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SENATE BILL 514

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

MICHAEL S. SANCHEZ

AN ACT

RELATING TO PUBLIC EMPLOYEES RETIREMENT; AUTHORIZING THE
PURCHASE OF CREDITED SERVICE FOR CIVILIAN PRISONERS OF WAR;
AMENDING A SECTION OF THE NMSA 1978.

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

Section 1. Section 10-11-7 NMSA 1978 (being Laws 1987,
Chapter 253, Section 7, as amended) is amended to read:

"10-11-7. CREDITED SERVICE--PURCHASE OF SERVICE. --

A. A member who entered an armed service of the
United States, or who was a civilian prisoner of war captured
while in service to the United States as an employee of the
federal government or as an employee of a contractor with the
federal government, may purchase credited service for periods of
active duty in the armed service or for the period of internment
as a civilian prisoner of war, subject to the following

Underscored material = new
[bracketed material] = delete

1 conditions:

2 (1) the member pays the association the
3 purchase cost determined according to Subsection D of this
4 section;

5 (2) the member has five or more years of
6 credited service acquired as a result of personal service
7 rendered in the employ of an affiliated public employer;

8 (3) the aggregate amount of credited service
9 purchased under this subsection does not exceed five years
10 reduced by any period of credited service acquired for military
11 service under any other provision of the Public Employees
12 Retirement Act; and

13 (4) credited service may not be purchased for
14 periods of active duty or internment as a civilian prisoner of
15 war that are used to obtain or increase a benefit from another
16 retirement program.

17 B. A member who was employed by a utility company,
18 library, museum, transit company or by a nonprofit organization
19 administering federally funded public service programs, which
20 utility company, library, museum, transit company or nonprofit
21 organization administering federally funded public service
22 programs or federally funded public service programs
23 administered by a nonprofit organization are subsequently taken
24 over by an affiliated public employer, or a member who was
25 employed by an entity created pursuant to a joint powers

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[bracketed material] = delete

1 agreement between two or more affiliated public employers for
2 the purpose of administering or providing drug or alcohol
3 addiction treatment services irrespective of whether the entity
4 is subsequently taken over by an affiliated public employer, may
5 purchase credited service for the period of employment subject
6 to the following conditions:

7 (1) the member pays the association the
8 purchase cost determined according to Subsection D of this
9 section;

10 (2) the member has five or more years of
11 credited service acquired as a result of personal service
12 rendered in the employ of an affiliated public employer; and

13 (3) the aggregate amount of credited service
14 purchased under this subsection does not exceed five years.

15 C. A member who was appointed to participate in a
16 cooperative work study training program established jointly by
17 the state highway and transportation department and the
18 university of New Mexico or New Mexico state university may
19 purchase credited service for the period of participation
20 subject to the following conditions:

21 (1) the member pays the association the
22 purchase cost determined according to Subsection D of this
23 section;

24 (2) the member has five or more years of
25 credited service acquired as a result of personal service

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[bracketed material] = delete

1 rendered in the employ of an affiliated public employer; and

2 (3) the aggregate amount of credited service
3 purchased under this subsection does not exceed five years.

4 D. Except for service to be used under a state
5 legislator coverage plan, the purchase cost for each month of
6 credited service purchased under the provisions of this section
7 is equal to the member's final average salary multiplied by the
8 sum of the member contribution rate and employer contribution
9 rate, determined in accordance with the coverage plan applicable
10 to the member at the time of the written election to purchase.
11 The purchase cost for each year of credited service to be used
12 under a state legislator coverage plan is equal to the sum of
13 the member contribution and an employer contribution of ten
14 times the annual amount of pension per year of credited service
15 under the state legislator coverage plan applicable to the
16 member. Full payment shall be made in a single lump sum within
17 sixty days of the date the member is informed of the amount of
18 the payment. The portion of the purchase cost derived from the
19 employer contribution rate shall be credited to the employer
20 accumulation fund and shall not be paid out of the association
21 in the event of cessation of membership. In no case shall any
22 member be credited with a month of service for less than the
23 purchase cost as defined in this section.

24 E. A member shall be refunded, upon written request
25 filed with the association, the portion of the purchase cost of

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[bracketed material] = delete

1 credited service purchased under this section that the
2 association determines to have been unnecessary to provide the
3 member with the maximum pension applicable to the member. The
4 association shall not pay interest on the portion of the
5 purchase cost refunded to the member.

6 F. A member of the magistrate retirement system who
7 during his service as a magistrate was eligible to become a
8 member of the public employees retirement system and elected not
9 to become a member of that system may [~~upon the effective date~~
10 ~~of this subsection~~] purchase service credit under the public
11 employees retirement system for the period for which the
12 magistrate elected not to become a public employees retirement
13 system member, by paying the amount of the increase in the
14 actuarial present value of the magistrate pension as a
15 consequence of the purchase as determined by the association.
16 Full payment shall be made in a single lump-sum amount in
17 accordance with procedures established by the board. Except as
18 provided in Subsection E of this section, seventy-five percent
19 of the purchase cost shall be considered to be employer
20 contributions and shall not be refunded to the member in the
21 event of cessation of membership. "