

NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Campos DATE TYPED: 02/28/01 HB _____
 SHORT TITLE: Amend Educational Retirement Act SB 666
 ANALYST: Eaton

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	Unknown		Unknown	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC files

SUMMARY

Synopsis of Bill

This bill would allow employees of the department of education, the board, the New Mexico activities association, the New Mexico boys' school, the New Mexico girls' school, the Los Lunas medical center or a state agency providing an educational program who is a member of ERA and who has not elected to be a PERA member, to be covered under a new educational retirement plan that mirrors the state general retirement plan offered by PERA.

The member would have to be vested three years under the new plan to be eligible to receive retirement benefits under the new plan.

Significant Issues

In discussion with ERA staff as well as PERA staff, there was a time when the ERA retirement plan was better than the PERA retirement plan and many members who could choose between the two plans chose the ERA plan. Currently, the PERA plan has better benefits at retirement and this bill would allow those ERA members and all other future members of the said agencies to receive a PERA-like retirement after three additional years of service credit.

FISCAL IMPLICATIONS

The contribution rates in the new ERA retirement plan proposed in this bill are higher than what is required under the (current) ERA plan. Because the employer (and member) contributions are increased, this bill will require an additional appropriation in the general appropriation act for those affected employees in those eligible agencies. It is unknown at this time the amount of that additional appropriation.

ADMINISTRATIVE IMPLICATIONS

Unknown.

JBE/sb