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BILL

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO PUBLIC EMPLOYEE RETIREMENT; INCREMENTALLY  
INCREASING THE EMPLOYER AND EMPLOYEE CONTRIBUTION RATES IN THE  
JUDICIAL RETIREMENT ACT AND THE MAGISTRATE RETIREMENT ACT.

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

SECTION 1. Section 10-12B-10 NMSA 1978 (being Laws 1992,  
Chapter 111, Section 10, as amended) is amended to read:

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

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

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

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

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1                   (3) ~~[on and after]~~ from July 1, 2006 through  
2 June 30, 2011, seven and one-half percent of salary, except  
3 that, from July 1, 2009 through June 30, 2011, for members  
4 whose annual salary is greater than twenty thousand dollars  
5 (\$20,000), the member contribution rate shall be nine percent  
6 of salary;

7                   (4) from July 1, 2011 through June 30, 2012,  
8 eight and seventeen-hundredths percent of salary;

9                   (5) from July 1, 2012 through June 30, 2013,  
10 eight and eighty-four hundredths percent of salary;

11                   (6) from July 1, 2013 through June 30, 2014,  
12 nine and fifty-one hundredths percent of salary; and

13                   (7) on and after July 1, 2014, ten and  
14 seventeen-hundredths percent of salary.

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

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

15 SECTION 2. Section 10-12B-11 NMSA 1978 (being Laws 1992,  
16 Chapter 111, Section 11, as amended) is amended to read:

17 "10-12B-11. EMPLOYER CONTRIBUTIONS.--

18 A. The member's court shall contribute the  
19 following amounts to the fund:

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

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

24 [~~and~~]

25 (3) [~~on and after~~] from July 1, 2006 through

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1 June 30, 2011, twelve percent of salary for each member in  
2 office, except that, from July 1, 2009 through June 30, 2011,  
3 for members whose annual salary is greater than twenty thousand  
4 dollars (\$20,000), the member's court contribution rate shall  
5 be ten and one-half percent of salary for each member in  
6 office;

7 (4) from July 1, 2011 through June 30, 2012,  
8 thirteen and thirty-three hundredths percent of salary for each  
9 member in office;

10 (5) from July 1, 2012 through June 30, 2013,  
11 fourteen and sixty-six hundredths percent of salary for each  
12 member in office;

13 (6) from July 1, 2013 through June 30, 2014,  
14 fifteen and ninety-nine hundredths percent of salary for each  
15 member in office; and

16 (7) on and after July 1, 2014, seventeen and  
17 thirty-three hundredths percent of salary for each member in  
18 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 3. 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]~~ from July 1, 2006 through  
8 June 30, 2011, seven and one-half percent of salary, except  
9 that, from July 1, 2009 through June 30, 2011, for members  
10 whose annual salary is greater than twenty thousand dollars  
11 (\$20,000), the member contribution rate shall be nine percent  
12 of salary;

13 (3) from July 1, 2011 through June 30, 2012,  
14 eight and seventeen-hundredths percent of salary;

15 (4) from July 1, 2012 through June 30, 2013,  
16 eight and eighty-four hundredths percent of salary;

17 (5) from July 1, 2013 through June 30, 2014,  
18 nine and fifty-one hundredths percent of salary; and

19 (6) on and after July 1, 2014, ten and  
20 seventeen-hundredths percent of salary.

21 B. Upon implementation, the state, acting as  
22 employer of members covered pursuant to the provisions of the  
23 Magistrate Retirement Act, shall, solely for the purpose of  
24 compliance with Section 414(h) of the Internal Revenue Code of  
25 1986, pick up for the purposes specified in that section member

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1 contributions required by this section for all annual salary  
2 earned by the member. Member contributions picked up pursuant  
3 to the provisions of this section shall be treated as employer  
4 contributions for purposes of determining income tax  
5 obligations under the Internal Revenue Code of 1986; however,  
6 such picked-up member contributions shall be included in the  
7 determination of the member's gross annual salary for all other  
8 purposes under federal and state laws. Member contributions  
9 picked up pursuant to the provisions of this section shall  
10 continue to be designated member contributions for all purposes  
11 of the Magistrate Retirement Act and shall be considered as  
12 part of the member's annual salary for purposes of determining  
13 the amount of the member's contribution. The provisions of  
14 this section are mandatory, and the member shall have no option  
15 concerning the pick up or concerning the receipt of the  
16 contributed amounts directly instead of having the amounts paid  
17 by the employer to the retirement system. Implementation  
18 occurs upon authorization by the board. In no event may  
19 implementation occur other than at the beginning of a pay  
20 period applicable to the member."

21 SECTION 4. Section 10-12C-11 NMSA 1978 (being Laws 1992,  
22 Chapter 118, Section 11, as amended) is amended to read:

23 "10-12C-11. EMPLOYER CONTRIBUTIONS.--

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

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

3 (2) ~~on and after~~ from July 1, 2006 through  
4 June 30, 2011, eleven percent of salary for each member in  
5 office, except that, from July 1, 2009 through June 30, 2011,  
6 for members whose annual salary is greater than twenty thousand  
7 dollars (\$20,000), the state contribution rate shall be nine  
8 and one-half percent of salary for each member in office;

9 (3) from July 1, 2011 through June 30, 2012,  
10 twelve and thirty-three hundredths percent of salary for each  
11 member in office;

12 (4) from July 1, 2012 through June 30, 2013,  
13 thirteen and sixty-six hundredths percent of salary for each  
14 member in office;

15 (5) from July 1, 2013 through June 30, 2014,  
16 fourteen and ninety-nine hundredths percent of salary for each  
17 member in office; and

18 (6) on and after July 1, 2014, sixteen and  
19 thirty-three hundredths percent of salary for each member in  
20 office.

21 B. Twenty-five dollars (\$25.00) from each civil  
22 case docket fee paid in magistrate court and ten dollars  
23 (\$10.00) from each civil jury fee paid in magistrate court  
24 shall be paid by the court clerk to the employer's accumulation  
25 fund."

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