

BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO RETIREMENT; AMENDING THE PUBLIC EMPLOYEES
RETIREMENT ACT TO CREATE RETIREMENT PLANS AND AMEND COST-OF-
LIVING ADJUSTMENTS FOR UNIFORMED AND NONUNIFORMED STATE AND
MUNICIPAL EMPLOYEES HIRED ON OR AFTER JULY 1, 2011 AND TO CLOSE
ELIGIBILITY FOR EXISTING RETIREMENT PLANS TO EMPLOYEES HIRED ON
OR AFTER JULY 1, 2011; ADDING NEW RETIREMENT PLANS TO THE
CATEGORIES OF ENHANCED PLANS IN THE RETIREE HEALTH CARE ACT;
REPEALING SECTIONS OF LAW IN LAWS 2009; RECONCILING MULTIPLE
AMENDMENTS TO THE SAME SECTION OF LAW IN LAWS 2003; RECONCILING
MULTIPLE AMENDMENTS TO THE SAME SECTION OF LAW BY REPEALING
LAWS 2009, CHAPTER 287, SECTION 2.

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

SECTION 1. A new section of the Public Employees
Retirement Act is enacted to read:

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1 "[NEW MATERIAL] STATE GENERAL MEMBER COVERAGE PLAN 4--
2 APPLICABILITY.--State general member coverage plan 4 is
3 applicable to state general members who were not members or
4 retired members on June 30, 2011 and who are not specifically
5 covered by another coverage plan."

6 **SECTION 2.** A new section of the Public Employees
7 Retirement Act is enacted to read:

8 "[NEW MATERIAL] STATE GENERAL MEMBER COVERAGE PLAN 4--AGE
9 AND SERVICE CREDIT REQUIREMENTS FOR NORMAL RETIREMENT.--Under
10 state general member coverage plan 4, the age and service
11 credit requirements for normal retirement are:

12 A. age sixty-five years or older and five or more
13 years of service credit;

14 B. age sixty years and twenty-five or more years of
15 service credit; or

16 C. age fifty-five years if the sum of the member's
17 age and years of service credit equals at least eighty-five."

18 **SECTION 3.** A new section of the Public Employees
19 Retirement Act is enacted to read:

20 "[NEW MATERIAL] STATE GENERAL MEMBER COVERAGE PLAN 4--
21 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under state general
22 member coverage plan 4, the amount of pension under form of
23 payment A is equal to two and one-half percent of final average
24 salary multiplied by service credit. The amount shall not
25 exceed ninety percent of the final average salary."

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1 SECTION 4. A new section of the Public Employees
2 Retirement Act is enacted to read:

3 "[NEW MATERIAL] STATE GENERAL MEMBER COVERAGE PLAN 4--
4 MEMBER CONTRIBUTION RATE.--A member under state general member
5 coverage plan 4 shall contribute seven percent of salary
6 starting with the first full pay period that ends within the
7 calendar month in which state general member coverage plan 4
8 becomes applicable to the member."

9 SECTION 5. A new section of the Public Employees
10 Retirement Act is enacted to read:

11 "[NEW MATERIAL] STATE GENERAL MEMBER COVERAGE PLAN 4--
12 STATE CONTRIBUTION RATE.--The state shall contribute fourteen
13 percent of the salary of each member covered by state general
14 member coverage plan 4 starting with the first full pay period
15 that ends within the calendar month in which state general
16 member coverage plan 4 becomes applicable to the member."

17 SECTION 6. A new section of the Public Employees
18 Retirement Act is enacted to read:

19 "[NEW MATERIAL] STATE POLICE MEMBER AND ADULT CORRECTIONAL
20 OFFICER MEMBER COVERAGE PLAN 2--APPLICABILITY.--State police
21 member and adult correctional officer member coverage plan 2 is
22 applicable to state police members and adult correctional
23 officer members who were not members or retired members on June
24 30, 2011."

25 SECTION 7. A new section of the Public Employees

.183084.3

1 Retirement Act is enacted to read:

2 "[NEW MATERIAL] STATE POLICE MEMBER AND ADULT CORRECTIONAL
3 OFFICER MEMBER COVERAGE PLAN 2--AGE AND SERVICE CREDIT
4 REQUIREMENTS FOR NORMAL RETIREMENT.--Under state police member
5 and adult correctional officer member coverage plan 2, the age
6 and service credit requirements for normal retirement are:

7 A. age sixty-five years or older and five or more
8 years of service credit;

9 B. age fifty-five years if the sum of the member's
10 age and years of service credit equals at least eighty; or

11 C. age fifty years and twenty-five or more years of
12 service credit."

13 SECTION 8. A new section of the Public Employees
14 Retirement Act is enacted to read:

15 "[NEW MATERIAL] STATE POLICE MEMBER AND ADULT CORRECTIONAL
16 OFFICER MEMBER COVERAGE PLAN 2--AMOUNT OF PENSION--FORM OF
17 PAYMENT A.--Under state police member and adult correctional
18 officer member coverage plan 2, the amount of pension under
19 form of payment A is equal to three and one-half percent of
20 final average salary multiplied by service credit. The amount
21 shall not exceed ninety percent of the final average salary."

22 SECTION 9. A new section of the Public Employees
23 Retirement Act is enacted to read:

24 "[NEW MATERIAL] STATE POLICE MEMBER AND ADULT CORRECTIONAL
25 OFFICER MEMBER COVERAGE PLAN 2--MEMBER CONTRIBUTION RATE.--A

.183084.3

1 member under state police member and adult correctional officer
2 member coverage plan 2 shall contribute twelve percent of
3 salary starting with the first full pay period that ends within
4 the calendar month in which state police member and adult
5 correctional officer member coverage plan 2 becomes applicable
6 to the member."

7 SECTION 10. A new section of the Public Employees
8 Retirement Act is enacted to read:

9 "[NEW MATERIAL] STATE POLICE MEMBER AND ADULT CORRECTIONAL
10 OFFICER MEMBER COVERAGE PLAN 2--STATE CONTRIBUTION RATE.--The
11 state shall contribute twenty-four percent of the salary of
12 each member covered by state police member and adult
13 correctional officer member coverage plan 2 starting with the
14 first full pay period that ends within the calendar month in
15 which state police member and adult correctional officer member
16 coverage plan 2 becomes applicable to the member."

17 SECTION 11. A new section of the Public Employees
18 Retirement Act is enacted to read:

19 "[NEW MATERIAL] MUNICIPAL GENERAL MEMBER COVERAGE PLAN 5--
20 APPLICABILITY.--Municipal general member coverage plan 5 is
21 applicable to municipal general members who were not members or
22 retired members on June 30, 2011 and who are not specifically
23 covered by another coverage plan."

24 SECTION 12. A new section of the Public Employees
25 Retirement Act is enacted to read:

1 "[NEW MATERIAL] MUNICIPAL GENERAL MEMBER COVERAGE PLAN 5--
2 AGE AND SERVICE CREDIT REQUIREMENTS FOR NORMAL RETIREMENT.--

3 Under municipal general member coverage plan 5, the age and
4 service credit requirements for normal retirement are:

5 A. age sixty-five years or older and five or more
6 years of service credit;

7 B. age sixty years and twenty-five or more years of
8 service credit; or

9 C. age fifty-five years if the sum of the member's
10 age and years of service credit equals at least eighty-five."

11 SECTION 13. A new section of the Public Employees
12 Retirement Act is enacted to read:

13 "[NEW MATERIAL] MUNICIPAL GENERAL MEMBER COVERAGE PLAN 5--
14 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal general
15 member coverage plan 5, the amount of pension under form of
16 payment A is equal to two percent of final average salary
17 multiplied by service credit. The amount shall not exceed
18 ninety percent of the final average salary."

19 SECTION 14. A new section of the Public Employees
20 Retirement Act is enacted to read:

21 "[NEW MATERIAL] MUNICIPAL GENERAL MEMBER COVERAGE PLAN 5--
22 MEMBER CONTRIBUTION RATE.--A member under municipal general
23 member coverage plan 5 shall contribute five and sixty-seven
24 hundredths percent of salary starting with the first full pay
25 period that ends within the calendar month in which municipal

1 general member coverage plan 5 becomes applicable to the
2 member."

3 SECTION 15. A new section of the Public Employees
4 Retirement Act is enacted to read:

5 "[NEW MATERIAL] MUNICIPAL GENERAL MEMBER COVERAGE PLAN 5--
6 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--An affiliated
7 public employer shall contribute eleven and thirty-three
8 hundredths percent of the salary of each member covered by
9 municipal general member coverage plan 5 starting with the
10 first full pay period that ends within the calendar month in
11 which municipal general member coverage plan 5 becomes
12 applicable to the member."

13 SECTION 16. A new section of the Public Employees
14 Retirement Act is enacted to read:

15 "[NEW MATERIAL] MUNICIPAL GENERAL MEMBER COVERAGE PLAN 6--
16 APPLICABILITY.--Municipal general member coverage plan 6 is
17 applicable to a designated group of municipal general members
18 who were not members or retired members on June 30, 2011 whose
19 affiliated public employer has adopted municipal general member
20 coverage plan 6 for the designated group of municipal general
21 members hired on or after July 1, 2011. The affiliated public
22 employer shall certify this adoption to the retirement board in
23 the form prescribed by the retirement board."

24 SECTION 17. A new section of the Public Employees
25 Retirement Act is enacted to read:

1 "[NEW MATERIAL]" MUNICIPAL GENERAL MEMBER COVERAGE PLAN 6--
2 AGE AND SERVICE CREDIT REQUIREMENTS FOR NORMAL RETIREMENT.--

3 Under municipal general member coverage plan 6, the age and
4 service credit requirements for normal retirement are:

5 A. age sixty-five years or older and five or more
6 years of service credit;

7 B. age sixty years and twenty-five or more years of
8 service credit; or

9 C. age fifty-five years if the sum of the member's
10 age and years of service credit equals at least eighty-five."

11 SECTION 18. A new section of the Public Employees
12 Retirement Act is enacted to read:

13 "[NEW MATERIAL]" MUNICIPAL GENERAL MEMBER COVERAGE PLAN 6--
14 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal general
15 member coverage plan 6, the amount of pension under form of
16 payment A is equal to two and one-half percent of final average
17 salary multiplied by service credit. The amount shall not
18 exceed ninety percent of the final average salary."

19 SECTION 19. A new section of the Public Employees
20 Retirement Act enacted to read:

21 "[NEW MATERIAL]" MUNICIPAL GENERAL MEMBER COVERAGE PLAN 6--
22 MEMBER CONTRIBUTION RATE.--A member under municipal general
23 member coverage plan 6 shall contribute seven percent of salary
24 starting with the first full pay period that ends within the
25 calendar month in which municipal general member coverage plan

.183084.3

6 becomes applicable to the member."

SECTION 20. A new section of the Public Employees Retirement Act is enacted to read:

"[NEW MATERIAL] MUNICIPAL GENERAL MEMBER COVERAGE PLAN 6--AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--An affiliated public employer shall contribute fourteen percent of the salary of each member covered by municipal general member coverage plan 6 starting with the first pay period that ends within the calendar month in which municipal general member coverage plan 6 becomes applicable to the member."

SECTION 21. A new section of the Public Employees Retirement Act is enacted to read:

"[NEW MATERIAL] MUNICIPAL PUBLIC SAFETY MEMBER COVERAGE PLAN 6--APPLICABILITY.--

A. Municipal public safety member coverage plan 6 is applicable to municipal public safety members who were not members or retired members on June 30, 2011 and whose affiliated public employer has adopted municipal public safety member coverage plan 6 for its municipal public safety officers. The affiliated public employer shall certify this adoption to the retirement board in the form prescribed by the retirement board.

B. For the purposes of this section, "municipal public safety officer" includes municipal police members, municipal fire members and municipal detention officer

.183084.3

1 members."

2 SECTION 22. A new section of the Public Employees
3 Retirement Act is enacted to read:

4 "[NEW MATERIAL] MUNICIPAL PUBLIC SAFETY MEMBER COVERAGE
5 PLAN 6--AGE AND SERVICE CREDIT REQUIREMENTS FOR NORMAL
6 RETIREMENT.--Under municipal public safety member coverage plan
7 6, the age and service credit requirements for normal
8 retirement are:

9 A. age sixty years or older and five or more years
10 of service credit;

11 B. age fifty-five years if the sum of the member's
12 age and years of service credit equals at least eighty; or

13 C. age fifty years and twenty-five or more years of
14 service credit."

15 SECTION 23. A new section of the Public Employees
16 Retirement Act is enacted to read:

17 "[NEW MATERIAL] MUNICIPAL PUBLIC SAFETY MEMBER COVERAGE
18 PLAN 6--AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal
19 public safety member coverage plan 6, the amount of pension
20 under form of payment A is equal to two and nine-tenths percent
21 of final average salary multiplied by service credit. The
22 amount shall not exceed ninety percent of the final average
23 salary."

24 SECTION 24. A new section of the Public Employees
25 Retirement Act is enacted to read:

.183084.3

1 "[NEW MATERIAL]" MUNICIPAL PUBLIC SAFETY MEMBER COVERAGE
2 PLAN 6--MEMBER CONTRIBUTION RATE.--A member under municipal
3 public safety member coverage plan 6 shall contribute ten
4 percent of salary starting with the first full pay period that
5 ends within the calendar month in which municipal public safety
6 member coverage plan 6 becomes applicable to the member."

7 SECTION 25. A new section of the Public Employees
8 Retirement Act is enacted to read:

9 "[NEW MATERIAL]" MUNICIPAL PUBLIC SAFETY MEMBER COVERAGE
10 PLAN 6--AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--An
11 affiliated public employer shall contribute twenty percent of
12 the salary of each member covered by municipal public safety
13 member coverage plan 6 starting with the first full pay period
14 that ends within the calendar month in which municipal public
15 safety member coverage plan 6 becomes applicable to the
16 member."

17 SECTION 26. A new section of the Public Employees
18 Retirement Act is enacted to read:

19 "[NEW MATERIAL]" MUNICIPAL PUBLIC SAFETY MEMBER COVERAGE
20 PLAN 7--APPLICABILITY.--

21 A. Municipal public safety member coverage plan 7
22 is applicable to municipal public safety members who were not
23 members or retired members on June 30, 2011 and whose
24 affiliated public employer has adopted municipal public safety
25 member coverage plan 7 for its municipal public safety

1 officers. The affiliated public employer shall certify this
2 adoption to the retirement board in the form prescribed by the
3 retirement board.

4 B. For the purposes of this section, "municipal
5 public safety officer" includes municipal police members,
6 municipal fire members and municipal detention officer
7 members."

8 SECTION 27. A new section of the Public Employees
9 Retirement Act is enacted to read:

10 "[NEW MATERIAL] MUNICIPAL PUBLIC SAFETY MEMBER COVERAGE
11 PLAN 7--AGE AND SERVICE CREDIT REQUIREMENTS FOR NORMAL
12 RETIREMENT.--Under municipal public safety member coverage plan
13 7, the age and service credit requirements for normal
14 retirement are:

15 A. age sixty years or older and five or more years
16 of service credit;

17 B. age fifty-five years if the sum of the member's
18 age and years of service credit equals at least eighty; or

19 C. age fifty years and twenty-five or more years of
20 service credit."

21 SECTION 28. A new section of the Public Employees
22 Retirement Act is enacted to read:

23 "[NEW MATERIAL] MUNICIPAL PUBLIC SAFETY MEMBER COVERAGE
24 PLAN 7--AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal
25 public safety member coverage plan 7, the amount of pension

.183084.3

1 under form of payment A is equal to three and one-half percent
2 of final average salary multiplied by service credit. The
3 amount shall not exceed ninety percent of the final average
4 salary."

5 SECTION 29. A new section of the Public Employees
6 Retirement Act is enacted to read:

7 "[NEW MATERIAL] MUNICIPAL PUBLIC SAFETY MEMBER COVERAGE
8 PLAN 7--MEMBER CONTRIBUTION RATE.--A member under municipal
9 public safety member coverage plan 7 shall contribute twelve
10 percent of salary starting with the first full pay period that
11 ends within the calendar month in which municipal public safety
12 member coverage plan 7 becomes applicable to the member."

13 SECTION 30. A new section of the Public Employees
14 Retirement Act is enacted to read:

15 "[NEW MATERIAL] MUNICIPAL PUBLIC SAFETY MEMBER COVERAGE
16 PLAN 7--AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--An
17 affiliated public employer shall contribute twenty-four percent
18 of the salary of each member covered by municipal public safety
19 member coverage plan 7 starting with the first full pay period
20 that ends within the calendar month in which municipal public
21 safety member coverage plan 7 becomes applicable to the
22 member."

23 SECTION 31. Section 10-7C-15 NMSA 1978 (being Laws 1990,
24 Chapter 6, Section 15, as amended by Laws 2009, Chapter 287,
25 Section 2 and by Laws 2009, Chapter 288, Section 3) is amended

.183084.3

1 to read:

2 "10-7C-15. RETIREE HEALTH CARE FUND CONTRIBUTIONS.--

3 A. Following completion of the preliminary
4 contribution period, each participating employer shall make
5 contributions to the fund pursuant to the following provisions:

6 (1) for participating employees who are not
7 members of an enhanced retirement plan, the employer's
8 contribution shall equal:

9 (a) one and three-tenths percent of each
10 participating employee's salary for the period from July 1,
11 2002 through June 30, 2010;

12 (b) one and six hundred sixty-six
13 thousandths percent of each participating employee's salary for
14 the period from July 1, 2010 through June 30, 2011;

15 (c) one and eight hundred thirty-four
16 thousandths percent of each participating employee's salary for
17 the period from July 1, 2011 through June 30, 2012; and

18 (d) two percent of each participating
19 employee's salary beginning July 1, 2012;

20 (2) for participating employees who are
21 members of an enhanced retirement plan, the employer's
22 contribution shall equal:

23 (a) one and three-tenths percent of each
24 participating employee's salary for the period from July 1,
25 2002 through June 30, 2010;

.183084.3

1 (b) two and eighty-four thousandths
2 percent of each participating employee's salary for the period
3 from July 1, 2010 through June 30, 2011;

4 (c) two and two hundred ninety-two
5 thousandths percent of each participating employee's salary for
6 the period from July 1, 2011 through June 30, 2012; and

7 (d) two and one-half percent of each
8 participating employee's salary beginning July 1, 2012; and

9 (3) each employer that chooses to become a
10 participating employer after January 1, 1998 shall make
11 contributions to the fund in the amount determined to be
12 appropriate by the board.

13 B. Following completion of the preliminary
14 contribution period, each participating employee, as a
15 condition of employment, shall contribute to the fund pursuant
16 to the following provisions:

17 (1) for a participating employee who is not a
18 member of an enhanced retirement plan, the employee's
19 contribution shall equal:

20 (a) sixty-five hundredths of one percent
21 of the employee's salary for the period from July 1, 2002
22 through June 30, 2010;

23 (b) eight hundred thirty-three
24 thousandths of one percent of the employee's salary for the
25 period from July 1, 2010 through June 30, 2011;

.183084.3

1 (c) nine hundred seventeen thousandths
2 of one percent of the employee's salary for the period from
3 July 1, 2011 through June 30, 2012; and

4 (d) one percent of the employee's salary
5 beginning July 1, 2012;

6 (2) for a participating employee who is a
7 member of an enhanced retirement plan, the employee's
8 contribution shall equal:

9 (a) sixty-five hundredths of one percent
10 of the employee's salary for the period from July 1, 2002
11 through June 30, 2010;

12 (b) one and forty-two thousandths
13 percent of the employee's salary for the period from July 1,
14 2010 through June 30, 2011;

15 (c) one and one hundred forty-six
16 thousandths percent of the employee's salary for the period
17 from July 1, 2011 through June 30, 2012; and

18 (d) one and one-fourth percent of the
19 employee's salary beginning July 1, 2012; and

20 (3) as a condition of employment, each
21 participating employee of an employer that chooses to become a
22 participating employer after January 1, 1998 shall contribute
23 to the fund an amount that is determined to be appropriate by
24 the board. Each month, participating employers shall deduct
25 the contribution from the participating employee's salary and

.183084.3

1 shall remit it to the board as provided by any procedures that
2 the board may require.

3 C. On or after July 1, 2009, no person who has
4 obtained service credit pursuant to Subsection B of Section
5 10-11-6 NMSA 1978, Section 10-11-7 NMSA 1978 or Paragraph (3)
6 or (4) of Subsection A of Section 22-11-34 NMSA 1978 may enroll
7 with the authority unless the person makes a contribution to
8 the fund equal to the full actuarial present value of the
9 amount of the increase in the person's health care benefit, as
10 determined by the authority.

11 D. Except for contributions made pursuant to
12 Subsection C of this section, a participating employer that
13 fails to remit before the tenth day after the last day of the
14 month all employer and employee deposits required by the
15 Retiree Health Care Act to be remitted by the employer for the
16 month shall pay to the fund, in addition to the deposits,
17 interest on the unpaid amounts at the rate of six percent per
18 year compounded monthly.

19 E. Except for contributions made pursuant to
20 Subsection C of this section, the employer and employee
21 contributions shall be paid in monthly installments based on
22 the percent of payroll certified by the employer.

23 F. Except in the case of erroneously made
24 contributions or as may be otherwise provided in Subsection D
25 of Section 10-7C-9 NMSA 1978, contributions from participating

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1 employers and participating employees shall become the property
2 of the fund on receipt by the board and shall not be refunded
3 under any circumstances, including termination of employment or
4 termination of the participating employer's operation or
5 participation in the Retiree Health Care Act.

6 G. Notwithstanding any other provision in the
7 Retiree Health Care Act and at the first session of the
8 legislature following July 1, 2013, the legislature shall
9 review and adjust the distributions pursuant to Section 7-1-6.1
10 NMSA 1978 and the employer and employee contributions to the
11 authority in order to ensure the actuarial soundness of the
12 benefits provided under the Retiree Health Care Act.

13 H. As used in this section, "member of an enhanced
14 retirement plan" means:

15 (1) a member of the public employees
16 retirement association who, pursuant to the Public Employees
17 Retirement Act, is included in:

18 (a) state police member and adult
19 correctional officer member coverage plan 1;

20 (b) municipal police member coverage
21 plan 3, 4 or 5;

22 (c) municipal fire member coverage plan
23 3, 4 or 5; [✗]

24 (d) municipal detention officer member
25 coverage plan 1; [✗]

1 (e) municipal public safety member
2 coverage plan 6 or 7; or

3 (f) state police member and adult
4 correctional officer member coverage plan 2; or

5 (2) a member pursuant to the provisions of the
6 Judicial Retirement Act."

7 SECTION 32. Section 10-11-26.1 NMSA 1978 (being Laws
8 1994, Chapter 128, Section 2) is amended to read:

9 "10-11-26.1. STATE GENERAL MEMBER COVERAGE PLAN 3--
10 APPLICABILITY.--State general member coverage plan 3 is
11 applicable to state general members who became members on or
12 before June 30, 2011, and who are not specifically covered by
13 another plan, in the first full pay period after July 1, 1995
14 if the retirement board certifies to the secretary of state
15 that a majority of the members voting of those members to be
16 covered under state general member coverage plan 3 has voted to
17 approve adoption of this plan at an election conducted pursuant
18 to Laws 1994, Chapter 128, Section 17 [~~of this act~~]."

19 SECTION 33. Section 10-11-27 NMSA 1978 (being Laws 1987,
20 Chapter 253, Section 27, as amended by Laws 2003, Chapter 268,
21 Section 9 and by Laws 2003, Chapter 269, Section 1) is amended
22 to read:

23 "10-11-27. STATE POLICE MEMBER AND ADULT CORRECTIONAL
24 OFFICER MEMBER COVERAGE PLAN 1--APPLICABILITY.--

25 A. State police member and adult correctional

1 officer member coverage plan 1 is applicable to state police
2 members ~~[who are not specifically covered by another coverage~~
3 ~~plan]~~ and adult correctional officer members who became members
4 on or before June 30, 2011 and who are not specifically covered
5 by another plan. The credited service of a state police member
6 who has held the permanent rank of patrolman, sergeant,
7 lieutenant or captain and does not hold an exempt rank or who
8 is assigned to the aircraft division as a pilot, or of an adult
9 correctional officer member, shall have actual credited service
10 increased by twenty percent for the purposes of state police
11 member and adult correctional officer member coverage plan 1.

12 B. State police member and adult correctional
13 officer member coverage plan 1 is applicable to adult
14 correctional officer members who became members on or before
15 June 30, 2011, and who are not specifically covered by another
16 plan, in the first full pay period after July 1, 2004 if the
17 retirement board certifies to the secretary of state that, of
18 those adult correctional officer members to be covered under
19 state police member and adult correctional officer member
20 coverage plan 1, a majority of the members voting have voted to
21 approve adoption of that plan at an election conducted pursuant
22 to ~~[Section 16 of this 2003 act]~~ Laws 2003, Chapter 268,
23 Section 16."

24 SECTION 34. Section 10-11-33 NMSA 1978 (being Laws 1987,
25 Chapter 253, Section 33) is amended to read:

1 "10-11-33. STATE HAZARDOUS DUTY MEMBER COVERAGE PLAN 1--
2 APPLICABILITY.--State hazardous duty member coverage plan 1 is
3 applicable to state hazardous duty members who became members
4 on or before June 30, 2011 and who are not specifically covered
5 by another coverage plan."

6 SECTION 35. Section 10-11-38.1 NMSA 1978 (being Laws
7 1994, Chapter 128, Section 9) is amended to read:

8 "10-11-38.1. STATE HAZARDOUS DUTY MEMBER COVERAGE PLAN
9 2--APPLICABILITY.--State hazardous duty member coverage plan 2
10 is applicable to state hazardous duty members, who became
11 members on or before June 30, 2011 in the first full pay period
12 after July 1, 1995 if the retirement board certifies to the
13 secretary of state that a majority of the members voting of
14 those members to be covered under state hazardous duty member
15 coverage plan 2 has voted to approve adoption of this plan at
16 an election conducted pursuant to Laws 1994, Chapter 128,
17 Section 17 ~~[of this act]~~."

18 SECTION 36. Section 10-11-44 NMSA 1978 (being Laws 1987,
19 Chapter 253, Section 44) is amended to read:

20 "10-11-44. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 1--
21 APPLICABILITY.--Municipal general member coverage plan 1 is
22 applicable to municipal general members who became members on
23 or before June 30, 2011 and who are not specifically covered by
24 another coverage plan."

25 SECTION 37. Section 10-11-50 NMSA 1978 (being Laws 1987,

Chapter 253, Section 50, as amended) is amended to read:

"10-11-50. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 2--
APPLICABILITY.--

A. Municipal general member coverage plan 2 is applicable to a designated group of municipal general members the first day of the calendar month following an affirmative vote by the majority of the municipal general members in a designated group. A designated group may be all members who became members on or before June 30, 2011 and who are:

(1) employed by ~~[the]~~ an affiliated public employer;

(2) an organizational group whose compensation is established by negotiated contract; or

(3) all members employed by ~~[the]~~ an affiliated public employer whose compensation is not established by negotiated contract.

B. The election shall be conducted by the retirement board in accordance with procedures adopted by the retirement board. The procedures shall afford all municipal general members who are part of the designated group an opportunity to vote.

C. A new election for coverage by municipal general member coverage plan 2 shall not be held prior to the expiration of six months following the date of an election ~~[which]~~ that failed to adopt municipal general member coverage

1 plan 2.

2 D. An election adopting municipal general member
3 coverage plan 2 is irrevocable for the purpose of subsequently
4 adopting a coverage plan [~~which~~] that would decrease employer
5 or employee contributions with respect to all current and
6 future municipal general employees of [~~the~~] an affiliated
7 public employer who are part of the designated group."

8 **SECTION 38.** Section 10-11-56 NMSA 1978 (being Laws 1987,
9 Chapter 253, Section 56) is amended to read:

10 "10-11-56. MUNICIPAL POLICE MEMBER COVERAGE PLAN 1--
11 APPLICABILITY.--Municipal police member coverage plan 1 is
12 applicable to municipal police members who became members on or
13 before June 30, 2011 and whose affiliated public employer has
14 adopted municipal police member coverage plan 1 for its
15 municipal police officers. The affiliated public employer
16 shall certify this adoption to the retirement board in the form
17 prescribed by the retirement board."

18 **SECTION 39.** Section 10-11-62 NMSA 1978 (being Laws 1987,
19 Chapter 253, Section 62) is amended to read:

20 "10-11-62. MUNICIPAL POLICE MEMBER COVERAGE PLAN 2--
21 APPLICABILITY.--Municipal police member coverage plan 2 is
22 applicable to municipal police members who became members on or
23 before June 30, 2011 and whose affiliated public employer has
24 adopted municipal police member coverage plan 2 for its
25 municipal police officers. The affiliated public employer

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1 shall certify this adoption to the retirement board in the form
2 prescribed by the retirement board."

3 SECTION 40. Section 10-11-68 NMSA 1978 (being Laws 1987,
4 Chapter 253, Section 68) is amended to read:

5 "10-11-68. MUNICIPAL POLICE MEMBER COVERAGE PLAN 3--
6 APPLICABILITY.--Municipal police member coverage plan 3 is
7 applicable to municipal police members who became members on or
8 before June 30, 2011 and whose affiliated public employer has
9 adopted municipal police member coverage plan 3 for its
10 municipal police officers. The affiliated public employer
11 shall certify this adoption to the retirement board in the form
12 prescribed by the retirement board."

13 SECTION 41. Section 10-11-74 NMSA 1978 (being Laws 1987,
14 Chapter 253, Section 74, as amended) is amended to read:

15 "10-11-74. MUNICIPAL POLICE MEMBER COVERAGE PLAN 4--
16 APPLICABILITY.--Municipal police member coverage plan 4 is
17 applicable to municipal police members who became members on or
18 before June 30, 2011 of an affiliated public employer on the
19 first day of the calendar month following certification of the
20 election adopting municipal police member coverage plan 4 by an
21 affirmative vote of the majority of the affiliated public
22 employer's municipal police members. The election shall be
23 conducted by the affiliated public employer. The certification
24 shall be in the form prescribed by the retirement board. The
25 election procedures shall afford all municipal police members

.183084.3

1 of the affiliated public employer an opportunity to vote. An
2 election adopting municipal police member coverage plan 4 for a
3 given affiliated public employer is irrevocable for the purpose
4 of subsequently adopting a coverage plan ~~[which]~~ that would
5 decrease employer or employee contributions with respect to all
6 current and future municipal police members of that affiliated
7 public employer."

8 SECTION 42. Section 10-11-80 NMSA 1978 (being Laws 1987,
9 Chapter 253, Section 80, as amended) is amended to read:

10 "10-11-80. MUNICIPAL POLICE MEMBER COVERAGE PLAN 5--
11 APPLICABILITY.--Municipal police member coverage plan 5 is
12 applicable to municipal police members who became members on or
13 before June 30, 2011 of an affiliated public employer on the
14 first day of the calendar month following certification of the
15 election adopting municipal police member coverage plan 5 by an
16 affirmative vote of the majority of the affiliated public
17 employer's municipal police members. The election shall be
18 conducted by the affiliated public employer. The certification
19 shall be in the form prescribed by the retirement board. The
20 election procedures shall afford all municipal police members
21 of the affiliated public employer an opportunity to vote. An
22 election adopting municipal police member coverage plan 5 for a
23 given affiliated public employer is irrevocable for the purpose
24 of subsequently adopting a coverage plan ~~[which]~~ that would
25 decrease employer or employee contributions with respect to all

1 current and future municipal police members of that affiliated
2 public employer."

3 SECTION 43. Section 10-11-86 NMSA 1978 (being Laws 1987,
4 Chapter 253, Section 86) is amended to read:

5 "10-11-86. MUNICIPAL FIRE MEMBER COVERAGE PLAN 1--
6 APPLICABILITY.--Municipal fire member coverage plan 1 is
7 applicable to municipal fire members who became members on or
8 before June 30, 2011 and whose affiliated public employer has
9 adopted municipal fire member coverage plan 1 for its municipal
10 firefighters. The affiliated public employer shall certify
11 this adoption to the retirement board in the form prescribed by
12 the retirement board."

13 SECTION 44. Section 10-11-92 NMSA 1978 (being Laws 1987,
14 Chapter 253, Section 92) is amended to read:

15 "10-11-92. MUNICIPAL FIRE MEMBER COVERAGE PLAN 2--
16 APPLICABILITY.--Municipal fire member coverage plan 2 is
17 applicable to municipal fire members who became members on or
18 before June 30, 2011 and whose affiliated public employer has
19 adopted municipal fire member coverage plan 2 for its municipal
20 fire members. The affiliated public employer shall certify
21 this adoption to the retirement board in the form prescribed by
22 the retirement board."

23 SECTION 45. Section 10-11-98 NMSA 1978 (being Laws 1987,
24 Chapter 253, Section 98) is amended to read:

25 "10-11-98. MUNICIPAL FIRE MEMBER COVERAGE PLAN 3--

1 APPLICABILITY.--Municipal fire member coverage plan 3 is
2 applicable to municipal fire members who became members on or
3 before June 30, 2011 and whose affiliated public employer has
4 adopted municipal fire member coverage plan 3 for its municipal
5 firefighters. The affiliated public employer shall certify
6 this adoption to the retirement board in the form prescribed by
7 the retirement board."

8 SECTION 46. Section 10-11-104 NMSA 1978 (being Laws 1987,
9 Chapter 253, Section 104, as amended) is amended to read:

10 "10-11-104. MUNICIPAL FIRE MEMBER COVERAGE PLAN 4--
11 APPLICABILITY.--Municipal fire member coverage plan 4 is
12 applicable to municipal fire members who became members on or
13 before June 30, 2011 of an affiliated public employer on the
14 first day of the calendar month following certification of the
15 election adopting municipal fire member coverage plan 4 by an
16 affirmative vote of the majority of the affiliated public
17 employer's municipal fire members. The election shall be
18 conducted by the affiliated public employer. The certification
19 shall be in the form prescribed by the retirement board. The
20 election procedures shall afford all municipal fire members of
21 the affiliated public employer an opportunity to vote. An
22 election adopting municipal fire member coverage plan 4 for a
23 given affiliated public employer is irrevocable for the purpose
24 of subsequently adopting a coverage plan ~~[which]~~ that would
25 decrease employer or employee contributions with respect to all

1 current and future municipal fire members of that affiliated
2 public employer."

3 SECTION 47. Section 10-11-110 NMSA 1978 (being Laws 1987,
4 Chapter 253, Section 110, as amended) is amended to read:

5 "10-11-110. MUNICIPAL FIRE MEMBER COVERAGE PLAN 5--
6 APPLICABILITY.--Municipal fire member coverage plan 5 is
7 applicable to municipal fire members who became members on or
8 before June 30, 2011 of an affiliated public employer on the
9 first day of the calendar month following certification of the
10 election adopting municipal fire member coverage plan 5 by an
11 affirmative vote of the majority of the affiliated public
12 employer's municipal fire members. The election shall be
13 conducted by the affiliated public employer. The certification
14 shall be in the form prescribed by the retirement board. The
15 election procedures shall afford all municipal fire members of
16 the affiliated public employer an opportunity to vote. An
17 election adopting municipal fire member coverage plan 5 for a
18 given affiliated public employer is irrevocable for the purpose
19 of subsequently adopting a coverage plan ~~[which]~~ that would
20 decrease employer or employee contributions with respect to all
21 current and future municipal fire members of that affiliated
22 public employer."

23 SECTION 48. Section 10-11-115.1 NMSA 1978 (being Laws
24 2003, Chapter 268, Section 2) is amended to read:

25 "10-11-115.1. MUNICIPAL DETENTION OFFICER MEMBER COVERAGE

1 PLAN 1--APPLICABILITY.--Municipal detention officer member
2 coverage plan 1 is applicable to municipal detention officer
3 members, who became members on or before June 30, 2011, on the
4 later of July 1, 2004 or the first day of the calendar month
5 following certification of the election adopting municipal
6 detention officer member coverage plan 1 by an affirmative vote
7 of the majority of [~~the~~] an affiliated public employer's
8 municipal detention officer members. The election shall be
9 conducted by the affiliated public employer. The certification
10 shall be in the form prescribed by the retirement board. The
11 election procedures shall afford all municipal detention
12 officer members of the affiliated public employer an
13 opportunity to vote. An election adopting municipal detention
14 officer member coverage plan 1 for a given affiliated public
15 employer is irrevocable for the purpose of subsequently
16 adopting a coverage plan that would decrease employer or
17 employee contributions with respect to all current and future
18 municipal detention officer members of that affiliated public
19 employer."

20 SECTION 49. Section 10-11-118 NMSA 1978 (being Laws 1987,
21 Chapter 253, Section 118, as amended) is amended to read:

22 "10-11-118. COST-OF-LIVING ADJUSTMENTS.--

23 A. For the purposes of this section:

24 (1) "adjustment factor" means a multiplicative
25 factor computed to provide an annuity adjustment pursuant to

.183084.3

1 the provisions of Subsection C of this section;

2 (2) "consumer price index" means the average
3 of the monthly consumer price indexes for a calendar year for
4 the entire United States for all items as published by the
5 United States;

6 (3) "next preceding calendar year" means the
7 full calendar year immediately prior to the preceding calendar
8 year; and

9 ~~[(1)]~~ (4) "preceding calendar year" means the
10 twelve-month period ending on the December 31 preceding the
11 July 1 in which pensions are being adjusted [and

12 ~~(2) "second preceding calendar year" means the~~
13 ~~full calendar year prior to the preceding calendar year].~~

14 B. Except as provided in Subsection C of this
15 section, the amount of pension payable to a qualified pension
16 recipient shall be increased three percent each July 1. The
17 amount of the increase shall be determined by multiplying the
18 amount of pension inclusive of all prior adjustments by three
19 percent.

20 C. The amount of pension payable to a qualified
21 pension recipient in state general member coverage plan 4,
22 state police member and adult correctional officer member
23 coverage plan 2, municipal general member coverage plan 5,
24 municipal general member coverage plan 6, municipal public
25 safety member coverage plan 6 and municipal public safety

1 member coverage plan 7 shall be increased by applying an
2 adjustment factor that results in an adjustment equal to three-
3 fourths of the percentage increase of the consumer price index
4 between the next preceding calendar year and the preceding
5 calendar year, except that the adjustment shall not exceed
6 three percent in absolute value nor shall it be less than zero
7 percent in absolute value. The amount of pension payable shall
8 not be decreased in the event that there is a decrease in the
9 consumer price index between the next preceding calendar year
10 and the preceding calendar year.

11 ~~[G-]~~ D. A qualified pension recipient is:

12 (1) a normal retired member who has been
13 retired for at least two full calendar years from the effective
14 date of the latest retirement prior to July 1 of the year in
15 which the pension is being adjusted;

16 (2) a normal retired member who has attained
17 age sixty-five years and been retired for at least one full
18 calendar year from the effective date of the latest retirement
19 prior to July 1 of the year in which the pension is being
20 adjusted;

21 (3) a disability retired member who has been
22 retired for at least one full calendar year from the effective
23 date of the latest retirement prior to July 1 of the year in
24 which the pension is being adjusted;

25 (4) a survivor beneficiary who has received a

.183084.3

1 survivor pension for at least two full calendar years; or

2 (5) a survivor beneficiary of a deceased
3 retired member who otherwise would have been retired at least
4 two full calendar years from the effective date of the latest
5 retirement prior to July 1 of the year in which the pension is
6 being adjusted.

7 ~~[D-]~~ E. A qualified pension recipient may decline
8 an increase in a pension by giving the association written
9 notice of the decision to decline the increase at least thirty
10 days prior to the date the increase would take effect."

11 SECTION 50. REPEAL.--Laws 2009, Chapter 287, Section 2
12 and Laws 2009, Chapter 288, Sections 6 through 10 are repealed.

13 SECTION 51. EFFECTIVE DATE.--The effective date of the
14 provisions of this act is July 1, 2011.

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