

HOUSE 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; EXTENDING  
EMPLOYEE CONTRIBUTION INCREASES.

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,

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1 an amount equal to seven and six hundred seventy-five  
2 thousandths percent of the member's annual salary;

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

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

9 (5) on and after July 1, 2008, an amount equal  
10 to seven and nine-tenths percent of the member's annual salary,  
11 except that from July 1, 2009 through June 30, ~~[2011]~~ 2013, for  
12 members whose annual salary is greater than twenty thousand  
13 dollars (\$20,000), the member contribution rate shall be nine  
14 and four-tenths percent of the member's annual salary.

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

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

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

25 (3) from July 1, 2006 through June 30, 2007, a

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1 sum equal to ten and fifteen-hundredths percent of the annual  
2 salary of each member employed by the local administrative  
3 unit;

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

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

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

19 (7) from July 1, 2011 through June 30, 2012, a  
20 sum equal to ~~[thirteen and fifteen-hundredths]~~ eleven and  
21 fifteen-hundredths percent of the annual salary of each member  
22 employed by the local administrative unit except that, for  
23 members whose annual salary is twenty thousand dollars  
24 (\$20,000) or less, the local administrative unit shall  
25 contribute twelve and sixty-five hundredths percent of the

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1 member's annual salary; [and]

2 (8) from July 1, 2012 through June 30, 2013, a  
3 sum equal to eleven and four-tenths percent of the annual  
4 salary of each member employed by the local administrative unit  
5 except that, for members whose annual salary is twenty thousand  
6 dollars (\$20,000) or less, the local administrative unit shall  
7 contribute twelve and nine-tenths percent of the member's  
8 annual salary;

9 (9) from July 1, 2013 through June 30, 2014, a  
10 sum equal to thirteen and fifteen-hundredths percent of the  
11 annual salary of each member employed by the local  
12 administrative unit;

13 (10) from July 1, 2014 through June 30, 2015,  
14 a sum equal to thirteen and four-tenths percent of the annual  
15 salary of each member employed by the local administrative  
16 unit;

17 (11) from July 1, 2015 through June 30, 2016,  
18 a sum equal to thirteen and sixty-five hundredths percent of  
19 the annual salary of each member employed by the local  
20 administrative unit; and

21 [~~(8)~~] (12) on and after July 1, [2012] 2016, a  
22 sum equal to thirteen and nine-tenths percent of the annual  
23 salary of each member employed by the local administrative  
24 unit.

25 C. If, in a calendar year, the salary of a member,

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1 initially employed by a local administrative unit on or after  
2 July 1, 1996, equals the annual compensation limit set pursuant  
3 to Section 401(a)(17) of the Internal Revenue Code of 1986, as  
4 amended, then:

5 (1) for the remainder of that calendar year,  
6 no additional member contributions or local administrative unit  
7 contributions for that member shall be made pursuant to this  
8 section; provided that no member shall be denied service credit  
9 solely because contributions are not made by the member or on  
10 behalf of the member pursuant to the provisions of this  
11 subsection; and

12 (2) the amount of the annual compensation  
13 limit shall be divided into four equal portions, and, for  
14 purposes of attributing contributory employment and crediting  
15 service credit, each portion shall be attributable to one of  
16 the four quarters of the calendar year."

17 **SECTION 2. EFFECTIVE DATE.**--The effective date of the  
18 provisions of this act is July 1, 2011.