AN ACT

RELATING TO JUDICIAL RETIREMENT; PROVIDING FOR APPROPRIATIONS AND INCOME DERIVED FROM INVESTMENTS TO BE CREDITED TO THE JUDICIAL RETIREMENT FUND; ADJUSTING YEARS OF SERVICE CREDIT REQUIRED FOR CERTAIN JUDGES; INCREASING CERTAIN SERVICE CREDIT MULTIPLIERS PROVIDED IN THE JUDICIAL RETIREMENT ACT.

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

SECTION 1. Section 10-12B-3 NMSA 1978 (being Laws 1992, Chapter 111, Section 3, as amended) is amended to read:

"10-12B-3. JUDICIAL RETIREMENT FUND ESTABLISHED--ADMINISTRATION OF FUND--ACCOUNTING FUNDS.--

A. There is established in the state treasury the "judicial retirement fund". The fund [is comprised] consists of appropriations, money received from docket and jury fees of

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1   metropolitan courts, district courts, the court of appeals and

2   the supreme court, employer and employee contributions and

3   [any] all income derived from the investment [earnings on fees

4   and contributions] of the fund. The board is the trustee of

5   the fund and shall administer and invest the fund. Investment

6   of the fund shall be conducted pursuant to the provisions of

7   the Public Employees Retirement Act. The provisions of the

8   Judicial Retirement Act shall be administered by the board.

9   The board is authorized to promulgate rules. Expenses related

10   to the investment of the fund and administration of the

11   Judicial Retirement Act shall be paid from the fund.

12   B.   For purposes of this section, the accounting

13   funds shall be known as the "member contribution fund",

14   "employer's accumulation fund", "retirement reserve fund" and

15   "income fund". The maintenance of separate accounting funds

16   shall not require the actual segregation of the assets of the

17   fund.

18   C.   The accounting funds provided for in this

19   section are trust funds and shall be used only for the purposes

20   provided for in the Judicial Retirement Act.

21   D.   The member contribution fund is the accounting

22   fund in which shall be accumulated contributions of members and

23   from which shall be made refunds and transfers of accumulated

24   member contributions as provided in the Judicial Retirement

25   Act. The member's court shall cause member contributions to be

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1   deducted from the salary of the member and shall remit the

2   deducted member contributions to the association in accordance

3   with procedures and schedules established by the association.

4   The association may assess an interest charge and a penalty

5   charge on any late remittance. Each member shall be deemed to

6   consent and agree to the deductions made and provided for in

7   this section. Contributions by members shall be credited to

8   the members' individual accounts in the member contribution

9   fund. A member's accumulated member contributions shall be

10   transferred to the retirement reserve fund when a pension

11   becomes payable.

12   E.   The employer's accumulation fund is the

13   accounting fund in which shall be accumulated the contributions

14   paid by the state through the member's court. The state,

15   through the member's court, shall remit its contributions to

16   the association in accordance with procedures and schedules

17   established by the association. The board may assess an

18   interest charge and a penalty charge on any late remittance.

19   F.   The retirement reserve fund is the accounting

20   fund from which shall be paid all pensions to retired members

21   and survivor beneficiaries and all residual refunds to refund

22   beneficiaries of retired members and survivor beneficiaries.

23   G.   Each year, following receipt of the report of

24   the annual actuarial valuation, the excess, if any, of the

25   reported actuarial present value of pensions being paid and

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1   likely to be paid to retired members and survivor beneficiaries

2   and residual refunds likely to be paid to refund beneficiaries

3   of retired members and survivor beneficiaries over the balance

4   in the retirement reserve fund shall be transferred to the

5   retirement reserve fund from the employer's accumulation fund.

6   H.   The income fund is the accounting fund to which

7   shall be credited all interest, dividends, rents and other

8   income from investments of the fund, all gifts and bequests,

9   all unclaimed member contributions and all other money the

10   disposition of which is not specifically provided for in the

11   Judicial Retirement Act. Expenses related to the

12   administration of the Judicial Retirement Act shall be paid for

13   from the income fund.

14   I.   The association shall at least annually

15   distribute all or a portion of the balance in the income fund

16   to the member contribution fund, the retirement reserve fund

17   and the employer's accumulation fund. Distribution rates shall

18   be determined by the board and may vary for the respective

19   accounting funds."

20   SECTION 2. Section 10-12B-8 NMSA 1978 (being Laws 1992,

21   Chapter 111, Section 8, as amended) is amended to read:

22   "10-12B-8. AGE AND SERVICE CREDIT REQUIREMENTS FOR NORMAL

23   RETIREMENT.--

24   A.   For an individual who initially became a member

25   prior to July 1, 2005, the age and service credit requirements

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1   for retirement provided for in the Judicial Retirement Act are:

2   (1)   age sixty-five years or older and five or

3   more years of service credit; or

4   (2)   age sixty years or older and fifteen or

5   more years of service credit.

6   B.   For an individual who initially became a member

7   after June 30, 2005 but on or before June 30, 2014, the age and

8   service credit requirements for retirement provided for in the

9   Judicial Retirement Act are:

10   (1)   age sixty-five years or older and five or

11   more years of service credit; or

12   (2)   age fifty-five years or older and sixteen

13   or more years of service credit.

14   C.   For an individual who initially became a member

15   on or after July 1, 2014, the age and service requirements

16   provided for in the Judicial Retirement Act are:

17   (1)   age sixty-five years and [eight] five or

18   more years of service credit; or

19   (2)   age sixty years and fifteen or more years

20   of service credit.

21   D.   Except for a member who is retired under any

22   state system or the educational retirement system, if a member

23   leaves office for any reason, other than removal pursuant to

24   Article 6, Section 32 of the constitution of New Mexico, before

25   meeting the age and service credit requirements for retirement

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1   pursuant to the provisions of this section and if that member

2   leaves the member contributions on deposit in the fund, that

3   member may apply for retirement when that member meets the age

4   and service credit requirements for retirement pursuant to the

5   provisions of the Judicial Retirement Act or provisions of the

6   Public Employees Retirement Reciprocity Act.

7   E.   No member shall be eligible to receive a pension

8   pursuant to the provisions of the Judicial Retirement Act while

9   still in office."

10   **SECTION 3.**   Section 10-12B-9 NMSA 1978 (being Laws 1992,

11   Chapter 111, Section 9, as amended) is amended to read:

12   "10-12B-9.   AMOUNT OF PENSION.--

13   A.   For a judge or justice who occupied such an

14   office prior to July 1, 1980, but who had ceased to hold such

15   an office prior to that date and who elected to be excluded

16   from the provisions of the Judicial Retirement Act; or a judge

17   or justice who occupied such an office on July 1, 1980, but who

18   elected to be covered under the provisions of the retirement

19   plan in effect at that time, the amount of monthly pension is

20   an amount equal to one-twelfth of:

21   seventy-five percent

22   of salary received   X   number of years of

23   during last year in   service, not exceeding

24   office prior to   ten years, divided

25   retirement   by ten.

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1   B.   For a judge or justice who initially became a

2 member before July 1, 2005 and who initially occupied such an

3 office after July 1, 1980; or a judge or justice who occupied

4 such an office on or before July 1, 1980 and who has elected to

5 be covered pursuant to the provisions of the Judicial

6 Retirement Act, the amount of monthly pension is an amount

7 equal to the sum of:

8   (1)   for service credit earned on or before

9 June 30, 2014, an amount equal to one-twelfth of:

seventy-five		(number of years of
percent of salary		service not
received during	X .05 X	exceeding fifteen
last year in office		years, plus five
prior to retirement		years); [and]

15   (2)   for service credit earned on and after

16 July 1, 2014, but before July 1, 2025, an amount equal to one-

17 sixtieth of the greatest aggregate amount of salary received

18 for sixty consecutive, but not necessarily continuous, months

19 in office multiplied by the product of three and one-half

20 percent times the number of years of service [credit];

21   (3) for service credit earned on and after

22 July 1, 2025, an amount equal to one-sixtieth of the greatest

23 aggregate amount of salary received for sixty consecutive, but

24 not necessarily continuous, months in office multiplied by the

25 product of four percent times the number of years of service

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credit, up to ten years, or one hundred twenty months, of

accumulated service credit; and

                    (4)   for service credit earned after ten years,

or one hundred twenty months, of service credit earned pursuant

to this section, an amount equal to one-sixtieth of the

greatest aggregate amount of salary received for sixty

consecutive, but not necessarily continuous, months in office

multiplied by the product of three and one-half percent times

the number of years of service.

          C.   For a judge or justice who initially became a

member after June 30, 2005 but on or before June 30, 2014, the

amount of monthly pension is an amount equal to the sum of:

                    (1)   for service credit earned on or before

June 30, 2014, an amount equal to one-twelfth of the salary

received during the last year in office prior to retirement

multiplied by the product of three and seventy-five hundredths

percent times the sum of the number of years of service; [and]

                    (2)   for service credit earned on and after

July 1, 2014, but before July 1, 2025, an amount equal to one-

sixtieth of the greatest aggregate amount of salary received

for sixty consecutive, but not necessarily continuous, months

in office multiplied by the product of three and one-half

percent times the number of years of service credit;

                    (3)   for service credit earned on and after

July 1, 2025, an amount equal to one-sixtieth of the greatest

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aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of four percent times the number of years of service credit up to ten years, or one hundred twenty months, of accumulated service credit; and

(4)   for service credit earned after ten years, or one hundred twenty months, of service credit earned pursuant to this section, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of three and one-half percent times the number of years of service credit.

D.   For a judge or justice who initially became a member on or after July 1, 2014, the amount of monthly pension [under form of payment A] is an amount equal to the sum of:

(1)   for service credit earned on or before July 1, 2025, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of three and one-fourth percent times the number of years of service;

(2)   for service credit earned on and after July 1, 2025, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the

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product of four percent times the number of years of service

credit up to ten years, or one hundred twenty months, of

accumulated service credit; and

(3) for service credit earned after ten years,

or one hundred twenty months, of service credit earned pursuant

to this section, an amount equal to one-sixtieth of the

greatest aggregate amount of salary received for sixty

consecutive, but not necessarily continuous, months in office

multiplied by the product of three and one-half percent times

the number of years of service credit.

E.   [The amount of pension under form of payment A

for a pension calculated pursuant to Subsection D of this

section shall not exceed eighty-five percent of one-sixtieth of

the greatest aggregate amount of salary received for sixty

consecutive, but not necessarily continuous, months prior to

the member leaving office] For a judge or justice who initially

became a member on or after July 1, 2025, the amount of monthly

pension is an amount equal to the sum of:

(1) an amount equal to one-sixtieth of the

greatest aggregate amount of salary received for sixty

consecutive, but not necessarily continuous, months in office

multiplied by the product of four percent times the number of

years of service credit up to ten years, or one hundred twenty

months, of accumulated service credit; and

(2) for service credit earned after ten years,

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underscored material = new
[bracketed material] = delete

or one hundred twenty months, of service credit earned pursuant to this section, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of three and one-half percent times the number of years of service credit.

F.   The amount of pension payable for a pension calculated pursuant to Subsection A, B, [or] C, D or E of this section shall not exceed [eighty-five] one hundred percent of one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months prior to the member leaving office. A pension benefit determined pursuant to this subsection shall not be less than the benefit earned as of June 30, 2014."

SECTION 4. Section 10-12B-10 NMSA 1978 (being Laws 1992, Chapter 111, Section 10, as amended) is amended to read:

"10-12B-10.   MEMBER CONTRIBUTIONS--TAX TREATMENT.--

A.   On and after July 1, 2014, but before July 1, 2025, members, while in office, shall contribute ten and one-half percent of salary to the member contribution fund.

B.   On and after July 1, 2025, members, while in office, shall contribute fourteen and seventy-four hundredths percent of salary to the member contribution fund.

[B.] C.   Upon implementation, the state, acting as employer of members covered pursuant to the provisions of the

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1   Judicial Retirement Act, shall, solely for the purpose of

2   compliance with Section 414(h) of the Internal Revenue Code of

3   1986, pick up, for the purposes specified in that section,

4   member contributions required by this section for all annual

5   salary earned by the member. Member contributions picked up

6   pursuant to the provisions of this section shall be treated as

7   employer contributions for purposes of determining income tax

8   obligations under the Internal Revenue Code of 1986; however,

9   such picked-up member contributions shall be included in the

10   determination of the member's gross annual salary for all other

11   purposes under federal and state laws. Member contributions

12   picked up pursuant to the provisions of this section shall

13   continue to be designated member contributions for all purposes

14   of the Judicial Retirement Act and shall be considered as part

15   of the member's annual salary for purposes of determining the

16   amount of the member's contribution. The provisions of this

17   section are mandatory, and the member shall have no option

18   concerning the pickup or concerning the receipt of the

19   contributed amounts directly instead of having the amounts paid

20   by the employer to the retirement system. Implementation

21   occurs upon authorization by the board. In no event may

22   implementation occur other than at the beginning of a pay

23   period applicable to the member."

24   **SECTION 5.** Section 10-12B-11 NMSA 1978 (being Laws 1992,

25   Chapter 111, Section 11, as amended) is amended to read:

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1   "10-12B-11. EMPLOYER CONTRIBUTIONS.--

2   A. On and after July 1, 2025, the member's court

3   shall contribute [fifteen] nineteen and twenty-four hundredths

4   percent of salary to the fund for each member in office.

5   B. Thirty-eight dollars ($38.00) from each civil

6   case docket fee paid in the district court, twenty-five dollars

7   ($25.00) from each civil docket fee paid in metropolitan court

8   and ten dollars ($10.00) from each jury fee paid in

9   metropolitan court shall be paid by the court clerk to the

10   employer's accumulation fund."

11   **SECTION 6.** EFFECTIVE DATE.--The effective date of the

12   provisions of this act is July 1, 2025.

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