credit.

D. For a judge or justice who initially became a member on or after July 1, 2014, Hf11→but on or before June 30, 2025,←Hf11 the amount of monthly pension [~~under form of payment A~~] is an amount equal to the sum of:

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(1) for service credit earned on or before
Hf11→~~July 1~~←Hf11 Hf11→~~June 30~~←Hf11 , 2025, an amount equal to
one-sixtieth of the greatest aggregate amount of salary
received for sixty consecutive, but not necessarily continuous,
months in office multiplied by the product of three and one-
fourth percent times the number of years of service
Hf11→~~credit~~←Hf11 ;

(2) for service credit earned on and after
July 1, 2025, an amount equal to one-sixtieth of the greatest
aggregate amount of salary received for sixty consecutive, but
not necessarily continuous, months in office multiplied by the
product of four percent times the number of years of service
credit up to ten years, or one hundred twenty months, of
accumulated service credit; and

(3) for service credit earned after ten years,
or one hundred twenty months, of service credit earned pursuant
to this section, an amount equal to one-sixtieth of the
greatest aggregate amount of salary received for sixty
consecutive, but not necessarily continuous, months in office
multiplied by the product of three and one-half percent times
the number of years of service credit.

E. ~~[The amount of pension under form of payment A
for a pension calculated pursuant to Subsection D of this
section shall not exceed eighty-five percent of one-sixtieth of
the greatest aggregate amount of salary received for sixty~~

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~~consecutive, but not necessarily continuous, months prior to the member leaving office]~~ For a judge or justice who initially became a member on or after July 1, 2025, the amount of monthly pension is an amount equal to the sum of:

(1) an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of four percent times the number of years of service credit up to ten years, or one hundred twenty months, of accumulated service credit; and

(2) for service credit earned after ten years, or one hundred twenty months, of service credit earned pursuant to this section, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of three and one-half percent times the number of years of service credit.

F. The amount of pension payable for a pension calculated pursuant to Subsection A, B, ~~[or]~~ C, D or E of this section shall not exceed ~~[eighty-five]~~ one hundred percent of one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months prior to the member leaving office. A pension benefit determined pursuant to this subsection shall not be less than the benefit earned as of June 30, 2014."

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SECTION 4. Section 10-12B-10 NMSA 1978 (being Laws 1992, Chapter 111, Section 10, as amended) is amended to read:

"10-12B-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

A. On and after July 1, 2014, but before July 1, 2025, members, while in office, shall contribute ten and one-half percent of salary to the member contribution fund.

B. On and after July 1, 2025, members, while in office, shall contribute fourteen and seventy-four hundredths percent of salary to the member contribution fund.

~~[B-]~~ C. Upon implementation, the state, acting as employer of members covered pursuant to the provisions of the Judicial Retirement Act, shall, solely for the purpose of compliance with Section 414(h) of the Internal Revenue Code of 1986, pick up, for the purposes specified in that section, member contributions required by this section for all annual salary earned by the member. Member contributions picked up pursuant to the provisions of this section shall be treated as employer contributions for purposes of determining income tax obligations under the Internal Revenue Code of 1986; however, such picked-up member contributions shall be included in the determination of the member's gross annual salary for all other purposes under federal and state laws. Member contributions picked up pursuant to the provisions of this section shall continue to be designated member contributions for all purposes of the Judicial Retirement Act and shall be considered as part

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of the member's annual salary for purposes of determining the amount of the member's contribution. The provisions of this section are mandatory, and the member shall have no option concerning the pickup or concerning the receipt of the contributed amounts directly instead of having the amounts paid by the employer to the retirement system. Implementation occurs upon authorization by the board. In no event may implementation occur other than at the beginning of a pay period applicable to the member."

SECTION 5. Section 10-12B-11 NMSA 1978 (being Laws 1992, Chapter 111, Section 11, as amended) is amended to read:

"10-12B-11. EMPLOYER CONTRIBUTIONS.--

A. On and after July 1, 2025, the member's court shall contribute [~~fifteen~~] nineteen and twenty-four hundredths percent of salary to the fund for each member in office.

B. Thirty-eight dollars (\$38.00) from each civil case docket fee paid in the district court, twenty-five dollars (\$25.00) from each civil docket fee paid in metropolitan court and ten dollars (\$10.00) from each jury fee paid in metropolitan court shall be paid by the court clerk to the employer's accumulation fund."

Hf11→SECTION 6. APPLICABILITY.--The provisions of Subsection F of Section 3 of this act apply to credited service performed after the effective date of this act. Any credited service performed or amount of pension earned prior to the

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effective date of this act shall not be calculated or adjusted
to conform to the provisions of this act.←Hf11

SECTION Hf11→6.←Hf11 Hf11→7.←Hf11 EFFECTIVE DATE.--The
effective date of the provisions of this act is July 1, 2025.

- 14 -