

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

**HOUSE BILL 384**

**45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001**

**INTRODUCED BY**

**Mimi Stewart**

**AN ACT**

**RELATING TO PUBLIC EMPLOYEES; PROVIDING FOR PUBLIC SCHOOL DISTRICTS AND INSTITUTIONS OF HIGHER EDUCATION TO CONTRIBUTE UP TO ONE HUNDRED PERCENT OF THE COSTS OF GROUP INSURANCE.**

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

**Section 1. Section 10-7-4 NMSA 1978 (being Laws 1941, Chapter 188, Section 1, as amended) is amended to read:**

**"10-7-4. GROUP INSURANCE--CAFETERIA PLAN--CONTRIBUTIONS FROM PUBLIC FUNDS. --**

**A. All state departments and institutions and all political subdivisions of the state, excluding municipalities, counties and political subdivisions of the state with twenty-five employees or fewer, shall cooperate in providing group term life, medical or disability income insurance for the benefit of eligible employees or salaried officers of the**

underscored material = new  
[bracketed material] = delete

1        respective departments, institutions and subdivisions.

2                B. Except as provided in Subsection C of this  
3 section, the group insurance contributions of the state or any  
4 of its departments or institutions, including institutions of  
5 higher education and the public schools, shall be made as  
6 follows:

7                        (1) seventy-five percent of the cost of the  
8 insurance of an employee whose annual salary is less than  
9 fifteen thousand dollars (\$15,000);

10                      (2) seventy percent of the cost of the  
11 insurance of an employee whose annual salary is fifteen  
12 thousand dollars (\$15,000) or more but less than twenty  
13 thousand dollars (\$20,000);

14                      (3) sixty-five percent of the cost of the  
15 insurance of an employee whose annual salary is twenty  
16 thousand dollars (\$20,000) or more but less than twenty-five  
17 thousand dollars (\$25,000); or

18                      (4) sixty percent of the cost of the  
19 insurance of an employee whose annual salary is twenty-five  
20 thousand dollars (\$25,000) or more.

21                [~~As used in this subsection, "cost of the insurance"~~  
22 ~~means the premium required to be paid to provide coverages.~~]

23                C. Any group insurance contributions of the  
24 political subdivisions of the state, except the public  
25 schools, institutions of higher education and political

underscored material = new  
[bracketed material] = delete

1 subdivisions of the state with twenty-five employees or fewer,  
2 shall not exceed sixty percent of the cost of the insurance.  
3 School districts or institutions of higher education may  
4 contribute any amount up to one hundred percent of the cost of  
5 the insurance but shall not contribute less than the amounts  
6 provided for in Subsection B of this section.

7 D. As used in this section, "cost of the  
8 insurance" means the premium required to be paid to provide  
9 insurance coverage.

10 ~~[E.]~~ E. When a public employee elects to  
11 participate in a cafeteria plan as authorized by the Cafeteria  
12 Plan Act and enters into a salary reduction agreement with the  
13 governmental employer, the provision of Subsection B of this  
14 section with respect to the maximum contributions that can be  
15 made by the employer are not violated and will still apply.  
16 The employer percentage or dollar contributions as provided in  
17 Subsection B of this section shall be determined by the  
18 employee's gross salary prior to any salary reduction  
19 agreement.

20 ~~[D.]~~ F. Any group medical insurance plan offered  
21 pursuant to this section shall include effective cost-  
22 containment measures to control the growth of health care  
23 costs. The responsible public body that administers a plan  
24 offered pursuant to this section shall report annually by  
25 September 1 to appropriate interim legislative committees on

. 135117. 1

underscored material = new  
[bracketed material] = delete

1 the effectiveness of the cost-containment measures required by  
2 this subsection. "

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