

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 533

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
AMENDING THE GROUP INSURANCE CONTRIBUTIONS FOR SCHOOL
DISTRICTS, CHARTER SCHOOLS AND PARTICIPATING ENTITIES IN THE
PUBLIC SCHOOL INSURANCE AUTHORITY.

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,
counties and political subdivisions of the state with twenty-
five employees or fewer, shall cooperate in providing group
term life, medical or disability income insurance for the

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1 benefit of eligible employees or salaried officers of the
2 respective departments, institutions and political
3 subdivisions.

4 B. The group insurance contributions of the state
5 or any of its departments or institutions, including
6 institutions of higher education [~~and the public schools~~],
7 shall be made as follows:

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

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

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

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

22 C. The group insurance contributions of school
23 districts and charter schools shall be made as follows:

24 (1) at least eighty percent of the cost of the
25 insurance of an employee whose annual salary is less than fifty

1 thousand dollars (\$50,000);

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

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

9 ~~[G-]~~ D. Effective July 1, 2004, the group insurance
10 contributions of the state or any of its executive, judicial or
11 legislative departments, including agencies, boards or
12 commissions, shall be made as follows; provided that the
13 contribution percentage shall be the same for all affected
14 public employees in a given salary bracket:

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

18 (2) up to seventy percent of the cost of the
19 insurance of an employee whose annual salary is thirty thousand
20 dollars (\$30,000) or more but less than forty thousand dollars
21 (\$40,000); and

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

25 ~~[D-]~~ E. Except as provided in Subsection ~~[G]~~ H of
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1 this section, effective July 1, 2005, the group insurance
2 contributions of the state or any of its executive, judicial or
3 legislative departments, including agencies, boards or
4 commissions, shall be made as follows; provided that the
5 contribution percentage shall be the same for all affected
6 public employees in a given salary bracket:

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

10 (2) up to seventy percent of the cost of the
11 insurance of an employee whose annual salary is fifty thousand
12 dollars (\$50,000) or more but less than sixty thousand dollars
13 (\$60,000); and

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

17 ~~[E.]~~ F. Effective July 1, 2013, the employer shall
18 pay one hundred percent of basic life insurance premiums for
19 employees, and employees who choose to carry disability
20 insurance shall pay one hundred percent of the premium.

21 ~~[F.]~~ G. The state shall not make any group
22 insurance contributions for legislators. A legislator shall be
23 eligible for group benefits only if the legislator contributes
24 one hundred percent of the cost of the insurance.

25 ~~[G.]~~ H. An employer shall pay one hundred percent

1 of the employee group insurance contributions due and payable
2 on or after July 1, 2016 for an employee who is injured while
3 performing a public safety function or duty and, as a result of
4 the injury, is placed on approved workers' compensation leave.

5 ~~[H.]~~ I. As used in this section, "cost of the
6 insurance" means the premium required to be paid to provide
7 coverages. Any contributions of the political subdivisions of
8 the state, except the public schools and political subdivisions
9 of the state with twenty-five employees or fewer, shall not
10 exceed sixty percent of the cost of the insurance.

11 ~~[F.]~~ J. When a public employee elects to
12 participate in a cafeteria plan as authorized by the Cafeteria
13 Plan Act and enters into a salary reduction agreement with the
14 governmental employer, the provisions of Subsections B through
15 ~~[F]~~ G of this section with respect to the maximum contributions
16 that can be made by the employer are not violated and will
17 still apply. The employer percentage or dollar contributions
18 as provided in Subsections B through ~~[D]~~ E of this section
19 shall be determined by the employee's gross salary prior to any
20 salary reduction agreement.

21 ~~[J.]~~ K. Any group medical insurance plan offered
22 pursuant to this section shall include effective cost-
23 containment measures to control the growth of health care
24 costs. The responsible public body that administers a plan
25 offered pursuant to this section shall report annually by

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1 September 1 to appropriate interim legislative committees on
2 the effectiveness of the cost-containment measures required by
3 this subsection.

4 ~~[K.]~~ L. Within available revenue, school districts,
5 charter schools and participating entities pursuant to the
6 Public School Insurance Authority Act may contribute up to one
7 hundred percent of the cost of the insurance of all employees
8 and institutions of higher education may contribute up to
9 eighty percent of the cost of the insurance of all employees."

10 SECTION 2. Section 22-29-10 NMSA 1978 (being Laws 1989,
11 Chapter 373, Section 5, as amended) is amended to read:

12 "22-29-10. GROUP INSURANCE CONTRIBUTIONS.--

13 A. Group insurance contributions for school
14 districts, charter schools and participating entities in the
15 authority shall be made as follows:

16 (1) at least ~~[seventy-five]~~ eighty percent of
17 the cost of the insurance of an employee whose annual salary is
18 less than ~~[fifteen thousand dollars (\$15,000)]~~ fifty thousand
19 dollars (\$50,000);

20 (2) at least seventy percent of the cost of
21 the insurance of an employee whose annual salary is ~~[fifteen~~
22 ~~thousand dollars (\$15,000)]~~ fifty thousand dollars (\$50,000) or
23 more but less than ~~[twenty thousand dollars (\$20,000)]~~ sixty
24 thousand dollars (\$60,000); and

25 ~~[(3) at least sixty-five percent of the cost~~

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1 of the insurance of an employee whose annual salary is twenty
2 thousand dollars (\$20,000) or more but less than twenty-five
3 thousand dollars (\$25,000); or

4 ~~(4)~~ (3) at least sixty percent of the cost of
5 the insurance of an employee whose annual salary is [~~twenty-~~
6 ~~five thousand dollars (\$25,000)~~] sixty thousand dollars
7 (\$60,000) or more.

8 B. Within available revenue, school districts,
9 charter schools and participating entities in the authority may
10 contribute up to [~~eighty~~] one hundred percent of the cost of
11 the insurance of all employees.

12 C. Whenever a school district, charter school or
13 participating entity in the authority offers to its employees
14 alternative health plan benefit options, including health
15 maintenance organizations, preferred provider organizations or
16 panel doctor plans, the school district, charter school or
17 participating entity may pay an amount on behalf of the
18 employee and family member for the indemnity health insurance
19 plan sufficient to result in equal employee monthly costs to
20 the cost of the health maintenance organization plans,
21 preferred provider organization plans or panel doctor plans,
22 regardless of the percentage limitations in the Public School
23 Insurance Authority Act. School districts, charter schools and
24 participating entities in the authority may pay up to one
25 hundred percent of the first fifty thousand dollars (\$50,000)

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1 of term life insurance."

2 SECTION 3. EFFECTIVE DATE.--The effective date of the
3 provisions of this act is July 1, 2023.

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