

AN ACT

RELATING TO EDUCATIONAL RETIREMENT; PREVENTING A NEGATIVE  
CONSUMER PRICE INDEX ADJUSTMENT FROM REDUCING A MEMBER'S  
CURRENT BENEFIT.

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

Section 1. Section 22-11-31 NMSA 1978 (being Laws 1979,  
Chapter 333, Section 2, as amended) is amended to read:

"22-11-31. COST-OF-LIVING ADJUSTMENT--ADDITIONAL  
CONTRIBUTIONS.--

A. For the purposes of this section:

(1) "adjustment factor" means a  
multiplicative factor computed to provide an annuity  
adjustment pursuant to the provisions of Subsection B of this  
section;

(2) "annuity" means any benefit payable  
under the Educational Retirement Act or the Public Employees  
Retirement Reciprocity Act as a retirement benefit, disability  
benefit or survivor benefit;

(3) "calendar year" means the full twelve  
months beginning January 1 and ending December 31;

(4) "consumer price index" means the average  
of the monthly consumer price indexes for a calendar year for  
the entire United States for all items as published by the  
United States department of labor;

(5) "next preceding calendar year" means the full calendar year immediately prior to the preceding calendar year; and

(6) "preceding calendar year" means the full calendar year preceding the July 1 on which a benefit is to be adjusted.

B. On or after July 1, 1984, each annuity shall be adjusted annually and cumulatively commencing on July 1 of the year in which a member attains the age of sixty-five or on July 1 following the year a member retires, whichever is later. The annuity shall be adjusted by applying an adjustment factor that results in an adjustment equal to one-half of the percentage increase of the consumer price index between the next preceding calendar year and the preceding calendar year, except that the adjustment shall not exceed four percent, in absolute value, nor be less than two percent, in absolute value. In the event that the percentage increase of the consumer price index is less than two percent, in absolute value, the adjustment factor shall be the same as the percentage increase of the consumer price index. Annuities shall not be decreased in the event that there is a decrease in the consumer price index between the next preceding calendar year and the preceding calendar year.

C. A retired member whose benefit is subject to adjustment under the provisions of the Educational Retirement

Act in effect prior to July 1, 1984 shall have the member's annuity readjusted annually and cumulatively under the provisions of that act in effect prior to July 1, 1984 until July 1 of the year in which the member attains the age of sixty-five, when the member shall have the annuity readjusted annually and cumulatively under the provisions of this section. A member who retires after attaining the age of sixty-five shall have the member's annuity adjusted annually and cumulatively commencing on July 1 of the year following the member's retirement.

D. A retired member who returns to work shall be subject to the provisions of this section as they exist at the time of the member's final retirement.

E. Benefits of a member who is on a disability status in accordance with Section 22-11-35 NMSA 1978 or a member who the board certifies was disabled at regular retirement shall be adjusted in accordance with Subsections B and C of this section, except that the benefits shall be adjusted annually and cumulatively commencing on July 1 of the third full year following the year in which the member was approved by the board for disability or retirement.

F. The board shall adjust the benefits of each person receiving an annuity as of June 30, 1999. The adjustment shall be made on July 1, 1999 on the basis of an increase of two dollars (\$2.00) per month for each year since

the member's last retirement plus an increase of one dollar (\$1.00) per month for each year of credited service at the time of the last retirement."

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