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HOUSE BILL 134

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

PAULINE K. GUBBELS

AN ACT

RELATING TO PUBLIC EMPLOYEE BENEFITS; CHANGING THE  
CONTRIBUTIONS FROM PUBLIC FUNDS.

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

Section 1. Section 10-7-4 NMSA 1978 (being Laws 1941,  
Chapter 188, Section 1, as amended) is amended to read:

"10-7-4. GROUP INSURANCE--CAFETERIA PLAN--CONTRIBUTIONS  
FROM PUBLIC FUNDS.--

A. All state departments and institutions and all  
political subdivisions of the state, excluding municipalities  
and counties, shall cooperate in providing group term life,  
medical or disability income insurance for the benefit of  
eligible employees or salaried officers of the respective  
departments, institutions and subdivisions.

B. The group insurance contributions of the state

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1 or any of its departments or institutions, including  
2 institutions of higher education and the public schools, shall  
3 be made as follows:

4 (1) seventy-five percent of the cost of the  
5 insurance of an employee whose annual salary is less than  
6 [~~fifteen thousand dollars (\$15,000)~~] twenty thousand dollars  
7 (\$20,000);

8 (2) seventy percent of the cost of the  
9 insurance of an employee whose annual salary is [ ~~fifteen~~  
10 ~~thousand dollars (\$15,000)~~] twenty thousand dollars (\$20,000)  
11 or more but less than [ ~~twenty thousand dollars (\$20,000)~~]  
12 twenty-five thousand dollars (\$25,000) ;

13 (3) sixty-five percent of the cost of the  
14 insurance of an employee whose annual salary is [ ~~twenty~~  
15 ~~thousand dollars (\$20,000)~~] twenty-five thousand dollars  
16 (\$25,000) or more but less than [ ~~twenty-five thousand dollars~~  
17 ~~(\$25,000)~~] thirty thousand dollars (\$30,000); or

18 (4) sixty percent of the cost of the  
19 insurance of an employee whose annual salary is [ ~~twenty-five~~  
20 ~~thousand dollars (\$25,000)~~] thirty thousand dollars (\$30,000)  
21 or more.

22 As used in this subsection, "cost of the insurance" means  
23 the premium required to be paid to provide coverages. Any  
24 contributions of the political subdivisions of the state,  
25 except the public schools, shall not exceed sixty percent of

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1 the cost of the insurance.

2 C. When a public employee elects to participate in  
3 a cafeteria plan as authorized by the Cafeteria Plan Act and  
4 enters into a salary reduction agreement with the governmental  
5 employer, the provision of Subsection B of this section with  
6 respect to the maximum contributions that can be made by the  
7 employer are not violated and will still apply. The employer  
8 percentage or dollar contributions as provided in Subsection B  
9 of this section shall be determined by the employee's gross  
10 salary prior to any salary reduction agreement.

11 D. Any group medical insurance plan offered  
12 pursuant to this section shall include effective  
13 cost-containment measures to control the growth of health care  
14 costs. The responsible public body that administers a plan  
15 offered pursuant to this section shall report annually by  
16 September 1 to appropriate interim legislative committees on  
17 the effectiveness of the cost-containment measures required by  
18 this subsection. "

19 Section 2. EFFECTIVE DATE. --The effective date of the  
20 provisions of this act is the beginning of the first pay  
21 period after July 1, 1998.

1 FORTY-THIRD LEGISLATURE  
2 SECOND SESSION, 1998  
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6 February 5, 1998  
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8 Mr. Speaker:  
9

10 Your LABOR AND HUMAN RESOURCES COMMITTEE, to  
11 whom has been referred  
12

13 HOUSE BILL 134  
14

15 has had it under consideration and reports same with  
16 recommendation that it DO PASS, and thence referred to the  
17 APPROPRIATIONS AND FINANCE COMMITTEE.

18 Respectfully submitted,  
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22 \_\_\_\_\_  
23 Sheryl M. Williams, Chairman  
24  
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1 FORTY-THIRD LEGISLATURE  
2 SECOND SESSION, 1998

3 Page 5

4 Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

5  
6 (Chief Clerk)

(Chief Clerk)

7  
8 Date \_\_\_\_\_

9  
10 The roll call vote was 5 For 0 Against

11 Yes: 5

12 Excused: Macko, Marquardt, Roberts

13 Absent: None

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1 FORTY-THIRD LEGISLATURE  
2 SECOND SESSION, 1998

3  
4 February 17, 1998

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7 Mr. Speaker:

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9 Your APPROPRIATIONS AND FINANCE COMMITTEE, to  
10 whom has been referred

11 HOUSE BILL 134

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13 has had it under consideration and reports same with  
14 recommendation that it DO PASS, amended as follows:

15  
16 1. On page 1, line 25, strike "state" and on page 2,  
17 strike all of line 1.

18 2. On page 2, line 2, strike the comma.

19  
20 3. On page 2, lines 6 and 7, remove the brackets and  
21 line-through and strike the underscored language.

22  
23 4. On page 2, lines 9 and 10, remove the brackets and  
24 line-through and strike the underscored language.

25 5. On page 2, lines 11 and 12, remove the brackets and

. 120665. 1GJ

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4 line-through and strike the underscored language.

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6 6. On page 2, lines 14 and 15, remove the brackets and  
7 line-through and strike the underscored language.

8  
9 7. On page 2, lines 16 and 17, remove the brackets and  
10 line-through and strike the underscored language.

11  
12 8. On page 2, lines 19 and 20, remove the brackets and  
13 line-through and strike the underscored language.

14  
15 9. On page 3, between lines 1 and 2, insert the following new  
16 subsection:

17 "C. The group insurance contributions of the state or  
18 any of its departments or institutions, excluding institutions of  
19 higher education and the public schools, shall be made as follows:

20 (1) seventy-five percent of the cost of the  
21 insurance of an employee whose annual salary is less than twenty  
22 thousand dollars (\$20,000);

23 (2) seventy percent of the cost of the insurance of  
24 an employee whose annual salary is twenty thousand dollars  
25 (\$20,000) or more but less than twenty-five thousand dollars  
(\$25,000);

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2 SECOND SESSION, 1998

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4 (3) sixty-five percent of the cost of the insurance  
5 of an employee whose annual salary is twenty-five thousand dollars  
6 (\$25,000) or more but less than thirty thousand dollars (\$30,000);  
7 or

8  
9 (4) sixty percent of the cost of the insurance of  
10 an employee whose annual salary is thirty thousand dollars  
11 (\$30,000) or more.

12 As used in this subsection, "cost of the insurance" means the  
13 premium required to be paid to provide coverages. Any  
14 contributions of the political subdivisions of the state, except  
15 the public schools, shall not exceed sixty percent of the cost of  
16 the insurance."

17  
18 10. Reletter the succeeding subsections accordingly.

19 11. On page 3, line 5, after "B" insert "or C".

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21 12. On page 3, line 8, after "B" insert "or C".  
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Respectfully submitted,

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Max Coll, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 13 For 0 Against

Yes: 13

Excused: Garcia, Marquardt, Picraux, Vigil, Watchman

Absent: None

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February 19, 1998

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Mr. President:

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Your FINANCE COMMITTEE, to whom has been referred

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HOUSE BILL 134, as amended

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has had it under consideration and reports same with  
recommendation that it DO PASS.

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Respectfully submitted,

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Ben D. Altamirano, Chairman

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SECOND SESSION, 1998

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

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(Chief Clerk)

(Chief Clerk)

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Date \_\_\_\_\_

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The roll call vote was 6 For 0 Against

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Yes: 6

11

No: None

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Excused: Carraro, Eisenstadt, Ingle, Lyons, McKibben

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Absent: None

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