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HOUSE BILL 45

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

Tomás E. Salazar and Raymundo Lara

ENDORSED BY THE INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

AN ACT

RELATING TO RETIREE HEALTH CARE; INCREASING EMPLOYEE AND
EMPLOYER CONTRIBUTION RATES TO THE RETIREE HEALTH CARE FUND;
TRANSFERRING MONEY TO THE RETIREE HEALTH CARE FUND; MAKING AN
APPROPRIATION.

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

SECTION 1. Section 10-7C-15 NMSA 1978 (being Laws 1990,
Chapter 6, Section 15, as amended by Laws 2009, Chapter 287,
Section 2 and by Laws 2009, Chapter 288, Section 3) is amended
to read:

"10-7C-15. RETIREE HEALTH CARE FUND CONTRIBUTIONS.--

A. Following completion of the preliminary
contribution period, each participating employer shall make
contributions to the fund pursuant to the following provisions:

(1) for participating employees who are not

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1 members of an enhanced retirement plan, the employer's
2 contribution shall equal

3 ~~[(a) one and three-tenths percent of~~
4 ~~each participating employee's salary for the period from July~~
5 ~~1, 2002 through June 30, 2010~~

6 ~~(b) one and six hundred sixty-six~~
7 ~~thousandths percent of each participating employee's salary for~~
8 ~~the period from July 1, 2010 through June 30, 2011;~~

9 ~~(c) one and eight hundred thirty-four~~
10 ~~thousandths percent of each participating employee's salary for~~
11 ~~the period from July 1, 2011 through June 30, 2012; and~~

12 ~~(d)] two and thirty-three hundredths~~
13 ~~percent of each participating employee's salary [beginning July~~
14 ~~1, 2012];~~

15 (2) for participating employees who are
16 members of an enhanced retirement plan, the employer's
17 contribution shall equal:

18 ~~[(a) one and three-tenths percent of~~
19 ~~each participating employee's salary for the period from July~~
20 ~~1, 2002 through June 30, 2010~~

21 ~~(b) two and eighty-four thousandths~~
22 ~~percent of each participating employee's salary for the period~~
23 ~~from July 1, 2010 through June 30, 2011;~~

24 ~~(c) two and two hundred ninety-two~~
25 ~~thousandths percent of each participating employee's salary for~~

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1 ~~the period from July 1, 2011 through June 30, 2012; and~~

2 ~~(d)] two and [one-half] ninety-three~~
3 ~~hundredths percent of each participating employee's salary~~
4 ~~[beginning July 1, 2012]; and~~

5 (3) each employer that chooses to become a
6 participating employer after January 1, 1998 shall make
7 contributions to the fund in the amount determined to be
8 appropriate by the board.

9 B. Following completion of the preliminary
10 contribution period, each participating employee, as a
11 condition of employment, shall contribute to the fund pursuant
12 to the following provisions:

13 (1) for a participating employee who is not a
14 member of an enhanced retirement plan, the employee's
15 contribution shall equal

16 ~~[(a) sixty-five hundredths of one~~
17 ~~percent of the employee's salary for the period from July 1,~~
18 ~~2002 through June 30, 2010~~

19 ~~(b) eight hundred thirty-three~~
20 ~~thousandths of one percent of the employee's salary for the~~
21 ~~period from July 1, 2010 through June 30, 2011;~~

22 ~~(c) nine hundred seventeen thousandths~~
23 ~~of one percent of the employee's salary for the period from~~
24 ~~July 1, 2011 through June 30, 2012; and~~

25 ~~(d)] one and seventeen-hundredths percent~~

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1 of the employee's salary [~~beginning July 1, 2012~~];

2 (2) for a participating employee who is a
3 member of an enhanced retirement plan, the employee's
4 contribution shall equal

5 [~~(a) sixty-five hundredths of one~~
6 ~~percent of the employee's salary for the period from July 1,~~
7 ~~2002 through June 30, 2010;~~

8 ~~(b) one and forty-two thousandths~~
9 ~~percent of the employee's salary for the period from July 1,~~
10 ~~2010 through June 30, 2011;~~

11 ~~(c) one and one hundred forty-six~~
12 ~~thousandths percent of the employee's salary for the period~~
13 ~~from July 1, 2011 through June 30, 2012; and~~

14 ~~(d)] one and [one-fourth] forty-seven~~
15 hundredths percent of the employee's salary [~~beginning July 1,~~
16 ~~2012~~]; and

17 (3) as a condition of employment, each
18 participating employee of an employer that chooses to become a
19 participating employer after January 1, 1998 shall contribute
20 to the fund an amount that is determined to be appropriate by
21 the board. Each month, participating employers shall deduct
22 the contribution from the participating employee's salary and
23 shall remit it to the board as provided by any procedures that
24 the board may require.

25 C. [~~On or after July 1, 2009~~] No person who has

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1 obtained service credit pursuant to Subsection B of Section
2 10-11-6 NMSA 1978, Section 10-11-7 NMSA 1978 or Paragraph (3)
3 or (4) of Subsection A of Section 22-11-34 NMSA 1978 may enroll
4 with the authority unless the person makes a contribution to
5 the fund equal to the full actuarial present value of the
6 amount of the increase in the person's health care benefit, as
7 determined by the authority.

8 D. Except for contributions made pursuant to
9 Subsection C of this section, a participating employer that
10 fails to remit before the tenth day after the last day of the
11 month all employer and employee deposits required by the
12 Retiree Health Care Act to be remitted by the employer for the
13 month shall pay to the fund, in addition to the deposits,
14 interest on the unpaid amounts at the rate of six percent per
15 year compounded monthly.

16 E. Except for contributions made pursuant to
17 Subsection C of this section, the employer and employee
18 contributions shall be paid in monthly installments based on
19 the percent of payroll certified by the employer.

20 F. Except in the case of erroneously made
21 contributions or as may be otherwise provided in Subsection D
22 of Section 10-7C-9 NMSA 1978, contributions from participating
23 employers and participating employees shall become the property
24 of the fund on receipt by the board and shall not be refunded
25 under any circumstances, including termination of employment or

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1 termination of the participating employer's operation or
2 participation in the Retiree Health Care Act.

3 G. Notwithstanding any other provision in the
4 Retiree Health Care Act and at the first session of the
5 legislature following July 1, 2013, the legislature shall
6 review and adjust the distributions pursuant to Section
7 [~~7-1-6.1~~] 7-1-6.30 NMSA 1978 and the employer and employee
8 contributions to the authority in order to ensure the actuarial
9 soundness of the benefits provided under the Retiree Health
10 Care Act.

11 H. As used in this section, "member of an enhanced
12 retirement plan" means:

13 (1) a member of the public employees
14 retirement association who, pursuant to the Public Employees
15 Retirement Act, is included in:

- 16 (a) state police member and adult
17 correctional officer member coverage plan 1;
- 18 (b) municipal police member coverage
19 plan 3, 4 or 5;
- 20 (c) municipal fire member coverage plan
21 3, 4 or 5; or
- 22 (d) municipal detention officer member
23 coverage plan 1; or

24 (2) a member pursuant to the provisions of the
25 Judicial Retirement Act."

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SECTION 2. TRANSFER.--Twelve million three hundred
eighty-four thousand two hundred ninety-six dollars
(\$12,384,296) is transferred from the general fund to the
retiree health care fund to restore a portion of the losses to
the retiree health care fund resulting from previous changes to
the distributions received from the tax administration suspense
fund. Any unexpended or unencumbered balance remaining at the
end of a fiscal year shall not revert to the general fund.

SECTION 3. EFFECTIVE DATE.--The effective date of the
provisions of this act is July 1, 2020.