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**LEGISLATIVE EDUCATION STUDY COMMITTEE**  
**BILL ANALYSIS**  
**57th Legislature, 1st Session, 2025**

<b>Bill Number</b>	<u>HB251</u>	<b>Sponsor</b>	<u>Hall/Mirabal Moya/Baca/Terrazas/Cullen</u>
<b>Tracking Number</b>	<u>.228775.3</u>	<b>Committee Referrals</b>	<u>HLVMC/HEC</u>
<b>Short Title</b>	<u>Ed. Retirement Beneficiary Changes</u>		
<b>Analyst</b>	<u>Montoya</u>	<b>Original Date</b>	<u>2/8/2025</u>
		<b>Last Updated</b>	<u></u>

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## **BILL SUMMARY**

### Synopsis of Bill

House Bill 251 (HB251) would allow retired Education Retirement Board (ERB) members a one-time, permanent option to remove their spouse as the designated beneficiary and designate a new beneficiary, granted the form of payment remains the same as previously elected by the member. This change would require the current spousal beneficiary to provide written consent, which must be signed and notarized, to forfeit their beneficiary status. Additionally, the bill introduces new options for retired ERB members who divorce their designated spousal beneficiary, allowing them to select a different beneficiary. However, this change would be subject to a court order pursuant to Section 22-11-42 NMSA 1978.

## **FISCAL IMPACT**

H251 does not contain an appropriation.

## **SUBSTANTIVE ISSUES**

Active and inactive (non-retired) members can currently change their designated beneficiaries at any time before retirement. This is facilitated through the [Pre-Retirement Beneficiary Designation Form](#), which members may update as needed. Once a member retires and selects a retirement benefit option, the ability to change the designated beneficiary becomes limited. For instance, under Option B (joint 100 percent survivor benefit) and Option C (joint 50 percent survivor benefit), a retired member designates a single beneficiary to receive survivor benefits after their death. These designations are generally made permanent after retirement, preventing members from changing the beneficiary once the retirement option is selected. SB251 would address this limitation by allowing retired members a one-time, irrevocable opportunity to remove their spouse as the designated beneficiary and select a new beneficiary.

This change would align ERB's policies with those of the Public Employees Retirement Association (PERA), which already offers similar options to its retirees.

**ADMINISTRATIVE IMPLICATIONS**

ERB may need to update its current policies and procedures to implement the proposed change HB251 proposes.

**RELATED BILLS**

Relates to Senate Bill 75, Educational Retirement Changes, which proposes changes to the ERB system, including investing unclaimed member contributions, ensuring annuity adjustments for disabled members over 60, extending the service credit payment deadline to 90 days, and allowing information sharing with the Public Employees Retirement Board for administration.

Relates to Senate Bill 133, Educational Retirees Returning to Work, which would raise the maximum salary a retired member can earn without suspending retirement benefits when returning to work, increasing the threshold from \$15 thousand to \$25 thousand.

Relates to House Bill 254, Ed. Retirees Returning to Work Time Period, which would extend the current 36 month return-to-work (RTW) period to 84 months.

**SOURCES OF INFORMATION**

- LESC Files
- Education Retirement Board (ERB)

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