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HOUSE BILL 885

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

INTRODUCED BY

Daniel P. Silva

AN ACT

**RELATING TO PUBLIC EMPLOYEES; AMENDING THE PUBLIC EMPLOYEES
RETIREMENT ACT TO ALLOW PURCHASE OF SERVICE CREDIT BY FORMER
NEW MEXICO CONGRESSIONAL EMPLOYEES.**

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

**Section 1. Section 10-11-7 NMSA 1978 (being Laws 1987,
Chapter 253, Section 7, as amended) is amended to read:**

"10-11-7. CREDITED SERVICE--PURCHASE OF SERVICE. --

**A. A member who entered a uniformed service of the
United States may purchase service credit for periods of
active duty in the uniformed services subject to the following
conditions:**

**(1) the member pays the association the
purchase cost determined according to Subsection E of this
section;**

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1 (2) the member has five or more years of
2 service credit acquired as a result of personal service
3 rendered in the employ of an affiliated public employer;

4 (3) the aggregate amount of service credit
5 purchased [~~under~~] pursuant to this subsection does not exceed
6 five years reduced by any period of service credit acquired
7 for military service [~~under~~] pursuant to any other provision
8 of the Public Employees Retirement Act;

9 (4) service credit may not be purchased for
10 periods of service in the uniformed services that are used to
11 obtain or increase a benefit from another retirement program;
12 and

13 (5) the member must not have received a
14 discharge or separation from uniformed service under other
15 than honorable conditions.

16 B. A member who was a civilian prisoner of war
17 captured while in service to the United States as an employee
18 of the federal government or as an employee of a contractor
19 with the federal government may purchase service credit for
20 the period of internment as a civilian prisoner of war,
21 provided that:

22 (1) the member provides proof of employment
23 with the federal government or as a contractor to the federal
24 government in a form acceptable to the association;

25 (2) the member provides proof of the period

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1 of internment in a form acceptable to the association;

2 (3) the member has at least five years of
3 service credit acquired as a result of personal service
4 rendered in the employ of an affiliated public employer;

5 (4) the aggregate amount of service credit
6 purchased pursuant to this subsection does not exceed five
7 years reduced by any period of service credit acquired for
8 military service pursuant to any other provision of the Public
9 Employees Retirement Act;

10 (5) service credit may not be purchased for
11 periods of service in internment as a civilian prisoner of war
12 if such periods are used to obtain or increase a benefit from
13 another retirement program; and

14 (6) the member pays the association the
15 purchase cost determined according to Subsection E of this
16 section.

17 C. A member who was employed by a utility company,
18 library, museum, transit company or by a nonprofit
19 organization administering federally funded public service
20 programs, which utility company, library, museum, transit
21 company or nonprofit organization administering federally
22 funded public service programs or federally funded public
23 service programs administered by a nonprofit organization are
24 subsequently taken over by an affiliated public employer, or a
25 member who was employed by an entity created pursuant to a

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1 joint powers agreement between two or more affiliated public
2 employers for the purpose of administering or providing drug
3 or alcohol addiction treatment services irrespective of
4 whether the entity is subsequently taken over by an affiliated
5 public employer, may purchase credited service for the period
6 of employment subject to the following conditions:

7 (1) the member pays the association the
8 purchase cost determined according to Subsection E of this
9 section;

10 (2) the member has five or more years of
11 credited service acquired as a result of personal service
12 rendered in the employ of an affiliated public employer; and

13 (3) the aggregate amount of credited service
14 purchased [~~under~~] pursuant to this subsection does not exceed
15 five years.

16 D. A member who was appointed to participate in a
17 cooperative work study training program established jointly by
18 the state highway and transportation department and the
19 university of New Mexico or New Mexico state university may
20 purchase credited service for the period of participation
21 subject to the following conditions:

22 (1) the member pays the association the
23 purchase cost determined according to Subsection E of this
24 section;

25 (2) the member has five or more years of

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1 credited service acquired as a result of personal service
2 rendered in the employ of an affiliated public employer; and

3 (3) the aggregate amount of credited service
4 purchased [~~under~~] pursuant to this subsection does not exceed
5 five years.

6 E. Except for service to be used under a state
7 legislator coverage plan, the purchase cost for each month of
8 credited service purchased [~~under~~] pursuant to the provisions
9 of this section is equal to the member's final average salary
10 multiplied by the sum of the member contribution rate and
11 employer contribution rate, determined in accordance with the
12 coverage plan applicable to the member at the time of the
13 written election to purchase. The purchase cost for each year
14 of credited service to be used under a state legislator
15 coverage plan is equal to the sum of the member contribution
16 and an employer contribution of ten times the annual amount of
17 pension per year of credited service under the state
18 legislator coverage plan applicable to the member. Full
19 payment shall be made in a single lump sum within sixty days
20 of the date the member is informed of the amount of the
21 payment. The portion of the purchase cost derived from the
22 employer contribution rate shall be credited to the [~~employer~~]
23 employers accumulation fund and shall not be paid out of the
24 association in the event of cessation of membership. In no
25 case shall [~~any~~] a member be credited with a month of service

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1 for less than the purchase cost as defined in this section.

2 F. A member shall be refunded, upon written
3 request filed with the association, the portion of the
4 purchase cost of credited service purchased [~~under~~] pursuant
5 to this section that the association determines to have been
6 unnecessary to provide the member with the maximum pension
7 applicable to the member. The association shall not pay
8 interest on the portion of the purchase cost refunded to the
9 member.

10 G. A member of the magistrate retirement system
11 who during his service as a magistrate was eligible to
12 become a member of the public employees retirement system
13 and elected not to become a member of that system may
14 purchase service credit [~~under~~] pursuant to the public
15 employees retirement system for the period for which the
16 magistrate elected not to become a public employees
17 retirement system member, by paying the amount of the
18 increase in the actuarial present value of the magistrate
19 pension as a consequence of the purchase as determined by
20 the association. Full payment shall be made in a single
21 lump-sum amount in accordance with procedures established by
22 the retirement board. Except as provided in Subsection F of
23 this section, seventy-five percent of the purchase cost
24 shall be considered to be employer contributions and shall
25 not be refunded to the member in the event of cessation of

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1 membership.

2 H. A member who was employed by the government
3 of the United States as an employee of an elected member of
4 the United States house of representatives or the United
5 States senate representing New Mexico, may purchase service
6 credit for that period of employment subject to the
7 following conditions:

8 (1) the member pays the association the
9 amount of the increase in the actuarial present value of the
10 pension of the member as a consequence of the purchase, as
11 determined by the association;

12 (2) the member has five or more years of
13 credited service acquired as a result of personal service
14 rendered in the employ of an affiliated public employer; and

15 (3) the aggregate amount of credited
16 service purchased pursuant to this subsection does not
17 exceed five years. "