

1 SENATE BILL 248

2 **50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011**

3 INTRODUCED BY

4 Stuart Ingle

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7
8 FOR THE LEGISLATIVE FINANCE COMMITTEE

9
10 AN ACT

11 RELATING TO PUBLIC EMPLOYEE RETIREMENT; CHANGING THE EMPLOYER
12 AND EMPLOYEE CONTRIBUTION RATES IN CERTAIN RETIREMENT PLANS.

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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

17 "10-11-26.5. STATE GENERAL MEMBER COVERAGE PLAN 3--MEMBER
18 CONTRIBUTION RATE.--A member under state general member
19 coverage plan 3 shall contribute seven and forty-two hundredths
20 percent of salary starting with the first full pay period that
21 ends within the calendar month in which state general member
22 coverage plan 3 becomes applicable to the member, except that
23 [~~from July 1, 2009 through June 30, 2011~~] for members whose
24 annual salary is greater than twenty thousand dollars
25 (\$20,000):

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

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

7 C. on and after July 1, 2012, the member
8 contribution rate shall be eight and ninety-two hundredths
9 percent of salary."

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

12 "10-11-26.6. STATE GENERAL MEMBER COVERAGE PLAN 3--STATE
13 CONTRIBUTION RATE.--The state shall contribute sixteen and
14 fifty-nine hundredths percent of the salary of each member
15 covered by state general member coverage plan 3 starting with
16 the first pay period that ends within the calendar month in
17 which state general member coverage plan 3 becomes applicable
18 to the member, except that [~~from July 1, 2009 through June 30,~~
19 ~~2011~~] for members whose annual salary is greater than twenty
20 thousand dollars (\$20,000):

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

24 B. from July 1, 2011 through June 30, 2012, the
25 state contribution rate shall be thirteen and thirty-four

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1 hundredths percent of the salary of each member; and

2 C. on and after July 1, 2012, the state
3 contribution rate shall be fifteen and nine-hundredths percent
4 of the salary of each member."

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

7 "10-11-31. STATE POLICE MEMBER AND ADULT CORRECTIONAL
8 OFFICER MEMBER COVERAGE PLAN 1--MEMBER CONTRIBUTION RATE.--A
9 member under state police member and adult correctional officer
10 member coverage plan 1 shall contribute seven and six-tenths
11 percent of salary, except that [~~from July 1, 2009 through June~~
12 ~~30, 2011~~] for members whose annual salary is greater than
13 twenty thousand dollars (\$20,000):

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

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

20 C. on and after July 1, 2012, the member
21 contribution rate shall be nine and one-tenth percent of
22 salary."

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

25 "10-11-32. STATE POLICE MEMBER AND ADULT CORRECTIONAL

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

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

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

13 C. on and after July 1, 2012, the state
14 contribution rate shall be twenty-three and six-tenths percent
15 of the 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 through June 30, 2011~~]
25 for members whose annual salary is greater than twenty thousand

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1 dollars (\$20,000):

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

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

8 C. on and after July 1, 2012, the member
9 contribution rate shall be six and twenty-eight hundredths
10 percent of salary."

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

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

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

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

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1 state contribution rate shall be twenty-two and forty-seven
2 hundredths percent of the salary of each member; and

3 C. on and after July 1, 2012, the state
4 contribution rate shall be twenty-four and twenty-two
5 hundredths percent of the salary of each member."

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

8 "10-12B-1. SHORT TITLE.--~~[Sections 1 through 17 of this~~
9 ~~act]~~ Chapter 10, Article 12B NMSA 1978 may be cited as the
10 "Judicial Retirement Act"."

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

13 "10-12B-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

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

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

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

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

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

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1 2011, the member contribution rate shall be nine percent of
2 salary;

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

6 (c) on and after July 1, 2012, the
7 member contribution rate shall be nine percent of salary.

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

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

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

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

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

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

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

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

22 (a) from July 1, 2009 through June 30,
23 2011, the member's court contribution rate shall be ten and
24 one-half percent of salary for each member in office;

25 (b) from July 1, 2011 through June 30,

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1 2012, the member's court contribution rate shall be eight and
2 three-fourths percent of salary for each member in office; and

3 (c) on and after July 1, 2012, the
4 member's court contribution rate shall be ten and one-half
5 percent of salary for each member in office.

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

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

14 "10-12C-1. SHORT TITLE.--~~[Sections 1 through 16 of this~~
15 ~~act]~~ Chapter 10, Article 12C NMSA 1978 may be cited as the
16 "Magistrate Retirement Act".

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

19 "10-12C-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

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

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

24 (2) on and after July 1, 2006, seven and one-
25 half percent of salary, except that ~~[from July 1, 2009 through~~

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1 ~~June 30, 2011]~~ for members whose annual salary is greater than
2 twenty thousand dollars (\$20,000):

3 (a) from July 1, 2009 through June 30,
4 2011, the member contribution rate shall be nine percent of
5 salary;

6 (b) from July 1, 2011 through June 30,
7 2012, the member contribution rate shall be ten and three-
8 fourths percent of salary; and

9 (c) on and after July 1, 2012, the
10 member contribution rate shall be nine percent of salary.

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

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

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

13 "10-12C-11. EMPLOYER CONTRIBUTIONS.--

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

16 (1) through June 30, 2006, ten percent of
17 salary for each member in office; and

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

22 (a) from July 1, 2009 through June 30,
23 2011, the state contribution rate shall be nine and one-half
24 percent of salary for each member in office;

25 (b) from July 1, 2011 through June 30,

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1 2012, the state contribution rate shall be seven and three-
2 fourths percent of salary for each member in office; and

3 (c) on and after July 1, 2012, the state
4 contribution rate shall be nine and one-half percent of salary
5 for each member in office.

6 B. Twenty-five dollars (\$25.00) from each civil
7 case docket fee paid in magistrate court and ten dollars
8 (\$10.00) from each civil jury fee paid in magistrate court
9 shall be paid by the court clerk to the employer's accumulation
10 fund."

11 SECTION 13. Section 22-11-21 NMSA 1978 (being Laws 1967,
12 Chapter 16, Section 144, as amended) is amended to read:

13 "22-11-21. CONTRIBUTIONS--MEMBERS--LOCAL ADMINISTRATIVE
14 UNITS.--

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

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

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

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

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

4 (5) on and after July 1, 2008, an amount equal
5 to seven and nine-tenths percent of the member's annual salary,
6 except that [~~from July 1, 2009 through June 30, 2011~~] for
7 members whose annual salary is greater than twenty thousand
8 dollars (\$20,000):

9 (a) from July 1, 2009 through June 30,
10 2011, the member contribution rate shall be nine and four-
11 tenths percent of the member's annual salary;

12 (b) from July 1, 2011 through June 30,
13 2012, the member contribution rate shall be eleven and fifteen-
14 hundredths percent of the member's annual salary; and

15 (c) on and after July 1, 2012, the
16 member contribution rate shall be nine and four-tenths of the
17 member's annual salary.

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

21 (1) through June 30, 2005, a sum equal to
22 eight and sixty-five hundredths percent of the annual salary of
23 each member employed by the local administrative unit;

24 (2) from July 1, 2005 through June 30, 2006, a
25 sum equal to nine and forty-hundredths percent of the annual

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1 salary of each member employed by the local administrative
2 unit;

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

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

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

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

22 (7) from July 1, 2011 through June 30, 2012, a
23 sum equal to [~~thirteen~~] nine and fifteen-hundredths percent of
24 the annual salary of each member employed by the local
25 administrative unit, [~~and~~

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

8 (8) from July 1, 2012 through June 30, 2013, a
9 sum equal to ten and nine-tenths percent of the annual salary
10 of each member employed by the local administrative unit,
11 except that for members whose annual salary is twenty thousand
12 dollars (\$20,000) or less, the local administrative unit shall
13 contribute twelve and four-tenths percent of the member's
14 annual salary;

15 (9) from July 1, 2013 through June 30, 2014, a
16 sum equal to eleven and sixty-five hundredths percent of the
17 annual salary of each member employed by the local
18 administrative unit, except that for members whose annual
19 salary is twenty thousand dollars (\$20,000) or less, the local
20 administrative unit shall contribute thirteen and fifteen-
21 hundredths percent of the member's annual salary; and

22 (10) on and after July 1, 2014, a sum equal to
23 twelve and four-tenths percent of the annual salary of each
24 member employed by the local administrative unit, except that
25 for members whose annual salary is twenty thousand dollars

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1 (\$20,000) or less, the local administrative unit shall
2 contribute thirteen and nine-tenths percent of the member's
3 annual salary.

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