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SENATE BILL 36

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

INTRODUCED BY

Mimi Stewart and Natalie Figueroa

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AN ACT

RELATING TO EDUCATIONAL RETIREMENT; INCREASING CERTAIN
CONTRIBUTIONS TO THE EDUCATIONAL RETIREMENT FUND.

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

SECTION 1. Section 22-11-21 NMSA 1978 (being Laws 1967,
Chapter 16, Section 144, as amended) is amended to read:

"22-11-21. CONTRIBUTIONS--MEMBERS--LOCAL ADMINISTRATIVE
UNITS.--

A. Except as provided in Subsection D of this
section, for a member whose annual salary is greater than
twenty-four thousand dollars (\$24,000), the member shall make
contributions to the fund at the rate of ten and seven-tenths
percent of the member's annual salary.

B. For a member whose annual salary is twenty-four
thousand dollars (\$24,000) or less, the member shall make

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1 contributions to the fund at the rate of seven and nine-tenths
2 percent of the member's annual salary.

3 C. Except as provided in Subsection D of this
4 section, each local administrative unit shall make an annual
5 contribution to the fund according to the following schedule:

6 (1) from July 1, 2021 through June 30, 2022,
7 at the rate of fifteen and fifteen-hundredths percent of the
8 annual salary of each member employed by the local
9 administrative unit; [~~and~~]

10 (2) from July 1, 2022 through June 30, 2023,
11 at the rate of seventeen and fifteen-hundredths percent of the
12 annual salary of each member employed by the local
13 administrative unit; and

14 [~~(2)~~] (3) on and after July 1, [~~2022~~] 2023, at
15 the rate of [~~sixteen~~] eighteen and fifteen-hundredths percent
16 of the annual salary of each member employed by the local
17 administrative unit.

18 D. If, in a calendar year, the salary of a member,
19 initially employed by a local administrative unit on or after
20 July 1, 1996, equals the annual compensation limit set pursuant
21 to Section 401(a)(17) of the Internal Revenue Code of 1986, as
22 amended, then:

23 (1) for the remainder of that calendar year,
24 no additional member contributions or local administrative unit
25 contributions for that member shall be made pursuant to this

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1 section; provided that no member shall be denied service credit
2 solely because contributions are not made by the member or on
3 behalf of the member pursuant to this subsection; and

4 (2) the amount of the annual compensation
5 limit shall be divided into four equal portions, and, for
6 purposes of attributing contributory employment and crediting
7 service credit, each portion shall be attributable to one of
8 the four quarters of the calendar year."

9 SECTION 2. Section 22-11-49 NMSA 1978 (being Laws 1991,
10 Chapter 118, Section 7, as amended) is amended to read:

11 "22-11-49. ALTERNATIVE RETIREMENT PLAN--CONTRIBUTIONS.--

12 A. A participant shall contribute an amount equal
13 to the percentage of the participant's salary that the
14 participant would be required to contribute if the participant
15 were, instead, a regular member. The contribution shall be
16 made as provided by the board.

17 B. A qualifying state educational institution shall
18 contribute on behalf of each participant an amount of the
19 participant's salary equal to the contribution that would be
20 required of the employer if the participant were, instead, a
21 regular member. Of that contribution, a sum equal to the
22 following percentage of the annual salary of each participant
23 shall be paid to the fund, and the remainder of the
24 contribution shall be paid to the alternative retirement plan
25 as provided by the board:

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underscored material = new
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1 (1) from July 1, 2021 through June 30, 2022,
2 four and one-fourth percent; ~~[and]~~

3 (2) from July 1, 2022 through June 30, 2023,
4 six and one-fourth percent; and

5 ~~[(2)]~~ (3) on and after July 1, ~~[2022, five]~~
6 2023, seven and one-fourth percent; or

7 ~~[(3)]~~ (4) if, on July 1 following any report
8 by the actuary to the board that concludes that less than that
9 percentage is required to satisfy the unfunded actuarial
10 liability attributable to the participation of the participants
11 in the alternative retirement plan, then the percentage the
12 actuary determines is the minimum required to satisfy that
13 liability.

14 C. Contributions required by this section may be
15 made by a reduction in salary or by a public employer pick-up
16 as provided in the Internal Revenue Code of 1986, as amended."