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SENATE BILL 246

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

INTRODUCED BY

Stuart Ingle

AN ACT

RELATING TO THE RETIREMENT OF PUBLIC EMPLOYEES; PROVIDING A
TEMPORARY INCREASE IN CERTAIN EMPLOYEE CONTRIBUTION RATES AND A
CORRESPONDING TEMPORARY DECREASE IN THE EMPLOYER CONTRIBUTION
RATES.

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

Section 1. Section 10-11-26.5 NMSA 1978 (being Laws 1994,
Chapter 128, Section 6, as amended) is amended to read:

"10-11-26.5. STATE GENERAL MEMBER COVERAGE PLAN 3--MEMBER
CONTRIBUTION RATE.--A member under state general member
coverage plan 3 shall contribute seven and forty-two hundredths
percent of salary starting with the first full pay period that
ends within the calendar month in which state general member
coverage plan 3 becomes applicable to the member, except that,
from July 1, [2009] 2010 through June 30, 2011, for members

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1 whose annual salary is greater than twenty thousand dollars
2 (\$20,000), the member contribution rate shall be [~~eight and~~
3 ~~ninety-two hundredths~~] eleven and fifty-six hundredths percent
4 of salary."

5 Section 2. Section 10-11-26.6 NMSA 1978 (being Laws 1994,
6 Chapter 128, Section 7, as amended) is amended to read:

7 "10-11-26.6. STATE GENERAL MEMBER COVERAGE PLAN 3--STATE
8 CONTRIBUTION RATE.--The state shall contribute sixteen and
9 fifty-nine hundredths percent of the salary of each member
10 covered by state general member coverage plan 3 starting with
11 the first pay period that ends within the calendar month in
12 which state general member coverage plan 3 becomes applicable
13 to the member, except that, from July 1, [~~2009~~] 2010 through
14 June 30, 2011, for members whose annual salary is greater than
15 twenty thousand dollars (\$20,000), the state contribution rate
16 shall be [~~fifteen and nine hundredths~~] twelve and forty-five
17 hundredths percent of the salary of each member."

18 Section 3. Section 10-11-31 NMSA 1978 (being Laws 1987,
19 Chapter 253, Section 31, as amended) is amended to read:

20 "10-11-31. STATE POLICE MEMBER AND ADULT CORRECTIONAL
21 OFFICER MEMBER COVERAGE PLAN 1--MEMBER CONTRIBUTION RATE.--A
22 member under state police member and adult correctional officer
23 member coverage plan 1 shall contribute seven and six-tenths
24 percent of salary, except that, from July 1, [~~2009~~] 2010
25 through June 30, 2011, for members whose annual salary is

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1 greater than twenty thousand dollars (\$20,000), the member
2 contribution rate shall be [~~nine and one tenth~~] eleven and
3 seventy-four hundredths percent of salary."

4 Section 4. Section 10-11-32 NMSA 1978 (being Laws 1987,
5 Chapter 253, Section 32, as amended) is amended to read:

6 "10-11-32. STATE POLICE MEMBER AND ADULT CORRECTIONAL
7 OFFICER MEMBER COVERAGE PLAN 1--STATE CONTRIBUTION RATE.--The
8 state shall contribute twenty-five and one-tenth percent of the
9 salary of each member under state police member and adult
10 correctional officer member coverage plan 1, except that, from
11 July 1, [~~2009~~] 2010 through June 30, 2011, for members whose
12 annual salary is greater than twenty thousand dollars
13 (\$20,000), the state contribution rate shall be [~~twenty-three~~
14 ~~and six tenths~~] twenty and ninety-six hundredths percent of the
15 salary of each member."

16 Section 5. Section 10-11-38.5 NMSA 1978 (being Laws 1994,
17 Chapter 128, Section 13, as amended) is amended to read:

18 "10-11-38.5. STATE HAZARDOUS DUTY MEMBER COVERAGE PLAN
19 2--MEMBER CONTRIBUTION RATE.--A member under state hazardous
20 duty member coverage plan 2 shall contribute four and seventy-
21 eight hundredths percent of salary starting with the first full
22 pay period that ends within the calendar month in which state
23 hazardous duty member coverage plan 2 becomes applicable to the
24 member, except that, from July 1, [~~2009~~] 2010 through June 30,
25 2011, for members whose annual salary is greater than twenty

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1 thousand dollars (\$20,000), the member contribution rate shall
2 be [~~six and twenty-eight hundredths~~] eight and ninety-two
3 hundredths percent of salary."

4 Section 6. Section 10-11-38.6 NMSA 1978 (being Laws 1994,
5 Chapter 128, Section 14, as amended) is amended to read:

6 "10-11-38.6. STATE HAZARDOUS DUTY MEMBER COVERAGE PLAN
7 2--STATE CONTRIBUTION RATE.--The state shall contribute twenty-
8 five and seventy-two hundredths percent of the salary of each
9 member covered by state hazardous duty member coverage plan 2
10 starting with the first pay period that ends within the
11 calendar month in which state hazardous duty member coverage
12 plan 2 becomes applicable to the member, except that, from July
13 1, [~~2009~~] 2010 through June 30, 2011, for members whose annual
14 salary is greater than twenty thousand dollars (\$20,000), the
15 state contribution rate shall be [~~twenty-four and twenty-two~~
16 ~~hundredths~~] twenty-one and fifty-eight hundredths percent of
17 the salary of each member."

18 Section 7. Section 10-12B-10 NMSA 1978 (being Laws 1992,
19 Chapter 111, Section 10, as amended) is amended to read:

20 "10-12B-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

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

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

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

3 (3) on and after July 1, 2006, seven and one-
4 half percent of salary, except that, from July 1, ~~[2009]~~ 2010
5 through June 30, 2011, for members whose annual salary is
6 greater than twenty thousand dollars (\$20,000), the member
7 contribution rate shall be ~~[nine]~~ eleven and sixty-four
8 hundredths percent of salary.

9 B. Upon implementation, the state, acting as
10 employer of members covered pursuant to the provisions of the
11 Judicial Retirement Act, shall, solely for the purpose of
12 compliance with Section 414(h) of the Internal Revenue Code of
13 1986, pick up for the purposes specified in that section member
14 contributions required by this section for all annual salary
15 earned by the member. Member contributions picked up pursuant
16 to the provisions of this section shall be treated as employer
17 contributions for purposes of determining income tax
18 obligations under the Internal Revenue Code of 1986; however,
19 such picked-up member contributions shall be included in the
20 determination of the member's gross annual salary for all other
21 purposes under federal and state laws. Member contributions
22 picked up pursuant to the provisions of this section shall
23 continue to be designated member contributions for all purposes
24 of the Judicial Retirement Act and shall be considered as part
25 of the member's annual salary for purposes of determining the

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1 amount of the member's contribution. The provisions of this
2 section are mandatory, and the member shall have no option
3 concerning the pickup or concerning the receipt of the
4 contributed amounts directly instead of having the amounts paid
5 by the employer to the retirement system. Implementation
6 occurs upon authorization by the board. In no event may
7 implementation occur other than at the beginning of a pay
8 period applicable to the member."

9 Section 8. Section 10-12B-11 NMSA 1978 (being Laws 1992,
10 Chapter 111, Section 11, as amended) is amended to read:

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

12 A. The member's court shall contribute the
13 following amounts to the fund:

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

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

19 (3) on and after July 1, 2006, twelve percent
20 of salary for each member in office, except that, from July 1,
21 [2009] 2010 through June 30, 2011, for members whose annual
22 salary is greater than twenty thousand dollars (\$20,000), the
23 member's court contribution rate shall be [~~ten and one-half~~]
24 seven and eighty-six hundredths percent of salary for each
25 member in office.

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1 B. Thirty-eight dollars (\$38.00) from each civil
2 case docket fee paid in the district court, twenty-five dollars
3 (\$25.00) from each civil docket fee paid in metropolitan court
4 and ten dollars (\$10.00) from each jury fee paid in
5 metropolitan court shall be paid by the court clerk to the
6 employer's accumulation fund."

7 Section 9. Section 10-12C-10 NMSA 1978 (being Laws 1992,
8 Chapter 118, Section 10, as amended) is amended to read:

9 "10-12C-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

10 A. Members, while in office, shall contribute the
11 following amounts to the member contribution fund:

12 (1) through June 30, 2006, six and one-half
13 percent of salary; and

14 (2) on and after July 1, 2006, seven and one-
15 half percent of salary, except that, from July 1, [2009] 2010
16 through June 30, 2011, for members whose annual salary is
17 greater than twenty thousand dollars (\$20,000), the member
18 contribution rate shall be [~~nine~~] eleven and sixty-four
19 hundredths percent of salary.

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

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

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

22 "10-12C-11. EMPLOYER CONTRIBUTIONS.--

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

25 (1) through June 30, 2006, ten percent of

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1 salary for each member in office; and

2 (2) on and after July 1, 2006, eleven percent
3 of salary for each member in office, except that, from July 1,
4 [2009] 2010 through June 30, 2011, for members whose annual
5 salary is greater than twenty thousand dollars (\$20,000), the
6 state contribution rate shall be [~~nine and one-half~~] six and
7 eighty-six hundredths percent of salary for each member in
8 office.

9 B. Twenty-five dollars (\$25.00) from each civil
10 case docket fee paid in magistrate court and ten dollars
11 (\$10.00) from each civil jury fee paid in magistrate court
12 shall be paid by the court clerk to the employer's accumulation
13 fund."

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

16 "22-11-21. CONTRIBUTIONS--MEMBERS--LOCAL ADMINISTRATIVE
17 UNITS.--

18 A. Except as provided in Subsection C of this
19 section, each member shall make contributions to the fund
20 according to the following schedule:

21 (1) through June 30, 2005, an amount equal to
22 seven and six-tenths percent of the member's annual salary;

23 (2) from July 1, 2005 through June 30, 2006,
24 an amount equal to seven and six hundred seventy-five
25 thousandths percent of the member's annual salary;

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

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

7 (5) on and after July 1, 2008, an amount equal
8 to seven and nine-tenths percent of the member's annual salary,
9 except that, from July 1, ~~[2009]~~ 2010 through June 30, 2011,
10 for members whose annual salary is greater than twenty thousand
11 dollars (\$20,000), the member contribution rate shall be [~~nine~~
12 ~~and four-tenths~~] twelve and four-hundredths percent of the
13 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, a
12 sum equal to ten and nine-tenths percent of the annual salary
13 of each member employed by the local administrative unit,
14 except that, for members whose annual salary is twenty thousand
15 dollars (\$20,000) or less, the local administrative unit shall
16 contribute twelve and four-tenths percent of the member's
17 annual salary;

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

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1 (8) on and after July 1, 2011, a sum equal to
2 thirteen and nine-tenths percent of the annual salary of each
3 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 12. EFFECTIVE DATE.--The effective date of the
22 provisions of this act is July 1, 2010.