

HOUSE BILL 183

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

INTRODUCED BY

Patricia Roybal Caballero and Elizabeth "Liz" Stefanics
and Dayan Hochman-Vigil

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

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

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

.229987.1SAAIC March 14, 2025 (11:51am)

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Chapter 118, Section 3, as amended) is amended to read:

"10-12C-3. MAGISTRATE RETIREMENT FUND ESTABLISHED--
ADMINISTRATION OF FUND--ACCOUNTING FUNDS.--

A. There is established in the state treasury the "magistrate retirement fund". The fund [~~is comprised~~] consists of appropriations, money received from docket fees of magistrate courts, employer and member 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 Magistrate 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 Magistrate 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 provided for in the Magistrate Retirement Act.

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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 Magistrate 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 administrative office of the courts. The state, through the administrative office of the courts, 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 Magistrate Retirement Act. Expenses related to the administration of the Magistrate 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 10-12C-8 NMSA 1978 (being Laws 1992, Chapter 118, Section 8, as amended by Laws 2014, Chapter 39, Section 5 and by Laws 2014, Chapter 43, Section 5) is amended to read:

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

A. [~~For a magistrate who was a member on June 30, 2014~~] The age and service credit requirements for retirement provided for in the Magistrate Retirement Act are:

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

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

(3) any age and twenty-four or more years of service credit.

~~[B. For a magistrate who initially became a member on or after July 1, 2014, the age and service requirements for normal retirement provided for in the Magistrate Retirement Act are:~~

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

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

~~(3) any age and twenty-four or more years of service credit.~~

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~~G.]~~ B. 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 Magistrate Retirement Act or provisions of the Public Employees Retirement Reciprocity Act.

~~[D.]~~ C. No member shall be eligible to receive a pension pursuant to the provisions of the Magistrate Retirement Act while still in office."

SECTION 3. Section 10-12C-9 NMSA 1978 (being Laws 1992, Chapter 118, Section 9, as amended by Laws 2014, Chapter 39, Section 6 and by Laws 2014, Chapter 43, Section 6) is amended to read:

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

A. For a magistrate who was a member on June 30, 2014, the monthly pension is an amount equal to the sum of:

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

seventy-five percent

of salary received

(number of years of

during last year in X .05 X service
office prior to Hf11→credit←Hf11 ,
retirement not exceeding
fifteen years,
plus five years); and

(2) for service credit earned on and after July 1, 2014, 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 [sum of the] number of years of service Hf11→credit←Hf11 .

~~Hf11→B. For a magistrate who initially became a member on or after July 1, 2014, the amount of monthly pension is 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 sum of] the number of years of service.←Hf11~~

Hf11→B. For a magistrate who initially became a member on or after July 1, 2014, the amount of monthly pension is equal to the sum of:

(1) for service credit earned on and after July 1, 2014, but on or before June 30, 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 percent times the number

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of years of service credit; and

(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 three and one-half percent times the number of years of service credit. ←Hf11

C. The amount of monthly pension under form of payment A for a pension calculated pursuant to Subsection B 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.

D. The amount of monthly pension payable for a pension calculated pursuant to Subsection A 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."

SECTION 4. Section 10-12C-10 NMSA 1978 (being Laws 1992, Chapter 118, Section 10, as amended by Laws 2014, Chapter 39, Section 7 and by Laws 2014, Chapter 43, Section 7) is amended to read:

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"10-12C-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 Magistrate 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 Magistrate Retirement Act and shall be considered as part 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

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have no option concerning the pick up 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 10-12C-11 NMSA 1978 (being Laws 1992, Chapter 118, Section 11, as amended by Laws 2014, Chapter 39, Section 8 and by Laws 2014, Chapter 43, Section 8) is amended to read:

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

A. ~~[The state, through the administrative office of the courts, shall contribute to the fund fifteen percent of salary for each member in office, except that, from July 1, 2014 through June 30, 2015, the state contribution rate shall be eleven percent of salary for each member in office]~~ On and after July 1, 2025, the member's court shall contribute nineteen and twenty-four hundredths percent of salary to the fund for each member in office.

B. Twenty-five dollars (\$25.00) from each civil case docket fee paid in magistrate court and ten dollars (\$10.00) from each civil jury fee paid in magistrate court shall be paid by the court clerk to the employer's accumulation fund."

Hf11→**SECTION 6. APPLICABILITY.--The provisions of Subsections C and D of Section 3 of this act apply to credited**

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service performed after the effective date of this act. Any credited service performed or amount of pension earned prior to the 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.

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