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HOUSE BILL 220

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

John A. Heaton

AN ACT

RELATING TO EDUCATIONAL RETIREMENT; INCREASING THE MULTIPLIER;
CHANGING THE CONTRIBUTIONS MADE BY CERTAIN ADMINISTRATIVE
UNITS; RAISING THE AMOUNT OF RETIREMENT BENEFITS FOR CERTAIN
MEMBERS; MAKING AN APPROPRIATION.

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

Section 1. Section 22-11-21 NMSA 1978 (being Laws 1967,
Chapter 16, Section 144, as amended) is amended to read:

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

A. Each member shall make contributions to the
fund in the amount of seven and six-tenths percent of his
annual salary.

B. Until June 30, 1993, each local administrative
unit shall make a yearly contribution to the fund of a sum
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1 equal to seven and six-tenths percent of the annual salary of
2 each member employed by the local administrative unit.

3 C. [~~Beginning July 1, 1993 and thereafter~~] From
4 July 1, 1993 through June 30, 1999, each local administrative
5 unit shall make a yearly contribution to the fund of a sum
6 equal to eight and sixty-five hundredths percent of the annual
7 salary of each member employed by the local administrative
8 unit.

9 D. Beginning July 1, 1999, each local
10 administrative unit shall make a yearly contribution to the
11 fund of a sum equal to nine and four-tenths percent of the
12 annual salary of each member employed by the local
13 administrative unit. "

14 Section 2. Section 22-11-30 NMSA 1978 (being Laws 1967,
15 Chapter 16, Section 153, as amended) is amended to read:

16 "22-11-30. RETIREMENT BENEFITS. --

17 A. Retirement benefits for a member retired
18 pursuant to the Educational Retirement Act on or before June
19 30, 1967 shall be paid monthly and shall be one-twelfth of a
20 sum equal to one and one-half percent of the first four
21 thousand dollars (\$4,000) of the member's average annual
22 salary and one percent of the remainder of the member's
23 average annual salary multiplied by the number of years of the
24 member's total service credit.

25 B. Retirement benefits for a member retired

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1 pursuant to the Educational Retirement Act on or after July 1,
2 1967 but on or before June 30, 1971 shall be paid monthly and
3 shall be one-twelfth of a sum equal to one and one-half
4 percent of the first six thousand six hundred dollars (\$6,600)
5 of the member's average annual salary and one percent of the
6 remainder of the member's average annual salary multiplied by
7 the number of years of the member's total service credit.

8 C. Retirement benefits for a member retired
9 pursuant to the Educational Retirement Act on or after July 1,
10 1971 but on or before June 30, 1974 shall be paid monthly and
11 shall be one-twelfth of a sum equal to one and one-half
12 percent of the member's average annual salary multiplied by
13 the number of years of the member's total service credit.

14 D. Retirement benefits for a member retired
15 pursuant to the Educational Retirement Act on or before June
16 30, 1974 but returning to employment on or after July 1, 1974
17 for a cumulation of one or more years shall be computed
18 pursuant to Subsection E of this section. Retirement benefits
19 for a member retired pursuant to the Educational Retirement
20 Act on or before June 30, 1974 but returning to employment on
21 or after July 1, 1974 for a cumulation of less than one year
22 shall be computed pursuant to Subsection A of this section if
23 his date of last retirement was on or before June 30, 1967 or
24 pursuant to Subsection B of this section if his date of last
25 retirement was on or after July 1, 1967 but not later than

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1 June 30, 1971 or pursuant to Subsection C of this section if
2 his date of last retirement was on or after July 1, 1971 but
3 not later than June 30, 1974.

4 E. Retirement benefits for a member age sixty or
5 over, retired pursuant to the Educational Retirement Act on or
6 after July 1, 1974 but not later than June 30, 1987, shall be
7 paid monthly and shall be one-twelfth of a sum equal to:

8 (1) one and one-half percent of the member's
9 average annual salary multiplied by the number of years of
10 service credit for:

- 11 (a) prior employment; and
- 12 (b) allowed service credit for service
13 performed prior to July 1, 1957, except United States military
14 service credit purchased pursuant to Paragraph (3) of
15 Subsection A of Section 22-11-34 NMSA 1978; plus

16 (2) two percent of the member's average
17 annual salary multiplied by the number of years of service
18 credit for:

- 19 (a) contributory employment;
- 20 (b) allowed service credit for service
21 performed after July 1, 1957; and
- 22 (c) United States military service
23 credit for service performed prior to July 1, 1957 and
24 purchased pursuant to Paragraph (3) of Subsection A of Section
25 22-11-34 NMSA 1978.

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F. Retirement benefits for a member age sixty or over, retired pursuant to the Educational Retirement Act on or after July 1, 1987 but not later than June 30, 1991, shall be paid monthly and shall be one-twelfth of a sum equal to two and fifteen hundredths percent of the member's average annual salary multiplied by the number of years of the member's total service credit; provided that this subsection shall not apply to any member who was retired in any of the four quarters ending on June 30, 1987 without having accumulated not less than 1.0 years earned service after June 30, 1987.

G. Retirement benefits for a member age sixty or over, retired pursuant to the Educational Retirement Act on or after July 1, 1991 but not later than June 30, 1999, shall be paid monthly and shall be one-twelfth of a sum equal to two and thirty-five hundredths percent of the member's average annual salary multiplied by the number of years of the member's total service credit; provided that this subsection shall not apply to any member who was retired in any of the four consecutive quarters ending on June 30, 1991 without having accumulated at least one year earned service beginning on or after July 1, 1991.

H. Retirement benefits for a member age sixty or over, retired pursuant to the Educational Retirement Act on or after July 1, 1999 shall be paid monthly and shall be one-twelfth of a sum equal to two and four hundred twenty-five

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1 thousandths percent of the member's average annually salary
2 multiplied by the number of years of the member's total
3 service credit; provided that this subsection shall not apply
4 to any member who was retired in any of the four consecutive
5 quarters ending on June 30, 1999 without having accumulated at
6 least one year earned service beginning on or after July 1,
7 1999.

8 [H-] I. A member's average annual salary,
9 pursuant to this section, shall be computed on the basis of
10 the last five years for which contribution was made or upon
11 the basis of any consecutive five years for which contribution
12 was made by the member, whichever is higher. Members shall
13 begin receiving retirement benefits by age seventy and six
14 months, or upon termination of employment, whichever occurs
15 later. "

16 Section 3. APPROPRIATION. --

17 A. Ten million one hundred eighty-six thousand
18 dollars (\$10,186,000) is appropriated from the general fund to
19 the educational retirement fund for expenditure in fiscal year
20 2000 for the purpose of funding the retirement benefits
21 increase:

22 (1) to the board of regents of the following
23 educational institutions in the following amounts:

24 (a) university of New Mexico, six
25 hundred sixty-one thousand dollars (\$661,000);

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1 (b) New Mexico state university, four
2 hundred forty thousand dollars (\$440,000);

3 (c) New Mexico highlands university,
4 seventy-nine thousand dollars (\$79,000);

5 (d) western New Mexico university,
6 fifty-one thousand dollars (\$51,000);

7 (e) eastern New Mexico university,
8 seventy-nine thousand dollars (\$79,000);

9 (f) New Mexico institute of mining and
10 technology, seventy-three thousand dollars (\$73,000);

11 (g) university of New Mexico, Gallup,
12 thirty-three thousand dollars (\$33,000);

13 (h) university of New Mexico, Los
14 Alamos, eight thousand dollars (\$8,000);

15 (i) university of New Mexico, Valencia,
16 sixteen thousand dollars (\$16,000);

17 (j) New Mexico state university,
18 Alamogordo, twenty-three thousand dollars (\$23,000);

19 (k) New Mexico state university,
20 Carlsbad, fourteen thousand dollars (\$14,000);

21 (l) New Mexico state university, Dona
22 Ana, forty-seven thousand dollars (\$47,000);

23 (m) New Mexico state university,
24 Grants, eight thousand dollars (\$8,000);

25 (n) eastern New Mexico university,

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- 1 Roswell, thirty-seven thousand dollars (\$37,000);
- 2 (o) northern New Mexico state school,
- 3 twenty-five thousand dollars (\$25,000);
- 4 (p) New Mexico military institute,
- 5 fifty-five thousand dollars (\$55,000); and
- 6 (q) New Mexico school for the deaf,
- 7 thirty-four thousand dollars (\$34,000);
- 8 (2) to the community college board of Santa
- 9 Fe community college, forty-three thousand dollars (\$43,000);
- 10 (3) to the governing boards of:
- 11 (a) Albuquerque technical-vocational
- 12 institute, one hundred eighty-six thousand dollars (\$186,000);
- 13 (b) Luna vocational-technical
- 14 institute, nineteen thousand dollars (\$19,000);
- 15 (c) Mesa technical college, six thousand
- 16 dollars (\$6,000);
- 17 (d) New Mexico junior college, thirty-
- 18 three thousand dollars (\$33,000);
- 19 (e) San Juan college, sixty thousand
- 20 dollars (\$60,000); and
- 21 (f) Clovis community college, thirty-six
- 22 thousand dollars (\$36,000);
- 23 (4) to the state department of public
- 24 education for:
- 25 (a) public school support, eight

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1 million twenty-nine thousand dollars (\$8,029,000);
2 (b) its employees, thirty-four thousand
3 dollars (\$34,000); and
4 (c) the vocational rehabilitation
5 division, three thousand dollars (\$3,000);
6 (5) to the corrections department, twenty-six
7 thousand dollars (\$26,000);
8 (6) to the department of health, six thousand
9 dollars (\$6,000);
10 (7) to the children, youth and families
11 department, seventeen thousand dollars (\$17,000); and
12 (8) to the commission for the blind, five
13 thousand dollars (\$5,000).

14 B. Any unexpended or unencumbered balance
15 remaining at the end of fiscal year 2000 shall revert to the
16 general fund.

1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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6 February 15, 1999
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8 Mr. Speaker:
9

10 Your EDUCATION COMMITTEE, to whom has been referred
11

12 HOUSE BILL 220
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14 has had it under consideration and reports same with
15 recommendation that it DO PASS, and thence referred to the
16 APPROPRIATIONS AND FINANCE COMMITTEE.

17 Respectfully submitted,
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21 _____
22 Rick Miera, Chairman
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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

HEC/HB 220

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 9 For 0 Against

Yes: 9

Excused: Blanton, Burpo, Dana, Hamilton, Macko, Marquardt, Williams

Absent: None

J: \99BillSWP\H0220

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