

1 HOUSE BILL 277

2 **55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021**

3 INTRODUCED BY

4 Jason C. Harper

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10 AN ACT

11 RELATING TO PUBLIC EMPLOYEE RETIREMENT; PROVIDING ADDITIONAL  
12 OPTIONS TO CHANGE THE SURVIVOR BENEFICIARY FOR RETIRED MEMBERS  
13 WHO HAVE DESIGNATED A SPOUSE AS A SURVIVOR BENEFICIARY.

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

16 SECTION 1. Section 10-11-116 NMSA 1978 (being Laws 1987,  
17 Chapter 253, Section 116, as amended) is amended to read:

18 "10-11-116. ELECTION OF FORM OF PAYMENT OF A PENSION.--

19 A. Except as otherwise provided in Section  
20 10-11-136 NMSA 1978, a member may elect to have pension payments  
21 made under any one of the forms of payment provided in Section  
22 10-11-117 NMSA 1978. The election of form of payment and naming  
23 of survivor [~~pension~~] beneficiary shall be made on a form  
24 furnished by and filed with the association prior to the date  
25 the first pension payment is made. An election of form of

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1 payment may not be changed after the date the first pension  
2 payment is made. If the member is married, the association  
3 shall obtain the consent of the member's spouse to the election  
4 of the form of payment and any designation of survivor  
5 [~~pension~~] beneficiary before the election or designation is  
6 effective. Except as provided in Subsection C, D or E of this  
7 section, a named survivor [~~pension~~] beneficiary may not be  
8 changed after the date the first pension payment is made if  
9 form of payment B or C is elected. Except as otherwise  
10 provided in Section 10-11-136 NMSA 1978, payment shall be made:

11 (1) under form of payment A if the member is  
12 not married at the time of retirement and if there is not a  
13 timely election of another form of payment; or

14 (2) under form of payment C with the member's  
15 spouse as survivor [~~pension~~] beneficiary if the member is  
16 married at the time of retirement and there is not a timely  
17 election of another form of payment.

18 B. The amount of pension under forms of payment B,  
19 C and D shall have the same actuarial present value, computed  
20 as of the effective date of the pension, as the amount of  
21 pension under form of payment A.

22 C. A retired member who is being paid a pension  
23 under form of payment B or C with the member's spouse as the  
24 designated survivor [~~pension~~] beneficiary may:

25 (1) exercise a one-time irrevocable option to

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1 designate another individual as the survivor beneficiary;

2 provided that:

3 (a) the retired member shall not have an  
4 option to change from the current form of payment;

5 (b) the amount of the pension under the  
6 form of payment selected shall be recalculated and have the  
7 same actuarial present value, computed on the effective date of  
8 the designation, as the amount of pension under form of payment  
9 A;

10 (c) the member's spouse provides a  
11 notarized, written statement expressing the spouse's consent to  
12 relinquish the designation as a survivor beneficiary; and

13 (d) the retired member shall pay one  
14 hundred dollars (\$100) to the retirement board to defray the  
15 cost of determining the new pension amount;

16 (2) upon becoming divorced from the named  
17 spouse and subject to an order of a court as provided for in  
18 Section 10-11-136 NMSA 1978, elect to have future payments made  
19 under form of payment A; or

20 (3) upon becoming divorced from the named  
21 spouse, exercise a one-time irrevocable option to designate  
22 another individual as the survivor beneficiary; provided that:

23 (a) the retired member shall not have an  
24 option to change from the current form of payment;

25 (b) the amount of the pension under the

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1 form of payment selected shall be recalculated and have the  
2 same actuarial present value, computed on the effective date of  
3 the designation, as the amount of pension under form of payment  
4 A;

5 (c) the designation and the amount of  
6 the pension shall be subject to a court order as provided for  
7 in Section 10-11-136 NMSA 1978; and

8 (d) the retired member shall pay one  
9 hundred dollars (\$100) to the retirement board to defray the  
10 cost of determining the new pension amount.

11 D. A retired member who was previously being paid a  
12 pension under form of payment B or C but, because of the death  
13 of the designated survivor [~~pension~~] beneficiary, is currently  
14 receiving a pension under form of payment A may exercise a one-  
15 time irrevocable option to designate another individual as the  
16 survivor [~~pension~~] beneficiary and may select either form of  
17 payment B or form of payment C; provided that:

18 (1) the amount of the pension under the form  
19 of payment selected shall be recalculated and have the same  
20 actuarial present value, computed on the effective date of the  
21 designation, as the amount of pension under form of payment A;

22 (2) the designation and the amount of the  
23 pension shall be subject to a court order as provided for in  
24 Section 10-11-136 NMSA 1978; and

25 (3) the retired member shall pay one hundred

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1 dollars (\$100) to the retirement board to defray the cost of  
2 determining the new pension amount.

3 E. A retired member who is being paid a pension  
4 under form of payment B or C with a living designated survivor  
5 [~~pension~~] beneficiary other than the retired member's spouse or  
6 former spouse may exercise a one-time irrevocable option to  
7 deselect the designated beneficiary and elect to:

8 (1) designate another survivor [~~pension~~]  
9 beneficiary, provided that:

10 (a) the retired member shall not have an  
11 option to change from the current form of payment;

12 (b) the amount of the pension under the  
13 form of payment shall be recalculated and shall have the same  
14 actuarial present value, computed as of the effective date of  
15 the designation, as the amount of pension under form of payment  
16 A; and

17 (c) the retired member shall pay one  
18 hundred dollars (\$100) to the retirement board to defray the  
19 cost of determining the new pension amount; or

20 (2) have future payments made under form of  
21 payment A."

22 SECTION 2. EFFECTIVE DATE.--The effective date of the  
23 provisions of this act is July 1, 2021.

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