

HOUSE BILL 92

55TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2022

INTRODUCED BY

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This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

ENDORSED BY THE COURTS, CORRECTIONS AND JUSTICE COMMITTEE AND THE INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

AN ACT

RELATING TO MAGISTRATE RETIREMENT; ALLOWING FOR THE APPROPRIATION OF MONEY INTO THE MAGISTRATE RETIREMENT FUND; INCREASING CERTAIN SERVICE CREDIT MULTIPLIERS PROVIDED IN THE MAGISTRATE RETIREMENT ACT ~~HAFC~~ **MAKING AN APPROPRIATION** ~~HAFC~~.

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

SECTION 1. Section 10-12C-3 NMSA 1978 (being Laws 1992, Chapter 118, Section 3, as amended) is amended to read:

"10-12C-3. MAGISTRATE RETIREMENT FUND ESTABLISHED--

.221389.2SAAIC February 9, 2022 (3:13pm)

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ADMINISTRATION OF FUND--ACCOUNTING FUNDS.--

A. There is established in the state treasury the "magistrate retirement fund". The fund [~~is comprised~~] consists of appropriations, money received from docket fees of magistrate courts, employer and member contributions and [~~any~~] all income derived from the investment [~~earnings on fees and contributions~~] of the fund. The board is the trustee of the fund and shall administer and invest the fund. Investment of the fund shall be conducted pursuant to the provisions of the Public Employees Retirement Act. The provisions of the Magistrate Retirement Act shall be administered by the board. The board is authorized to promulgate rules. Expenses related to the investment of the fund and administration of the Magistrate Retirement Act shall be paid from the fund.

B. For purposes of this section, the accounting funds shall be known as the "member contribution fund", "employer's accumulation fund", "retirement reserve fund" and "income fund". The maintenance of separate accounting funds shall not require the actual segregation of the assets of the fund.

C. The accounting funds provided for in this section are trust funds and shall be used only for the purposes provided for in the Magistrate Retirement Act.

D. The member contribution fund is the accounting fund in which shall be accumulated contributions of members and

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from which shall be made refunds and transfers of accumulated member contributions as provided in the Magistrate Retirement Act. The member's court shall cause member contributions to be deducted from the salary of the member and shall remit the deducted member contributions to the association in accordance with procedures and schedules established by the association. The association may assess an interest charge and a penalty charge on any late remittance. Each member shall be deemed to consent and agree to the deductions made and provided for in this section. Contributions by members shall be credited to the members' individual accounts in the member contribution fund. A member's accumulated member contributions shall be transferred to the retirement reserve fund when a pension becomes payable.

E. The employer's accumulation fund is the accounting fund in which shall be accumulated the contributions paid by the state through the administrative office of the courts. The state, through the administrative office of the courts, shall remit its contributions to the association in accordance with procedures and schedules established by the association. The board may assess an interest charge and a penalty charge on any late remittance.

F. The retirement reserve fund is the accounting fund from which shall be paid all pensions to retired members and survivor beneficiaries and all residual refunds to refund

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beneficiaries of retired members and survivor beneficiaries.

G. Each year, following receipt of the report of the annual actuarial valuation, the excess, if any, of the reported actuarial present value of pensions being paid and likely to be paid to retired members and survivor beneficiaries and residual refunds likely to be paid to refund beneficiaries of retired members and survivor beneficiaries over the balance in the retirement reserve fund shall be transferred to the retirement reserve fund from the employer's accumulation fund.

H. The income fund is the accounting fund to which shall be credited all interest, dividends, rents and other income from investments of the fund, all gifts and bequests, all unclaimed member contributions and all other money the disposition of which is not specifically provided for in the Magistrate Retirement Act. Expenses related to the administration of the Magistrate Retirement Act shall be paid for from the income fund.

I. The association shall at least annually distribute all or a portion of the balance in the income fund to the member contribution fund, the retirement reserve fund and the employer's accumulation fund. Distribution rates shall be determined by the board and may vary for the respective accounting funds."

SECTION 2. Section 10-12C-9 NMSA 1978 (being Laws 1992, Chapter 118, Section 9, as amended by Laws 2014, Chapter 39,

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Section 6 and by Laws 2014, Chapter 43, Section 6) is amended to read:

"10-12C-9. AMOUNT OF PENSION.--

A. For a magistrate who was a member on June 30, 2014, the monthly pension is an amount equal to the sum of:

(1) for service credit earned on or before June 30, 2014, the amount is equal to one-twelfth of:

seventy-five percent

of salary received (number of years of
during last year in X .05 X service, not exceeding
office prior to fifteen years,
retirement plus five years); and

(2) for service credit earned on and after July 1, 2014, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of three and one-half percent times the sum of the number of years of service.

B. For a magistrate who initially became a member on or after July 1, 2014, the amount of monthly pension is equal to:

(1) for service credit earned on and after July 1, 2014 but on or before June 30, 2022, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous,

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months in office multiplied by the product of three percent times the sum of the number of years of service; or

(2) for service credit earned on and after July 1, 2022, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of three and one-half percent times the sum of the number of years of service.

C. The amount of monthly pension under form of payment A for a pension calculated pursuant to Subsection B of this section shall not exceed eighty-five percent of one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months prior to the member leaving office.

D. The amount of monthly pension payable for a pension calculated pursuant to Subsection A of this section shall not exceed eighty-five percent of one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months prior to the member leaving office. A pension benefit determined pursuant to this subsection shall not be less than the benefit earned as of June 30, 2014."

H AFC → ~~SECTION 3. APPROPRIATION. -- Ten million dollars (\$10,000,000) is appropriated from the general fund to the magistrate retirement fund for expenditure in fiscal year 2023~~

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~~and subsequent fiscal years to address solvency issues related
to the Magistrate Retirement Act. Any unexpended or
unencumbered balance remaining at the end of a fiscal year
shall not revert to the general fund.~~ ←HAFC