1	SENATE BILL 334
2	46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004
3	INTRODUCED BY
4	Richard M. Romero
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10	AN ACT
11	RELATING TO PUBLIC EMPLOYEES; REVISING THE GROUP INSURANCE
12	CONTRIBUTIONS OF THE STATE; AMENDING SECTION 10-7-4 NMSA 1978
13	(BEING LAWS 1941, CHAPTER 188, SECTION 1, AS AMENDED).
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15	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:
16	Section 1. Section 10-7-4 NMSA 1978 (being Laws 1941,
17	Chapter 188, Section 1, as amended) is amended to read:
18	"10-7-4. GROUP INSURANCECAFETERIA PLANCONTRIBUTIONS
19	FROM PUBLIC FUNDS
20	A. All state departments and institutions and all
21	political subdivisions of the state, excluding municipalities,
22	counties and political subdivisions of the state with twenty-
23	five employees or fewer, shall cooperate in providing group
24	term life, medical or disability income insurance for the
25	benefit of eligible employees or salaried officers of the
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1 respective departments, institutions and subdivisions. 2 Β. Effective July 1, 2004, the group insurance 3 contributions of the state or any of its departments or 4 institutions, including institutions of higher education and 5 the public schools, shall be made as follows: 6 (1)[seventy-five] eighty percent of the cost 7 of the insurance of an employee whose annual salary is less than [fifteen thousand dollars (\$15,000)] thirty thousand 8 9 dollars (\$30,000); 10 seventy percent of the cost of the (2) 11 insurance of an employee whose annual salary is [fifteen 12 thousand dollars (\$15,000) thirty thousand dollars (\$30,000) 13 or more but less than [twenty thousand dollars (\$20,000)] forty 14 thousand dollars (\$40,000); and 15 [sixty-five] sixty percent of the cost of (3) 16 the insurance of an employee whose annual salary is [twenty 17 thousand dollars (\$20,000)] forty thousand dollars (\$40,000) or 18 [but less than twenty-five thousand dollars (\$25,000); more. 19 or 20 (4) sixty percent of the cost of the insurance 21 of an employee whose annual salary is twenty-five thousand 22 dollars (\$25,000) or more; and (5)] 23 C. Effective July 1, 2005, the group insurance 24 contributions of the state or any of its departments or 25 institutions, including institutions of higher education and .150097.1GR - 2 -

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1	the public schools, shall be made as follows:
2	(1) eighty percent of the cost of the
3	insurance of an employee whose annual salary is less than fifty
4	thousand dollars (\$50,000);
5	(2) seventy percent of the cost of the
6	insurance of an employee whose annual salary is fifty thousand
7	dollars (\$50,000) or more but less than sixty thousand dollars
8	<u>(\$60,000); and</u>
9	(3) sixty percent of the cost of the insurance
10	of an employee whose annual salary is sixty thousand dollars
11	<u>(\$60,000) or more.</u>
12	<u>D.</u> The state shall not make any group insurance
13	contributions for legislators. A legislator shall be eligible
14	for group benefits only if the legislator contributes one
15	hundred percent of the cost of the insurance.
16	<u>E.</u> As used in [this subsection] Subsections B
17	through D of this section, "cost of the insurance" means the
18	premium required to be paid to provide coverages. Any
19	contributions of the political subdivisions of the state,
20	except the public schools and political subdivisions of the
21	state with twenty-five employees or fewer, shall not exceed
22	sixty percent of the cost of the insurance.
23	$[C_{\bullet}]$ <u>F.</u> When a public employee elects to
24	participate in a cafeteria plan as authorized by the Cafeteria
25	Plan Act and enters into a salary reduction agreement with the
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governmental employer, the [provision] provisions of Subsection B of this section with respect to the maximum contributions that can be made by the employer are not violated and will The employer percentage or dollar contributions still apply. as provided in Subsection B of this section shall be determined by the employee's gross salary prior to any salary reduction agreement.

[D.] G. Any group medical insurance plan offered pursuant to this section shall include effective costcontainment measures to control the growth of health care The responsible public body that administers a plan costs. offered pursuant to this section shall report annually by September 1 to appropriate interim legislative committees on the effectiveness of the cost-containment measures required by this subsection."

Section 2. TEMPORARY PROVISION--SALARY ADJUSTMENT.--A salary adjustment in January 2005 shall not reduce the state contributions pursuant to Subsection B of Section 1 of this act even if the salary adjustment of an employee places the employee in a higher salary bracket; provided that the state contribution may be lowered for salary adjustments on or after January 2006.

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