

1 HOUSE BILL 183

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO MAGISTRATE RETIREMENT; PROVIDING FOR APPROPRIATIONS  
12 AND INCOME DERIVED FROM INVESTMENTS TO BE CREDITED TO THE  
13 MAGISTRATE RETIREMENT FUND; ADJUSTING YEARS OF SERVICE CREDIT  
14 REQUIRED FOR CERTAIN MAGISTRATE JUDGES; INCREASING CERTAIN  
15 SERVICE CREDIT MULTIPLIERS PROVIDED IN THE MAGISTRATE  
16 RETIREMENT ACT.

17  
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

19 SECTION 1. Section 10-12C-3 NMSA 1978 (being Laws 1992,  
20 Chapter 118, Section 3, as amended) is amended to read:

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

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

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

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

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

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

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

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

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

23 G. Each year, following receipt of the report of  
24 the annual actuarial valuation, the excess, if any, of the  
25 reported actuarial present value of pensions being paid and

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

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

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

20 SECTION 2. Section 10-12C-8 NMSA 1978 (being Laws 1992,  
21 Chapter 118, Section 8, as amended by Laws 2014, Chapter 39,  
22 Section 5 and by Laws 2014, Chapter 43, Section 5) is amended  
23 to read:

24 "10-12C-8. AGE AND SERVICE CREDIT REQUIREMENTS FOR NORMAL  
25 RETIREMENT.--

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1           A. ~~[For a magistrate who was a member on June 30,~~  
2 ~~2014]~~ The age and service credit requirements for retirement  
3 provided for in the Magistrate Retirement Act are:

4                   (1) age sixty-five years or older and five or  
5 more years of service credit;

6                   (2) age sixty years or older and fifteen or  
7 more years of service credit; or

8                   (3) any age and twenty-four or more years of  
9 service credit.

10           ~~[B. For a magistrate who initially became a member~~  
11 ~~on or after July 1, 2014, the age and service requirements for~~  
12 ~~normal retirement provided for in the Magistrate Retirement Act~~  
13 ~~are:~~

14                   ~~(1) age sixty-five years or older and eight or~~  
15 ~~more years of service credit;~~

16                   ~~(2) age sixty years or older and fifteen or~~  
17 ~~more years of service credit; or~~

18                   ~~(3) any age and twenty-four or more years of~~  
19 ~~service credit.~~

20           G.] B. Except for a member who is retired under any  
21 state system or the educational retirement system, if a member  
22 leaves office for any reason, other than removal pursuant to  
23 Article 6, Section 32 of the constitution of New Mexico before  
24 meeting the age and service credit requirements for retirement  
25 pursuant to the provisions of this section and if that member

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1 leaves the member contributions on deposit in the fund, that  
2 member may apply for retirement when that member meets the age  
3 and service credit requirements for retirement pursuant to the  
4 provisions of the Magistrate Retirement Act or provisions of  
5 the Public Employees Retirement Reciprocity Act.

6 ~~[D.]~~ C. No member shall be eligible to receive a  
7 pension pursuant to the provisions of the Magistrate Retirement  
8 Act while still in office."

9 SECTION 3. Section 10-12C-9 NMSA 1978 (being Laws 1992,  
10 Chapter 118, Section 9, as amended by Laws 2014, Chapter 39,  
11 Section 6 and by Laws 2014, Chapter 43, Section 6) is amended  
12 to read:

13 "10-12C-9. AMOUNT OF PENSION.--

14 A. For a magistrate who was a member on June 30,  
15 2014, the monthly pension is an amount equal to the sum of:

16 (1) for service credit earned on or before  
17 June 30, 2014, the amount is equal to one-twelfth of:

18 seventy-five percent  
19 of salary received (number of years of  
20 during last year in X .05 X service, not exceeding  
21 office prior to fifteen years,  
22 retirement plus five years); and

23 (2) for service credit earned on and after July  
24 1, 2014, an amount equal to one-sixtieth of the greatest aggregate  
25 amount of salary received for sixty consecutive, but not

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1 necessarily continuous, months in office multiplied by the product  
2 of three and one-half percent times the ~~[sum of the]~~ number of  
3 years of service.

4 B. For a magistrate who initially became a member on  
5 or after July 1, 2014, the amount of monthly pension is equal to  
6 one-sixtieth of the greatest aggregate amount of salary received  
7 for sixty consecutive, but not necessarily continuous, months in  
8 office multiplied by the product of three and one-half percent  
9 times ~~[the sum of]~~ the number of years of service.

10 C. The amount of monthly pension under form of payment  
11 A for a pension calculated pursuant to Subsection B of this  
12 section shall not exceed ~~[eighty-five]~~ one hundred percent of one-  
13 sixtieth of the greatest aggregate amount of salary received for  
14 sixty consecutive, but not necessarily continuous, months prior to  
15 the member leaving office.

16 D. The amount of monthly pension payable for a pension  
17 calculated pursuant to Subsection A of this section shall not  
18 exceed ~~[eighty-five]~~ one hundred percent of one-sixtieth of the  
19 greatest aggregate amount of salary received for sixty  
20 consecutive, but not necessarily continuous, months prior to the  
21 member leaving office. A pension benefit determined pursuant to  
22 this subsection shall not be less than the benefit earned as of  
23 June 30, 2014."

24 SECTION 4. Section 10-12C-10 NMSA 1978 (being Laws 1992,  
25 Chapter 118, Section 10, as amended by Laws 2014, Chapter 39,  
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1 Section 7 and by Laws 2014, Chapter 43, Section 7) is amended to  
2 read:

3 "10-12C-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

4 A. On and after July 1, 2014, but before July 1, 2025,  
5 members, while in office, shall contribute ten and one-half  
6 percent of salary to the member contribution fund.

7 B. On and after July 1, 2025, members, while in  
8 office, shall contribute fourteen and seventy-four hundredths  
9 percent of salary to the member contribution fund.

10 ~~[B-]~~ C. Upon implementation, the state, acting as  
11 employer of members covered pursuant to the provisions of the  
12 Magistrate Retirement Act, shall, solely for the purpose of  
13 compliance with Section 414(h) of the Internal Revenue Code of  
14 1986, pick up, for the purposes specified in that section, member  
15 contributions required by this section for all annual salary  
16 earned by the member. Member contributions picked up pursuant to  
17 the provisions of this section shall be treated as employer  
18 contributions for purposes of determining income tax obligations  
19 under the Internal Revenue Code of 1986; however, such picked-up  
20 member contributions shall be included in the determination of the  
21 member's gross annual salary for all other purposes under federal  
22 and state laws. Member contributions picked up pursuant to the  
23 provisions of this section shall continue to be designated member  
24 contributions for all purposes of the Magistrate Retirement Act  
25 and shall be considered as part of the member's annual salary for

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1 purposes of determining the amount of the member's contribution.  
2 The provisions of this section are mandatory, and the member shall  
3 have no option concerning the pick up or concerning the receipt of  
4 the contributed amounts directly instead of having the amounts  
5 paid by the employer to the retirement system. Implementation  
6 occurs upon authorization by the board. In no event may  
7 implementation occur other than at the beginning of a pay period  
8 applicable to the member."

9 SECTION 5. Section 10-12C-11 NMSA 1978 (being Laws 1992,  
10 Chapter 118, Section 11, as amended by Laws 2014, Chapter 39,  
11 Section 8 and by Laws 2014, Chapter 43, Section 8) is amended to  
12 read:

13 "10-12C-11. EMPLOYER CONTRIBUTIONS.--

14 A. ~~[The state, through the administrative office of~~  
15 ~~the courts, shall contribute to the fund fifteen percent of salary~~  
16 ~~for each member in office, except that, from July 1, 2014 through~~  
17 ~~June 30, 2015, the state contribution rate shall be eleven percent~~  
18 ~~of salary for each member in office]~~ On and after July 1, 2025,  
19 the member's court shall contribute nineteen and twenty-four  
20 hundredths percent of salary to the fund for each member in  
21 office.

22 B. Twenty-five dollars (\$25.00) from each civil case  
23 docket fee paid in magistrate court and ten dollars (\$10.00) from  
24 each civil jury fee paid in magistrate court shall be paid by the  
25 court clerk to the employer's accumulation fund."

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SECTION 6. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2025.