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SENATE BILL 305

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

INTRODUCED BY

Sue Wilson Beffort

AN ACT

RELATING TO PUBLIC EMPLOYEE BENEFITS; CHANGING THE
CONTRIBUTIONS FROM PUBLIC FUNDS; AMENDING A SECTION OF THE NMSA
1978.

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

ENDFIELD

1 benefit of eligible employees or salaried officers of the
2 respective departments, institutions and subdivisions.

3 B. The group insurance contributions of the state
4 ~~[or any of its departments or institutions, including~~
5 ~~institutions of higher education]~~ educational institutions and
6 the public schools, shall be made as 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 thousand
16 dollars (\$20,000) or more but less than twenty-five thousand
17 dollars (\$25,000); or

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

21 (5) the state shall not make any group
22 insurance contributions for legislators. A legislator shall be
23 eligible for group benefits only if the legislator contributes
24 one hundred percent of the cost of the insurance.
25

.150183.1

1 As used in this subsection, "cost of the insurance" means
2 the premium required to be paid to provide coverages. Any
3 contributions of the political subdivisions of the state,
4 except the public schools and political subdivisions of the
5 state with twenty-five employees or fewer, shall not exceed
6 sixty percent of the cost of the insurance.

7 C. The group insurance contributions of state
8 departments or agencies in the executive, legislative or
9 judicial branches shall be as determined initially by
10 legislative appropriation at:

11 (1) a fixed dollar amount for employees whose
12 annual salary is twenty thousand dollars (\$20,000) or more; and

13 (2) a higher fixed dollar amount for employees
14 whose annual salary is less than twenty thousand dollars
15 (\$20,000). Annual inflation adjustments shall not be less than
16 the increase in the consumer price index for the state
17 contribution. The target is to retain the same percentage of
18 state contribution for both salary levels as the initial
19 appropriation.

20 [~~G.~~] D. When a public employee elects to
21 participate in a cafeteria plan as authorized by the Cafeteria
22 Plan Act and enters into a salary reduction agreement with the
23 governmental employer, the [~~provision~~] provisions of Subsection
24 B of this section with respect to the maximum contributions
25 that can be made by the employer are not violated and will

.150183.1

