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HOUSE BILL 27

51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014

INTRODUCED BY

Jim R. Trujillo

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, 2014;

16 (e) two and twenty-five hundredths
17 percent of each participating employee's salary from July 1,
18 2014 through June 30, 2015;

19 (f) two and one-half percent of each
20 participating employee's salary from July 1, 2015 through June
21 30, 2016;

22 (g) two and seventy-five hundredths
23 percent of each participating employee's salary from July 1,
24 2016 through June 30, 2017;

25 (h) three percent of each participating

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- 1 employee's salary from July 1, 2017 through June 30, 2018;
- 2 (i) three and twenty-five hundredths
- 3 percent of each participating employee's salary from July 1,
- 4 2018 through June 30, 2019; and
- 5 (j) three and one-half percent of each
- 6 participating employee's salary on and after July 1, 2019;
- 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, 2014;
- 22 (e) two and eight hundred thirteen
- 23 thousandths percent of each participating employee's salary
- 24 from July 1, 2014 through June 30, 2015;
- 25 (f) three and one hundred twenty-five

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1 thousandths percent of each participating employee's salary
2 from July 1, 2015 through June 30, 2016;

3 (g) three and four hundred thirty-eight
4 thousandths percent of each participating employee's salary
5 from July 1, 2016 through June 30, 2017;

6 (h) three and seventy-five hundredths
7 percent of each participating employee's salary from July 1,
8 2017 through June 30, 2018;

9 (i) four and sixty-three thousandths
10 percent of each participating employee's salary from July 1,
11 2018 through June 30, 2019; and

12 (j) four and three hundred seventy-five
13 thousandths percent of each participating employee's salary on
14 and after July 1, 2019; 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 hundred twenty-five
13 thousandths percent of the employee's salary from July 1, 2014
14 through June 30, 2015;

15 (f) one and twenty-five hundredths
16 percent of the employee's salary from July 1, 2015 through June
17 30, 2016;

18 (g) one and three hundred seventy-five
19 thousandths percent of the employee's salary from July 1, 2016
20 through June 30, 2017;

21 (h) one and one-half percent of the
22 employee's salary from July 1, 2017 through June 30, 2018;

23 (i) one and six hundred twenty-five
24 thousandths percent of the employee's salary from July 1, 2018
25 through June 30, 2019; and

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1 (j) one and seventy-five hundredths
2 percent of the employee's salary on and after July 1, 2019;

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;

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

15 (d) one and one-fourth percent of the
16 employee's salary [~~beginning July 1, 2012; and~~] from July 1,
17 2012 through June 30, 2014;

18 (e) one and four hundred six thousandths
19 percent of the employee's salary from July 1, 2014 through June
20 30, 2015;

21 (f) one and five hundred sixty-three
22 thousandths percent of the employee's salary from July 1, 2015
23 through June 30, 2016;

24 (g) one and seven hundred nineteen
25 thousandths percent of the employee's salary from July 1, 2016

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1 through June 30, 2017;

2 (h) one and eight hundred seventy-five
3 thousandths percent of the employee's salary from July 1, 2017
4 through June 30, 2018;

5 (i) two and thirty-one thousandths
6 percent of the employee's salary from July 1, 2018 through June
7 30, 2019; and

8 (j) two and one hundred eighty-eight
9 thousandths percent of the employee's salary on and after July
10 1, 2019; and

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

19 C. On or after July 1, 2009, no person who has
20 obtained service credit pursuant to Subsection B of Section
21 10-11-6 NMSA 1978, Section 10-11-7 NMSA 1978 or Paragraph (3)
22 or (4) of Subsection A of Section 22-11-34 NMSA 1978 may enroll
23 with the authority unless the person makes a contribution to
24 the fund equal to the full actuarial present value of the
25 amount of the increase in the person's health care benefit, as

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1 determined by the authority.

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

10 E. Except for contributions made pursuant to
11 Subsection C of this section, the employer and employee
12 contributions shall be paid in monthly installments based on
13 the percent of payroll certified by the employer.

14 F. Except in the case of erroneously made
15 contributions or as may be otherwise provided in Subsection D
16 of Section 10-7C-9 NMSA 1978, contributions from participating
17 employers and participating employees shall become the property
18 of the fund on receipt by the board and shall not be refunded
19 under any circumstances, including termination of employment or
20 termination of the participating employer's operation or
21 participation in the Retiree Health Care Act.

22 G. Notwithstanding any other provision in the
23 Retiree Health Care Act and at the first session of the
24 legislature following July 1, 2013, the legislature shall
25 review and adjust the distributions pursuant to Section 7-1-6.1

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1 NMSA 1978 and the employer and employee contributions to the
2 authority in order to ensure the actuarial soundness of the
3 benefits provided under the Retiree Health Care Act.

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

6 (1) a member of the public employees
7 retirement association who, pursuant to the Public Employees
8 Retirement Act, is included in:

9 (a) state police member and adult
10 correctional officer member coverage plan 1;

11 (b) municipal police member coverage
12 plan 3, 4 or 5;

13 (c) municipal fire member coverage plan
14 3, 4 or 5; or

15 (d) municipal detention officer member
16 coverage plan 1; or

17 (2) a member pursuant to the provisions of the
18 Judicial Retirement Act."

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

21 SECTION 3. EFFECTIVE DATE.--The effective date of the
22 provisions of this act is July 1, 2014.

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