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SENATE BILL 71

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

George K. Munoz

ENDORSED BY THE INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

AN ACT

RELATING TO HEALTH CARE; AMENDING THE RETIREE HEALTH CARE ACT
BY INCREASING THE EMPLOYER AND EMPLOYEE CONTRIBUTION RATES PAID
TO THE RETIREE HEALTH CARE FUND; RECONCILING MULTIPLE
AMENDMENTS TO THE SAME SECTION OF LAW 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:

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1 (1) for participating employees who are not
2 members of an enhanced retirement plan, the employer's
3 contribution shall equal:

4 (a) one and three-tenths percent of each
5 participating employee's salary for the period from July 1,
6 2002 through June 30, 2010;

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

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

13 (d) two percent of each participating
14 employee's salary ~~beginning~~ from July 1, 2012 through June
15 30, 2013;

16 (e) two and twenty-five hundredths
17 percent of each participating employee's salary from July 1,
18 2013 through June 30, 2014;

19 (f) two and one-half percent of each
20 participating employee's salary from July 1, 2014 through June
21 30, 2015;

22 (g) two and seventy-five hundredths
23 percent of each participating employee's salary from July 1,
24 2015 through June 30, 2016;

25 (h) three percent of each participating

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1 employee's salary from July 1, 2016 through June 30, 2017;

2 (i) three and twenty-five hundredths
3 percent of each participating employee's salary from July 1,
4 2017 through June 30, 2018; and

5 (j) three and one-half percent of each
6 participating employee's salary beginning July 1, 2018;

7 (2) for participating employees who are
8 members of an enhanced retirement plan, the employer's
9 contribution shall equal:

10 (a) one and three-tenths percent of each
11 participating employee's salary for the period from July 1,
12 2002 through June 30, 2010;

13 (b) two and eighty-four thousandths
14 percent of each participating employee's salary for the period
15 from July 1, 2010 through June 30, 2011;

16 (c) two and two hundred ninety-two
17 thousandths percent of each participating employee's salary for
18 the period from July 1, 2011 through June 30, 2012; ~~[and]~~

19 (d) two and one-half percent of each
20 participating employee's salary ~~[beginning July 1, 2012; and]~~
21 from July 1, 2012 through June 30, 2013;

22 (e) two and eighty-one hundredths
23 percent of each participating employee's salary from July 1,
24 2013 through June 30, 2014;

25 (f) three and thirteen-hundredths

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1 percent of each participating employee's salary from July 1,
2 2014 through June 30, 2015;

3 (g) three and forty-four hundredths
4 percent of each participating employee's salary from July 1,
5 2015 through June 30, 2016;

6 (h) three and seventy-five hundredths
7 percent of each participating employee's salary from July 1,
8 2016 through June 30, 2017;

9 (i) four and six-hundredths percent of
10 each participating employee's salary from July 1, 2017 through
11 June 30, 2018; and

12 (j) four and thirty-eight hundredths
13 percent of each participating employee's salary beginning July
14 1, 2018; and

15 (3) each employer that chooses to become a
16 participating employer after January 1, 1998 shall make
17 contributions to the fund in the amount determined to be
18 appropriate by the board.

19 B. Following completion of the preliminary
20 contribution period, each participating employee, as a
21 condition of employment, shall contribute to the fund pursuant
22 to the following provisions:

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

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

4 (b) eight hundred thirty-three
5 thousandths of one percent of the employee's salary for the
6 period from July 1, 2010 through June 30, 2011;

7 (c) nine hundred seventeen thousandths
8 of one percent of the employee's salary for the period from
9 July 1, 2011 through June 30, 2012; ~~and~~

10 (d) one percent of the employee's salary
11 ~~[beginning]~~ from July 1, 2012 through June 30, 2014;

12 (e) one and one-fourth percent of the
13 employee's salary from July 1, 2014 through June 30, 2015;

14 (f) one and one-half percent of the
15 employee's salary from July 1, 2015 through June 30, 2016; and

16 (g) one and three-fourths percent of the
17 employee's salary beginning July 1, 2016;

18 (2) for a participating employee who is a
19 member of an enhanced retirement plan, the employee's
20 contribution shall equal:

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

24 (b) one and forty-two thousandths
25 percent of the employee's salary for the period from July 1,

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1 2010 through June 30, 2011;

2 (c) one and one hundred forty-six
3 thousandths percent of the employee's salary from July 1, 2011
4 through June 30, 2012; ~~[and]~~

5 (d) one and one-fourth percent of the
6 employee's salary ~~[beginning July 1, 2012; and]~~ from July 1,
7 2012 through June 30, 2014;

8 (e) one and fifty-six hundredths percent
9 of the employee's salary from July 1, 2014 through June 30,
10 2015;

11 (f) one and eighty-eight hundredths
12 percent of the employee's salary from July 1, 2015 through June
13 30, 2016; and

14 (g) two and nineteen-hundredths percent
15 of the employee's salary beginning July 1, 2016; and

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

24 C. On or after July 1, 2009, no person who has
25 obtained service credit pursuant to Subsection B of Section

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

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

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

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

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1 participation in the Retiree Health Care Act.

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

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

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

14 (a) state police member and adult
15 correctional officer member coverage plan 1;

16 (b) municipal police member coverage
17 plan 3, 4 or 5;

18 (c) municipal fire member coverage plan
19 3, 4 or 5; or

20 (d) municipal detention officer member
21 coverage plan 1; or

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

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

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SECTION 3. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2013.