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HOUSE BILL 226

**50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012**

INTRODUCED BY

Brian F. Egolf

AN ACT

RELATING TO PUBLIC EMPLOYEE RETIREMENT; CHANGING THE EMPLOYEE  
AND EMPLOYER CONTRIBUTION RATES FOR CERTAIN RETIREMENT PLANS ON  
AND AFTER JULY 1, 2012.

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~~  
~~for members whose annual salary is greater than twenty thousand~~  
~~dollars (\$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. ~~from July 1, 2012 through June 30, 2013, the~~  
8 ~~member contribution rate shall be eight and ninety-two~~  
9 ~~hundredths 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 for members whose annual salary is~~  
19 ~~greater than twenty thousand dollars (\$20,000):~~

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

23           B. ~~from July 1, 2011 through June 30, 2012, the~~  
24 ~~state contribution rate shall be thirteen and thirty-four~~  
25 ~~hundredths percent of the salary of each member; and~~

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

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

6           "10-11-31. STATE POLICE MEMBER AND ADULT CORRECTIONAL  
7 OFFICER MEMBER COVERAGE PLAN 1--MEMBER CONTRIBUTION RATE.--A  
8 member under state police member and adult correctional officer  
9 member coverage plan 1 shall contribute seven and six-tenths  
10 percent of salary [~~except that for members whose annual salary~~  
11 ~~is greater than twenty thousand dollars (\$20,000):~~

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

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

18           ~~C. from July 1, 2012 through June 30, 2013, the~~  
19 ~~member contribution rate shall be nine and one-tenth percent of~~  
20 ~~salary]."~~

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

23           "10-11-32. STATE POLICE MEMBER AND ADULT CORRECTIONAL  
24 OFFICER MEMBER COVERAGE PLAN 1--STATE CONTRIBUTION RATE.--The  
25 state shall contribute twenty-five and one-tenth percent of the

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1 salary of each member under state police member and adult  
2 correctional officer member coverage plan 1 [~~except that for~~  
3 ~~members whose annual salary is greater than twenty thousand~~  
4 ~~dollars (\$20,000):~~

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

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

11 C. ~~from July 1, 2012 through June 30, 2013, the~~  
12 ~~state contribution rate shall be twenty-three and six-tenths~~  
13 ~~percent of the salary of each member]."~~

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

16 "10-11-38.5. STATE HAZARDOUS DUTY MEMBER COVERAGE PLAN  
17 2--MEMBER CONTRIBUTION RATE.--A member under state hazardous  
18 duty member coverage plan 2 shall contribute four and seventy-  
19 eight hundredths percent of salary starting with the first full  
20 pay period that ends within the calendar month in which state  
21 hazardous duty member coverage plan 2 becomes applicable to the  
22 member [~~except that for members whose annual salary is greater~~  
23 ~~than twenty thousand dollars (\$20,000):~~

24 A. ~~from July 1, 2009 through June 30, 2011, the~~  
25 ~~member contribution rate shall be six and twenty-eight~~

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1 ~~hundredths percent of salary;~~

2 ~~B. from July 1, 2011 through June 30, 2012, the~~  
3 ~~member contribution rate shall be eight and three-hundredths~~  
4 ~~percent of salary; and~~

5 ~~C. from July 1, 2012 through June 30, 2013, the~~  
6 ~~member contribution rate shall be six and twenty-eight~~  
7 ~~hundredths percent of salary]."~~

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

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

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

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

25 ~~C. from July 1, 2012 through June 30, 2013, the~~

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1 ~~state contribution rate shall be twenty-four and twenty-two~~  
2 ~~hundredths percent of the salary of each member]."~~

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

5 "10-12B-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

6 A. Members, while in office, shall contribute to  
7 the member contribution fund [~~pursuant to the following~~  
8 ~~schedule:~~

9 (1) ~~prior to July 1, 2005, five and one-half~~  
10 ~~percent of salary;~~

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

13 (3) ~~on and after July 1, 2006]~~ seven and one-  
14 half percent of salary [~~except that for members whose annual~~  
15 ~~salary is greater than twenty thousand dollars (\$20,000):~~

16 (a) ~~from July 1, 2009 through June 30,~~  
17 ~~2011, the member contribution rate shall be nine percent of~~  
18 ~~salary;~~

19 (b) ~~from July 1, 2011 through June 30,~~  
20 ~~2012, the member contribution rate shall be ten and three-~~  
21 ~~fourths percent of salary; and~~

22 (c) ~~from July 1, 2012 through June 30,~~  
23 ~~2013, the member contribution rate shall be nine percent of~~  
24 ~~salary].~~

25 B. Upon implementation, the state, acting as

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1 employer of members covered pursuant to the provisions of the  
2 Judicial Retirement Act, shall, solely for the purpose of  
3 compliance with Section 414(h) of the Internal Revenue Code of  
4 1986, pick up for the purposes specified in that section member  
5 contributions required by this section for all annual salary  
6 earned by the member. Member contributions picked up pursuant  
7 to the provisions of this section shall be treated as employer  
8 contributions for purposes of determining income tax  
9 obligations under the Internal Revenue Code of 1986; however,  
10 such picked-up member contributions shall be included in the  
11 determination of the member's gross annual salary for all other  
12 purposes under federal and state laws. Member contributions  
13 picked up pursuant to the provisions of this section shall  
14 continue to be designated member contributions for all purposes  
15 of the Judicial Retirement Act and shall be considered as part  
16 of the member's annual salary for purposes of determining the  
17 amount of the member's contribution. The provisions of this  
18 section are mandatory, and the member shall have no option  
19 concerning the pickup or concerning the receipt of the  
20 contributed amounts directly instead of having the amounts paid  
21 by the employer to the retirement system. Implementation  
22 occurs upon authorization by the board. In no event may  
23 implementation occur other than at the beginning of a pay  
24 period applicable to the member."

25 SECTION 8. Section 10-12B-11 NMSA 1978 (being Laws 1992,

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1 Chapter 111, Section 11, as amended) is amended to read:

2 "10-12B-11. EMPLOYER CONTRIBUTIONS.--

3 A. The member's court shall contribute [the  
4 ~~following amounts to the fund:~~

5 ~~(1) prior to July 1, 2005, nine percent of~~  
6 ~~salary for each member in office;~~

7 ~~(2) from July 1, 2005 through June 30, 2006,~~  
8 ~~ten and one-half percent of salary for each member in office;~~  
9 ~~and~~

10 ~~(3) on and after July 1, 2006] to the fund~~  
11 ~~twelve percent of salary for each member in office [except that~~  
12 ~~for members whose annual salary is greater than twenty thousand~~  
13 ~~dollars (\$20,000):~~

14 ~~(a) from July 1, 2009 through June 30,~~  
15 ~~2011, the member's court contribution rate shall be ten and~~  
16 ~~one-half percent of salary for each member in office;~~

17 ~~(b) from July 1, 2011 through June 30,~~  
18 ~~2012, the member's court contribution rate shall be eight and~~  
19 ~~three-fourths percent of salary for each member in office; and~~

20 ~~(c) from July 1, 2012 through June 30,~~  
21 ~~2013, the member's court contribution rate shall be ten and~~  
22 ~~one-half percent of salary for each member in office].~~

23 B. Thirty-eight dollars (\$38.00) from each civil  
24 case docket fee paid in the district court, twenty-five dollars  
25 (\$25.00) from each civil docket fee paid in metropolitan court

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1 and ten dollars (\$10.00) from each jury fee paid in  
2 metropolitan court shall be paid by the court clerk to the  
3 employer's accumulation fund."

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

6 "10-12C-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

7 A. Members, while in office, shall contribute [~~the~~  
8 ~~following amounts~~] to the member contribution fund

9 [~~(1) through June 30, 2006, six and one-half~~  
10 ~~percent of salary; and~~

11 ~~(2) on and after July 1, 2006]~~ seven and one-  
12 half percent of salary [~~except that for members whose annual~~  
13 ~~salary is greater than twenty thousand dollars (\$20,000):~~

14 ~~(a) from July 1, 2009 through June 30,~~  
15 ~~2011, the member contribution rate shall be nine percent of~~  
16 ~~salary;~~

17 ~~(b) from July 1, 2011 through June 30,~~  
18 ~~2012, the member contribution rate shall be ten and three-~~  
19 ~~fourths percent of salary; and~~

20 ~~(c) from July 1, 2012 through June 30,~~  
21 ~~2013, the member contribution rate shall be nine percent of~~  
22 ~~salary].~~

23 B. Upon implementation, the state, acting as  
24 employer of members covered pursuant to the provisions of the  
25 Magistrate Retirement Act, shall, solely for the purpose of

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1 compliance with Section 414(h) of the Internal Revenue Code of  
2 1986, pick up for the purposes specified in that section member  
3 contributions required by this section for all annual salary  
4 earned by the member. Member contributions picked up pursuant  
5 to the provisions of this section shall be treated as employer  
6 contributions for purposes of determining income tax  
7 obligations under the Internal Revenue Code of 1986; however,  
8 such picked-up member contributions shall be included in the  
9 determination of the member's gross annual salary for all other  
10 purposes under federal and state laws. Member contributions  
11 picked up pursuant to the provisions of this section shall  
12 continue to be designated member contributions for all purposes  
13 of the Magistrate Retirement Act and shall be considered as  
14 part of the member's annual salary for purposes of determining  
15 the amount of the member's contribution. The provisions of  
16 this section are mandatory, and the member shall have no option  
17 concerning the pick up or concerning the receipt of the  
18 contributed amounts directly instead of having the amounts paid  
19 by the employer to the retirement system. Implementation  
20 occurs upon authorization by the board. In no event may  
21 implementation occur other than at the beginning of a pay  
22 period applicable to the member."

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

25 "10-12C-11. EMPLOYER CONTRIBUTIONS.--

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1           A. The state, through the administrative office of  
2 the courts, shall contribute [~~the following amounts~~] to the  
3 fund

4                   ~~[(1) through June 30, 2006, ten percent of~~  
5 ~~salary for each member in office; and~~

6                   ~~(2) on and after July 1, 2006]~~ eleven percent  
7 of salary for each member in office [~~except that for members~~  
8 ~~whose annual salary is greater than twenty thousand dollars~~  
9 ~~(\$20,000):~~

10                           ~~(a) from July 1, 2009 through June 30,~~  
11 ~~2011, the state contribution rate shall be nine and one-half~~  
12 ~~percent of salary for each member in office;~~

13                           ~~(b) from July 1, 2011 through June 30,~~  
14 ~~2012, the state contribution rate shall be seven and three-~~  
15 ~~fourths percent of salary for each member in office; and~~

16                           ~~(c) from July 1, 2012 through June 30,~~  
17 ~~2013, the state contribution rate shall be nine and one-half~~  
18 ~~percent of salary for each member in office].~~

19           B. Twenty-five dollars (\$25.00) from each civil  
20 case docket fee paid in magistrate court and ten dollars  
21 (\$10.00) from each civil jury fee paid in magistrate court  
22 shall be paid by the court clerk to the employer's accumulation  
23 fund."

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

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1 "22-11-21. CONTRIBUTIONS--MEMBERS--LOCAL ADMINISTRATIVE  
2 UNITS.--

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

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

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

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

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

17 (5) ~~[on and after]~~ from July 1, 2008 through  
18 June 30, 2012, an amount equal to seven and nine-tenths percent  
19 of the member's annual salary, except that for members whose  
20 annual salary is greater than twenty thousand dollars  
21 (\$20,000):

22 (a) from July 1, 2009 through June 30,  
23 2011, the member contribution rate shall be nine and four-  
24 tenths percent of the member's annual salary; and

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

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1 2012, the member contribution rate shall be eleven and fifteen-  
2 hundredths percent of the member's annual salary; and

3 ~~[(c) from July 1, 2012 through June 30,~~  
4 ~~2013, the member contribution rate shall be nine and four-~~  
5 ~~tenths of the member's annual salary]~~

6 (6) on and after July 1, 2012, an amount equal  
7 to seven and nine-tenths percent of the member's annual salary.

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

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

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

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

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

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

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

12 (7) from July 1, 2011 through June 30, 2012, a  
13 sum equal to nine and fifteen-hundredths percent of the annual  
14 salary of each member employed by the local administrative  
15 unit, except that for members whose annual salary is twenty  
16 thousand dollars (\$20,000) or less, the local administrative  
17 unit shall contribute twelve and four-tenths percent of the  
18 member's annual salary;

19 (8) from July 1, 2012 through June 30, 2013, a  
20 sum equal to ~~[ten and nine-tenths percent of the annual salary~~  
21 ~~of each member employed by the local administrative unit,~~  
22 ~~except that for members whose annual salary is twenty thousand~~  
23 ~~dollars (\$20,000) or less, the local administrative unit shall~~  
24 ~~contribute]~~ twelve and four-tenths percent of the member's  
25 annual salary;

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1 (9) from July 1, 2013 through June 30, 2014, a  
2 sum equal to thirteen and fifteen-hundredths percent of the  
3 annual salary of each member employed by the local  
4 administrative unit; and

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

8 C. If, in a calendar year, the salary of a member,  
9 initially employed by a local administrative unit on or after  
10 July 1, 1996, equals the annual compensation limit set pursuant  
11 to Section 401(a)(17) of the Internal Revenue Code of 1986, as  
12 amended, then:

13 (1) for the remainder of that calendar year,  
14 no additional member contributions or local administrative unit  
15 contributions for that member shall be made pursuant to this  
16 section; provided that no member shall be denied service credit  
17 solely because contributions are not made by the member or on  
18 behalf of the member pursuant to the provisions of this  
19 subsection; and

20 (2) the amount of the annual compensation  
21 limit shall be divided into four equal portions, and, for  
22 purposes of attributing contributory employment and crediting  
23 service credit, each portion shall be attributable to one of  
24 the four quarters of the calendar year."

25 SECTION 12. EFFECTIVE DATE.--The effective date of the  
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1 provisions of this act is July 1, 2012.

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