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SENATE BILL 91

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

John Arthur Smith

FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO PUBLIC EMPLOYEE RETIREMENT; DELAYING CONTRIBUTION
INCREASES FOR EDUCATIONAL RETIREMENT.

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,
an amount equal to seven and six hundred seventy-five

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1 thousandths percent of the member's annual salary;

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

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

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

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

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

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

24 (3) from July 1, 2006 through June 30, 2007, a
25 sum equal to ten and fifteen-hundredths percent of the annual

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1 salary of each member employed by the local administrative
2 unit;

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

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

11 (6) from July 1, 2009 through June 30, [2010]
12 2011, a sum equal to ten and nine-tenths percent of the annual
13 salary of each member employed by the local administrative
14 unit, except that, for members whose annual salary is twenty
15 thousand dollars (\$20,000) or less, the local administrative
16 unit shall contribute twelve and four-tenths percent of the
17 member's annual salary;

18 (7) from July 1, [2010] 2011 through June 30,
19 [2011] 2012, a sum equal to [~~eleven and sixty-five hundredths~~]
20 thirteen and fifteen-hundredths percent of the annual salary of
21 each member employed by the local administrative unit [~~except~~
22 ~~that, for members whose annual salary is twenty thousand~~
23 ~~dollars (\$20,000) or less, the local administrative unit shall~~
24 ~~contribute thirteen and fifteen-hundredths percent of the~~
25 ~~member's annual salary~~]; and

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1 (8) on and after July 1, [~~2011~~] 2012, a sum
2 equal to thirteen and nine-tenths percent of the annual salary
3 of each member employed by the local administrative unit.

4 C. If, in a calendar year, the salary of a member,
5 initially employed by a local administrative unit on or after
6 July 1, 1996, equals the annual compensation limit set pursuant
7 to Section 401(a)(17) of the Internal Revenue Code of 1986, as
8 amended, then:

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

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

21 Section 2. EFFECTIVE DATE.--The effective date of the
22 provisions of this act is July 1, 2010.