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HOUSE BILL 569

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

Conrad D. James

AN ACT

RELATING TO RETIREE HEALTH CARE; POSTPONING SCHEDULED INCREASES
IN THE CONTRIBUTION RATES; RECONCILING CONFLICTING AMENDMENTS
TO THE SAME SECTION OF LAW IN LAWS 2009 BY REPEALING LAWS 2009,
CHAPTER 287, SECTION 2.

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

SECTION 1. Section 10-7C-15 NMSA 1978 (being Laws 1990,
Chapter 6, Section 15, as amended by Laws 2009, Chapter 287,
Section 2 and by Laws 2009, Chapter 288, Section 3) is amended
to read:

"10-7C-15. RETIREE HEALTH CARE FUND CONTRIBUTIONS.--

A. Following completion of the preliminary
contribution period, each participating employer shall make
contributions to the fund pursuant to the following provisions:

- (1) for participating employees who are not

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1 members of an enhanced retirement plan, the employer's
2 contribution shall equal:

3 (a) one and three-tenths percent of each
4 participating employee's salary for the period from July 1,
5 2002 through June 30, 2010;

6 (b) one and six hundred sixty-six
7 thousandths percent of each participating employee's salary for
8 the period from July 1, 2010 through June 30, [~~2011~~] 2012;

9 (c) one and eight hundred thirty-four
10 thousandths percent of each participating employee's salary for
11 the period from July 1, [~~2011~~] 2012 through June 30, [~~2012~~]
12 2013; and

13 (d) two percent of each participating
14 employee's salary beginning July 1, [~~2012~~] 2013;

15 (2) for participating employees who are
16 members of an enhanced retirement plan, the employer's
17 contribution shall equal:

18 (a) one and three-tenths percent of each
19 participating employee's salary for the period from July 1,
20 2002 through June 30, 2010;

21 (b) two and eighty-four thousandths
22 percent of each participating employee's salary for the period
23 from July 1, 2010 through June 30, [~~2011~~] 2012;

24 (c) two and two hundred ninety-two
25 thousandths percent of each participating employee's salary for

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1 the period from July 1, [~~2011~~] 2012 through June 30, [~~2012~~]
2 2013; and

3 (d) two and one-half percent of each
4 participating employee's salary beginning July 1, [~~2012~~] 2013;
5 and

6 (3) each employer that chooses to become a
7 participating employer after January 1, 1998 shall make
8 contributions to the fund in the amount determined to be
9 appropriate by the board.

10 B. Following completion of the preliminary
11 contribution period, each participating employee, as a
12 condition of employment, shall contribute to the fund pursuant
13 to the following provisions:

14 (1) for a participating employee who is not a
15 member of an enhanced retirement plan, the employee's
16 contribution shall equal:

17 (a) sixty-five hundredths of one percent
18 of the employee's salary for the period from July 1, 2002
19 through June 30, 2010;

20 (b) eight hundred thirty-three
21 thousandths of one percent of the employee's salary for the
22 period from July 1, 2010 through June 30, [~~2011~~] 2012;

23 (c) nine hundred seventeen thousandths
24 of one percent of the employee's salary for the period from
25 July 1, [~~2011~~] 2012 through June 30, [~~2012~~] 2013; and

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1 (d) one percent of the employee's salary
2 beginning July 1, [~~2012~~] 2013;

3 (2) for a participating employee who is a
4 member of an enhanced retirement plan, the employee's
5 contribution shall equal:

6 (a) sixty-five hundredths of one percent
7 of the employee's salary for the period from July 1, 2002
8 through June 30, 2010;

9 (b) one and forty-two thousandths
10 percent of the employee's salary for the period from July 1,
11 2010 through June 30, [~~2011~~] 2012;

12 (c) one and one hundred forty-six
13 thousandths percent of the employee's salary for the period
14 from July 1, [~~2011~~] 2012 through June 30, [~~2012~~] 2013; and

15 (d) one and one-fourth percent of the
16 employee's salary beginning July 1, [~~2012~~] 2013; and

17 (3) as a condition of employment, each
18 participating employee of an employer that chooses to become a
19 participating employer after January 1, 1998 shall contribute
20 to the fund an amount that is determined to be appropriate by
21 the board. Each month, participating employers shall deduct
22 the contribution from the participating employee's salary and
23 shall remit it to the board as provided by any procedures that
24 the board may require.

25 C. On or after July 1, 2009, no person who has

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1 obtained service credit pursuant to Subsection B of Section
2 10-11-6 NMSA 1978, Section 10-11-7 NMSA 1978 or Paragraph (3)
3 or (4) of Subsection A of Section 22-11-34 NMSA 1978 may enroll
4 with the authority unless the person makes a contribution to
5 the fund equal to the full actuarial present value of the
6 amount of the increase in the person's health care benefit, as
7 determined by the authority.

8 D. Except for contributions made pursuant to
9 Subsection C of this section, a participating employer that
10 fails to remit before the tenth day after the last day of the
11 month all employer and employee deposits required by the
12 Retiree Health Care Act to be remitted by the employer for the
13 month shall pay to the fund, in addition to the deposits,
14 interest on the unpaid amounts at the rate of six percent per
15 year compounded monthly.

16 E. Except for contributions made pursuant to
17 Subsection C of this section, the employer and employee
18 contributions shall be paid in monthly installments based on
19 the percent of payroll certified by the employer.

20 F. Except in the case of erroneously made
21 contributions or as may be otherwise provided in Subsection D
22 of Section 10-7C-9 NMSA 1978, contributions from participating
23 employers and participating employees shall become the property
24 of the fund on receipt by the board and shall not be refunded
25 under any circumstances, including termination of employment or

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1 termination of the participating employer's operation or
2 participation in the Retiree Health Care Act.

3 G. Notwithstanding any other provision in the
4 Retiree Health Care Act and at the first session of the
5 legislature following July 1, 2013, the legislature shall
6 review and adjust the distributions pursuant to Section 7-1-6.1
7 NMSA 1978 and the employer and employee contributions to the
8 authority in order to ensure the actuarial soundness of the
9 benefits provided under the Retiree Health Care Act.

10 H. As used in this section, "member of an enhanced
11 retirement plan" means:

12 (1) a member of the public employees
13 retirement association who, pursuant to the Public Employees
14 Retirement Act, is included in:

- 15 (a) state police member and adult
16 correctional officer member coverage plan 1;
- 17 (b) municipal police member coverage
18 plan 3, 4 or 5;
- 19 (c) municipal fire member coverage plan
20 3, 4 or 5; or
- 21 (d) municipal detention officer member
22 coverage plan 1; or

23 (2) a member pursuant to the provisions of the
24 Judicial Retirement Act."

25 SECTION 2. REPEAL.--Laws 2009, Chapter 287, Section 2 is
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repealed.