

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 628

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

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;  
CHANGING THE EMPLOYER AND EMPLOYEE CONTRIBUTION RATES IN  
CERTAIN RETIREMENT PLANS.

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 through June 30, 2011~~] for members whose  
annual salary is greater than twenty thousand dollars

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1 (\$20,000):

2 A. from July 1, 2009 through June 30, 2011, the  
3 member contribution rate shall be eight and ninety-two  
4 hundredths percent of salary;

5 B. from July 1, 2011 through June 30, 2012, the  
6 member contribution rate shall be ten and sixty-seven  
7 hundredths percent of salary; and

8 C. from July 1, 2012 through June 30, 2013, the  
9 member contribution rate shall be eight and ninety-two  
10 hundredths percent of salary."

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

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

22 A. from July 1, 2009 through June 30, 2011, the  
23 state contribution rate shall be fifteen and nine-hundredths  
24 percent of the salary of each member;

25 B. from July 1, 2011 through June 30, 2012, the

1 state contribution rate shall be thirteen and thirty-four  
 2 hundredths percent of the salary of each member; and

3 C. from July 1, 2012 through June 30, 2013, the  
 4 state contribution rate shall be fifteen and nine-hundredths  
 5 percent of the salary of each member."

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

8 "10-11-31. STATE POLICE MEMBER AND ADULT CORRECTIONAL  
 9 OFFICER MEMBER COVERAGE PLAN 1--MEMBER CONTRIBUTION RATE.--A  
 10 member under state police member and adult correctional officer  
 11 member coverage plan 1 shall contribute seven and six-tenths  
 12 percent of salary, except that [~~from July 1, 2009 through June~~  
 13 ~~30, 2011~~] for members whose annual salary is greater than  
 14 twenty thousand dollars (\$20,000):

15 A. from July 1, 2009 through June 30, 2011, the  
 16 member contribution rate shall be nine and one-tenth percent of  
 17 salary;

18 B. from July 1, 2011 through June 30, 2012, the  
 19 member contribution rate shall be ten and eighty-five  
 20 hundredths percent of salary; and

21 C. from July 1, 2012 through June 30, 2013, the  
 22 member contribution rate shall be nine and one-tenth percent of  
 23 salary."

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

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1 "10-11-32. STATE POLICE MEMBER AND ADULT CORRECTIONAL  
2 OFFICER MEMBER COVERAGE PLAN 1--STATE CONTRIBUTION RATE.--The  
3 state shall contribute twenty-five and one-tenth percent of the  
4 salary of each member under state police member and adult  
5 correctional officer member coverage plan 1, except that [~~from~~  
6 ~~July 1, 2009 through June 30, 2011~~] for members whose annual  
7 salary is greater than twenty thousand dollars (\$20,000):

8 A. from July 1, 2009 through June 30, 2011, the  
9 state contribution rate shall be twenty-three and six-tenths  
10 percent of the salary of each member;

11 B. from July 1, 2011 through June 30, 2012, the  
12 state contribution rate shall be twenty-one and eighty-five  
13 hundredths percent of the salary of each member; and

14 C. from July 1, 2012 through June 30, 2013, the  
15 state contribution rate shall be twenty-three and six-tenths  
16 percent of the salary of each member."

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

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

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1 for members whose annual salary is greater than twenty thousand  
 2 dollars (\$20,000):

3 A. from July 1, 2009 through June 30, 2011, the  
 4 member contribution rate shall be six and twenty-eight  
 5 hundredths percent of salary;

6 B. from July 1, 2011 through June 30, 2012, the  
 7 member contribution rate shall be eight and three-hundredths  
 8 percent of salary; and

9 C. from July 1, 2012 through June 30, 2013, the  
 10 member contribution rate shall be six and twenty-eight  
 11 hundredths percent of salary."

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

14 "10-11-38.6. STATE HAZARDOUS DUTY MEMBER COVERAGE PLAN  
 15 2--STATE CONTRIBUTION RATE.--The state shall contribute twenty-  
 16 five and seventy-two hundredths percent of the salary of each  
 17 member covered by state hazardous duty member coverage plan 2  
 18 starting with the first pay period that ends within the  
 19 calendar month in which state hazardous duty member coverage  
 20 plan 2 becomes applicable to the member, except that [~~from July~~  
 21 ~~1, 2009 through June 30, 2011]~~ for members whose annual salary  
 22 is greater than twenty thousand dollars (\$20,000):

23 A. from July 1, 2009 through June 30, 2011, the  
 24 state contribution rate shall be twenty-four and twenty-two  
 25 hundredths percent of the salary of each member;

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1           B. from July 1, 2011 through June 30, 2012, the  
2           state contribution rate shall be twenty-two and forty-seven  
3           hundredths percent of the salary of each member; and

4           C. from July 1, 2012 through June 30, 2013, the  
5           state contribution rate shall be twenty-four and twenty-two  
6           hundredths percent of the salary of each member."

7           SECTION 7. Section 10-12B-1 NMSA 1978 (being Laws 1992,  
8 Chapter 111, Section 1) is amended to read:

9           "10-12B-1. SHORT TITLE.--~~[Sections 1 through 17 of this~~  
10          ~~act]~~ Chapter 10, Article 12B NMSA 1978 may be cited as the  
11          "Judicial Retirement Act"."

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

14          "10-12B-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

15               A. Members, while in office, shall contribute to  
16 the member contribution fund pursuant to the following  
17 schedule:

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

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

22                       (3) on and after July 1, 2006, seven and one-  
23 half percent of salary, except that ~~[from July 1, 2009 through~~  
24 ~~June 30, 2011]~~ for members whose annual salary is greater than  
25 twenty thousand dollars (\$20,000):

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1                   (a) from July 1, 2009 through June 30,  
2 2011, the member contribution rate shall be nine percent of  
3 salary;

4                   (b) from July 1, 2011 through June 30,  
5 2012, the member contribution rate shall be ten and three-  
6 fourths percent of salary; and

7                   (c) from July 1, 2012 through June 30,  
8 2013, the member contribution rate shall be nine percent of  
9 salary.

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

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

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

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

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

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

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

20 (3) on and after July 1, 2006, twelve percent  
21 of salary for each member in office, except that [~~from July 1,~~  
22 ~~2009 through June 30, 2011~~] for members whose annual salary is  
23 greater than twenty thousand dollars (\$20,000):

24 (a) from July 1, 2009 through June 30,  
25 2011, the member's court contribution rate shall be ten and

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1 one-half percent of salary for each member in office;

2 (b) from July 1, 2011 through June 30,  
 3 2012, the member's court contribution rate shall be eight and  
 4 three-fourths percent of salary for each member in office; and

5 (c) from July 1, 2012 through June 30,  
 6 2013, the member's court contribution rate shall be ten and  
 7 one-half percent of salary for each member in office.

8 B. Thirty-eight dollars (\$38.00) from each civil  
 9 case docket fee paid in the district court, twenty-five dollars  
 10 (\$25.00) from each civil docket fee paid in metropolitan court  
 11 and ten dollars (\$10.00) from each jury fee paid in  
 12 metropolitan court shall be paid by the court clerk to the  
 13 employer's accumulation fund."

14 SECTION 10. Section 10-12C-1 NMSA 1978 (being Laws 1992,  
 15 Chapter 118, Section 1) is amended to read:

16 "10-12C-1. SHORT TITLE.--~~[Sections 1 through 16 of this~~  
 17 ~~act]~~ Chapter 10, Article 12C NMSA 1978 may be cited as the  
 18 "Magistrate Retirement Act"."

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

21 "10-12C-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

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

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

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1 (2) on and after July 1, 2006, seven and one-  
2 half percent of salary, except that [~~from July 1, 2009 through~~  
3 ~~June 30, 2011~~] for members whose annual salary is greater than  
4 twenty thousand dollars (\$20,000):

5 (a) from July 1, 2009 through June 30,  
6 2011, the member contribution rate shall be nine percent of  
7 salary;

8 (b) from July 1, 2011 through June 30,  
9 2012, the member contribution rate shall be ten and three-  
10 fourths percent of salary; and

11 (c) from July 1, 2012 through June 30,  
12 2013, the member contribution rate shall be nine percent of  
13 salary.

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

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1 purposes under federal and state laws. Member contributions  
 2 picked up pursuant to the provisions of this section shall  
 3 continue to be designated member contributions for all purposes  
 4 of the Magistrate Retirement Act and shall be considered as  
 5 part of the member's annual salary for purposes of determining  
 6 the amount of the member's contribution. The provisions of  
 7 this section are mandatory, and the member shall have no option  
 8 concerning the pick up or concerning the receipt of the  
 9 contributed amounts directly instead of having the amounts paid  
 10 by the employer to the retirement system. Implementation  
 11 occurs upon authorization by the board. In no event may  
 12 implementation occur other than at the beginning of a pay  
 13 period applicable to the member."

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

16 "10-12C-11. EMPLOYER CONTRIBUTIONS.--

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

- 19 (1) through June 30, 2006, ten percent of  
 20 salary for each member in office; and  
 21 (2) on and after July 1, 2006, eleven percent  
 22 of salary for each member in office, except that [~~from July 1,~~  
 23 ~~2009 through June 30, 2011~~] for members whose annual salary is  
 24 greater than twenty thousand dollars (\$20,000):

25 (a) from July 1, 2009 through June 30,

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1 2011, the state contribution rate shall be nine and one-half  
2 percent of salary for each member in office;

3 (b) from July 1, 2011 through June 30,  
4 2012, the state contribution rate shall be seven and three-  
5 fourths percent of salary for each member in office; and

6 (c) from July 1, 2012 through June 30,  
7 2013, the state contribution rate shall be nine and one-half  
8 percent of salary for each member in 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 13. 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 through June 30, 2011~~] for  
10 members whose annual salary is greater than twenty thousand  
11 dollars (\$20,000):

12 (a) from July 1, 2009 through June 30,  
13 2011, the member contribution rate shall be nine and four-  
14 tenths percent of the member's annual salary;

15 (b) from July 1, 2011 through June 30,  
16 2012, the member contribution rate shall be eleven and fifteen-  
17 hundredths percent of the member's annual salary; and

18 (c) from July 1, 2012 through June 30,  
19 2013, the member contribution rate shall be nine and four-  
20 tenths of the member's annual salary.

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

24 (1) through June 30, 2005, a sum equal to  
25 eight and sixty-five hundredths percent of the annual salary of

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1 each member employed by the local administrative unit;

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

6 (3) from July 1, 2006 through June 30, 2007, a  
7 sum equal to ten and fifteen-hundredths percent of the annual  
8 salary of each member employed by the local administrative  
9 unit;

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

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

18 (6) from July 1, 2009 through June 30, 2011, a  
19 sum equal to ten and nine-tenths percent of the annual salary  
20 of each member employed by the local administrative unit,  
21 except that for members whose annual salary is twenty thousand  
22 dollars (\$20,000) or less, the local administrative unit shall  
23 contribute twelve and four-tenths percent of the member's  
24 annual salary;

25 (7) from July 1, 2011 through June 30, 2012, a

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1 sum equal to [~~thirteen~~] nine and fifteen-hundredths percent of  
 2 the annual salary of each member employed by the local  
 3 administrative unit, [~~and~~

4 ~~(8) on and after July 1, 2012, a sum equal to~~  
 5 ~~thirteen and nine-tenths percent of the annual salary of each~~  
 6 ~~member employed by the local administrative unit] except that  
 7 for members whose annual salary is twenty thousand dollars  
 8 (\$20,000) or less, the local administrative unit shall  
 9 contribute twelve and four-tenths percent of the member's  
 10 annual salary;~~

11 (8) from July 1, 2012 through June 30, 2013, 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 (9) from July 1, 2013 through June 30, 2014, a  
 19 sum equal to thirteen and fifteen-hundredths percent of the  
 20 annual salary of each member employed by the local  
 21 administrative unit; and

22 (10) on and after July 1, 2014, a sum equal to  
 23 thirteen and nine-tenths percent of the annual salary of each  
 24 member employed by the local administrative unit.

25 C. If, in a calendar year, the salary of a member,

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1 initially employed by a local administrative unit on or after  
2 July 1, 1996, equals the annual compensation limit set pursuant  
3 to Section 401(a)(17) of the Internal Revenue Code of 1986, as  
4 amended, then:

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

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

17 SECTION 14. EFFECTIVE DATE.--The effective date of the  
18 provisions of this act is July 1, 2011.