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SENATE BILL 80

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Sue Wilson Beffort

AN ACT

RELATING TO THE RETIREMENT OF PUBLIC EMPLOYEES; PROVIDING THAT, IN THE EVENT OF CERTAIN ACTUARIAL LIABILITIES, A STATE RETIREMENT SYSTEM SHALL PROPOSE A PLAN TO ENSURE THAT THE RETIREMENT SYSTEM REMAINS ACTUARIALLY SOUND; PROHIBITING CERTAIN INCREASES IN CONTRIBUTION RATES.

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

Section 1. STATE RETIREMENT SYSTEMS--PLAN TO ADDRESS ACTUARIAL LIABILITIES--CERTAIN INCREASES PROHIBITED.--

A. Upon a finding by the governing body of a state retirement system that the actuarial liability of the system is such that a retirement program cannot be maintained at the current benefit levels and contribution rates, the governing body shall propose to the legislature a plan that will ensure that the system remains actuarially sound by:

underscored material = new
[bracketed material] = delete

- 1 (1) reducing benefits paid under the plan;
- 2 (2) increasing contribution rates for the
- 3 plan; provided that any proposal for increasing contribution
- 4 rates shall require equal increases in the rates paid by both
- 5 the employer and the employee; or
- 6 (3) a combination of such reduced benefits and
- 7 increased contribution rates.

8 B. Notwithstanding any other provision of law, the

9 employer contribution rate shall not be increased in a state

10 retirement system without an equal and corresponding increase

11 in the employee contribution rate; provided that the

12 prohibition of this subsection is not applicable to a new

13 retirement plan that specifies new benefits and contribution

14 rates.

15 C. As used in this section, "state retirement

16 system" means a retirement program provided for in the

17 Educational Retirement Act, the Public Employees Retirement

18 Act, the Magistrate Retirement Act or the Judicial Retirement

19 Act.