

FORTY-NINTH LEGISLATURE  
SECOND SESSION, 2010

SB 225/a

February 16, 2010

Madam President:

Your **FINANCE COMMITTEE**, to whom has been referred

**SENATE BILL 225**

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 1, line 13, after "ACT" insert "; PROVIDING THAT THE PURCHASE COST OF SERVICE CREDIT SHALL BE AT THE ACTUAL ACTUARIAL VALUE".

2. On page 7, between lines 3 and 4, insert the following section:

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

"10-11-4. SERVICE CREDIT--REQUIREMENTS FOR--FORFEITURE--REINSTATEMENT.--

A. Personal service rendered an affiliated public employer by a member shall be credited to the member's service credit account in accordance with retirement board rules and regulations. Service shall be credited to the nearest month. In no case shall any member be credited with a year of service for less than twelve months of service in any calendar year or more than a month of service for all service in any calendar month or more than a year of service for all service in any calendar year. In no case shall any member be allowed to purchase service credit unless the purchase is authorized in the Public Employees Retirement Act.

B. Personal service rendered an affiliated public employer prior to August 1, 1947 shall be credited to a member if the member acquires one year of service credit for personal service rendered an affiliated public employer.

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C. Personal service rendered an affiliated public employer after July 31, 1947 but prior to the date the public employer became an affiliated public employer is prior service and shall be credited to a member if:

(1) the member acquires five years of service credit for personal service rendered an affiliated public employer; and

(2) the member pays the association the amount determined in accordance with Subsection D of this section.

D. The purchase cost for each month of service credit purchased under the provisions of this section is equal to the ~~[member's final average salary multiplied by the sum of the member contribution rate and employer contribution rate determined in accordance with the coverage plan applicable to the member at the time of the written election to purchase]~~ full actuarial present value of the amount of the increase in the employee's pension as a consequence of the purchase as determined by the association. Full payment shall be made in a single lump-sum amount in accordance with the procedures established by the retirement board. The portion of the purchase cost ~~[derived from]~~ allocated by the board to the employer contribution rate shall be credited to the [employer] employer's accumulation fund and shall not be refunded to the member in the event of cessation of membership. In no case shall any member be credited with a month of service for less than the purchase cost as defined in this section.

E. Service credit shall be forfeited if a member terminates employment with an affiliated public employer and withdraws the member's accumulated member contributions.

F. A member or former member who is a member of another state system or the educational retirement system and who has forfeited service credit by withdrawal of member contributions may reinstate the forfeited service credit by repaying the amount withdrawn plus compound interest from the date of withdrawal to the

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date of repayment at the rate set by the retirement board. Withdrawn member contributions may be repaid in increments of one year in accordance with the procedures established by the retirement board. Full payment of each one-year increment shall be made in a single lump-sum amount in accordance with procedures established by the retirement board."".

3. Renumber the succeeding section accordingly.

Respectfully submitted,

\_\_\_\_\_  
John Arthur Smith, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 10 For 1 Against

Yes: 10

No: Adair

Excused: None

Absent: None

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