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HOUSE BILL 369

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY

Ben Lujan

AN ACT

RELATING TO PUBLIC EMPLOYEES; AMENDING SECTION 10-7-4 NMSA
1978 (BEING LAWS 1941, CHAPTER 188, SECTION 1, AS AMENDED) TO
ALLOW PUBLIC SCHOOL DISTRICTS AND INSTITUTIONS OF HIGHER
EDUCATION TO CONTRIBUTE UP TO ONE HUNDRED PERCENT OF THE
COSTS OF GROUP INSURANCE.

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

Section 1. Section 10-7-4 NMSA 1978 (being Laws 1941,
Chapter 188, Section 1, as amended) is amended to read:

"10-7-4. GROUP INSURANCE--CAFETERIA PLAN--CONTRIBUTIONS
FROM PUBLIC FUNDS.--

A. All state departments and institutions and all
political subdivisions of the state, excluding
municipalities, counties and political subdivisions of the
state with twenty-five employees or fewer, shall cooperate in
providing group term life, medical or disability income

.131679.1

underscored material = new
~~[bracketed material] = delete~~

1 insurance for the benefit of eligible employees or salaried
2 officers of the respective departments, institutions and
3 subdivisions.

4 B. ~~[The]~~ Except as provided in Subsection C of
5 this section, the group insurance contributions of the state
6 or any of its departments or institutions, including
7 institutions of higher education and the public schools,
8 shall be made as follows:

9 (1) seventy-five percent of the cost of the
10 insurance of an employee whose annual salary is less than
11 fifteen thousand dollars (\$15,000);

12 (2) seventy percent of the cost of the
13 insurance of an employee whose annual salary is fifteen
14 thousand dollars (\$15,000) or more but less than twenty
15 thousand dollars (\$20,000);

16 (3) sixty-five percent of the cost of the
17 insurance of an employee whose annual salary is twenty
18 thousand dollars (\$20,000) or more but less than twenty-five
19 thousand dollars (\$25,000); or

20 (4) sixty percent of the cost of the
21 insurance of an employee whose annual salary is twenty-five
22 thousand dollars (\$25,000) or more.

23 ~~[As used in this subsection, "cost of the insurance"~~
24 ~~means the premium required to be paid to provide coverages.]~~

25 C. Any group insurance contributions of the
political subdivisions of the state, except the public
schools, institutions of higher education and political

underscored material = new
~~[bracketed material] = delete~~

1 subdivisions of the state with twenty-five employees or
2 fewer, shall not exceed sixty percent of the cost of the
3 insurance. School districts or institutions of higher
4 education may contribute an amount up to one hundred percent
5 of the cost of the insurance; provided that a school district
6 or institution of higher education shall not contribute less
7 than the amounts set forth in Subsection B of this section.

8 ~~[E.]~~ D. When a public employee elects to
9 participate in a cafeteria plan as authorized by the
10 Cafeteria Plan Act and enters into a salary reduction
11 agreement with the governmental employer, the provision of
12 Subsection B of this section with respect to the maximum
13 contributions that can be made by the employer are not
14 violated and will still apply. The employer percentage or
15 dollar contributions as provided in Subsection B of this
16 section shall be determined by the employee's gross salary
17 prior to any salary reduction agreement.

18 ~~[D.]~~ E. Any group medical insurance plan offered
19 pursuant to this section shall include effective cost-
20 containment measures to control the growth of health care
21 costs. The responsible public body that administers a plan
22 offered pursuant to this section shall report annually by
23 September 1 to appropriate interim legislative committees on
24 the effectiveness of the cost-containment measures required
25 by this subsection.

F. As used in this section, "cost of the
insurance" means the premium required to be paid to provide

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coverage. "

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