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SENATE BILL 71

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

INTRODUCED BY

Ben D. Altamirano

AN ACT

RELATING TO THE RETIREE HEALTH CARE AUTHORITY; PROVIDING FOR CONTRIBUTION LEVELS IN SUBSEQUENT FISCAL YEARS; AMENDING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 7-1-6.30 NMSA 1978 (being Laws 1990, Chapter 6, Section 20, as amended) is amended to read:

"7-1-6.30. DISTRIBUTION--RETIREE HEALTH CARE FUND. --For the ~~[eighty-first and subsequent fiscal years]~~ period ending June 30, 2002, a distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the retiree health care fund in an amount equal to one-twelfth of one hundred six percent of the total amount distributed to the retiree health care fund in the previous fiscal year. For the fiscal year beginning July 1, 2002 and subsequent fiscal years, a distribution pursuant

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1 to Section 7-1-6.1 NMSA 1978 shall be made to the retiree
2 health care fund in an amount equal to one-twelfth of one
3 hundred twelve percent of the total amount distributed to the
4 retiree health care fund in the previous fiscal year."

5 Section 2. Section 10-7C-15 NMSA 1978 (being Laws 1990,
6 Chapter 6, Section 15, as amended) is amended to read:

7 "10-7C-15. RETIREE HEALTH CARE FUND CONTRIBUTIONS. --

8 A. Following completion of the preliminary
9 contribution period, each participating employer [~~for the~~
10 ~~fiscal year beginning July 1, 1990 and thereafter~~] shall make
11 contributions to the fund in the amount of:

12 (1) one percent of each participating
13 employee's annual salary for the period July 1, 1990 through
14 June 30, 2002;

15 (2) one and three-tenths percent of each
16 participating employee's annual salary for the period July 1,
17 2002 through June 30, 2007; and

18 (3) one and eighty-five hundredths percent of
19 each participating employee's annual salary for the period
20 beginning July 1, 2007.

21 Each employer that chooses to become a participating
22 employer after January 1, 1998 shall make contributions to the
23 fund in the amount determined to be appropriate by the board.

24 B. Following completion of the preliminary
25 contribution period, each participating employee, as a

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1 condition of employment, [~~for the fiscal year commencing July~~
2 ~~1, 1990 and thereafter~~] shall contribute to the fund an
3 employee contribution in an amount equal to:

4 (1) one-half of one percent of the employee's
5 salary for the period July 1, 1990 through June 30, 2002;

6 (2) sixty-five hundredths of one percent for
7 the period July 1, 2002 through June 30, 2007; and

8 (3) nine hundred twenty-five thousandths of
9 one percent for the period beginning July 1, 2007.

10 As a condition of employment, each participating employee
11 of an employer that chooses to become a participating employer
12 after January 1, 1998 shall contribute to the fund an amount
13 that is determined to be appropriate by the board. Each
14 month, participating employers shall deduct the contribution
15 from the participating employee's salary and shall remit it to
16 the board as provided by any procedures that the board may
17 require.

18 C. A participating employer that fails to remit
19 before the tenth day after the last day of the month all
20 employer and employee deposits required by the Retiree Health
21 Care Act to be remitted by the employer for the month shall
22 pay to the fund, in addition to the deposits, interest on the
23 unpaid amounts at the rate of six percent per year compounded
24 monthly.

25 D. The employer and employee contributions shall

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1 be paid in monthly installments based on the percent of
2 payroll certified by the employer.

3 E. Except in the case of erroneously made
4 contributions or as may be otherwise provided in Subsection D
5 of Section 10-7C-9 NMSA 1978, contributions from participating
6 employers and participating employees shall become the
7 property of the fund on receipt by the board and shall not be
8 refunded under any circumstances, including termination of
9 employment or termination of the participating employer's
10 operation or participation in the Retiree Health Care Act.

11 F. Notwithstanding any other provision in the
12 Retiree Health Care Act and at the first session of the
13 legislature following July 1, [~~1995~~] 2010, the legislature
14 shall review and adjust the distribution pursuant to Section
15 7-1-6.1 NMSA 1978 and the employer and employee contributions
16 to the authority in order to ensure the actuarial soundness of
17 the benefits provided under the Retiree Health Care Act. "