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## FISCAL IMPACT REPORT

**BILL NUMBER:** House Bill 43

**SHORT TITLE:** Disability & Survivor Pension Changes

**SPONSOR:** Borrego/Sanchez

**LAST ORIGINAL**  
**UPDATE:** \_\_\_\_\_ **DATE:** 1/28/2026 **ANALYST:** Hanika-Ortiz

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
PERA	No fiscal impact	No fiscal impact	No fiscal impact			
AOC contributions	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal		Recurring	General Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Public Employees Retirement Association

Educational Retirement Board

## SUMMARY

### Synopsis of House Bill 43

House Bill 43 (HB43) updates the Public Employees Retirement Act (PERA) to remove, restate or otherwise clarify provisions in the act, consistent with current administrative practices.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

## FISCAL IMPLICATIONS

HB43 should not have an impact to PERA's operating budget.

The bill may minimally increase contributions to the magistrate retirement fund. The magistrate retirement plan is currently funded indirectly from the general fund and from certain court fees.

## SIGNIFICANT ISSUES

HB43 would allow PERA to set the rules administratively for how withdrawn service credit is paid for, restored, or refunded to members; adopts gender neutral terms; and removes the words

“if necessary” following collection of attorney fees, from an improper overpayment recipient.

The bill grants service credit to state fire members on workers’ compensation for a duty-related injury while working under dangerous circumstances. Other members covered under this section include certain peace officers, police officers, firefighters, and correctional and detention officers.

HB43 removes the requirement that physicians on the “disability review committee” must be licensed in New Mexico, but adds a preference for those physicians, and changes the amount a medically disabled retiree may earn in one year from the lesser of \$15 thousand or social security limits to only limits imposed by the Social Security Administration, which is currently about \$20 thousand.

For certain deaths before retirement, HB43 clarifies how benefits are paid, makes distinction between designated survivor beneficiaries and spouses, removes how survivor benefits are calculated, and updates what information from member files that PERA is allowed to share, including with the Educational Retirement Board, to administer the Public Employees Retirement Reciprocity Act.

In addition, the bill:

- adds to the PERA Act restrictions on accepting gifts that conforms with the Gift Act;
- clarifies that PERA benefits are always subject to federal laws, actions, or court orders; and
- clarifies a volunteer firefighter’s surviving spouse’s benefit ceases only at death, not remarriage.

Lastly, HB43 strikes an earlier exemption for magistrate court judges to opt out of the plan and makes both magistrates and the Administrative Office of the Courts subject to member and employer contributions while in office.

AHO/sgs/hg/sgs