

1 SENATE BILL 121

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020**

3 INTRODUCED BY

4 Jacob R. Candelaria

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8 ENDORSED BY THE INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

9
10 AN ACT

11 RELATING TO JUDICIAL RETIREMENT; ALLOWING FOR THE APPROPRIATION
12 OF MONEY INTO THE JUDICIAL RETIREMENT FUND; ALLOWING FOR THE
13 APPROPRIATION OF MONEY INTO THE MAGISTRATE RETIREMENT FUND;
14 MAKING APPROPRIATIONS.

15
16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

17 SECTION 1. Section 10-12B-3 NMSA 1978 (being Laws 1992,
18 Chapter 111, Section 3, as amended) is amended to read:

19 "10-12B-3. JUDICIAL RETIREMENT FUND ESTABLISHED--
20 ADMINISTRATION OF FUND--ACCOUNTING FUNDS.--

21 A. There is established in the state treasury the
22 "judicial retirement fund". The fund [~~is comprised~~] consists
23 of appropriations, money received from docket and jury fees of
24 metropolitan courts, district courts, the court of appeals and
25 the supreme court, employer and employee contributions and

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1 ~~[any]~~ all income derived from the investment ~~[earnings on fees~~
2 ~~and contributions]~~ of the fund. The board is the trustee of
3 the fund and shall administer and invest the fund. Investment
4 of the fund shall be conducted pursuant to the provisions of
5 the Public Employees Retirement Act. The provisions of the
6 Judicial Retirement Act shall be administered by the board.
7 The board is authorized to promulgate rules. Expenses related
8 to the investment of the fund and administration of the
9 Judicial Retirement Act shall be paid from the fund.

10 B. For purposes of this section, the accounting
11 funds shall be known as the "member contribution fund",
12 "employer's accumulation fund", "retirement reserve fund" and
13 "income fund". The maintenance of separate accounting funds
14 shall not require the actual segregation of the assets of the
15 fund.

16 C. The accounting funds provided for in this
17 section are trust funds and shall be used only for the purposes
18 provided for in the Judicial Retirement Act.

19 D. The member contribution fund is the accounting
20 fund in which shall be accumulated contributions of members and
21 from which shall be made refunds and transfers of accumulated
22 member contributions as provided in the Judicial Retirement
23 Act. The member's court shall cause member contributions to be
24 deducted from the salary of the member and shall remit the
25 deducted member contributions to the association in accordance

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underscoring material = new
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1 with procedures and schedules established by the association.
2 The association may assess an interest charge and a penalty
3 charge on any late remittance. Each member shall be deemed to
4 consent and agree to the deductions made and provided for in
5 this section. Contributions by members shall be credited to
6 the members' individual accounts in the member contribution
7 fund. A member's accumulated member contributions shall be
8 transferred to the retirement reserve fund when a pension
9 becomes payable.

10 E. The employer's accumulation fund is the
11 accounting fund in which shall be accumulated the contributions
12 paid by the state through the member's court. The state,
13 through the member's court, shall remit its contributions to
14 the association in accordance with procedures and schedules
15 established by the association. The board may assess an
16 interest charge and a penalty charge on any late remittance.

17 F. The retirement reserve fund is the accounting
18 fund from which shall be paid all pensions to retired members
19 and survivor beneficiaries and all residual refunds to refund
20 beneficiaries of retired members and survivor beneficiaries.

21 G. Each year, following receipt of the report of
22 the annual actuarial valuation, the excess, if any, of the
23 reported actuarial present value of pensions being paid and
24 likely to be paid to retired members and survivor beneficiaries
25 and residual refunds likely to be paid to refund beneficiaries

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1 of retired members and survivor beneficiaries over the balance
2 in the retirement reserve fund shall be transferred to the
3 retirement reserve fund from the employer's accumulation fund.

4 H. The income fund is the accounting fund to which
5 shall be credited all interest, dividends, rents and other
6 income from investments of the fund, all gifts and bequests,
7 all unclaimed member contributions and all other money the
8 disposition of which is not specifically provided for in the
9 Judicial Retirement Act. Expenses related to the
10 administration of the Judicial Retirement Act shall be paid for
11 from the income fund.

12 I. The association shall at least annually
13 distribute all or a portion of the balance in the income fund
14 to the member contribution fund, the retirement reserve fund
15 and the employer's accumulation fund. Distribution rates shall
16 be determined by the board and may vary for the respective
17 accounting funds."

18 SECTION 2. Section 10-12C-3 NMSA 1978 (being Laws 1992,
19 Chapter 118, Section 3, as amended) is amended to read:

20 "10-12C-3. MAGISTRATE RETIREMENT FUND ESTABLISHED--
21 ADMINISTRATION OF FUND--ACCOUNTING FUNDS.--

22 A. There is established in the state treasury the
23 "magistrate retirement fund". The fund [~~is comprised~~] consists
24 of appropriations, money received from docket fees of
25 magistrate courts, employer and member contributions and [~~any~~]

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1 all income derived from the investment [~~earnings on fees and~~
2 ~~contributions~~] of the fund. The board is the trustee of the
3 fund and shall administer and invest the fund. Investment of
4 the fund shall be conducted pursuant to the provisions of the
5 Public Employees Retirement Act. The provisions of the
6 Magistrate Retirement Act shall be administered by the board.
7 The board is authorized to promulgate rules. Expenses related
8 to the investment of the fund and administration of the
9 Magistrate Retirement Act shall be paid from the fund.

10 B. For purposes of this section, the accounting
11 funds shall be known as the "member contribution fund",
12 "employer's accumulation fund", "retirement reserve fund" and
13 "income fund". The maintenance of separate accounting funds
14 shall not require the actual segregation of the assets of the
15 fund.

16 C. The accounting funds provided for in this
17 section are trust funds and shall be used only for the purposes
18 provided for in the Magistrate Retirement Act.

19 D. The member contribution fund is the accounting
20 fund in which shall be accumulated contributions of members and
21 from which shall be made refunds and transfers of accumulated
22 member contributions as provided in the Magistrate Retirement
23 Act. The member's court shall cause member contributions to be
24 deducted from the salary of the member and shall remit the
25 deducted member contributions to the association in accordance

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~~[bracketed material] = delete~~

1 with procedures and schedules established by the association.
2 The association may assess an interest charge and a penalty
3 charge on any late remittance. Each member shall be deemed to
4 consent and agree to the deductions made and provided for in
5 this section. Contributions by members shall be credited to
6 the members' individual accounts in the member contribution
7 fund. A member's accumulated member contributions shall be
8 transferred to the retirement reserve fund when a pension
9 becomes payable.

10 E. The employer's accumulation fund is the
11 accounting fund in which shall be accumulated the contributions
12 paid by the state through the administrative office of the
13 courts. The state, through the administrative office of the
14 courts, shall remit its contributions to the association in
15 accordance with procedures and schedules established by the
16 association. The board may assess an interest charge and a
17 penalty charge on any late remittance.

18 F. The retirement reserve fund is the accounting
19 fund from which shall be paid all pensions to retired members
20 and survivor beneficiaries and all residual refunds to refund
21 beneficiaries of retired members and survivor beneficiaries.

22 G. Each year, following receipt of the report of
23 the annual actuarial valuation, the excess, if any, of the
24 reported actuarial present value of pensions being paid and
25 likely to be paid to retired members and survivor beneficiaries

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1 and residual refunds likely to be paid to refund beneficiaries
2 of retired members and survivor beneficiaries over the balance
3 in the retirement reserve fund shall be transferred to the
4 retirement reserve fund from the employer's accumulation fund.

5 H. The income fund is the accounting fund to which
6 shall be credited all interest, dividends, rents and other
7 income from investments of the fund, all gifts and bequests,
8 all unclaimed member contributions and all other money the
9 disposition of which is not specifically provided for in the
10 Magistrate Retirement Act. Expenses related to the
11 administration of the Magistrate Retirement Act shall be paid
12 for from the income fund.

13 I. The association shall at least annually
14 distribute all or a portion of the balance in the income fund
15 to the member contribution fund, the retirement reserve fund
16 and the employer's accumulation fund. Distribution rates shall
17 be determined by the board and may vary for the respective
18 accounting funds."

19 **SECTION 3. APPROPRIATION.**--Thirty-two million five
20 hundred thousand dollars (\$32,500,000) is appropriated from the
21 general fund to the judicial retirement fund for expenditure in
22 fiscal year 2021 and subsequent fiscal years to address
23 solvency issues related to the Judicial Retirement Act. Any
24 unexpended or unencumbered balance remaining at the end of a
25 fiscal year shall not revert to the general fund.

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