

LFC Requester: _____

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION
WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/7/2025 *Check all that apply:*
Bill Number: H182-341 Original Correction
 Amendment Substitute

Sponsor: Rep. Roybal Caballero **Agency Name and Code** DFA-341
Short Title: JUDICIAL RETIREMENT CHANGES **Number:** _____
Person Writing Mark Melhoff **Phone:** _____ **Email** Mark.Melhoff@dfa.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|---------------------------|---------------|
| FY25 | FY26 | | |
| | | | |
| | | | |

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------|---------------|
| FY25 | FY26 | FY27 | | |
| | | | | |
| | | | | |

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY25 | FY26 | FY27 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|------|------|-------------------|---------------------------|---------------|
| Total | | | | | | |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

- **Purpose:**

- Relates to judicial retirement.
- Provides for appropriations and income from investments to be credited to the Judicial Retirement Fund.
- Adjusts years of service credit required for certain judges.
- Increases certain service credit multipliers in the Judicial Retirement Act.

- **Key Provisions:**

- **Judicial Retirement Fund:**

- Consists of appropriations, docket and jury fees, employer and employee contributions, and investment income.
- Administered and invested by the board according to the Public Employees Retirement Act.
- Separate accounting funds include member contribution fund, employer's accumulation fund, retirement reserve fund, and income fund.

- **Service Credit Requirements for Retirement:**

- Adjusts age and service credit requirements for judges based on when they became members.
- For members after July 1, 2014, the required service credit is reduced from eight to five years for retirement at age 65.

- **Pension Amounts:**

- Increases the service credit multiplier for service earned after July 1, 2025, to four percent for the first ten years.
- Caps the pension amount at 100% of the greatest aggregate salary for sixty consecutive months.

- **Member Contributions:**

- Increases member contribution rate to 14.74% of salary starting July 1, 2025.

- **Employer Contributions:**

- Increases employer contribution rate to 19.24% of salary starting July 1, 2025.

- Specifies amounts from civil case docket fees and jury fees to be paid to the employer's accumulation fund.
- **Effective Date:** July 1, 2025.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

The State portion for Contributions will increase by \$1,213,334.07 annually based on most recent payroll wages. The member contributions will also increase by \$1,213,334.07 annually.

| State Payroll Impact | | Employee Impact | |
|---------------------------------|--------------|---------------------------------|--------------|
| Bi-weekly Wages as of 1/31/2025 | 1,100,629.60 | Bi-weekly Wages as of 1/31/2025 | 1,100,629.60 |
| Contributions @ 15% | 165,094.44 | Contributions @ 10.5% | 115,566.11 |
| Contributions @ 19.24% | 211,761.14 | Contributions @14.74% | 162,232.80 |
| Increase Contributions | 46,666.70 | Increase Contributions | 46,666.70 |
| Annualized Increase | 1,213,334.07 | Annualized Increase | 1,213,334.07 |

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS