



the act shall be paid to the fund as if retired members were non-retired; and

- Retired members who begin employment at local administrative units pursuant to the provisions of Section 22-11-25.2 shall not be paid more than 65% of their last salary as non-retired employees.

#### Significant Issues

This bill would provide public schools and colleges with the option to retain their most experienced teachers and administrators (post retirement) at a maximum salary equivalent to 65% of their former pay.

#### **FISCAL IMPLICATIONS**

This bill could have a negative impact on the actuarial funding period of the ERA trust fund. However, since a germane actuarial study has not been completed, the LFC cannot determine whether the impact of this bill will be significant. Factors such as the numbers of retired members returning to work, their ages, their gender, and their post-retirement salaries must be considered in order to make such a determination.

#### **ADMINISTRATIVE IMPLICATIONS**

Passage of this bill would require ERA to revise their board rules and procedures.

#### **TECHNICAL ISSUES**

Since a formal actuarial study has not been performed in consideration of the retirement plan changes associated with this bill, it is not possible to posit whether HB 351 would violate the Constitution of New Mexico, Article XX, §22(E), which prohibits modifications to public employment retirement systems that do not enhance or preserve the actuarial soundness of the affected trust fund.

RLG/prr