

SENATE BILL

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

DISCUSSION DRAFT

FOR THE INVESTMENTS OVERSIGHT COMMITTEE

AN ACT

RELATING TO EDUCATIONAL RETIREMENT; DELAYING EMPLOYER
CONTRIBUTION INCREASES FOR EDUCATIONAL RETIREMENT.

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

SECTION 1. Section 22-11-21 NMSA 1978 (being Laws 1967,
Chapter 16, Section 144, as amended) is amended to read:

"22-11-21. CONTRIBUTIONS--MEMBERS--LOCAL ADMINISTRATIVE
UNITS.--

A. Except as provided in Subsection C of this
section, each member shall make contributions to the fund
according to the following schedule:

(1) through June 30, 2005, an amount equal to
seven and six-tenths percent of the member's annual salary;

(2) from July 1, 2005 through June 30, 2006,
an amount equal to seven and six hundred seventy-five

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1 thousandths percent of the member's annual salary;

2 (3) from July 1, 2006 through June 30, 2007,
3 an amount equal to seven and seventy-five hundredths percent of
4 the member's annual salary;

5 (4) from July 1, 2007 through June 30, 2008,
6 an amount equal to seven and eight hundred twenty-five
7 thousandths percent of the member's annual salary; and

8 (5) on and after July 1, 2008, an amount equal
9 to seven and nine-tenths percent of the member's annual salary,
10 except that from July 1, 2009 through June 30, 2011, for
11 members whose annual salary is greater than twenty thousand
12 dollars (\$20,000), the member contribution rate shall be nine
13 and four-tenths percent of the member's annual salary.

14 B. Except as provided in Subsection C of this
15 section, each local administrative unit shall make an annual
16 contribution to the fund according to the following schedule:

17 (1) through June 30, 2005, a sum equal to
18 eight and sixty-five hundredths percent of the annual salary of
19 each member employed by the local administrative unit;

20 (2) from July 1, 2005 through June 30, 2006, a
21 sum equal to nine and forty-hundredths percent of the annual
22 salary of each member employed by the local administrative
23 unit;

24 (3) from July 1, 2006 through June 30, 2007, a
25 sum equal to ten and fifteen-hundredths percent of the annual

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1 salary of each member employed by the local administrative
2 unit;

3 (4) from July 1, 2007 through June 30, 2008, a
4 sum equal to ten and ninety-hundredths percent of the annual
5 salary of each member employed by the local administrative
6 unit;

7 (5) from July 1, 2008 through June 30, 2009, a
8 sum equal to eleven and sixty-five hundredths percent of the
9 annual salary of each member employed by the local
10 administrative unit;

11 (6) from July 1, 2009 through June 30, 2011, a
12 sum equal to ten and nine-tenths percent of the annual salary
13 of each member employed by the local administrative unit,
14 except that for members whose annual salary is twenty thousand
15 dollars (\$20,000) or less, the local administrative unit shall
16 contribute twelve and four-tenths percent of the member's
17 annual salary;

18 (7) from July 1, 2011 through June 30, 2012, a
19 sum equal to ~~[thirteen and fifteen-hundredths]~~ eleven and four-
20 tenths percent of the annual salary of each member employed by
21 the local administrative unit; ~~[and]~~

22 (8) from July 1, 2012 through June 30, 2013, a
23 sum equal to eleven and nine-tenths percent of the annual
24 salary of each member employed by the local administrative
25 unit;

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1 (9) from July 1, 2013 through June 30, 2014, a
2 sum equal to twelve and four-tenths percent of the annual
3 salary of each member employed by the local administrative
4 unit;

5 (10) from July 1, 2014 through June 30, 2015,
6 a sum equal to twelve and nine-tenths percent of the annual
7 salary of each member employed by the local administrative
8 unit;

9 (11) from July 1, 2015 through June 30, 2016,
10 a sum equal to thirteen and four-tenths percent of the annual
11 salary of each member employed by the local administrative
12 unit; and

13 ~~[(8)]~~ (12) on and after July 1, ~~[2012]~~ 2016, a
14 sum equal to thirteen and nine-tenths percent of the annual
15 salary of each member employed by the local administrative
16 unit.

17 C. If, in a calendar year, the salary of a member,
18 initially employed by a local administrative unit on or after
19 July 1, 1996, equals the annual compensation limit set pursuant
20 to Section 401(a)(17) of the Internal Revenue Code of 1986, as
21 amended, then:

22 (1) for the remainder of that calendar year,
23 no additional member contributions or local administrative unit
24 contributions for that member shall be made pursuant to this
25 section; provided that no member shall be denied service credit

1 solely because contributions are not made by the member or on
2 behalf of the member pursuant to the provisions of this
3 subsection; and

4 (2) the amount of the annual compensation
5 limit shall be divided into four equal portions, and, for
6 purposes of attributing contributory employment and crediting
7 service credit, each portion shall be attributable to one of
8 the four quarters of the calendar year."

9 SECTION 2. EFFECTIVE DATE.--The effective date of the
10 provisions of this act is July 1, 2011.

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