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HOUSE BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO PUBLIC EMPLOYEES RETIREMENT; AMENDING THE PUBLIC
EMPLOYEES RETIREMENT ACT; REQUIRING MUNICIPAL EMPLOYEES TO MAKE
THE EMPLOYEE PORTION OF THE CONTRIBUTION TO THEIR RETIREMENT
PLAN.

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

SECTION 1. Section 10-11-5 NMSA 1978 (being Laws 1987,
Chapter 253, Section 5, as amended) is amended to read:

"10-11-5. CREDITED SERVICE--MUNICIPAL ELECTION TO MAKE
EMPLOYEE CONTRIBUTIONS.--Except as provided in Subsection F of
this section, a municipal affiliated public employer may elect
by resolution of its governing body and in the manner
prescribed by the retirement board to be responsible for making
contributions of up to seventy-five percent of its employees'
member contributions as follows:

.183378.1

underscoring material = new
[bracketed material] = delete

underscoring material = new
[bracketed material] = delete

1 A. the resolution shall be irrevocable; however, a
2 municipal affiliated public employer may by subsequent
3 resolution:

4 (1) elect to increase the percentage of
5 employee member contributions for which it will be responsible;
6 or

7 (2) at the time a new coverage plan is
8 adopted, elect to be responsible for a different percentage of
9 employee member contributions than that which it elected under
10 a previous coverage plan;

11 B. the resolution shall apply to all employees or
12 else to specified employee divisions of the municipal
13 affiliated public employer and shall be effective the first pay
14 period of the month following the filing of the resolution with
15 the retirement board;

16 C. the portion of the employee contributions made
17 by the municipal affiliated public employer on behalf of a
18 member shall be credited to the member's individual accumulated
19 member contribution account in the member contribution fund.
20 The member shall be responsible for the difference between the
21 contributions the member would be required to make if the
22 municipal affiliated public employer had not made the election
23 provided for in this section and the amount contributed by the
24 municipal affiliated public employer [~~under~~] pursuant to the
25 provisions of this section;

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underscoring material = new
[bracketed material] = delete

1 D. pensions payable to members whose municipal
2 affiliated public employer makes the election provided for in
3 this section shall be the same as if the member had made the
4 entire member contribution; ~~and~~

5 E. any municipal affiliated public employer
6 increasing the percentage of the employee member contributions
7 it elects to make pursuant to this section shall submit a
8 resolution to the association by July 1 of the fiscal year in
9 which the increase will take place indicating the percentage of
10 the employee member contributions that will be made by the
11 municipal affiliated public employer; and

12 F. a municipal affiliated public employer shall not
13 elect to be responsible for making any portion of the
14 municipality's employees' member contributions to any coverage
15 plan created on or after July 1, 2011."

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