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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,
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 consists of
appropriations, money received from docket fees of magistrate
courts, employer and member contributions and all income
derived from the investment 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

1 shall be paid from the fund.

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

8 C. The accounting funds provided for in this
9 section are trust funds and shall be used only for the
10 purposes provided for in the Magistrate Retirement Act.

11 D. The member contribution fund is the accounting
12 fund in which shall be accumulated contributions of members
13 and from which shall be made refunds and transfers of
14 accumulated member contributions as provided in the
15 Magistrate Retirement Act. The member's court shall cause
16 member contributions to be deducted from the salary of the
17 member and shall remit the deducted member contributions to
18 the association in accordance with procedures and schedules
19 established by the association. The association may assess
20 an interest charge and a penalty charge on any late
21 remittance. Each member shall be deemed to consent and agree
22 to the deductions made and provided for in this section.
23 Contributions by members shall be credited to the members'
24 individual accounts in the member contribution fund. A
25 member's accumulated member contributions shall be

1 transferred to the retirement reserve fund when a pension
2 becomes payable.

3 E. The employer's accumulation fund is the
4 accounting fund in which shall be accumulated the
5 contributions paid by the state through the administrative
6 office of the courts. The state, through the administrative
7 office of the courts, shall remit its contributions to the
8 association in accordance with procedures and schedules
9 established by the association. The board may assess an
10 interest charge and a penalty charge on any late remittance.

11 F. The retirement reserve fund is the accounting
12 fund from which shall be paid all pensions to retired members
13 and survivor beneficiaries and all residual refunds to refund
14 beneficiaries of retired members and survivor beneficiaries.

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

24 H. The income fund is the accounting fund to which
25 shall be credited all interest, dividends, rents and other

1 income from investments of the fund, all gifts and bequests,
2 all unclaimed member contributions and all other money the
3 disposition of which is not specifically provided for in the
4 Magistrate Retirement Act. Expenses related to the
5 administration of the Magistrate Retirement Act shall be paid
6 for from the income fund.

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

13 SECTION 2. Section 10-12C-8 NMSA 1978 (being Laws 1992,
14 Chapter 118, Section 8, as amended by Laws 2014, Chapter 39,
15 Section 5 and by Laws 2014, Chapter 43, Section 5) is amended
16 to read:

17 "10-12C-8. AGE AND SERVICE CREDIT REQUIREMENTS FOR
18 NORMAL RETIREMENT.--

19 A. The age and service credit requirements for
20 retirement provided for in the Magistrate Retirement Act are:

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

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

25 (3) any age and twenty-four or more years of

1 service credit.

2 B. Except for a member who is retired under any
3 state system or the educational retirement system, if a
4 member leaves office for any reason, other than removal
5 pursuant to Article 6, Section 32 of the constitution of New
6 Mexico before meeting the age and service credit requirements
7 for retirement pursuant to the provisions of this section and
8 if that member leaves the member contributions on deposit in
9 the fund, that member may apply for retirement when that
10 member meets the age and service credit requirements for
11 retirement pursuant to the provisions of the Magistrate
12 Retirement Act or provisions of the Public Employees
13 Retirement Reciprocity Act.

14 C. No member shall be eligible to receive a
15 pension pursuant to the provisions of the Magistrate
16 Retirement Act while still in office."

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

21 "10-12C-9. AMOUNT OF PENSION.--

22 A. For a magistrate who was a member on June 30,
23 2014, the monthly pension is an amount equal to the sum of:

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

1 years of service credit.

2 C. The amount of monthly pension under form of
3 payment A for a pension calculated pursuant to Subsection B of
4 this section shall not exceed one hundred percent of one-
5 sixtieth of the greatest aggregate amount of salary received
6 for sixty consecutive, but not necessarily continuous, months
7 prior to the member leaving office.

8 D. The amount of monthly pension payable for a
9 pension calculated pursuant to Subsection A of this section
10 shall not exceed one hundred percent of one-sixtieth of the
11 greatest aggregate amount of salary received for sixty
12 consecutive, but not necessarily continuous, months prior to
13 the member leaving office. A pension benefit determined
14 pursuant to this subsection shall not be less than the benefit
15 earned as of June 30, 2014."

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

20 "10-12C-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

21 A. On and after July 1, 2014, but before July 1,
22 2025, members, while in office, shall contribute ten and one-
23 half percent of salary to the member contribution fund.

24 B. On and after July 1, 2025, members, while in
25 office, shall contribute fourteen and seventy-four hundredths

1 percent of salary to the member contribution fund.

2 C. Upon implementation, the state, acting as
3 employer of members covered pursuant to the provisions of the
4 Magistrate Retirement Act, shall, solely for the purpose of
5 compliance with Section 414(h) of the Internal Revenue Code of
6 1986, pick up, for the purposes specified in that section,
7 member contributions required by this section for all annual
8 salary earned by the member. Member contributions picked up
9 pursuant to the provisions of this section shall be treated as
10 employer contributions for purposes of determining income tax
11 obligations under the Internal Revenue Code of 1986; however,
12 such picked-up member contributions shall be included in the
13 determination of the member's gross annual salary for all
14 other purposes under federal and state laws. Member
15 contributions picked up pursuant to the provisions of this
16 section shall continue to be designated member contributions
17 for all purposes of the Magistrate Retirement Act and shall be
18 considered as part of the member's annual salary for purposes
19 of determining the amount of the member's contribution. The
20 provisions of this section are mandatory, and the member shall
21 have no option concerning the pick up or concerning the
22 receipt of the contributed amounts directly instead of having
23 the amounts paid by the employer to the retirement system.
24 Implementation occurs upon authorization by the board. In no
25 event may implementation occur other than at the beginning of

1 a pay period applicable to the member."

2 SECTION 5. Section 10-12C-11 NMSA 1978 (being Laws 1992,
3 Chapter 118, Section 11, as amended by Laws 2014, Chapter 39,
4 Section 8 and by Laws 2014, Chapter 43, Section 8) is amended
5 to read:

6 "10-12C-11. EMPLOYER CONTRIBUTIONS.--

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

10 B. Twenty-five dollars (\$25.00) from each civil
11 case docket fee paid in magistrate court and ten dollars
12 (\$10.00) from each civil jury fee paid in magistrate court
13 shall be paid by the court clerk to the employer's
14 accumulation fund."

15 SECTION 6. APPLICABILITY.--The provisions of Subsections
16 C and D of Section 3 of this act apply to credited service
17 performed after the effective date of this act. Any credited
18 service performed or amount of pension earned prior to the
19 effective date of this act shall not be calculated or adjusted
20 to conform to the provisions of this act.

21 SECTION 7. EFFECTIVE DATE.--The effective date of the
22 provisions of this act is July 1, 2025. _____