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HOUSE BILL 43

**52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016**

INTRODUCED BY

William "Bill" R. Rehm

AN ACT

RELATING TO PUBLIC EMPLOYEES; AMENDING THE PUBLIC EMPLOYEES  
RETIREMENT ACT AND PUBLIC EMPLOYER GROUP INSURANCE PROVISIONS;  
REQUIRING THAT AN AFFILIATED PUBLIC EMPLOYER PAY CERTAIN  
EMPLOYEES' MEMBER CONTRIBUTIONS AND GROUP INSURANCE  
CONTRIBUTIONS IF THE EMPLOYEE SUSTAINS A NON-ADMINISTRATIVE  
WORK-RELATED INJURY RENDERING THE EMPLOYEE ABSENT FROM WORK ON  
APPROVED WORKERS' COMPENSATION LEAVE.

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,

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1 counties and political subdivisions of the state with twenty-  
2 five employees or fewer, shall cooperate in providing group  
3 term life, medical or disability income insurance for the  
4 benefit of eligible employees or salaried officers of the  
5 respective departments, institutions and political  
6 subdivisions.

7 B. The group insurance contributions of the state  
8 or any of its departments or institutions, including  
9 institutions of higher education and the public schools, shall  
10 be made as follows:

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

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

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

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

25 C. Effective July 1, 2004, the group insurance

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1 contributions of the state or any of its executive, judicial or  
2 legislative departments, including agencies, boards or  
3 commissions, shall be made as follows; provided that the  
4 contribution percentage shall be the same for all affected  
5 public employees in a given salary bracket:

6 (1) up to eighty percent of the cost of the  
7 insurance of an employee whose annual salary is less than  
8 thirty thousand dollars (\$30,000);

9 (2) up to seventy percent of the cost of the  
10 insurance of an employee whose annual salary is thirty thousand  
11 dollars (\$30,000) or more but less than forty thousand dollars  
12 (\$40,000); and

13 (3) up to sixty percent of the cost of the  
14 insurance of an employee whose annual salary is forty thousand  
15 dollars (\$40,000) or more.

16 D. Except as provided in Subsection G of this  
17 section, effective July 1, 2005, the group insurance  
18 contributions of the state or any of its executive, judicial or  
19 legislative departments, including agencies, boards or  
20 commissions, shall be made as follows; provided that the  
21 contribution percentage shall be the same for all affected  
22 public employees in a given salary bracket:

23 (1) up to eighty percent of the cost of the  
24 insurance of an employee whose annual salary is less than fifty  
25 thousand dollars (\$50,000);

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1 (2) up to seventy percent of the cost of the  
2 insurance of an employee whose annual salary is fifty thousand  
3 dollars (\$50,000) or more but less than sixty thousand dollars  
4 (\$60,000); and

5 (3) up to sixty percent of the cost of the  
6 insurance of an employee whose annual salary is sixty thousand  
7 dollars (\$60,000) or more.

8 E. Effective July 1, 2013, the employer shall pay  
9 one hundred percent of basic life insurance premiums for  
10 employees, and employees who choose to carry disability  
11 insurance shall pay one hundred percent of the premium.

12 F. The state shall not make any group insurance  
13 contributions for legislators. A legislator shall be eligible  
14 for group benefits only if the legislator contributes one  
15 hundred percent of the cost of the insurance.

16 G. An employer shall pay one hundred percent of the  
17 employee group insurance contributions due and payable on or  
18 after July 1, 2016 for an employee who is injured while  
19 performing a public safety function or duty and, as a result of  
20 the injury, is placed on approved workers' compensation leave.

21 [~~G.~~] H. As used in this section, "cost of the  
22 insurance" means the premium required to be paid to provide  
23 coverages. Any contributions of the political subdivisions of  
24 the state, except the public schools and political subdivisions  
25 of the state with twenty-five employees or fewer, shall not

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1 exceed sixty percent of the cost of the insurance.

2           ~~[H.]~~ I. When a public employee elects to  
3 participate in a cafeteria plan as authorized by the Cafeteria  
4 Plan Act and enters into a salary reduction agreement with the  
5 governmental employer, the provisions of Subsections B through  
6 F of this section with respect to the maximum contributions  
7 that can be made by the employer are not violated and will  
8 still apply. The employer percentage or dollar contributions  
9 as provided in Subsections B through D of this section shall be  
10 determined by the employee's gross salary prior to any salary  
11 reduction agreement.

12           ~~[I.]~~ J. Any group medical insurance plan offered  
13 pursuant to this section shall include effective cost-  
14 containment measures to control the growth of health care  
15 costs. The responsible public body that administers a plan  
16 offered pursuant to this section shall report annually by  
17 September 1 to appropriate interim legislative committees on  
18 the effectiveness of the cost-containment measures required by  
19 this subsection.

20           ~~[J.]~~ K. Within available revenue, school districts,  
21 charter schools, participating entities pursuant to the Public  
22 School Insurance Authority Act and institutions of higher  
23 education may contribute up to eighty percent of the cost of  
24 the insurance of all employees."

25           **SECTION 2.** A new section of the Public Employees

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1 Retirement Act is enacted to read:

2 "[NEW MATERIAL] SERVICE CREDIT FOR CERTAIN INJURED MEMBERS  
3 ON APPROVED WORKERS' COMPENSATION LEAVE.--

4 A. A member whose affiliated public employer has  
5 provided written certification to the association, in the form  
6 and manner prescribed by the association, that the employee was  
7 injured while performing a work-related function or duty in an  
8 inherently dangerous location or under inherently dangerous  
9 circumstances and that the member is absent from work and has  
10 been placed on approved workers' compensation leave as a result  
11 of the injury shall accrue service credit for the period of  
12 absence from work while on workers' compensation leave;  
13 provided that:

14 (1) the member is a peace officer covered  
15 pursuant to state general member coverage plan 3; a state  
16 police member; an adult correctional officer member; a  
17 municipal fire member; a municipal police member; or a  
18 municipal detention officer member;

19 (2) the member retains membership in the  
20 association during the period of absence from work on approved  
21 workers' compensation leave; and

22 (3) the member's affiliated public employer  
23 pays the injured employee's member contributions as well as the  
24 employer contributions and remits to the association the total  
25 amount of employee and employer contributions that would have

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