

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SENATE BILL

**56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

INTRODUCED BY

Michael Padilla

AN ACT

RELATING TO PUBLIC EMPLOYEE RETIREMENT; REPEALING AND REENACTING A NEW SECTION 10-11-118 NMSA 1978 (BEING LAWS 2020, CHAPTER 11, SECTION 61) RELATING TO COST-OF-LIVING ADJUSTMENT PROVISIONS FOR QUALIFIED PENSION RECIPIENTS; PROVIDING COST-OF-LIVING ADJUSTMENTS THAT ARE EQUAL TO SOCIAL SECURITY AND SUPPLEMENTAL SECURITY INCOME COST-OF-LIVING ADJUSTMENTS; MAKING AN APPROPRIATION.

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

SECTION 1. Section 10-11-118 NMSA 1978 (being Laws 2020, Chapter 11, Section 61) is repealed and a new Section 10-11-118 NMSA 1978 is enacted to read:

"10-11-118. [NEW MATERIAL] COST-OF-LIVING ADJUSTMENTS-- QUALIFIED PENSION RECIPIENT.--

A. A qualified pension recipient is eligible for a

.226960.2

underscoring material = new  
~~[bracketed material] = delete~~

underscored material = new  
~~[bracketed material] = delete~~

1 cost-of-living pension adjustment. A qualified pension  
2 recipient is:

3 (1) a normal retired member who has been  
4 retired for at least two full calendar years from the effective  
5 date of the member's latest retirement prior to July 1 of the  
6 year in which the pension is being adjusted;

7 (2) a normal retired member who has attained  
8 the age of sixty-five years and has been retired for at least  
9 one full calendar year from the effective date of the member's  
10 latest retirement prior to July 1 of the year in which the  
11 pension is being adjusted;

12 (3) a disability retired member who has been  
13 retired for at least one full calendar year from the effective  
14 date of the member's latest retirement prior to July 1 of the  
15 year in which the pension is being adjusted;

16 (4) a survivor beneficiary who has received a  
17 survivor pension for at least two full calendar years; or

18 (5) a survivor beneficiary of a deceased  
19 retired member who otherwise would have been retired for at  
20 least two full calendar years from the effective date of the  
21 member's latest retirement prior to July 1 of the year in which  
22 the pension is being adjusted.

23 B. Beginning January 1, 2025, and no later than  
24 each January 1 thereafter, the retirement board shall certify  
25 to the association the social security and supplemental

.226960.2

underscored material = new  
~~[bracketed material] = delete~~

1 security income cost-of-living adjustment determined by the  
2 federal social security administration for that calendar year.

3 C. Beginning July 1, 2025, and each July 1  
4 thereafter, the cost-of-living adjustment to a qualified  
5 pension recipient payable pursuant to the Public Employees  
6 Retirement Act shall be in an amount equal to the amount  
7 certified by the retirement board pursuant to Subsection B of  
8 this section, and the amount of increase shall be determined by  
9 multiplying the amount of pension, inclusive of all prior  
10 adjustments, by the social security and supplemental security  
11 income cost-of-living adjustment determined by the federal  
12 social security administration for that calendar year.

13 D. A qualified pension recipient may decline an  
14 increase in a pension by giving the association written notice  
15 of the decision to decline the increase at least thirty days  
16 prior to the date the increase would take effect."

17 SECTION 2. APPROPRIATION.--Fifty million dollars  
18 (\$50,000,000) is appropriated from the general fund to the  
19 public employees retirement association for expenditure in  
20 fiscal year 2025 and subsequent fiscal years to provide  
21 adequate funding for cost-of-living adjustments to qualified  
22 pension recipients. Any unexpended or unencumbered balance  
23 remaining at the end of a fiscal year shall not revert to the  
24 general fund.

25 SECTION 3. EFFECTIVE DATE.--The effective date of the  
.226960.2

underscoring material = new  
~~[bracketed material] = delete~~

1 provisions of this act is December 1, 2024.

2 - 4 -

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

.226960.2