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HOUSE BILL 266

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Richard D. Vigil

AN ACT

**RELATING TO PUBLIC EMPLOYMENT; AMENDING A CERTAIN SECTION OF
THE NMSA 1978 PERTAINING TO GROUP INSURANCE CONTRIBUTIONS OF
PUBLIC EMPLOYERS.**

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 insurance for the
benefit of eligible employees or salaried officers of the**

underscored material = new
[bracketed material] = delete

1 respective departments, institutions and subdivisions.

2 B. Except as provided in Sections 10-7-4.1 and
3 10-7-4.2 NMSA 1978 and Subsections C and D of this section,
4 the group insurance contributions of the state or any of its
5 departments or institutions [~~including institutions of higher~~
6 ~~education and the public schools~~] shall be made as follows:

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

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

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

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

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

23 C. Any contributions of the political subdivisions
24 of the state, except the public schools and political
25 subdivisions of the state with twenty-five employees or fewer,

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1 shall not exceed sixty percent of the cost of the insurance.

2 D. School districts or institutions of higher
3 learning may contribute any amount up to one hundred percent
4 of the cost of the insurance; provided that a school district
5 or institution of higher education shall not contribute less
6 than the amounts set forth in Subsection B of this section.

7 E. As used in this section, "cost of the
8 insurance" means the premium required to be paid to provide
9 coverage.

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

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

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1 the effectiveness of the cost-containment measures required by
2 this subsection. "

3 Section 2. EFFECTIVE DATE. -- The effective date of the
4 provisions of this act is July 1, 2001.

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