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SENATE BILL 562

**51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

INTRODUCED BY

John M. Sapien

AN ACT

RELATING TO PENSIONS; AMENDING THE PUBLIC EMPLOYEES RETIREMENT ACT BY CREATING THE PENSION INVESTMENT PLAN; PROVIDING FOR CERTAIN RETIREES TO WORK FOR AN AFFILIATED PUBLIC EMPLOYER WHILE INVESTING THEIR PENSION BENEFIT IN THE PENSION INVESTMENT PLAN; PROVIDING THAT A PARTICIPANT IN THE PENSION INVESTMENT PLAN AND THE AFFILIATED PUBLIC EMPLOYER SHALL MAKE THE REQUIRED CONTRIBUTIONS; INCREASING EMPLOYEE AND EMPLOYER CONTRIBUTION RATES.

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

**SECTION 1.** A new section of the Public Employees Retirement Act is enacted to read:

"[NEW MATERIAL] PURPOSE.--The purpose of the pension investment plan is to improve the funded status of the public employees retirement association funds, while also providing an

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1 incentive for skilled and trained members who retire after  
2 meeting the age and service requirements for normal retirement,  
3 to return to work for affiliated public employers, make the  
4 applicable employee contributions for that employment and  
5 invest their pension benefits into the public employees  
6 retirement association funds."

7 SECTION 2. A new section of the Public Employees  
8 Retirement Act is enacted to read:

9 "[NEW MATERIAL] PENSION INVESTMENT PLAN CREATED.--The  
10 "pension investment plan" is created. The plan shall be  
11 administered by the association pursuant to the provisions of  
12 the Public Employees Retirement Act. The pension benefit money  
13 deposited into the fund shall be invested by the retirement  
14 board as provided in the Public Employees Retirement Act."

15 SECTION 3. A new section of the Public Employees  
16 Retirement Act is enacted to read:

17 "[NEW MATERIAL] PENSION INVESTMENT PLAN PARTICIPATION.--An  
18 individual may participate in the pension investment plan if  
19 the individual:

20 A. retires after meeting the age and service  
21 requirements for normal retirement pursuant to the applicable  
22 coverage plan under the Public Employees Retirement Act;

23 B. submits to the association, in a form and manner  
24 prescribed by the association, an application for participation  
25 in the pension investment plan, including with the application,

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1 verification of:

2 (1) the date of retirement;

3 (2) subsequent employment with an affiliated  
4 public employer, including the date the employment begins; and

5 (3) a signed consent agreeing to the terms of  
6 participation in the pension investment plan, including the  
7 requirements that:

8 (a) the participant's pension benefit  
9 shall be deposited by the association directly to the fund and  
10 credited to the participant's pension investment plan account;

11 (b) the participant shall make member  
12 contributions pursuant to the coverage plan applicable to the  
13 participant's employment with the affiliated public employer;

14 (c) the participant's affiliated public  
15 employer shall make the employer contributions pursuant to the  
16 coverage plan applicable to the participant's employment;

17 (d) the participant shall not earn  
18 service credit for the employment with the affiliated public  
19 employer; and

20 (e) the pension benefit amount and form  
21 of payment selected by the retiree upon retirement shall not be  
22 adjusted upon termination of participation in the pension  
23 investment plan;

24 C. receives written confirmation from the  
25 association approving participation in the pension investment

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1 plan;

2 D. begins participation in the pension investment  
3 plan within five calendar years from the date of retirement;  
4 and

5 E. terminates participation in the pension  
6 investment plan within ten years of the date of retirement."

7 SECTION 4. A new section of the Public Employees  
8 Retirement Act is enacted to read:

9 "[NEW MATERIAL] PENSION BENEFIT INVESTED IN FUND--PENSION  
10 INVESTMENT PLAN PARTICIPANT ACCOUNT.--

11 A. The association shall automatically deposit the  
12 pension benefit of a pension investment plan participant into  
13 the fund and shall credit the amount of the pension benefit to  
14 the participant's pension investment plan account.

15 B. All pension investment plan participant pension  
16 benefits deposited into the fund shall be invested by the  
17 retirement board pursuant to the provisions of the Public  
18 Employees Retirement Act."

19 SECTION 5. A new section of the Public Employees  
20 Retirement Act is enacted to read:

21 "[NEW MATERIAL] PENSION INVESTMENT PLAN--ELIGIBILITY  
22 PERIOD--TERMS OF PARTICIPATION.--

23 A. A retired member approved for participation in  
24 the pension investment plan pursuant to the provisions of  
25 Subsection C of Section 3 of this 2013 act is eligible to

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1 participate in the pension investment plan.

2 B. Participation in the pension investment plan may  
3 begin at any time prior to a date that is five years from the  
4 participant's retirement date, and participation and employment  
5 with an affiliated public employer must continue for at least  
6 twelve consecutive months from the date the participant becomes  
7 a pension investment plan participant, but no longer than ten  
8 consecutive years from the date of the retirement.

9 C. If a pension investment plan participant  
10 terminates employment with the affiliated public employer prior  
11 to meeting the twelve consecutive months of employment  
12 requirement provided in Subsection B of this section, the  
13 participant's participation in the pension investment plan  
14 shall be terminated and the former participant shall receive a  
15 lump-sum payment of the balance in the participant's pension  
16 investment plan account, less investment earnings and less any  
17 annual association service fee due and any penalties or taxes  
18 withheld pursuant to state or federal law.

19 D. A participant who applies for, and receives a  
20 written approval for, a hardship exception may terminate  
21 employment before meeting the twelve consecutive months of  
22 employment requirement, and the penalty for early employment  
23 termination may be waived by the retirement board. Penalties  
24 or taxes withheld pursuant to state or federal law shall not be  
25 waived. The participant's application for a hardship release

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1 waiver shall be made immediately upon the termination of  
2 employment, and in a form and manner prescribed by the  
3 association. The retirement board shall issue its decision to  
4 approve or deny the application within forty-five days of  
5 receiving the request. The retirement board's decision shall  
6 be final."

7 SECTION 6. A new section of the Public Employees  
8 Retirement Act is enacted to read:

9 "[NEW MATERIAL] PENSION INVESTMENT PLAN--SERVICE FEE--  
10 PENALTIES.--

11 A. Each pension investment plan account shall be  
12 debited an annual service fee. The service fee shall be in an  
13 amount equal to thirty percent of the investment earnings on  
14 the balance in the participant's account or two thousand five  
15 hundred dollars (\$2,500), whichever is greater.

16 B. In addition to the annual service fee debited  
17 from a pension investment plan account, a participant's account  
18 may be debited in an amount of any penalties or taxes withheld  
19 pursuant to state or federal law."

20 SECTION 7. A new section of the Public Employees  
21 Retirement Act is enacted to read:

22 "[NEW MATERIAL] PENSION INVESTMENT PLAN--TERMINATION OF  
23 EMPLOYMENT--FORM OF PAYMENT.--

24 A. Upon termination of a pension investment plan  
25 participant's employment with the affiliated public employer,

1 provided the participant meets the minimum twelve consecutive  
2 months of employment requirement provided in Section 6 of this  
3 2013 act, the participant may apply to receive payment from the  
4 pension investment plan account. Such payments shall be:

5 (1) a one-time payment of the balance in the  
6 participant's pension investment plan account, including  
7 investment earnings and less any annual service fees due and  
8 penalties or taxes withheld pursuant to state or federal law;  
9 or

10 (2) a monthly payment, including investment  
11 earnings and less any annual service fees due and penalties or  
12 taxes withheld pursuant to state or federal law, the payments  
13 to be paid over a period of not less than ten years and not  
14 more than thirty years in a manner prescribed by the  
15 association.

16 B. The association shall promulgate rules to allow  
17 for a pension investment plan participant to withdraw once  
18 during any calendar year up to fifty percent of the balance in  
19 the participant's account less a three percent withdrawal fee  
20 and less any state or federal taxes that may apply.

21 C. Balances remaining in a pension investment plan  
22 participant account after the termination of employment shall  
23 be credited with investment earnings and less any annual  
24 service fees due and penalties or taxes withheld pursuant to  
25 state or federal law."

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1           SECTION 8. Section 10-11-2 NMSA 1978 (being Laws 1987,  
2 Chapter 253, Section 2, as amended) is amended to read:

3           "10-11-2. DEFINITIONS.--As used in the Public Employees  
4 Retirement Act:

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

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

14           C. "association" means the public employees  
15 retirement association established under the Public Employees  
16 Retirement Act;

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

20           E. "disability retirement pension" means the  
21 pension paid pursuant to the disability retirement provisions  
22 of the Public Employees Retirement Act;

23           F. "educational retirement system" means that  
24 retirement system provided for in the Educational Retirement  
25 Act;

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1           G. "employee" means any employee of an affiliated  
2 public employer;

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

7           I. "final average salary" means the final average  
8 salary calculated in accordance with the provisions of the  
9 applicable coverage plan;

10          J. "form of payment" means the applicable form of  
11 payment of a pension provided for in Section 10-11-117 NMSA  
12 1978;

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

17          L. "fund" means the funds included under the Public  
18 Employees Retirement Act;

19          M. "member" means a currently employed,  
20 contributing employee of an affiliated public employer, other  
21 than a pension investment plan participant, or a person who has  
22 been but is not currently employed by an affiliated public  
23 employer, who has not retired and who has not received a refund  
24 of member contributions; "member" also includes the following:

25           (1) "adult correctional officer member" means

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1 a member who is an adult correctional officer or an adult  
2 correctional officer specialist employed by a correctional  
3 facility of the corrections department or its successor agency;

4 (2) "hazardous duty member" means a member who  
5 is a juvenile correctional officer employed by the children,  
6 youth and families department or its successor agency;

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

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

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

20 (6) "state police member" means any member who  
21 is an officer of the New Mexico state police and who has taken  
22 the oath prescribed for such officers;

23 N. "membership" means membership in the  
24 association;

25 O. "pension" means a series of monthly payments to

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1 a retired member or survivor beneficiary as provided in the  
2 Public Employees Retirement Act;

3 P. "pension investment plan" means the pension  
4 investment plan administered by the association pursuant to the  
5 provisions of the Public Employees Retirement Act;

6 Q. "pension investment plan account" means the  
7 balance accumulated in a pension investment plan account, which  
8 account is credited with the member's monthly pension benefit,  
9 along with any investment earnings on the balance in the  
10 account, less the annual account service fees paid to the  
11 association and less penalties or taxes withheld pursuant to  
12 state or federal law;

13 R. "pension investment plan participant" means:

14 (1) a retired member who is subsequently  
15 employed by an affiliated public employer and who agrees to  
16 invest the retiree's pension benefit in the fund; or

17 (2) a retired member who was, for at least  
18 twelve consecutive months, subsequent to retirement, employed  
19 by an affiliated public employer; and

20 (3) has funds in a pension investment plan  
21 account and is eligible for payments pursuant to the provisions  
22 of the Public Employees Retirement Act;

23 [~~P-~~] S. "public employer" means the state, any  
24 municipality, city, county, metropolitan arroyo flood control  
25 authority, economic development district, regional housing

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1 authority, soil and water conservation district, entity created  
2 pursuant to a joint powers agreement, council of government,  
3 conservancy district, irrigation district, water and sanitation  
4 district, water district and metropolitan water board,  
5 including the boards, departments, bureaus and agencies of a  
6 public employer, so long as these entities fall within the  
7 meaning of governmental plan as that term is used in Section  
8 414(d) of the Internal Revenue Code of 1986, as amended;

9 [Q-] T. "refund beneficiary" means a person  
10 designated by the member, in writing, in the form prescribed by  
11 the association, as the person who would be refunded the  
12 member's accumulated member contributions payable if the member  
13 dies and no survivor pension is payable or who would receive  
14 the difference between pension paid and accumulated member  
15 contributions if the retired member dies before receiving in  
16 pension payments the amount of the accumulated member  
17 contributions;

18 [R-] U. "retire" means to:

19 (1) terminate employment with [~~all~~] employers  
20 covered by any state system or the educational retirement  
21 system; and

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

24 [S-] V. "retired member" means a person who has met  
25 all requirements for retirement and who is receiving a pension

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1 from the fund;

2 [F.] W. "retirement board" means the retirement  
3 board provided for in the Public Employees Retirement Act;

4 [H.] X. "salary" means the base salary or wages  
5 paid a member, including longevity pay, for personal services  
6 rendered an affiliated public employer. "Salary" shall not  
7 include overtime pay, allowances for housing, clothing,  
8 equipment or travel, payments for unused sick leave, unless the  
9 unused sick leave payment is made through continuation of the  
10 member on the regular payroll for the period represented by  
11 that payment, and any other form of remuneration not  
12 specifically designated by law as included in salary for Public  
13 Employees Retirement Act purposes. Salary in excess of the  
14 limitations set forth in Section 401(a) (17) of the Internal  
15 Revenue Code of 1986, as amended, shall be disregarded. The  
16 limitation on compensation for eligible employees shall not be  
17 less than the amount that was allowed to be taken into account  
18 under the state retirement system acts in effect on July 1,  
19 1993. For purposes of this subsection, "eligible employee"  
20 means an individual who was a member of a state system before  
21 the first plan year beginning after December 31, 1995;

22 [V.] Y. "state system" means the retirement  
23 programs provided for in the Public Employees Retirement Act,  
24 the Magistrate Retirement Act and the Judicial Retirement Act;

25 [W.] Z. "state retirement system acts" means

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1 collectively the Public Employees Retirement Act, the  
2 Magistrate Retirement Act, the Judicial Retirement Act and the  
3 Volunteer Firefighters Retirement Act; and

4 [~~X.~~] AA. "survivor beneficiary" means a person who  
5 receives a pension or who has been designated to be paid a  
6 pension as a result of the death of a member or retired  
7 member."

8 SECTION 9. Section 10-11-4 NMSA 1978 (being Laws 1987,  
9 Chapter 253, Section 4, as amended) is amended to read:

10 "10-11-4. SERVICE CREDIT--CREDIT NOT ACQUIRED--  
11 REQUIREMENTS FOR--FORFEITURE--REINSTATEMENT.--

12 A. Personal service rendered an affiliated public  
13 employer by a member shall be credited to the member's service  
14 credit account in accordance with retirement board rules and  
15 regulations. Service shall be credited to the nearest month.  
16 In no case shall any member be credited with a year of service  
17 for less than twelve months of service in any calendar year or  
18 more than a month of service for all service in any calendar  
19 month or more than a year of service for all service in any  
20 calendar year. In no case shall any member be allowed to  
21 purchase service credit unless the purchase is authorized in  
22 the Public Employees Retirement Act.

23 B. Personal service rendered an affiliated public  
24 employer prior to August 1, 1947 shall be credited to a member  
25 if the member acquires one year of service credit for personal

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1 service rendered an affiliated public employer.

2 C. Personal service rendered an affiliated public  
3 employer after July 31, 1947 but prior to the date the public  
4 employer became an affiliated public employer is prior service  
5 and shall be credited to a member if:

6 (1) the member acquires five years of service  
7 credit for personal service rendered an affiliated public  
8 employer; and

9 (2) the member pays the association the amount  
10 determined in accordance with Subsection D of this section.

11 D. Personal service rendered by a retired member  
12 who is a pension investment plan participant and is a  
13 contributing employee of an affiliated public employer shall  
14 not be considered service credit for any purpose, and the  
15 participant shall not accrue service credit for the employment.

16 [~~D-~~] E. The purchase cost for each month of service  
17 credit purchased under the provisions of this section is equal  
18 to the member's final average salary multiplied by the sum of  
19 the member contribution rate and employer contribution rate  
20 determined in accordance with the coverage plan applicable to  
21 the member at the time of the written election to purchase.  
22 Full payment shall be made in a single lump-sum amount in  
23 accordance with the procedures established by the retirement  
24 board. The portion of the purchase cost derived from the  
25 employer contribution rate shall be credited to the [~~employer~~]

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1 employer's accumulation fund and shall not be refunded to the  
2 member in the event of cessation of membership. In no case  
3 shall any member be credited with a month of service for less  
4 than the purchase cost as defined in this section.

5 ~~[E-]~~ F. Service credit shall be forfeited if a  
6 member terminates employment with an affiliated public employer  
7 and withdraws the member's accumulated member contributions.

8 ~~[F-]~~ G. A member or former member who is a member  
9 of another state system or the educational retirement system  
10 and who has forfeited service credit by withdrawal of member  
11 contributions may reinstate the forfeited service credit by  
12 repaying the amount withdrawn plus compound interest from the  
13 date of withdrawal to the date of repayment at the rate set by  
14 the retirement board. Withdrawn member contributions may be  
15 repaid in increments of one year in accordance with the  
16 procedures established by the retirement board. Full payment  
17 of each one-year increment shall be made in a single lump-sum  
18 amount in accordance with procedures established by the  
19 retirement board."

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

22 "10-11-5. CREDITED SERVICE--MUNICIPAL ELECTION TO MAKE  
23 EMPLOYEE CONTRIBUTIONS.--A municipal affiliated public employer  
24 may elect by resolution of its governing body or by execution  
25 of a collective bargaining agreement and in the manner

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1 prescribed by the retirement board to be responsible for making  
2 contributions of up to seventy-five percent of its employees'  
3 member contributions as follows:

4 A. the resolution or collective bargaining  
5 agreement shall be irrevocable; ~~however~~ except that:

6 (1) if the resolution is passed or the  
7 collective bargaining agreement is executed on or before June  
8 30, 2013, the percentage of the employee contributions that the  
9 municipal affiliated public employer elects to be responsible  
10 for making shall apply to the statutory employee contribution  
11 rate in effect on June 30, 2013 and shall not apply to any  
12 increase in the statutory employee contribution rate that may  
13 occur after that date; and

14 (2) if the resolution is passed or the  
15 collective bargaining agreement is executed on or after July 1,  
16 2013, the percentage of the employee contributions that the  
17 municipal affiliated public employer elects to be responsible  
18 for making shall apply to the statutory employee contribution  
19 rate in effect on the date that the resolution is passed or the  
20 collective bargaining agreement is executed and shall not apply  
21 to any increases in the statutory employee contribution rate  
22 that may occur after that date; provided, however, that, if the  
23 statutory employee contribution rate is decreased after the  
24 date that the resolution is passed or the collective bargaining  
25 agreement is executed, the percentage of the employee

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1 contributions that the municipal public affiliated employer is  
2 responsible for making shall apply to the decreased statutory  
3 employee contribution rate;

4 B. a municipal affiliated public employer may by  
5 subsequent resolution or collective bargaining agreement:

6 (1) elect to increase the percentage of  
7 employee member contributions for which it will be responsible;

8 (2) elect to be responsible for a percentage  
9 of any increase to the statutory employee contribution rate in  
10 effect after the passing of an earlier resolution or the  
11 execution of an earlier collective bargaining agreement; or

12 [~~2~~] (3) at the time a new coverage plan is  
13 adopted, elect to be responsible under the new coverage plan  
14 for making a different percentage of employee member  
15 contributions than that which it elected under a previous  
16 coverage plan;

17 [~~B.~~] C. the resolution or executed collective  
18 bargaining agreement shall apply to all employees or else to  
19 specified employee divisions of the municipal affiliated public  
20 employer and shall be effective the first pay period of the  
21 month following the filing of the resolution with the  
22 retirement board;

23 [~~E.~~] D. except as provided in Subsection E of this  
24 section, the portion of the employee contributions made by the  
25 municipal affiliated public employer on behalf of a member

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1 shall be credited to the member's individual accumulated member  
2 contribution account in the member contribution fund. The  
3 member shall be responsible for the difference between the  
4 contributions the member would be required to make if the  
5 municipal affiliated public employer had not made the election  
6 provided for in this section and the amount contributed by the  
7 municipal affiliated public employer [~~under~~] pursuant to the  
8 provisions of this section;

9 E. the portion of the employee contributions made  
10 by the municipal affiliated public employer on behalf of a  
11 retired member who is an employed pension investment plan  
12 participant shall be credited to the fund and shall not be  
13 credited to the retired member's individual accumulated member  
14 contribution account. The pension investment plan participant  
15 shall be responsible for the difference between the  
16 contributions the pension investment plan participant would be  
17 required to make if the municipal affiliated public employer  
18 had not made the election provided for in this section and the  
19 amount contributed by the municipal affiliated public employer  
20 pursuant to the provisions of this section;

21 [~~D-~~] F. pensions payable to members whose municipal  
22 affiliated public employer makes the election provided for in  
23 this section shall be the same as if the member had made the  
24 entire member contribution; and

25 [~~E-~~] G. any municipal affiliated public employer

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1 increasing the percentage of the employee member contributions  
2 it elects to make pursuant to this section shall submit a  
3 resolution or executed collective bargaining agreement to the  
4 association by July 1 of the fiscal year in which the increase  
5 will take place indicating the percentage of the employee  
6 member contributions that will be made by the municipal  
7 affiliated public employer."

8 SECTION 11. Section 10-11-8 NMSA 1978 (being Laws 1987,  
9 Chapter 253, Section 8, as amended) is amended to read:

10 "10-11-8. NORMAL RETIREMENT--RETURN TO EMPLOYMENT--  
11 PENSION INVESTMENT PLAN PARTICIPANTS--BENEFITS CONTINUED--  
12 [~~EMPLOYER~~] CONTRIBUTIONS.--

13 A. A member may retire upon fulfilling the  
14 following requirements prior to the selected date of  
15 retirement:

16 (1) a written application for normal  
17 retirement, in the form prescribed by the association, is filed  
18 with the association;

19 (2) employment is terminated with all  
20 employers covered by any state system or the educational  
21 retirement system;

22 (3) the member selects an effective date of  
23 retirement that is the first day of a calendar month; and

24 (4) the member meets the age and service  
25 credit requirement for normal retirement specified in the

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1 coverage plan applicable to the member.

2 B. The amount of normal retirement pension is  
3 determined in accordance with the coverage plan applicable to  
4 the member.

5 C. Except as provided in Subsection D of this  
6 section, on or after July 1, 2010, a retired member may be  
7 subsequently employed by an affiliated public employer only  
8 pursuant to the following provisions:

9 (1) the retired member has not been employed  
10 as an employee of an affiliated public employer or retained as  
11 an independent contractor by the affiliated public employer  
12 from which the retired member retired for at least twelve  
13 consecutive months from the date of retirement to the  
14 commencement of employment or reemployment with an affiliated  
15 public employer;

16 (2) the retired member's pension shall be  
17 suspended upon commencement of the employment;

18 (3) except as provided in Subsection F of this  
19 section, the previously retired member shall not become a  
20 member and thus the previously retired member shall accrue no  
21 service credit and the previously retired member and that  
22 person's affiliated public employer shall make no contributions  
23 under any coverage plan pursuant to the Public Employees  
24 Retirement Act; and

25 (4) upon termination of the subsequent

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1 employment, the previously retired member's pension shall  
2 resume in accordance with the provisions of Subsection A of  
3 this section.

4 D. The provisions of Subsection C of this section  
5 do not apply to:

6 (1) a retired member employed by the  
7 legislature for legislative session work;

8 (2) a retired member employed temporarily as a  
9 precinct board member for a municipal election or an election  
10 covered by the Election Code;

11 (3) a retired member who is a pension  
12 investment plan participant and is employed by an affiliated  
13 public employer; provided that:

14 (a) within thirty days of beginning  
15 pension plan investment participation, the participant files an  
16 irrevocable exemption from membership with the association and  
17 an agreement authorizing the association to: 1) deduct member  
18 contributions from the participant's salary earned from the  
19 subsequent employment with an affiliated public employer in an  
20 amount specified pursuant to the Public Employees Retirement  
21 Act at the rate applicable to the coverage plan for the  
22 position in which the participant is employed; and 2) deposit  
23 the participant's pension benefit payment directly to the fund  
24 and credit the participant's pension investment plan account  
25 with the amount of the payment; and

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1                                    (b) the irrevocable exemption shall  
2                                    remain in force for the duration of the participant's  
3                                    subsequent employment with the affiliated public employer;

4                                    or

5                                    [~~3~~] (4) a retired member who is elected to  
6                                    serve a term as an elected official; provided that:

7                                    (a) the retired member files an  
8                                    irrevocable exemption from membership with the association  
9                                    within thirty days of taking office; and

10                                   (b) the irrevocable exemption shall be  
11                                   for the elected official's term of office.

12                                   E. A retired member who returns to employment  
13                                   during retirement pursuant to Subsection D of this section is  
14                                   entitled to receive retirement benefits but is not entitled to  
15                                   accrue service credit or to acquire or purchase service credit  
16                                   in the future for the period of the previously retired member's  
17                                   reemployment with an affiliated public employer.

18                                   F. At any time during a previously retired member's  
19                                   subsequent employment pursuant to Subsection C of this section,  
20                                   the previously retired member may elect to become a member and  
21                                   the following conditions shall apply:

22                                   (1) the previously retired member and the  
23                                   subsequent affiliated public employer shall make the required  
24                                   employee and employer contributions, and the previously retired  
25                                   member shall accrue service credit for the period of subsequent

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1 employment; and

2 (2) when the previously retired member  
3 terminates the subsequent employment with an affiliated public  
4 employer, the previously retired member shall retire according  
5 to the provisions of the Public Employees Retirement Act,  
6 subject to the following conditions:

7 (a) payment of the pension shall resume  
8 in accordance with the provisions of Subsection A of this  
9 section;

10 (b) unless the previously retired member  
11 accrued at least three years of service credit on account of  
12 the subsequent employment, the recalculation of pension shall:  
13 1) employ the form of payment selected by the previously  
14 retired member at the time of the first retirement; and 2) use  
15 the provisions of the coverage plan applicable to the member on  
16 the date of the first retirement; and

17 (c) the recalculated pension shall not  
18 be less than the amount of the suspended pension.

19 G. A previously retired member who returned to work  
20 with an affiliated public employer prior to July 1, 2010 shall  
21 be subject to the provisions of this section in effect on the  
22 date the previously retired member returned to work; provided  
23 that, on and after July 1, 2010, the previously retired member  
24 shall pay the employee contribution in an amount specified in  
25 the Public Employees Retirement Act for the position in which

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1 the previously retired member is employed.

2 H. The pension of a member who has three or more  
3 years of service credit under each of two or more coverage  
4 plans shall be determined in accordance with the coverage plan  
5 that produces the highest pension. The pension of a member who  
6 has service credit under two or more coverage plans but who has  
7 three or more years of service credit under only one of those  
8 coverage plans shall be determined in accordance with the  
9 coverage plan in which the member has three or more years of  
10 service credit. If the service credit is acquired under two  
11 different coverage plans applied to the same affiliated public  
12 employer as a consequence of an election by the members,  
13 adoption by the affiliated public employer or a change in the  
14 law that results in the application of a coverage plan with a  
15 greater pension, the greater pension shall be paid a member  
16 retiring from the affiliated public employer under which the  
17 change in coverage plan took place regardless of the amount of  
18 service credit under the coverage plan producing the greater  
19 pension; provided that the member has three or more years of  
20 continuous employment with that affiliated public employer  
21 immediately preceding or immediately preceding and immediately  
22 following the date the coverage plan changed. The provisions  
23 of each coverage plan for the purpose of this subsection shall  
24 be those in effect at the time the member ceased to be covered  
25 by the coverage plan. "Service credit", for the purposes of

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1 this subsection, shall be only personal service rendered an  
2 affiliated public employer and credited to the member under the  
3 provisions of Subsection A of Section 10-11-4 NMSA 1978.  
4 Service credited under any other provision of the Public  
5 Employees Retirement Act shall not be used to satisfy the  
6 three-year service credit requirement of this subsection."

7 SECTION 12. Section 10-11-26.5 NMSA 1978 (being Laws  
8 1994, Chapter 128, Section 6, as amended) is amended to read:

9 "10-11-26.5. STATE GENERAL MEMBER COVERAGE PLAN 3--MEMBER  
10 CONTRIBUTION RATE.--A member under state general member  
11 coverage plan 3 shall contribute [~~seven and forty-two~~] ten and  
12 forty-two hundredths percent of salary starting with the first  
13 full pay period that ends within the calendar month in which  
14 state general member coverage plan 3 becomes applicable to the  
15 member, except that [~~for members whose annual salary is greater~~  
16 ~~than twenty thousand dollars (\$20,000)]:~~

17 A. from July 1, [~~2009~~] 2013 through June 30, [~~2011~~]  
18 2014, the member contribution rate shall be eight and ninety-  
19 two hundredths percent of salary;

20 B. from July 1, [~~2011~~] 2014 through June 30, [~~2012~~]  
21 2015, the member contribution rate shall be [~~ten and sixty-~~  
22 ~~seven~~] nine and forty-two hundredths percent of salary; and

23 C. from July 1, [~~2012~~] 2015 through June 30, [~~2013~~]  
24 2016, the member contribution rate shall be [~~eight~~] nine and  
25 ninety-two hundredths percent of salary."

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1 SECTION 13. Section 10-11-26.6 NMSA 1978 (being Laws  
2 1994, Chapter 128, Section 7, as amended) is amended to read:

3 "10-11-26.6. STATE GENERAL MEMBER COVERAGE PLAN 3--STATE  
4 CONTRIBUTION RATE.--The state shall contribute [~~sixteen~~]  
5 nineteen and fifty-nine hundredths percent of the salary of  
6 each member covered by state general member coverage plan 3  
7 starting with the first pay period that ends within the  
8 calendar month in which state general member coverage plan 3  
9 becomes applicable to the member, except that [~~for members~~  
10 ~~whose annual salary is greater than twenty thousand dollars~~  
11 ~~(\$20,000)]:~~

12 A. from July 1, [~~2009~~] 2013 through June 30, [~~2011~~]  
13 2014, the state contribution rate shall be [~~fifteen~~] eighteen  
14 and nine-hundredths percent of the salary of each member;

15 B. from July 1, [~~2011~~] 2014 through June 30, [~~2012~~]  
16 2015, the state contribution rate shall be [~~thirteen and~~  
17 ~~thirty-four~~] eighteen and fifty-nine hundredths percent of the  
18 salary of each member; and

19 C. from July 1, [~~2012~~] 2015 through June 30, [~~2013~~]  
20 2016, the state contribution rate shall be [~~fifteen~~] nineteen  
21 and nine-hundredths percent of the salary of each member."

22 SECTION 14. Section 10-11-31 NMSA 1978 (being Laws 1987,  
23 Chapter 253, Section 31, as amended) is amended to read:

24 "10-11-31. STATE POLICE MEMBER AND ADULT CORRECTIONAL  
25 OFFICER MEMBER COVERAGE PLAN 1--MEMBER CONTRIBUTION RATE.--A

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1 member under state police member and adult correctional officer  
2 member coverage plan 1 shall contribute [~~seven and six-tenths~~  
3 ten and six-tenths percent of salary, except that [~~for members~~  
4 ~~whose annual salary is greater than twenty thousand dollars~~  
5 ~~(\$20,000)~~]:

6 A. from July 1, [~~2009~~] 2013 through June 30, [~~2011~~]  
7 2014, the member contribution rate shall be nine and one-tenth  
8 percent of salary;

9 B. from July 1, [~~2011~~] 2014 through June 30, [~~2012~~]  
10 2015, the member contribution rate shall be [~~ten and eighty-~~  
11 ~~five hundredths~~] nine and six-tenths percent of salary; and

12 C. from July 1, [~~2012~~] 2015 through June 30, [~~2013~~]  
13 2016, the member contribution rate shall be [~~nine~~] ten and one-  
14 tenth percent of salary."

15 SECTION 15. Section 10-11-32 NMSA 1978 (being Laws 1987,  
16 Chapter 253, Section 32, as amended) is amended to read:

17 "10-11-32. STATE POLICE MEMBER AND ADULT CORRECTIONAL  
18 OFFICER MEMBER COVERAGE PLAN 1--STATE CONTRIBUTION RATE.--The  
19 state shall contribute [~~twenty-five~~] twenty-eight and one-tenth  
20 percent of the salary of each member under state police member  
21 and adult correctional officer member coverage plan 1, except  
22 that [~~for members whose annual salary is greater than twenty~~  
23 ~~thousand dollars (\$20,000)~~]:

24 A. from July 1, [~~2009~~] 2013 through June 30, [~~2011~~]  
25 2014, the state contribution rate shall be [~~twenty-three~~]

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1 twenty-six and six-tenths percent of the salary of each member;

2 B. from July 1, [~~2011~~] 2014 through June 30, [~~2012~~]  
3 2015, the state contribution rate shall be [~~twenty-one and~~  
4 ~~eighty-five hundredths~~] twenty-seven and one-tenth percent of  
5 the salary of each member; and

6 C. from July 1, [~~2012~~] 2015 through June 30, [~~2013~~]  
7 2016, the state contribution rate shall be [~~twenty-three~~]  
8 twenty-seven and six-tenths percent of the salary of each  
9 member."

10 SECTION 16. Section 10-11-38.5 NMSA 1978 (being Laws  
11 1994, Chapter 128, Section 13, as amended) is amended to read:

12 "10-11-38.5. STATE HAZARDOUS DUTY MEMBER COVERAGE PLAN  
13 2--MEMBER CONTRIBUTION RATE.--A member under state hazardous  
14 duty member coverage plan 2 shall contribute [~~four~~] seven and  
15 [~~seventy-eight~~] seventy-eight hundredths percent of salary  
16 starting with the first full pay period that ends within the  
17 calendar month in which state hazardous duty member coverage  
18 plan 2 becomes applicable to the member, except that [~~for~~  
19 ~~members whose annual salary is greater than twenty thousand~~  
20 ~~dollars (\$20,000)~~]:

21 A. from July 1, [~~2009~~] 2013 through June 30, [~~2011~~]  
22 2014, the member contribution rate shall be six and twenty-  
23 eight hundredths percent of salary;

24 B. from July 1, [~~2011~~] 2014 through June 30, [~~2012~~]  
25 2015, the member contribution rate shall be [~~eight and three-~~

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1 ~~hundredths]~~ six and seventy-eight hundredths percent of salary;  
2 and

3 C. from July 1, [~~2012~~] 2015 through June 30, [~~2013~~]  
4 2016, the member contribution rate shall be [~~six~~] seven and  
5 twenty-eight hundredths percent of salary."

6 SECTION 17. Section 10-11-38.6 NMSA 1978 (being Laws  
7 1994, Chapter 128, Section 14, as amended) is amended to read:

8 "10-11-38.6. STATE HAZARDOUS DUTY MEMBER COVERAGE PLAN  
9 2--STATE CONTRIBUTION RATE.--The state shall contribute  
10 [~~twenty-five~~] twenty-eight and seventy-two hundredths percent  
11 of the salary of each member covered by state hazardous duty  
12 member coverage plan 2 starting with the first pay period that  
13 ends within the calendar month in which state hazardous duty  
14 member coverage plan 2 becomes applicable to the member, except  
15 that [~~for members whose annual salary is greater than twenty~~  
16 ~~thousand dollars (\$20,000)]:~~

17 A. from July 1, [~~2009~~] 2013 through June 30, [~~2011~~]  
18 2014, the state contribution rate shall be [~~twenty-four~~]  
19 twenty-seven and twenty-two hundredths percent of the salary of  
20 each member;

21 B. from July 1, [~~2011~~] 2014 through June 30, [~~2012~~]  
22 2015, the state contribution rate shall be [~~twenty-two and~~  
23 ~~forty-seven~~] twenty-seven and seventy-two hundredths percent of  
24 the salary of each member; and

25 C. from July 1, [~~2012~~] 2015 through June 30, [~~2013~~]

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1     2016, the state contribution rate shall be [~~twenty-four~~]  
2     twenty-eight and twenty-two hundredths percent of the salary of  
3     each member."

4             SECTION 18. Section 10-11-48 NMSA 1978 (being Laws 1987,  
5     Chapter 253, Section 48) is amended to read:

6             "10-11-48. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 1--  
7     MEMBER CONTRIBUTION RATE.--A member under municipal general  
8     member coverage plan 1 shall contribute [~~seven~~] ten percent of  
9     salary, except that:

10            A. from July 1, 2013 through June 30, 2014, the  
11     member contribution rate shall be eight and one-half percent of  
12     the member's salary;

13            B. from July 1, 2014 through June 30, 2015, the  
14     member contribution rate shall be nine percent of the member's  
15     salary; and

16            C. from July 1, 2015 through June 30, 2016, the  
17     member contribution rate shall be nine and one-half percent of  
18     salary."

19             SECTION 19. Section 10-11-49 NMSA 1978 (being Laws 1987,  
20     Chapter 253, Section 49) is amended to read:

21             "10-11-49. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 1--  
22     AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--An affiliated  
23     public employer shall contribute [~~seven~~] ten percent of the  
24     salary of each member [~~which~~] whom it employs and who is  
25     covered under municipal general member coverage plan 1, except

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1 that:

2 A. from July 1, 2013 through June 30, 2014, the  
3 affiliated public employer contribution rate shall be eight and  
4 one-half percent of the salary of each member;

5 B. from July 1, 2014 through June 30, 2015, the  
6 affiliated public employer contribution rate shall be nine  
7 percent of the salary of each member; and

8 C. from July 1, 2015 through June 30, 2016, the  
9 affiliated public employer contribution rate shall be nine and  
10 one-half percent of the salary of each member."

11 SECTION 20. Section 10-11-54 NMSA 1978 (being Laws 1987,  
12 Chapter 253, Section 54) is amended to read:

13 "10-11-54. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 2--  
14 MEMBER CONTRIBUTION RATE.--A member under municipal general  
15 member coverage plan 2 shall contribute [~~nine and fifteen one-~~  
16 ~~hundredths~~] twelve and fifteen-hundredths percent of salary  
17 starting with the first full pay period in the calendar month  
18 in which coverage plan 2 becomes applicable to the member,  
19 except that:

20 A. from July 1, 2013 through June 30, 2014, the  
21 member contribution rate shall be ten and sixty-five hundredths  
22 percent of the member's salary;

23 B. from July 1, 2014 through June 30, 2015, the  
24 member contribution rate shall be eleven and fifteen-hundredths  
25 percent of the member's salary; and

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1           C. from July 1, 2015 through June 30, 2016, the  
2 member contribution rate shall be eleven and sixty-five  
3 hundredths percent of salary."

4           SECTION 21. Section 10-11-55 NMSA 1978 (being Laws 1987,  
5 Chapter 253, Section 55) is amended to read:

6           "10-11-55. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 2--  
7 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--An affiliated  
8 public employer shall contribute [~~nine~~] twelve and [~~fifteen~~  
9 ~~one-hundredths~~] fifteen-hundredths percent of the salary of  
10 each member [~~which~~] whom it employs and who is covered under  
11 municipal general member coverage plan 2, except that:

12           A. from July 1, 2013 through June 30, 2014, the  
13 affiliated public employer contribution rate shall be ten and  
14 sixty-five hundredths percent of the salary of each member;

15           B. from July 1, 2014 through June 30, 2015, the  
16 affiliated public employer contribution rate shall be eleven  
17 and fifteen-hundredths percent of the salary of each member;  
18 and

19           C. from July 1, 2015 through June 30, 2016, the  
20 affiliated public employer contribution rate shall be eleven  
21 and sixty-five hundredths percent of the salary of each  
22 member."

23           SECTION 22. Section 10-11-55.5 NMSA 1978 (being Laws  
24 1993, Chapter 58, Section 5) is amended to read:

25           "10-11-55.5. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 3--

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1 MEMBER CONTRIBUTION RATE.--A member under municipal general  
2 member coverage plan 3 shall contribute [~~thirteen and fifteen~~  
3 ~~one-hundredths~~] sixteen and fifteen-hundredths percent of  
4 salary starting with the first full pay period in the calendar  
5 month in which coverage plan 3 becomes applicable to the  
6 member, except that:

7 A. from July 1, 2013 through June 30, 2014, the  
8 member contribution rate shall be fourteen and sixty-five  
9 hundredths percent of the member's salary;

10 B. from July 1, 2014 through June 30, 2015, the  
11 member contribution rate shall be fifteen and fifteen-  
12 hundredths percent of the member's salary; and

13 C. from July 1, 2015 through June 30, 2016, the  
14 member contribution rate shall be fifteen and sixty-five  
15 hundredths percent of salary."

16 SECTION 23. Section 10-11-55.6 NMSA 1978 (being Laws  
17 1993, Chapter 58, Section 6) is amended to read:

18 "10-11-55.6. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 3--  
19 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--An affiliated  
20 public employer shall contribute [~~nine~~] twelve and [~~fifteen~~  
21 ~~one-hundredths~~] fifteen-hundredths percent of the salary of  
22 each member it employs and who is covered under municipal  
23 general member coverage plan 3, except that:

24 A. from July 1, 2013 through June 30, 2014, the  
25 affiliated public employer contribution rate shall be ten and

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1 sixty-five hundredths percent of the salary of each member;

2 B. from July 1, 2014 through June 30, 2015, the  
3 affiliated public employer contribution rate shall be eleven  
4 and fifteen-hundredths percent of the salary of each member;  
5 and

6 C. from July 1, 2015 through June 30, 2016, the  
7 affiliated public employer contribution rate shall be eleven  
8 and sixty-five hundredths percent of the salary of each  
9 member."

10 SECTION 24. Section 10-11-55.11 NMSA 1978 (being Laws  
11 1998, Chapter 106, Section 5) is amended to read:

12 "10-11-55.11. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 4--  
13 MEMBER CONTRIBUTION RATE.--A member under municipal general  
14 member coverage plan 4 shall contribute [~~fifteen and sixty-five~~  
15 ~~hundredths~~] eighteen and sixty-five hundredths percent of  
16 salary starting with the first full pay period in the calendar  
17 month in which coverage plan 4 becomes applicable to the  
18 member, except that:

19 A. from July 1, 2013 through June 30, 2014, the  
20 member contribution rate shall be seventeen and fifteen-  
21 hundredths percent of the member's salary;

22 B. from July 1, 2014 through June 30, 2015, the  
23 member contribution rate shall be seventeen and sixty-five  
24 hundredths percent of the member's salary; and

25 C. from July 1, 2015 through June 30, 2016, the

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1 member contribution rate shall be eighteen and fifteen-  
2 hundredths percent of salary."

3 SECTION 25. Section 10-11-55.12 NMSA 1978 (being Laws  
4 1998, Chapter 106, Section 6) is amended to read:

5 "10-11-55.12. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 4--  
6 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--An affiliated  
7 public employer shall contribute [~~eleven~~] fourteen and sixty-  
8 five hundredths percent of the salary of each member it employs  
9 and who is covered under municipal general member coverage plan  
10 4, except that:

11 A. from July 1, 2013 through June 30, 2014, the  
12 affiliated public employer contribution rate shall be thirteen  
13 and fifteen-hundredths percent of the salary of each member;

14 B. from July 1, 2014 through June 30, 2015, the  
15 affiliated public employer contribution rate shall be thirteen  
16 and sixty-five hundredths percent of the salary of each member;

17 and

18 C. from July 1, 2015 through June 30, 2016, the  
19 affiliated public employer contribution rate shall be fourteen  
20 and fifteen-hundredths percent of the salary of each member."

21 SECTION 26. Section 10-11-60 NMSA 1978 (being Laws 1987,  
22 Chapter 253, Section 60) is amended to read:

23 "10-11-60. MUNICIPAL POLICE MEMBER COVERAGE PLAN 1--  
24 MEMBER CONTRIBUTION RATE.--A member under municipal police  
25 member coverage plan 1 shall contribute [~~seven~~] ten percent of

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1 salary, except that:

2 A. from July 1, 2013 through June 30, 2014, the  
3 member contribution rate shall be eight and one-half percent of  
4 the member's salary;

5 B. from July 1, 2014 through June 30, 2015, the  
6 member contribution rate shall be nine percent of the member's  
7 salary; and

8 C. from July 1, 2015 through June 30, 2016, the  
9 member contribution rate shall be nine and one-half percent of  
10 salary."

11 SECTION 27. Section 10-11-61 NMSA 1978 (being Laws 1987,  
12 Chapter 253, Section 61) is amended to read:

13 "10-11-61. MUNICIPAL POLICE MEMBER COVERAGE PLAN 1--  
14 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated  
15 public employer shall contribute [~~ten~~] thirteen percent of the  
16 salary of each member [~~which~~] whom it employs and who is  
17 covered under municipal police member coverage plan 1, except  
18 that:

19 A. from July 1, 2013 through June 30, 2014, the  
20 affiliated public employer contribution rate shall be eleven  
21 and one-half percent of the salary of each member;

22 B. from July 1, 2014 through June 30, 2015, the  
23 affiliated public employer contribution rate shall be twelve  
24 percent of the salary of each member; and

25 C. from July 1, 2015 through June 30, 2016, the

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1 affiliated public employer contribution rate shall be twelve  
2 and one-half percent of the salary of each member."

3 SECTION 28. Section 10-11-66 NMSA 1978 (being Laws 1987,  
4 Chapter 253, Section 66) is amended to read:

5 "10-11-66. MUNICIPAL POLICE MEMBER COVERAGE PLAN 2--  
6 MEMBER CONTRIBUTION RATE.--A member under municipal police  
7 member coverage plan 2 shall contribute [~~seven~~] ten percent of  
8 salary, except that:

9 A. from July 1, 2013 through June 30, 2014, the  
10 member contribution rate shall be eight and one-half percent of  
11 the member's salary;

12 B. from July 1, 2014 through June 30, 2015, the  
13 member contribution rate shall be nine percent of the member's  
14 salary; and

15 C. from July 1, 2015 through June 30, 2016, the  
16 member contribution rate shall be nine and one-half percent of  
17 salary."

18 SECTION 29. Section 10-11-67 NMSA 1978 (being Laws 1987,  
19 Chapter 253, Section 67) is amended to read:

20 "10-11-67. MUNICIPAL POLICE MEMBER COVERAGE PLAN 2--  
21 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated  
22 public employer shall contribute [~~fifteen~~] eighteen percent of  
23 the salary of each member [~~which~~] whom it employs and who is  
24 covered under municipal police member coverage plan 2, except  
25 that:

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1           A. from July 1, 2013 through June 30, 2014, the  
2 affiliated public employer contribution rate shall be sixteen  
3 and one-half percent of the salary of each member;

4           B. from July 1, 2014 through June 30, 2015, the  
5 affiliated public employer contribution rate shall be seventeen  
6 percent of the salary of each member; and

7           C. from July 1, 2015 through June 30, 2016, the  
8 affiliated public employer contribution rate shall be seventeen  
9 and one-half percent of the salary of each member."

10           SECTION 30. Section 10-11-72 NMSA 1978 (being Laws 1987,  
11 Chapter 253, Section 72) is amended to read:

12           "10-11-72. MUNICIPAL POLICE MEMBER COVERAGE PLAN 3--  
13 MEMBER CONTRIBUTION RATE.--A member under municipal police  
14 member coverage plan 3 shall contribute [~~seven~~] ten percent of  
15 salary, except that:

16           A. from July 1, 2013 through June 30, 2014, the  
17 member contribution rate shall be eight and one-half percent of  
18 the member's salary;

19           B. from July 1, 2014 through June 30, 2015, the  
20 member contribution rate shall be nine percent of the member's  
21 salary; and

22           C. from July 1, 2015 through June 30, 2016, the  
23 member contribution rate shall be nine and one-half percent of  
24 salary."

25           SECTION 31. Section 10-11-73 NMSA 1978 (being Laws 1987,

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1 Chapter 253, Section 73) is amended to read:

2 "10-11-73. MUNICIPAL POLICE MEMBER COVERAGE PLAN 3--  
3 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated  
4 public employer shall contribute [~~eighteen~~] twenty-one and one-  
5 half percent of the salary of each member [~~which~~] whom it  
6 employs and who is covered under [~~coverage~~] municipal police  
7 member coverage plan 3, except that:

8 A. from July 1, 2013 through June 30, 2014, the  
9 affiliated public employer contribution rate shall be twenty  
10 percent of the salary of each member;

11 B. from July 1, 2014 through June 30, 2015, the  
12 affiliated public employer contribution rate shall be twenty  
13 and one-half percent of the salary of each member; and

14 C. from July 1, 2015 through June 30, 2016, the  
15 affiliated public employer contribution rate shall be twenty-  
16 one percent of the salary of each member."

17 SECTION 32. Section 10-11-78 NMSA 1978 (being Laws 1987,  
18 Chapter 253, Section 78) is amended to read:

19 "10-11-78. MUNICIPAL POLICE MEMBER COVERAGE PLAN 4--  
20 MEMBER CONTRIBUTION RATE.--A member under municipal police  
21 member coverage plan 4 shall contribute [~~twelve and thirty-five~~  
22 ~~one-hundredths~~] fifteen and thirty-five hundredths percent of  
23 salary starting with the first full pay period in the calendar  
24 month in which municipal police member coverage plan 4 becomes  
25 applicable to the member, except that:

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1           A. from July 1, 2013 through June 30, 2014, the  
2 member contribution rate shall be thirteen and eighty-five  
3 hundredths percent of the member's salary;

4           B. from July 1, 2014 through June 30, 2015, the  
5 member contribution rate shall be fourteen and thirty-five  
6 hundredths percent of the member's salary; and

7           C. from July 1, 2015 through June 30, 2016, the  
8 member contribution rate shall be fourteen and eighty-five  
9 hundredths percent of salary."

10           SECTION 33. Section 10-11-79 NMSA 1978 (being Laws 1987,  
11 Chapter 253, Section 79) is amended to read:

12           "10-11-79. MUNICIPAL POLICE MEMBER COVERAGE PLAN 4--  
13 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated  
14 public employer shall contribute [~~eighteen~~] twenty-one and one-  
15 half percent of the salary of each member [~~which~~] whom it  
16 employs and who is covered under municipal police member  
17 coverage plan 4, except that:

18           A. from July 1, 2013 through June 30, 2014, the  
19 affiliated public employer contribution rate shall be twenty  
20 percent of the salary of each member;

21           B. from July 1, 2014 through June 30, 2015, the  
22 affiliated public employer contribution rate shall be twenty  
23 and one-half percent of the salary of each member; and

24           C. from July 1, 2015 through June 30, 2016, the  
25 affiliated public employer contribution rate shall be

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1 twenty-one percent of the salary of each member."

2 SECTION 34. Section 10-11-84 NMSA 1978 (being Laws 1987,  
3 Chapter 253, Section 84) is amended to read:

4 "10-11-84. MUNICIPAL POLICE MEMBER COVERAGE PLAN 5--  
5 MEMBER CONTRIBUTION RATE.--A member under municipal police  
6 member coverage plan 5 shall contribute [~~sixteen and three-~~  
7 ~~tenths~~] nineteen and three-tenths percent of salary starting  
8 with the first full pay period in the calendar month in which  
9 municipal police member coverage plan 5 becomes applicable to  
10 the member, except that:

11 A. from July 1, 2013 through June 30, 2014, the  
12 member contribution rate shall be seventeen and eight-tenths  
13 percent of the member's salary;

14 B. from July 1, 2014 through June 30, 2015, the  
15 member contribution rate shall be eighteen and three-tenths  
16 percent of the member's salary; and

17 C. from July 1, 2015 through June 30, 2016, the  
18 member contribution rate shall be eighteen and eight-tenths  
19 percent of salary."

20 SECTION 35. Section 10-11-85 NMSA 1978 (being Laws 1987,  
21 Chapter 253, Section 85) is amended to read:

22 "10-11-85. MUNICIPAL POLICE MEMBER COVERAGE PLAN 5--  
23 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated  
24 public employer shall contribute [~~eighteen~~] twenty-one and one-  
25 half percent of the salary of each member [~~which~~] whom it

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1 employs and who is covered under municipal police member  
2 coverage plan 5, except that:

3 A. from July 1, 2013 through June 30, 2014, the  
4 affiliated public employer contribution rate shall be twenty  
5 percent of the salary of each member;

6 B. from July 1, 2014 through June 30, 2015, the  
7 affiliated public employer contribution rate shall be twenty  
8 and one-half percent of the salary of each member; and

9 C. from July 1, 2015 through June 30, 2016, the  
10 affiliated public employer contribution rate shall be  
11 twenty-one percent of the salary of each member."

12 SECTION 36. Section 10-11-90 NMSA 1978 (being Laws 1987,  
13 Chapter 253, Section 90, as amended) is amended to read:

14 "10-11-90. MUNICIPAL FIRE MEMBER COVERAGE PLAN 1--MEMBER  
15 CONTRIBUTION RATE.--A member under municipal fire member  
16 coverage plan 1 shall contribute [~~eight~~] eleven percent of  
17 salary, except that:

18 A. from July 1, 2013 through June 30, 2014, the  
19 member contribution rate shall be nine and one-half percent of  
20 the member's salary;

21 B. from July 1, 2014 through June 30, 2015, the  
22 member contribution rate shall be ten percent of the member's  
23 salary; and

24 C. from July 1, 2015 through June 30, 2016, the  
25 member contribution rate shall be ten and one-half percent of

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1 salary."

2 SECTION 37. Section 10-11-91 NMSA 1978 (being Laws 1987,  
3 Chapter 253, Section 91, as amended) is amended to read:

4 "10-11-91. MUNICIPAL FIRE MEMBER COVERAGE PLAN 1--  
5 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated  
6 public employer shall contribute [~~eleven~~] fourteen percent of  
7 the salary of each member whom it employs and covers under  
8 municipal fire member coverage plan 1, except that:

9 A. from July 1, 2013 through June 30, 2014, the  
10 affiliated public employer contribution rate shall be twelve  
11 and one-half percent of the salary of each member;

12 B. from July 1, 2014 through June 30, 2015, the  
13 affiliated public employer contribution rate shall be thirteen  
14 percent of the salary of each member; and

15 C. from July 1, 2015 through June 30, 2016, the  
16 affiliated public employer contribution rate shall be thirteen  
17 and one-half percent of the salary of each member."

18 SECTION 38. Section 10-11-96 NMSA 1978 (being Laws 1987,  
19 Chapter 253, Section 96, as amended) is amended to read:

20 "10-11-96. MUNICIPAL FIRE MEMBER COVERAGE PLAN 2--MEMBER  
21 CONTRIBUTION RATE.--A member under municipal fire member  
22 coverage plan 2 shall contribute [~~eight~~] eleven percent of  
23 salary, except that:

24 A. from July 1, 2013 through June 30, 2014, the  
25 member contribution rate shall be nine and one-half percent of

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1 the member's salary;

2 B. from July 1, 2014 through June 30, 2015, the  
3 member contribution rate shall be ten percent of the member's  
4 salary; and

5 C. from July 1, 2015 through June 30, 2016, the  
6 member contribution rate shall be ten and one-half percent of  
7 salary."

8 SECTION 39. Section 10-11-97 NMSA 1978 (being Laws 1987,  
9 Chapter 253, Section 97, as amended) is amended to read:

10 "10-11-97. MUNICIPAL FIRE MEMBER COVERAGE PLAN 2--  
11 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated  
12 public employer shall contribute [~~seventeen~~] twenty and one-  
13 half percent of the salary of each member whom it employs and  
14 covers under municipal fire member coverage plan 2, except  
15 that:

16 A. from July 1, 2013 through June 30, 2014, the  
17 affiliated public employer contribution rate shall be nineteen  
18 percent of the salary of each member;

19 B. from July 1, 2014 through June 30, 2015, the  
20 affiliated public employer contribution rate shall be nineteen  
21 and one-half percent of the salary of each member; and

22 C. from July 1, 2015 through June 30, 2016, the  
23 affiliated public employer contribution rate shall be twenty  
24 percent of the salary of each member."

25 SECTION 40. Section 10-11-102 NMSA 1978 (being Laws 1987,

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1 Chapter 253, Section 102, as amended) is amended to read:

2 "10-11-102. MUNICIPAL FIRE MEMBER COVERAGE PLAN 3--MEMBER  
3 CONTRIBUTION RATE.--A member under municipal fire member  
4 coverage plan 3 shall contribute [~~eight~~] eleven percent of  
5 salary, except that:

6 A. from July 1, 2013 through June 30, 2014, the  
7 member contribution rate shall be nine and one-half percent of  
8 the member's salary;

9 B. from July 1, 2014 through June 30, 2015, the  
10 member contribution rate shall be ten percent of the member's  
11 salary; and

12 C. from July 1, 2015 through June 30, 2016, the  
13 member contribution rate shall be ten and one-half percent of  
14 salary."

15 SECTION 41. Section 10-11-103 NMSA 1978 (being Laws 1987,  
16 Chapter 253, Section 103, as amended) is amended to read:

17 "10-11-103. MUNICIPAL FIRE MEMBER COVERAGE PLAN 3--  
18 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated  
19 public employer shall contribute [~~twenty-one~~] twenty-four and  
20 twenty-five [~~one-hundredths~~] hundredths percent of the salary  
21 of each member whom it employs and covers under municipal fire  
22 member coverage plan 3, except that:

23 A. from July 1, 2013 through June 30, 2014, the  
24 affiliated public employer contribution rate shall be twenty-  
25 two and seventy-five hundredths percent of the salary of each

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1 member;

2 B. from July 1, 2014 through June 30, 2015, the  
3 affiliated public employer contribution rate shall be twenty-  
4 three and twenty-five hundredths percent of the salary of each  
5 member; and

6 C. from July 1, 2015 through June 30, 2016, the  
7 affiliated public employer contribution rate shall be twenty-  
8 three and seventy-five hundredths percent of the salary of each  
9 member."

10 SECTION 42. Section 10-11-108 NMSA 1978 (being Laws 1987,  
11 Chapter 253, Section 108, as amended) is amended to read:

12 "10-11-108. MUNICIPAL FIRE MEMBER COVERAGE PLAN 4--MEMBER  
13 CONTRIBUTION RATE.--A member under municipal fire member  
14 coverage plan 4 shall contribute [~~twelve and eight-tenths~~]  
15 fifteen and eight-tenths percent of salary, except that:

16 A. from July 1, 2013 through June 30, 2014, the  
17 member contribution rate shall be fourteen and three-tenths  
18 percent of the member's salary;

19 B. from July 1, 2014 through June 30, 2015, the  
20 member contribution rate shall be fourteen and eight-tenths  
21 percent of the member's salary; and

22 C. from July 1, 2015 through June 30, 2016, the  
23 member contribution rate shall be fifteen and three-tenths  
24 percent of salary."

25 SECTION 43. Section 10-11-109 NMSA 1978 (being Laws 1987,

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1 Chapter 253, Section 109, as amended) is amended to read:

2 "10-11-109. MUNICIPAL FIRE MEMBER COVERAGE PLAN 4--  
3 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated  
4 public employer shall contribute [~~twenty-one~~] twenty-four and  
5 twenty-five [~~one-hundredths~~] hundredths percent of the salary  
6 of each member whom it employs and covers under municipal fire  
7 member coverage plan 4, except that:

8 A. from July 1, 2013 through June 30, 2014, the  
9 affiliated public employer contribution rate shall be twenty-  
10 two and seventy-five hundredths percent of the salary of each  
11 member;

12 B. from July 1, 2014 through June 30, 2015, the  
13 affiliated public employer contribution rate shall be twenty-  
14 three and twenty-five hundredths percent of the salary of each  
15 member; and

16 C. from July 1, 2015 through June 30, 2016, the  
17 affiliated public employer contribution rate shall be twenty-  
18 three and seventy-five hundredths percent of the salary of each  
19 member."

20 SECTION 44. Section 10-11-114 NMSA 1978 (being Laws 1987,  
21 Chapter 253, Section 114, as amended) is amended to read:

22 "10-11-114. MUNICIPAL FIRE MEMBER COVERAGE PLAN 5--MEMBER  
23 CONTRIBUTION RATE.--A member under municipal fire member  
24 coverage plan 5 shall contribute [~~sixteen and two-tenths~~]  
25 nineteen and two-tenths percent of salary, except that:

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1           A. from July 1, 2013 through June 30, 2014, the  
2 member contribution rate shall be seventeen and seven-tenths  
3 percent of the member's salary;

4           B. from July 1, 2014 through June 30, 2015, the  
5 member contribution rate shall be eighteen and two-tenths  
6 percent of the member's salary; and

7           C. from July 1, 2015 through June 30, 2016, the  
8 member contribution rate shall be eighteen and seven-tenths  
9 percent of salary."

10           SECTION 45. Section 10-11-115 NMSA 1978 (being Laws 1987,  
11 Chapter 253, Section 115, as amended) is amended to read:

12           "10-11-115. MUNICIPAL FIRE MEMBER COVERAGE PLAN 5--  
13 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated  
14 public employer shall contribute [~~twenty-one~~] twenty-four and  
15 twenty-five [~~one-hundredths~~] hundredths percent of the salary  
16 of each member whom it employs and covers under municipal fire  
17 member coverage plan 5, except that:

18           A. from July 1, 2013 through June 30, 2014, the  
19 affiliated public employer contribution rate shall be twenty-  
20 two and seventy-five hundredths percent of the salary of each  
21 member;

22           B. from July 1, 2014 through June 30, 2015, the  
23 affiliated public employer contribution rate shall be twenty-  
24 three and twenty-five hundredths percent of the salary of each  
25 member; and

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1           C. from July 1, 2015 through June 30, 2016, the  
2 affiliated public employer contribution rate shall be twenty-  
3 three and seventy-five hundredths percent of the salary of each  
4 member."

5           SECTION 46. Section 10-11-115.5 NMSA 1978 (being Laws  
6 2003, Chapter 268, Section 6) is amended to read:

7           "10-11-115.5. MUNICIPAL DETENTION OFFICER MEMBER COVERAGE  
8 PLAN 1--MEMBER CONTRIBUTION RATE.--A member under municipal  
9 detention officer member coverage plan 1 shall contribute  
10 [~~sixteen and sixty-five hundredths~~] nineteen and sixty-five  
11 hundredths percent of salary starting with the first full pay  
12 period that ends within the calendar month in which municipal  
13 detention officer member coverage plan 1 becomes applicable to  
14 the member, except that:

15           A. from July 1, 2013 through June 30, 2014, the  
16 member contribution rate shall be eighteen and fifteen-  
17 hundredths percent of the member's salary;

18           B. from July 1, 2014 through June 30, 2015, the  
19 member contribution rate shall be eighteen and sixty-five  
20 hundredths percent of the member's salary; and

21           C. from July 1, 2015 through June 30, 2016, the  
22 member contribution rate shall be nineteen and fifteen-  
23 hundredths percent of salary."

24           SECTION 47. Section 10-11-115.6 NMSA 1978 (being Laws  
25 2003, Chapter 268, Section 7) is amended to read:

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1 "10-11-115.6. MUNICIPAL DETENTION OFFICER MEMBER COVERAGE  
2 PLAN 1--EMPLOYER CONTRIBUTION RATE.--The affiliated public  
3 employer shall contribute [~~sixteen~~] nineteen and sixty-five  
4 hundredths percent of the salary of each member under municipal  
5 detention officer member coverage plan 1 starting with the  
6 first pay period that ends within the calendar month in which  
7 municipal detention officer member coverage plan 1 becomes  
8 applicable to the member, except that:

9 A. from July 1, 2013 through June 30, 2014, the  
10 affiliated public employer contribution rate shall be eighteen  
11 and fifteen-hundredths percent of the salary of each member;

12 B. from July 1, 2014 through June 30, 2015, the  
13 affiliated public employer contribution rate shall be eighteen  
14 and sixty-five hundredths percent of the salary of each member;  
15 and

16 C. from July 1, 2015 through June 30, 2016, the  
17 affiliated public employer contribution rate shall be nineteen  
18 and fifteen-hundredths percent of the salary of each member."

19 SECTION 48. Section 10-11-123 NMSA 1978 (being Laws 1987,  
20 Chapter 253, Section 123) is amended to read:

21 "10-11-123. FUNDS OF ASSOCIATION.--

22 A. The accounting funds of the association are the  
23 "member contribution fund", "employers accumulation fund",  
24 "retirement reserve fund", [~~and~~] "income fund" and "pension  
25 investment plan accumulation fund". The maintenance of

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1 separate accounting funds shall not require the actual  
2 segregation of the assets of the association among the various  
3 funds.

4 B. The accounting funds provided for in Subsection  
5 A of this section are trust funds and shall be used only for  
6 the purposes provided in the Public Employees Retirement Act."

7 SECTION 49. Section 10-11-129 NMSA 1978 (being Laws 1987,  
8 Chapter 253, Section 129) is amended to read:

9 "10-11-129. DISTRIBUTION OF INCOME FUND.--The association  
10 shall at least annually distribute all or a portion of the  
11 balance in the income fund to the member contribution fund, the  
12 retirement reserve fund, ~~and~~ the employer accumulation fund  
13 and the pension investment plan accumulation fund.

14 Distribution rates shall be determined by the retirement board  
15 and may vary by fund."

16 SECTION 50. EFFECTIVE DATE.--The effective date of the  
17 provisions of this act is July 1, 2013.