

LFC Requester:	Joseph Simon
-----------------------	---------------------

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}

Bill Number: 2.17.25 *Check all that apply:*
SB402 Original Correction
 Amendment Substitute

Sponsor: Gabriel Ramos; Jay C. Block;
Anthony L. Thornton **Agency Name and Code** New Mexico Retiree Health Care Authority 34300
Short Title: Uniform Officer Service Credit **Person Writing** Mark Hayden
Phone: 505-377-9012 **Email** mark.hayden@rhca.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		Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	RHCA Benefits Fund

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: This bill is to amend Section 10-11-7 NMSA 1978 to allow a public employee who entered a uniformed service of the United States for any amount of time to purchase service credit subject to certain conditions by removing language on reducing “any period of service credit acquired for military service pursuant to any other provision of the Public Employees Retirement Act” and that “service credit may not be purchased for periods of service in the uniformed services that are used to obtain or increase a benefit from another retirement program.”

FISCAL IMPLICATIONS

There would be minimal fiscal implications for the agency, as members who purchase time under PERA would purchase time under the New Mexico Retiree Health Care Authority. Service time purchased would provide additional credit up to maximum subsidy and possibly earlier enrollment into the retiree benefits program.

SIGNIFICANT ISSUES

When a member who entered uniformed service purchases service credit from the Public Employees Retirement Act (PERA), per the Retiree Health Care Act, the person would need to contribute to the fund equal to the full actuarial present value of the amount of the increase in the person's health care benefit, as determined by the authority.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

Members would purchase the same service time with NMRHCA as they did with PERA for additional service credit in retirement if they were below the maximum years of service to receive a higher subsidy.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NMRHCA will continue to follow the current process.

AMENDMENTS

None.