

NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Silva DATE TYPED: 03/12/01 HB 885/aHAFC
 SHORT TITLE: Former Congressional Employee Service Credit SB _____
 ANALYST: Eaton

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Public Employees Retirement Association (PERA)

SUMMARY

Synopsis of HAFC amendment

The HAFC amendment adds one additional qualifier for the credit in that the member has not qualified for vesting in a federal government pension.

Synopsis of Original Bill

This bill amends the Public Employees Retirement Act to allow a member who was employed by an elected member of the US House of Representatives or US Senate to purchase service credit for the period of employment with Congress up to 5 years. The member must pay the actuarial present value of the time to be purchased and must have 5 or more years of service credit with a PERA affiliated employer.

FISCAL IMPLICATIONS

The Public Employees Retirement Association (PERA) report that the actuaries will charge a fee for the additional calculations work, but it is unknown at this time what that added cost will be. Because the service credit requires public employees to pay the actuarial present value for the time, there will be no fiscal impact.

ADMINISTRATIVE IMPLICATIONS

Minimal. PERA asserts that this bill presents a significant plan change that the actuaries need to address.

OTHER SUBSTANTIVE ISSUES

PERA currently has a provision that allows a member who has 15 years or more of service credit who goes to work for the federal government within 90 days of leaving the affiliated public employer to pay both the employee and employer member contributions to receive service credit. NMSA 1978, §10-11-6(B). Such a provision is available for all federal government service. This bill provides enhanced service credit provisions to a narrowly defined group of federal employees for anytime they worked for during their working careers.

JBE/ar