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BILL

**50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012**

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO PENSIONS; AMENDING THE EDUCATIONAL RETIREMENT ACT;  
CHANGING THE COST-OF-LIVING ADJUSTMENT; CHANGING AGE AND  
SERVICE REQUIREMENTS FOR RETIREMENT OF CERTAIN EMPLOYEES.

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

SECTION 1. Section 22-11-23 NMSA 1978 (being Laws 1981,  
Chapter 293, Section 2, as amended by Laws 2009, Chapter 286,  
Section 1 and by Laws 2009, Chapter 288, Section 14) is amended  
to read:

"22-11-23. RETIREMENT ELIGIBILITY--~~[INITIAL]~~ MEMBERSHIP  
PRIOR TO JULY 1, 2010--SAFE HARBOR--MEMBERSHIP AFTER JUNE 30,  
2012.--

A. The retirement eligibility for a member who  
~~[either]~~ was eligible for retirement benefits on or before June  
30, 2022 pursuant to the provisions of this subsection and who

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1 was a member on June 30, 2010, ~~[or]~~ was a member at any time  
2 prior to ~~[that date]~~ June 31, 2010 and had not, on that date,  
3 been refunded all member contributions pursuant to Subsection A  
4 of Section 22-11-15 NMSA 1978 or was a member at any time prior  
5 to June 30, 2010 and had been refunded any or all member  
6 contributions pursuant to that subsection and had restored all  
7 of the refunded contributions prior to June 30, 2010 is as  
8 follows:

9 (1) a member shall be eligible for retirement  
10 benefits pursuant to the Educational Retirement Act when  
11 ~~[either]~~ one of the following ~~[conditions]~~ occurs:

12 (a) the sum of the member's age and  
13 years of earned service-credit equals at least seventy-five; or

14 (b) ~~[upon completion of five years of~~  
15 ~~earned service-credit and upon becoming sixty-five years of~~  
16 ~~age]~~ the member is at least sixty-five years of age and has  
17 five or more years of earned service credit;

18 (2) a member under sixty years of age eligible  
19 to retire under Paragraph (1) of this subsection may retire and  
20 receive retirement benefits pursuant to the Educational  
21 Retirement Act that the member would be eligible to receive if  
22 the member were to retire at the age of sixty years reduced by  
23 six-tenths of one percent for each one-fourth, or portion  
24 thereof, year that retirement occurs prior to the member's  
25 sixtieth birthday but after the fifty-fifth birthday, and one

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1 and eight-tenths percent for each one-fourth, or portion  
2 thereof, year that retirement occurs prior to age fifty-five;  
3 or

4 (3) a member eligible for retirement benefits  
5 pursuant to the provisions of this subsection who is under  
6 sixty years of age [~~acquiring~~] and who has twenty-five or more  
7 years of earned and allowed service credit may retire and  
8 receive retirement benefits pursuant to the Educational  
9 Retirement Act computed on the same basis as if the member were  
10 sixty years of age.

11 B. A member shall be subject to the provisions of  
12 Paragraphs (2) and (3) of Subsection A of this section as they  
13 existed at the beginning of the member's last cumulated four  
14 quarters of earned service credit, regardless of later  
15 amendment.

16 C. The retirement eligibility for benefits pursuant  
17 to the Educational Retirement Act for a member who was not  
18 eligible for retirement benefits on or before June 30, 2022  
19 pursuant to the provisions of Subsection A of this section and  
20 who was a member on June 30, 2010, was a member at any time  
21 prior to June 30, 2010 and had not, on that date, been refunded  
22 all member contributions pursuant to Subsection A of Section  
23 22-11-15 NMSA 1978 or was a member at any time prior to June  
24 30, 2010 and had been refunded any or all member contributions  
25 pursuant to that subsection and had restored all of the

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1 refunded contributions prior to June 30, 2010 occurs when:

2 (1) the member is at least fifty-five years of  
3 age and the sum of the member's age and years of earned service  
4 credit equals at least seventy-five; or

5 (2) the member is at least sixty-five years of  
6 age and has five or more years of earned service credit."

7 SECTION 2. Section 22-11-23.1 NMSA 1978 (being Laws 2009,  
8 Chapter 286, Section 2 and Laws 2009, Chapter 288, Section 15)  
9 is amended to read:

10 "22-11-23.1. RETIREMENT ELIGIBILITY--INITIAL MEMBERSHIP  
11 ON OR AFTER JULY 1, 2010.--

12 ~~[A. A member who initially became a member on or~~  
13 ~~after July 1, 2010 or a member who was a member at any time~~  
14 ~~prior to that date and had, before that date, been refunded all~~  
15 ~~member contributions pursuant to Subsection A of Section~~  
16 ~~22-11-15 NMSA 1978, shall be eligible for retirement benefits~~  
17 ~~pursuant to the Educational Retirement Act when one of the~~  
18 ~~following conditions occurs:~~

19 ~~(1) the member is any age and has thirty or~~  
20 ~~more years of earned service credit;~~

21 ~~(2) the member is at least sixty-seven years~~  
22 ~~of age and has five or more years of earned service credit; or~~

23 ~~(3) the sum of the member's age and years of~~  
24 ~~earned service credit equals at least eighty; provided that a~~  
25 ~~member who retires pursuant to this paragraph shall be subject~~

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1 ~~to the benefit reductions provided in Paragraphs (1) and (2) of~~  
2 ~~Subsection H of Section 22-11-30 NMSA 1978.]~~

3 A. The retirement eligibility for benefits pursuant  
4 to the Educational Retirement Act for a member who was eligible  
5 for retirement benefits on or before June 30, 2022 pursuant to  
6 the provisions of this section and who, on or after July 1,  
7 2010, initially became a member or was a member at any time  
8 prior to July 1, 2010 and had, before that date, been refunded  
9 all member contributions pursuant to Subsection A of Section  
10 22-11-15 NMSA 1978 and had not restored all of the refunded  
11 contributions prior to July 1, 2010 occurs when:

12 (1) the member is any age and has thirty or  
13 more years of earned service credit;

14 (2) the member is at least sixty-seven years  
15 of age and has five or more years of earned service credit; or

16 (3) the sum of the member's age and earned  
17 service credit equals at least eighty; provided that a member  
18 who retires pursuant to this subparagraph shall be subject to  
19 the benefit reductions provided in Paragraphs (1) and (2) of  
20 Subsection I of Section 22-11-30 NMSA 1978.

21 B. The retirement eligibility for a member who was  
22 not eligible for retirement benefits on or before June 30, 2022  
23 pursuant to the provisions of Subsection A of this section and  
24 who, on or after July 1, 2010, initially became a member or was  
25 a member at any time prior to July 1, 2010 and had, before that

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1 date, been refunded all member contributions pursuant to  
2 Subsection A of Section 22-11-15 NMSA 1978 and had not restored  
3 all of the refunded contributions prior to July 1, 2010 occurs  
4 when:

5 (1) the member is at least fifty-five years of  
6 age and the sum of the member's age and earned service credit  
7 equals at least eighty; or

8 (2) the member is at least sixty-seven years  
9 of age and has five or more years of earned service credit.

10 ~~[B.]~~ C. A member shall be subject to the provisions  
11 of this section as they existed at the beginning of the  
12 member's last cumulated four quarters of earned service credit,  
13 regardless of later amendment."

14 SECTION 3. Section 22-11-27 NMSA 1978 (being Laws 1967,  
15 Chapter 16, Section 150, as amended) is amended to read:

16 "22-11-27. DEFERRED RETIREMENT--RESTRICTION.--

17 A. A member who is eligible for retirement may  
18 continue in employment and shall continue to pay contributions  
19 as provided by the Educational Retirement Act.

20 ~~[B. A member may terminate his employment and~~  
21 ~~retire at any time after his age and his earned service credit~~  
22 ~~equal the sum of seventy-five if the contributions he has made~~  
23 ~~are left in the fund.~~

24 ~~C. A member having five years or more of earned~~  
25 ~~service credit may terminate his employment and retire at any~~

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1 ~~time after reaching the age of sixty-five years if the~~  
2 ~~contributions he has made are left in the fund.]~~

3 B. A member who is eligible for retirement pursuant  
4 to the provisions of Subsection A of Section 22-11-23 NMSA 1978  
5 and who has five or more years of earned service credit may  
6 terminate employment and retire:

7 (1) at any time after the sum of the member's  
8 age and earned service credit equals at least seventy-five;  
9 provided that the contributions that the member has made are  
10 left in the fund; or

11 (2) after reaching the age of sixty-five  
12 years; provided that the contributions that the member has made  
13 are left in the fund.

14 C. A member who is eligible for retirement pursuant  
15 to the provisions of Subsection B of Section 22-11-23 NMSA 1978  
16 and who has five or more years of earned service credit may  
17 terminate employment and retire:

18 (1) at any time after the member reaches the  
19 age of fifty-five years if the sum of the member's age and  
20 earned service credit equals at least eighty; provided that the  
21 contributions that the member has made are left in the fund; or

22 (2) after reaching the age of sixty-seven  
23 years; provided that the contributions that the member has made  
24 are left in the fund.

25 D. A member who is eligible for retirement pursuant

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1 to the provisions of Subsection A of Section 22-11-23.1 NMSA  
2 1978 and who has five or more years of earned service credit  
3 may terminate employment and retire:

4 (1) at any time after the sum of the member's  
5 age and earned service credit equals at least eighty; provided  
6 that the contributions that the member has made are left in the  
7 fund; or

8 (2) after reaching the age of sixty-seven  
9 years; provided that the contributions that the member has made  
10 are left in the fund.

11 E. A member who is eligible for retirement pursuant  
12 to the provisions of Subsection B of Section 22-11-23.1 NMSA  
13 1978 and who has five or more years of earned service credit  
14 may terminate employment and retire:

15 (1) at any time after the member reaches the  
16 age of fifty-five years if the sum of the member's age and  
17 earned service credit equals at least eighty; provided that the  
18 contributions that the member has made are left in the fund; or

19 (2) after reaching the age of sixty-seven  
20 years; provided that the contributions that the member has made  
21 are left in the fund.

22 [~~D-~~] F. No member shall be on a retirement status  
23 while engaged in employment unless the employment falls within  
24 exceptions established by statute or rule of the board."

25 SECTION 4. Section 22-11-30 NMSA 1978 (being Laws 1967,  
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1 Chapter 16, Section 153, as amended by Laws 2009, Chapter 286,  
2 Section 3 and by Laws 2009, Chapter 288, Section 17) is amended  
3 to read:

4 "22-11-30. RETIREMENT BENEFITS.--

5 A. Retirement benefits for a member retired  
6 pursuant to the Educational Retirement Act on or before  
7 June 30, 1967 shall be paid monthly and shall be one-twelfth of  
8 a sum equal to one and one-half percent of the first four  
9 thousand dollars (\$4,000) of the member's average annual salary  
10 and one percent of the remainder of the member's average annual  
11 salary multiplied by the number of years of the member's total  
12 service credit.

13 B. Retirement benefits for a member retired  
14 pursuant to the Educational Retirement Act on or after July 1,  
15 1967 but on or before June 30, 1971 shall be paid monthly and  
16 shall be one-twelfth of a sum equal to one and one-half percent  
17 of the first six thousand six hundred dollars (\$6,600) of the  
18 member's average annual salary and one percent of the remainder  
19 of the member's average annual salary multiplied by the number  
20 of years of the member's total service credit.

21 C. Retirement benefits for a member retired  
22 pursuant to the Educational Retirement Act on or after July 1,  
23 1971 but on or before June 30, 1974 shall be paid monthly and  
24 shall be one-twelfth of a sum equal to one and one-half percent  
25 of the member's average annual salary multiplied by the number

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1 of years of the member's total service credit.

2 D. Retirement benefits for a member retired  
3 pursuant to the Educational Retirement Act on or before  
4 June 30, 1974 but returning to employment on or after July 1,  
5 1974 for a cumulation of one or more years shall be computed  
6 pursuant to Subsection E of this section. Retirement benefits  
7 for a member retired pursuant to the Educational Retirement Act  
8 on or before June 30, 1974 but returning to employment on or  
9 after July 1, 1974 for a cumulation of less than one year shall  
10 be computed pursuant to Subsection A of this section if the  
11 member's date of last retirement was on or before June 30, 1967  
12 or pursuant to Subsection B of this section if the member's  
13 date of last retirement was on or after July 1, 1967 but not  
14 later than June 30, 1971 or pursuant to Subsection C of this  
15 section if the member's date of last retirement was on or after  
16 July 1, 1971 but not later than June 30, 1974.

17 E. Retirement benefits for a member age sixty years  
18 or [~~over~~] older, retired pursuant to the Educational Retirement  
19 Act on or after July 1, 1974 but not later than June 30, 1987,  
20 shall be paid monthly and shall be one-twelfth of a sum equal  
21 to:

22 (1) one and one-half percent of the member's  
23 average annual salary multiplied by the number of years of  
24 service credit for:

25 (a) prior employment; and

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1 (b) allowed service credit for service  
2 performed prior to July 1, 1957, except United States military  
3 service credit purchased pursuant to Paragraph (3) of  
4 Subsection A of Section 22-11-34 NMSA 1978; plus

5 (2) two percent of the member's average annual  
6 salary multiplied by the number of years of service credit for:

7 (a) contributory employment;

8 (b) allowed service credit for service  
9 performed after July 1, 1957; and

10 (c) United States military service  
11 credit for service performed prior to July 1, 1957 and  
12 purchased pursuant to Paragraph (3) of Subsection A of Section  
13 22-11-34 NMSA 1978.

14 F. Retirement benefits for a member age sixty years  
15 or [~~over~~] older, retired pursuant to the Educational Retirement  
16 Act on or after July 1, 1987 but not later than June 30, 1991,  
17 shall be paid monthly and shall be one-twelfth of a sum equal  
18 to two and fifteen hundredths percent of the member's average  
19 annual salary multiplied by the number of years of the member's  
20 total service credit; provided that this subsection shall not  
21 apply to any member who was retired in any of the four quarters  
22 ending on June 30, 1987 without having accumulated not less  
23 than 1.0 years earned service credit after June 30, 1987.

24 G. Retirement benefits for a member age sixty years  
25 or [~~over~~] older, retired pursuant to Subsection A of Section

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1 22-11-23 NMSA 1978 on or after July 1, 1991, shall be paid  
2 monthly and shall be one-twelfth of a sum equal to two and  
3 thirty-five hundredths percent of the member's average annual  
4 salary multiplied by the number of years of the member's total  
5 service credit; provided that this subsection shall not apply  
6 to any member who was retired in any of the four consecutive  
7 quarters ending on June 30, 1991 without having accumulated at  
8 least one year earned service credit beginning on or after July  
9 1, 1991.

10 H. Retirement benefits for a member age fifty-five  
11 years or older, retired pursuant to Subsection B of Section  
12 22-11-23 NMSA 1978 on or after July 1, 2012, shall be paid  
13 monthly and shall be one-twelfth of a sum equal to two and  
14 thirty-five hundredths percent of the member's average annual  
15 salary multiplied by the number of years of the member's total  
16 service credit.

17 [~~H.~~] I. Retirement benefits for a member, retired  
18 pursuant to Subsection A of Section 22-11-23.1 NMSA 1978, shall  
19 be paid monthly and shall be one-twelfth of a sum equal to two  
20 and thirty-five hundredths percent of the member's average  
21 annual salary multiplied by the number of years of the member's  
22 total service credit; provided that the benefit for a member  
23 retiring pursuant to Paragraph (3) of Subsection A of Section  
24 22-11-23.1 NMSA 1978 shall be reduced by:

25 (1) six-tenths of one percent for each one-

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1 fourth, or portion thereof, year that retirement occurs prior  
2 to the member's sixty-fifth birthday but after the sixtieth  
3 birthday; and

4 (2) one and eight-tenths percent for each one-  
5 fourth, or portion thereof, year that retirement occurs prior  
6 to the member's sixtieth birthday.

7 J. Retirement benefits for a member age fifty-five  
8 years or older, retired pursuant to Subsection B of Section  
9 22-11-23.1 NMSA 1978 on or after July 1, 2012, shall be paid  
10 monthly and shall be one-twelfth of a sum equal to two and  
11 thirty-five hundredths percent of the member's average annual  
12 salary multiplied by the number of years of the member's total  
13 service credit.

14 [~~J.~~] K. A member's average annual salary, pursuant  
15 to this section, shall be computed on the basis of the last  
16 five years for which contribution was made or upon the basis of  
17 any consecutive five years for which contribution was made by  
18 the member, whichever is higher; provided, however, that lump-  
19 sum payments made after July 1, 2010 of accrued sick leave or  
20 annual leave shall be excluded from the calculation of salary.

21 [~~J.~~] L. Unless otherwise required by the provisions  
22 of the Internal Revenue Code of 1986, members shall begin  
23 receiving retirement benefits by age seventy and six months, or  
24 upon termination of employment, whichever occurs later."

25 SECTION 5. Section 22-11-31 NMSA 1978 (being Laws 1979,  
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1 Chapter 333, Section 2, as amended) is amended to read:

2 "22-11-31. COST-OF-LIVING ADJUSTMENT--ADDITIONAL  
3 CONTRIBUTIONS.--

4 A. For the purposes of this section:

5 (1) "adjustment factor" means a multiplicative  
6 factor computed to provide an annuity adjustment pursuant to  
7 the provisions of Subsection B of this section;

8 (2) "annuity" means any benefit payable under  
9 the Educational Retirement Act or the Public Employees  
10 Retirement Reciprocity Act as a retirement benefit, disability  
11 benefit or survivor benefit;

12 (3) "calendar year" means the full twelve  
13 months beginning January 1 and ending December 31;

14 (4) "consumer price index" means the average  
15 of the monthly consumer price indexes for a calendar year for  
16 the entire United States for all items as published by the  
17 United States department of labor;

18 (5) "next preceding calendar year" means the  
19 full calendar year immediately prior to the preceding calendar  
20 year; and

21 (6) "preceding calendar year" means the full  
22 calendar year preceding the July 1 on which a benefit is to be  
23 adjusted.

24 B. [~~On or after July 1, 1984~~] Each annuity shall be  
25 adjusted annually and cumulatively commencing on July 1 of the

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1 year in which a member attains the age of sixty-five or on July  
2 1 following the year a member retires, whichever is later. The  
3 annuity shall be adjusted by applying an adjustment factor that  
4 results in an adjustment equal to [~~one-half~~] forty-three and  
5 seventy-five hundredths percent of the percentage increase of  
6 the consumer price index between the next preceding calendar  
7 year and the preceding calendar year, except that the  
8 adjustment shall not exceed [~~four~~] three and one-half percent,  
9 in absolute value, nor be less than [~~two~~] one and three-fourths  
10 percent, in absolute value. In the event that the percentage  
11 increase of the consumer price index is less than two percent,  
12 in absolute value, the adjustment factor shall be [~~the same as~~]  
13 eighty-seven and five-tenths percent of the percentage increase  
14 of the consumer price index. Annuities shall not be decreased  
15 in the event that there is a decrease in the consumer price  
16 index between the next preceding calendar year and the  
17 preceding calendar year.

18 C. A retired member whose benefit is subject to  
19 adjustment under the provisions of the Educational Retirement  
20 Act in effect prior to July 1, 1984 shall have the member's  
21 annuity readjusted annually and cumulatively under the  
22 provisions of that act in effect prior to July 1, 1984 until  
23 July 1 of the year in which the member attains the age of  
24 sixty-five, when the member shall have the annuity readjusted  
25 annually and cumulatively under the provisions of this section.

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1 A member who retires after attaining the age of sixty-five  
2 shall have the member's annuity adjusted annually and  
3 cumulatively commencing on July 1 of the year following the  
4 member's retirement.

5 D. A retired member who returns to work shall be  
6 subject to the provisions of this section as they exist at the  
7 time of the member's final retirement.

8 E. Benefits of a member who is on a disability  
9 status in accordance with Section 22-11-35 NMSA 1978 or a  
10 member who is certified by the board [~~certifies was~~] as  
11 disabled at regular retirement shall be adjusted in accordance  
12 with Subsections B and C of this section, except that the  
13 benefits shall be adjusted annually and cumulatively commencing  
14 on July 1 of the third full year following the year in which  
15 the member was approved by the board for disability or  
16 retirement.

17 F. The board shall adjust the benefits of each  
18 person receiving an annuity as of June 30, 1999. The  
19 adjustment shall be made on July 1, 1999 on the basis of an  
20 increase of two dollars (\$2.00) per month for each year since  
21 the member's last retirement plus an increase of one dollar  
22 (\$1.00) per month for each year of credited service at the time  
23 of the last retirement."



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SENATE BILL

**50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012**

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO PENSIONS; AMENDING THE EDUCATIONAL RETIREMENT ACT;  
PROVIDING THAT RETIREES WHO RETURN TO WORK AND DO NOT SUSPEND  
THEIR RETIREMENT BENEFITS ARE NOT REQUIRED TO PAY EMPLOYEE  
CONTRIBUTIONS TO THE EDUCATIONAL RETIREMENT FUND.

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

**SECTION 1.** Section 22-11-25.1 NMSA 1978 (being Laws 2001,  
Chapter 283, Section 2, as amended) is amended to read:

"22-11-25.1. RETURN TO EMPLOYMENT--BENEFITS CONTINUED--  
ADMINISTRATIVE UNIT CONTRIBUTIONS.--

A. Except as provided in Subsections B and F of  
this section, beginning January 1, 2002 and continuing until  
January 1, 2022, a retired member may begin employment at a  
local administrative unit and shall not be required to suspend  
retirement benefits if the member has not rendered service to a

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1 local administrative unit for at least twelve consecutive  
2 months after the date of retirement. If the retired member  
3 returns to employment without first completing twelve  
4 consecutive months of retirement, the retired member shall  
5 remove himself or herself from retirement.

6 B. A retired member who was retired on or before  
7 January 1, 2001 and has not since suspended or been required to  
8 suspend retirement benefits pursuant to the Educational  
9 Retirement Act may, at any time prior to January 1, 2022,  
10 return to employment for a local administrative unit and shall  
11 not be required to suspend retirement benefits.

12 C. A retired member who returns to employment  
13 during retirement pursuant to Subsection A, B or F of this  
14 section is entitled to continue to receive retirement benefits  
15 but is not entitled to acquire service credit or to acquire or  
16 purchase service credit in the future for the period of the  
17 retired member's reemployment with a local administrative unit.

18 D. A retired member shall not be eligible to return  
19 to employment pursuant to Subsection A, B or F of this section  
20 unless an application to return to work, on a form prescribed  
21 by the board, has been submitted to, and approved by, the board  
22 and the applicant has complied with such other rules as  
23 promulgated by the board.

24 E. A retired member who returns to employment  
25 pursuant to Subsection A, B or F of this section shall not be

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1 required to pay to the fund [~~an amount equal to~~] the member  
2 contributions that would be required pursuant to Section  
3 22-11-21 NMSA 1978 if the retired member was a non-retired  
4 employee [~~and~~]. The local administrative unit employing the  
5 retired member shall pay to the fund an amount equal to the  
6 local administrative unit contributions that would be required  
7 pursuant to that section. [~~Payments made by a retired member~~  
8 ~~pursuant to this subsection shall not be refunded.~~]

9 F. Beginning July 1, 2003 and continuing until  
10 January 1, 2022, a retired member who retired on or before  
11 January 1, 2001, who subsequently voluntarily suspended or was  
12 required to suspend retirement benefits and who has not  
13 rendered service to a local administrative unit for at least  
14 ninety days may begin employment at a local administrative unit  
15 without suspending retirement benefits if the retired member  
16 was not employed by a local administrative unit for an  
17 additional twelve or more consecutive months after the initial  
18 date of the retirement; provided that the ninety-day period  
19 shall not include any part of a summer or other scheduled break  
20 or vacation period.

21 G. Both the retired member who returns to  
22 employment and the local administrative unit that employs the  
23 retired member shall make contributions to the retiree health  
24 care fund in the amount specified in Subsections A and B of  
25 Section 10-7C-15 NMSA 1978.

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H. As used in Subsections A and F of this section:

(1) "rendered service to a local administrative unit" includes employment by a local administrative unit, whether full or part time; substitute teaching; voluntarily performing duties for a local administrative unit that would otherwise be, or in the past have been, performed by a paid employee or independent contractor; or performing duties for a local administrative unit as an independent contractor or an employee of an independent contractor; and

(2) "local administrative unit" includes any entity incorporated, formed or otherwise organized by, or subject to the control of, a local administrative unit, whether or not the entity is created for profit or nonprofit purposes."