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HOUSE BILL 247

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY

Terry T. Marquardt

AN ACT

RELATING TO EDUCATIONAL COMPENSATION; PROVIDING AN OPTION FOR
CERTAIN EMPLOYEES TO ELECT TO RETAIN MORE OF THEIR SALARY.

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

Section 1. A new section of the Educational Retirement
Act, Section 22-11-20.1 NMSA 1978, is enacted to read:

"22-11-20.1. [NEW MATERIAL] ELECTION OF CONTRIBUTIONS
AND RETIREMENT BENEFITS.--

A. Each member who begins initial employment on or
after July 1, 2000 may, within one year of employment, make
an irrevocable election to reduce the member's contributions
and accept lower retirement benefits.

B. A member making an election pursuant to this
section shall select one of the following:

(1) an option to make contributions to the
fund in the amount of three and six-tenths percent of the

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1 member's annual salary and receive retirement benefits
2 pursuant to Subsection H of Section 22-11-30 NMSA 1978; or
3 (2) an option to make no contributions to
4 the fund and receive retirement benefits pursuant to
5 Subsection I of Section 22-11-30 NMSA 1978.

6 C. A member making an election pursuant to this
7 section shall be entitled to a refund of any excess member
8 contributions made prior to the date of the election."

9 Section 2. Section 22-11-21 NMSA 1978 (being Laws 1967,
10 Chapter 16, Section 144, as amended) is amended to read:

11 "22-11-21. CONTRIBUTIONS--MEMBERS--LOCAL ADMINISTRATIVE
12 UNITS.--

13 A. ~~Each~~ Unless an election has been made
14 pursuant to Section 22-11-20.1 NMSA 1978, a member shall make
15 contributions to the fund in the amount of seven and
16 six-tenths percent of his annual salary.

17 ~~[B. Until June 30, 1993, each local administrative~~
18 ~~unit shall make a yearly contribution to the fund of a sum~~
19 ~~equal to seven and six-tenths percent of the annual salary of~~
20 ~~each member employed by the local administrative unit.~~

21 ~~C. Beginning July 1, 1993 and thereafter, each] A~~
22 member who has made an election pursuant to Section 22-11-
23 20.1 NMSA 1978 shall make contributions to the fund as
24 specified in that section.

25 B. Each local administrative unit shall make a
yearly contribution to the fund of a sum equal to eight and
sixty-five hundredths percent of the annual salary of each

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1 member employed by the local administrative unit."

2 Section 3. Section 22-11-30 NMSA 1978 (being Laws 1967,
3 Chapter 16, Section 153, as amended) is amended 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 June
7 30, 1967 shall be paid monthly and shall be one-twelfth of a
8 sum equal to one and one-half percent of the first four
9 thousand dollars (\$4,000) of the member's average annual
10 salary and one percent of the remainder of the member's
11 average annual salary multiplied by the number of years of
12 the member's total service credit.

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

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

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

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

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

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

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

4 (a) contributory employment;

5 (b) allowed service credit for service
6 performed after July 1, 1957; and

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

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

22 G. Unless an election has been made pursuant to
23 Section 22-11-20.1 NMSA 1978, retirement benefits for a
24 member age sixty or over, retired pursuant to the Educational
25 Retirement Act on or after July 1, 1991, shall be paid
monthly and shall be one-twelfth of a sum equal to two and
thirty-five hundredths percent of the member's average annual

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1 salary multiplied by the number of years of the member's
2 total service credit; provided that this subsection shall not
3 apply to any member who was retired in any of the four
4 consecutive quarters ending on June 30, 1991 without having
5 accumulated at least one year of earned service credit
6 beginning on or after July 1, 1991.

7 H. Retirement benefits for a member age sixty or
8 over, who has made an election pursuant to Paragraph (1) of
9 Subsection B of Section 22-11-20.1 NMSA 1978, shall be paid
10 monthly and shall be one-twelfth of a sum equal to one and
11 seventy-seven hundredths percent of the member's average
12 annual salary multiplied by the number of years of the
13 member's total service credit.

14 I. Retirement benefits for a member age sixty or
15 over, who has made an election pursuant to Paragraph (2) of
16 Subsection B of Section 22-11-20.1 NMSA 1978, shall be paid
17 monthly and shall be one-twelfth of a sum equal to one and
18 one-fourth percent of the member's average annual salary
19 multiplied by the number of years of the member's total
20 service credit.

21 ~~[H.]~~ J. A member's average annual salary, pursuant
22 to this section, shall be computed on the basis of the last
23 five years for which contribution was made or upon the basis
24 of any consecutive five years for which contribution was made
25 by the member, whichever is higher. Members shall begin
receiving retirement benefits by age seventy and six months,
or upon termination of employment, whichever occurs later."

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