AN ACT

RELATING TO PUBLIC EMPLOYEE RETIREMENT; INCLUDING OVERTIME PAY REQUIRED FOR A REGULAR SCHEDULED TOUR OF DUTY IN THE DEFINITION OF "SALARY" IN THE PUBLIC EMPLOYEES RETIREMENT ACT; INCREASING EMPLOYEE CONTRIBUTION RATES FOR ALL MUNICIPAL FIRE MEMBER COVERAGE PLANS.

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

SECTION 1. Section 10-11-2 NMSA 1978 (being Laws 1987, Chapter 253, Section 2, as amended) is amended to read:

"10-11-2. DEFINITIONS.--As used in the Public Employees Retirement Act:

A. "accumulated member contributions" means the amounts deducted from the salary of a member and credited to the member's individual account, together with interest, if any, credited to that account;

B. "affiliated public employer" means the state and any public employer affiliated with the association as provided in the Public Employees Retirement Act, but does not include an employer pursuant to the Magistrate Retirement Act, the Judicial Retirement Act or the Educational Retirement Act;

C. "association" means the public employees retirement association established under the Public Employees Retirement Act;
D. "coverage plan funded ratio" means the ratio of the actuarial value of the assets of a coverage plan to the actuarial accrued liability of the association for payments from the coverage plan, as determined by the association's actuaries;

E. "disability retired member" means a retired member who is receiving a pension pursuant to the disability retirement provisions of the Public Employees Retirement Act;

F. "disability retirement pension" means the pension paid pursuant to the disability retirement provisions of the Public Employees Retirement Act;

G. "educational retirement system" means that retirement system provided for in the Educational Retirement Act;

H. "employee" means any employee of an affiliated public employer;

I. "federal social security program" means that program or those programs created and administered pursuant to the act of congress approved August 14, 1935, Chapter 531, 49 Stat. 620, as that act may be amended;

J. "final average salary" means the final average salary calculated in accordance with the provisions of the applicable coverage plan;

K. "form of payment" means the applicable form of payment of a pension provided for in Section 10-11-117
NMSA 1978;

L. "former member" means a person who was previously employed by an affiliated public employer, who has terminated that employment and who has received a refund of member contributions;

M. "fund" means the funds included under the Public Employees Retirement Act;

N. "member" means a currently employed, contributing employee of an affiliated public employer, or a person who has been but is not currently employed by an affiliated public employer, who has not retired and who has not received a refund of member contributions; "member" also includes the following:

   (1) "adult correctional officer member" means a member who is employed as an adult correctional officer or an adult correctional officer specialist by a state correctional facility of the corrections department or its successor agency;

   (2) "adult probation and parole officer member" means a member who is employed as a probation and parole officer by the corrections department or its successor agency;

   (3) "juvenile correctional officer member" means a member who is employed as a juvenile correctional officer by the children, youth and families department or its successor agency;
successor agency;

(4) "juvenile probation and parole officer member" means a member who is employed as a probation and parole officer by the children, youth and families department or its successor agency;

(5) "municipal detention officer member" means a member who is employed by an affiliated public employer other than the state and who has inmate custodial responsibilities at a facility used for the confinement of persons charged with or convicted of a violation of a law or ordinance;

(6) "municipal fire member" means any member who is employed as a full-time nonvolunteer firefighter by an affiliated public employer and who has taken the oath prescribed for firefighters;

(7) "municipal police member" means any member who is employed as a police officer by an affiliated public employer, other than the state, and who has taken the oath prescribed for police officers; and

(8) "state police member" means a member who is an officer of the New Mexico state police and who has taken the oath prescribed for such officers, except that a state police member shall not include a member who is an officer of the New Mexico state police division and who was certified and commissioned as of June 30, 2015 in the former
motor transportation division or the former special
investigations division of the department of public safety;

O. "membership" means membership in the
association;

P. "pension" means a series of monthly payments to
a retired member or survivor beneficiary as provided in the
Public Employees Retirement Act;

Q. "public employer" means the state, any
municipality, city, county, metropolitan arroyo flood control
authority, economic development district, regional housing
authority, soil and water conservation district, entity
created pursuant to a joint powers agreement, council of
government, conservancy district, irrigation district, water
and sanitation district, water district and metropolitan
water board, including the boards, departments, bureaus and
agencies of a public employer, so long as these entities fall
within the meaning of governmental plan as that term is used
in Section 414(d) of the Internal Revenue Code of 1986, as
amended;

R. "refund beneficiary" means a person designated
by the member, in writing, in the form prescribed by the
association, as the person who would be refunded the member's
accumulated member contributions payable if the member dies
and no survivor pension is payable or who would receive the
difference between pension paid and accumulated member
contributions if the retired member dies before receiving in pension payments the amount of the accumulated member contributions;

S. "retire" means to:

   (1) terminate employment with all employers covered by any state system or the educational retirement system; and

   (2) receive a pension from a state system or the educational retirement system;

T. "retired member" means a person who has met all requirements for retirement and who is receiving a pension from the fund;

U. "retirement board" means the retirement board provided for in the Public Employees Retirement Act;

V. "salary" means the base salary or wages paid a member, including longevity pay, for personal services rendered an affiliated public employer. "Salary" shall not include overtime pay, unless the overtime payment is required for a regular scheduled tour of duty as set forth in Section 207(k) of Title 29 of the United States Code and is made on the regular payroll for the period represented by that payment, allowances for housing, clothing, equipment or travel, payments for unused sick leave, unless the unused sick leave payment is made through continuation of the member on the regular payroll for the period represented by that
payment, and any other form of remuneration not specifically
designated by law as included in salary for Public Employees
Retirement Act purposes. Salary in excess of the limitations
set forth in Section 401(a)(17) of the Internal Revenue Code
of 1986, as amended, shall be disregarded. The limitation on
compensation for eligible employees shall not be less than
the amount that was allowed to be taken into account under
the state retirement system acts in effect on July 1, 1993.
For purposes of this subsection, "eligible employee" means an
individual who was a member of a state system before the
first plan year beginning after December 31, 1995;
W. "state system" means the retirement programs
provided for in the Public Employees Retirement Act, the
Magistrate Retirement Act and the Judicial Retirement Act;
X. "state retirement system acts" means
collectively the Public Employees Retirement Act, the
Magistrate Retirement Act, the Judicial Retirement Act and
the Volunteer Firefighters Retirement Act; and
Y. "survivor beneficiary" means a person who
receives a pension or who has been designated to be paid a
pension as a result of the death of a member or retired
member."

SECTION 2. Section 10-11-90 NMSA 1978 (being Laws 1987,
Chapter 253, Section 90, as amended) is amended to read:
"10-11-90. MUNICIPAL FIRE MEMBER COVERAGE PLAN 1---
MEMBER CONTRIBUTION RATE.--A member under municipal fire member coverage plan 1 shall contribute eight percent of salary with the first full pay period in the calendar month in which municipal fire member coverage plan 1 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars ($25,000) shall contribute:

A. beginning July 1, 2021 and continuing through June 30, 2022, eleven percent of salary;

B. beginning July 1, 2022 and continuing through June 30, 2023, eleven and one-half percent of salary;

C. beginning July 1, 2023 and continuing through June 30, 2024, twelve percent of salary;

D. beginning July 1, 2024 and continuing through June 30, 2025, twelve and one-half percent of salary; and

E. beginning July 1, 2025 and thereafter, thirteen percent of salary."

SECTION 3. Section 10-11-96 NMSA 1978 (being Laws 1987, Chapter 253, Section 96, as amended) is amended to read:

"10-11-96. MUNICIPAL FIRE MEMBER COVERAGE PLAN 2--MEMBER CONTRIBUTION RATE.--A member under municipal fire member coverage plan 2 shall contribute eight percent of salary with the first full pay period in the calendar month in which municipal fire member coverage plan 2 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars ($25,000) shall contribute:

A. beginning July 1, 2021 and continuing through June 30, 2022, eleven percent of salary;

B. beginning July 1, 2022 and continuing through June 30, 2023, eleven and one-half percent of salary;

C. beginning July 1, 2023 and continuing through June 30, 2024, twelve percent of salary;

D. beginning July 1, 2024 and continuing through June 30, 2025, twelve and one-half percent of salary; and

E. beginning July 1, 2025 and thereafter, thirteen percent of salary."
salary is greater than twenty-five thousand dollars ($25,000) shall contribute:

A. beginning July 1, 2021 and continuing through June 30, 2022, eleven percent of salary;

B. beginning July 1, 2022 and continuing through June 30, 2023, eleven and one-half percent of salary;

C. beginning July 1, 2023 and continuing through June 30, 2024, twelve percent of salary;

D. beginning July 1, 2024 and continuing through June 30, 2025, twelve and one-half percent of salary; and

E. beginning July 1, 2025 and thereafter, thirteen percent of salary."

SECTION 4. Section 10-11-102 NMSA 1978 (being Laws 1987, Chapter 253, Section 102, as amended) is amended to read:

"10-11-102. MUNICIPAL FIRE MEMBER COVERAGE PLAN 3--MEMBER CONTRIBUTION RATE.--A member under municipal fire member coverage plan 3 shall contribute eight percent of salary with the first full pay period in the calendar month in which municipal fire member coverage plan 3 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars ($25,000) shall contribute:

A. beginning July 1, 2021 and continuing through June 30, 2022, eleven percent of salary;
B. beginning July 1, 2022 and continuing through June 30, 2023, eleven and one-half percent of salary;
C. beginning July 1, 2023 and continuing through June 30, 2024, twelve percent of salary;
D. beginning July 1, 2024 and continuing through June 30, 2025, twelve and one-half percent of salary; and
E. beginning July 1, 2025 and thereafter, thirteen percent of salary."

SECTION 5. Section 10-11-108 NMSA 1978 (being Laws 1987, Chapter 253, Section 108, as amended) is amended to read:

"10-11-108. MUNICIPAL FIRE MEMBER COVERAGE PLAN 4--MEMBER CONTRIBUTION RATE.--A member under municipal fire member coverage plan 4 shall contribute twelve and eight-tenths percent of salary with the first full pay period in the calendar month in which municipal fire member coverage plan 4 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars ($25,000) shall contribute:

A. beginning July 1, 2021 and continuing through June 30, 2022, fifteen and eight-tenths percent of salary;
B. beginning July 1, 2022 and continuing through June 30, 2023, sixteen and three-tenths percent of salary;
C. beginning July 1, 2023 and continuing through June 30, 2024, sixteen and eight-tenths percent of salary;
D. beginning July 1, 2024 and continuing through June 30, 2025, seventeen and three-tenths percent of salary; and

E. beginning July 1, 2025 and thereafter, seventeen and eight-tenths percent of salary."

SECTION 6. Section 10-11-114 NMSA 1978 (being Laws 1987, Chapter 253, Section 114, as amended) is amended to read:

"10-11-114. MUNICIPAL FIRE MEMBER COVERAGE PLAN 5--MEMBER CONTRIBUTION RATE.--A member under municipal fire member coverage plan 5 shall contribute sixteen and two-tenths percent of salary with the first full pay period in the calendar month in which municipal fire member coverage plan 5 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars ($25,000) shall contribute:

A. beginning July 1, 2021 and continuing through June 30, 2022, nineteen and two-tenths percent of salary;

B. beginning July 1, 2022 and continuing through June 30, 2023, nineteen and seven-tenths percent of salary;

C. beginning July 1, 2023 and continuing through June 30, 2024, twenty and two-tenths percent of salary;

D. beginning July 1, 2024 and continuing through June 30, 2025, twenty and seven-tenths percent of salary; and

E. beginning July 1, 2025 and thereafter,
twenty-one and two-tenths percent of salary."

SECTION 7. APPLICABILITY.--The provisions of Section 1 of this act apply to a member's salary or wages earned on or after the effective date of this act.

SECTION 8. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2021.