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HOUSE BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION;
EXTENDING BY TWO YEARS THE TEMPORARY INCREASE IN CERTAIN
EMPLOYEE CONTRIBUTION RATES AND THE CORRESPONDING TEMPORARY
DECREASE IN THE EMPLOYER CONTRIBUTION RATES.

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

SECTION 1. Section 10-11-26.5 NMSA 1978 (being Laws 1994,
Chapter 128, Section 6, as amended) is amended to read:

"10-11-26.5. STATE GENERAL MEMBER COVERAGE PLAN 3--MEMBER
CONTRIBUTION RATE.--A member under state general member
coverage plan 3 shall contribute seven and forty-two hundredths
percent of salary starting with the first full pay period that
ends within the calendar month in which state general member
coverage plan 3 becomes applicable to the member, except that,
from July 1, 2009 through June 30, [~~2011~~] 2013, for members

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1 whose annual salary is greater than twenty thousand dollars
2 (\$20,000), the member contribution rate shall be eight and
3 ninety-two hundredths percent of salary."

4 SECTION 2. Section 10-11-26.6 NMSA 1978 (being Laws 1994,
5 Chapter 128, Section 7, as amended) is amended to read:

6 "10-11-26.6. STATE GENERAL MEMBER COVERAGE PLAN 3--STATE
7 CONTRIBUTION RATE.--The state shall contribute sixteen and
8 fifty-nine hundredths percent of the salary of each member
9 covered by state general member coverage plan 3 starting with
10 the first pay period that ends within the calendar month in
11 which state general member coverage plan 3 becomes applicable
12 to the member, except that, from July 1, 2009 through June 30,
13 [~~2011~~] 2013, for members whose annual salary is greater than
14 twenty thousand dollars (\$20,000), the state contribution rate
15 shall be fifteen and nine-hundredths percent of the salary of
16 each member."

17 SECTION 3. Section 10-11-31 NMSA 1978 (being Laws 1987,
18 Chapter 253, Section 31, as amended) is amended to read:

19 "10-11-31. STATE POLICE MEMBER AND ADULT CORRECTIONAL
20 OFFICER MEMBER COVERAGE PLAN 1--MEMBER CONTRIBUTION RATE.--A
21 member under state police member and adult correctional officer
22 member coverage plan 1 shall contribute seven and six-tenths
23 percent of salary, except that, from July 1, 2009 through June
24 30, [~~2011~~] 2013, for members whose annual salary is greater
25 than twenty thousand dollars (\$20,000), the member contribution

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1 rate shall be nine and one-tenth percent of salary."

2 SECTION 4. Section 10-11-32 NMSA 1978 (being Laws 1987,
3 Chapter 253, Section 32, as amended) is amended to read:

4 "10-11-32. STATE POLICE MEMBER AND ADULT CORRECTIONAL
5 OFFICER MEMBER COVERAGE PLAN 1--STATE CONTRIBUTION RATE.--The
6 state shall contribute twenty-five and one-tenth percent of the
7 salary of each member under state police member and adult
8 correctional officer member coverage plan 1, except that, from
9 July 1, 2009 through June 30, [~~2011~~] 2013, for members whose
10 annual salary is greater than twenty thousand dollars
11 (\$20,000), the state contribution rate shall be twenty-three
12 and six-tenths percent of the salary of each member."

13 SECTION 5. Section 10-11-38.5 NMSA 1978 (being Laws 1994,
14 Chapter 128, Section 13, as amended) is amended to read:

15 "10-11-38.5. STATE HAZARDOUS DUTY MEMBER COVERAGE PLAN
16 2--MEMBER CONTRIBUTION RATE.--A member under state hazardous
17 duty member coverage plan 2 shall contribute four and seventy-
18 eight hundredths percent of salary starting with the first full
19 pay period that ends within the calendar month in which state
20 hazardous duty member coverage plan 2 becomes applicable to the
21 member, except that, from July 1, 2009 through June 30, [~~2011~~]
22 2013, for members whose annual salary is greater than twenty
23 thousand dollars (\$20,000), the member contribution rate shall
24 be six and twenty-eight hundredths percent of salary."

25 SECTION 6. Section 10-11-38.6 NMSA 1978 (being Laws 1994,

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1 Chapter 128, Section 14, as amended) is amended to read:

2 "10-11-38.6. STATE HAZARDOUS DUTY MEMBER COVERAGE PLAN
3 2--STATE CONTRIBUTION RATE.--The state shall contribute twenty-
4 five and seventy-two hundredths percent of the salary of each
5 member covered by state hazardous duty member coverage plan 2
6 starting with the first pay period that ends within the
7 calendar month in which state hazardous duty member coverage
8 plan 2 becomes applicable to the member, except that, from July
9 1, 2009 through June 30, [~~2011~~] 2013, for members whose annual
10 salary is greater than twenty thousand dollars (\$20,000), the
11 state contribution rate shall be twenty-four and twenty-two
12 hundredths percent of the salary of each member."

13 SECTION 7. Section 10-12B-10 NMSA 1978 (being Laws 1992,
14 Chapter 111, Section 10, as amended) is amended to read:

15 "10-12B-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

16 A. Members, while in office, shall contribute to
17 the member contribution fund pursuant to the following
18 schedule:

19 (1) prior to July 1, 2005, five and one-half
20 percent of salary;

21 (2) from July 1, 2005 through June 30, 2006,
22 six and one-half percent of salary; and

23 (3) on and after July 1, 2006, seven and one-
24 half percent of salary, except that, from July 1, 2009 through
25 June 30, [~~2011~~] 2013, for members whose annual salary is

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1 greater than twenty thousand dollars (\$20,000), the member
2 contribution rate shall be nine percent of salary.

3 B. Upon implementation, the state, acting as
4 employer of members covered pursuant to the provisions of the
5 Judicial Retirement Act, shall, solely for the purpose of
6 compliance with Section 414(h) of the Internal Revenue Code of
7 1986, pick up for the purposes specified in that section member
8 contributions required by this section for all annual salary
9 earned by the member. Member contributions picked up pursuant
10 to the provisions of this section shall be treated as employer
11 contributions for purposes of determining income tax
12 obligations under the Internal Revenue Code of 1986; however,
13 such picked-up member contributions shall be included in the
14 determination of the member's gross annual salary for all other
15 purposes under federal and state laws. Member contributions
16 picked up pursuant to the provisions of this section shall
17 continue to be designated member contributions for all purposes
18 of the Judicial Retirement Act and shall be considered as part
19 of the member's annual salary for purposes of determining the
20 amount of the member's contribution. The provisions of this
21 section are mandatory, and the member shall have no option
22 concerning the pickup or concerning the receipt of the
23 contributed amounts directly instead of having the amounts paid
24 by the employer to the retirement system. Implementation
25 occurs upon authorization by the board. In no event may

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1 implementation occur other than at the beginning of a pay
2 period applicable to the member."

3 SECTION 8. Section 10-12B-11 NMSA 1978 (being Laws 1992,
4 Chapter 111, Section 11, as amended) is amended to read:

5 "10-12B-11. EMPLOYER CONTRIBUTIONS.--

6 A. The member's court shall contribute the
7 following amounts to the fund:

8 (1) prior to July 1, 2005, nine percent of
9 salary for each member in office;

10 (2) from July 1, 2005 through June 30, 2006,
11 ten and one-half percent of salary for each member in office;
12 and

13 (3) on and after July 1, 2006, twelve percent
14 of salary for each member in office, except that, from July 1,
15 2009 through June 30, [~~2011~~] 2013, for members whose annual
16 salary is greater than twenty thousand dollars (\$20,000), the
17 member's court contribution rate shall be ten and one-half
18 percent of salary for each member in office.

19 B. Thirty-eight dollars (\$38.00) from each civil
20 case docket fee paid in the district court, twenty-five dollars
21 (\$25.00) from each civil docket fee paid in metropolitan court
22 and ten dollars (\$10.00) from each jury fee paid in
23 metropolitan court shall be paid by the court clerk to the
24 employer's accumulation fund."

25 SECTION 9. Section 10-12C-10 NMSA 1978 (being Laws 1992,

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1 Chapter 118, Section 10, as amended) is amended to read:

2 "10-12C-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

3 A. Members, while in office, shall contribute the
4 following amounts to the member contribution fund:

5 (1) through June 30, 2006, six and one-half
6 percent of salary; and

7 (2) on and after July 1, 2006, seven and one-
8 half percent of salary, except that, from July 1, 2009 through
9 June 30, [~~2011~~] 2013, for members whose annual salary is
10 greater than twenty thousand dollars (\$20,000), the member
11 contribution rate shall be nine percent of salary.

12 B. Upon implementation, the state, acting as
13 employer of members covered pursuant to the provisions of the
14 Magistrate Retirement Act, shall, solely for the purpose of
15 compliance with Section 414(h) of the Internal Revenue Code of
16 1986, pick up for the purposes specified in that section member
17 contributions required by this section for all annual salary
18 earned by the member. Member contributions picked up pursuant
19 to the provisions of this section shall be treated as employer
20 contributions for purposes of determining income tax
21 obligations under the Internal Revenue Code of 1986; however,
22 such picked-up member contributions shall be included in the
23 determination of the member's gross annual salary for all other
24 purposes under federal and state laws. Member contributions
25 picked up pursuant to the provisions of this section shall

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1 continue to be designated member contributions for all purposes
2 of the Magistrate Retirement Act and shall be considered as
3 part of the member's annual salary for purposes of determining
4 the amount of the member's contribution. The provisions of
5 this section are mandatory, and the member shall have no option
6 concerning the pick up or concerning the receipt of the
7 contributed amounts directly instead of having the amounts paid
8 by the employer to the retirement system. Implementation
9 occurs upon authorization by the board. In no event may
10 implementation occur other than at the beginning of a pay
11 period applicable to the member."

12 SECTION 10. Section 10-12C-11 NMSA 1978 (being Laws 1992,
13 Chapter 118, Section 11, as amended) is amended to read:

14 "10-12C-11. EMPLOYER CONTRIBUTIONS.--

15 A. The state, through the administrative office of
16 the courts, shall contribute the following amounts to the fund:

17 (1) through June 30, 2006, ten percent of
18 salary for each member in office; and

19 (2) on and after July 1, 2006, eleven percent
20 of salary for each member in office, except that, from July 1,
21 2009 through June 30, ~~[2011]~~ 2013, for members whose annual
22 salary is greater than twenty thousand dollars (\$20,000), the
23 state contribution rate shall be nine and one-half percent of
24 salary for each member in office.

25 B. Twenty-five dollars (\$25.00) from each civil

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1 case docket fee paid in magistrate court and ten dollars
2 (\$10.00) from each civil jury fee paid in magistrate court
3 shall be paid by the court clerk to the employer's accumulation
4 fund."

5 SECTION 11. EFFECTIVE DATE.--The effective date of the
6 provisions of this act is July 1, 2011.

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