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HOUSE BILL 1187

**48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

INTRODUCED BY

Jim R. Trujillo

AN ACT

RELATING TO PUBLIC EMPLOYEES RETIREMENT; EXPANDING THE TYPES OF  
COOPERATIVE WORK STUDY TRAINING PROGRAMS FOR WHICH SERVICE  
CREDIT MAY BE PURCHASED.

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

Section 1. Section 10-11-7 NMSA 1978 (being Laws 1987,  
Chapter 253, Section 7, as amended) is amended to read:

"10-11-7. CREDITED SERVICE--PURCHASE OF SERVICE.--

A. A member who entered a uniformed service of the  
United States may purchase service credit for periods of active  
duty in the uniformed services subject to the following  
conditions:

(1) the member pays the association the  
purchase cost determined according to Subsection E of this  
section;

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1 (2) the member has five or more years of  
2 service credit acquired as a result of personal service  
3 rendered in the employ of an affiliated public employer;

4 (3) the aggregate amount of service credit  
5 purchased pursuant to this subsection does not exceed five  
6 years reduced by any period of service credit acquired for  
7 military service pursuant to any other provision of the Public  
8 Employees Retirement Act;

9 (4) service credit may not be purchased for  
10 periods of service in the uniformed services that are used to  
11 obtain or increase a benefit from another retirement program;  
12 and

13 (5) the member must not have received a  
14 discharge or separation from uniformed service under other than  
15 honorable conditions.

16 B. A member who was a civilian prisoner of war  
17 captured while in service to the United States as an employee  
18 of the federal government or as an employee of a contractor  
19 with the federal government may purchase service credit for the  
20 period of internment as a civilian prisoner of war, provided  
21 that:

22 (1) the member provides proof of employment  
23 with the federal government or as a contractor to the federal  
24 government in a form acceptable to the association;

25 (2) the member provides proof of the period of

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1 internment in a form acceptable to the association;

2 (3) the member has at least five years of  
3 service credit acquired as a result of personal service  
4 rendered in the employ of an affiliated public employer;

5 (4) the aggregate amount of service credit  
6 purchased pursuant to this subsection does not exceed five  
7 years reduced by any period of service credit acquired for  
8 military service pursuant to any other provision of the Public  
9 Employees Retirement Act;

10 (5) service credit may not be purchased for  
11 periods of service in internment as a civilian prisoner of war  
12 if such periods are used to obtain or increase a benefit from  
13 another retirement program; and

14 (6) the member pays the association the  
15 purchase cost determined according to Subsection E of this  
16 section.

17 C. A member who was employed by a utility company,  
18 library, museum, transit company or nonprofit organization  
19 administering federally funded public service programs, which  
20 utility company, library, museum, transit company or nonprofit  
21 organization administering federally funded public service  
22 programs or federally funded public service programs  
23 administered by a nonprofit organization are subsequently taken  
24 over by an affiliated public employer, or a member who was  
25 employed by an entity created pursuant to a joint powers

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1 agreement between two or more affiliated public employers for  
2 the purpose of administering or providing drug or alcohol  
3 addiction treatment services irrespective of whether the entity  
4 is subsequently taken over by an affiliated public employer,  
5 may purchase credited service for the period of employment  
6 subject to the following conditions:

7 (1) the member pays the association the  
8 purchase cost determined according to Subsection E of this  
9 section;

10 (2) the member has five or more years of  
11 credited service acquired as a result of personal service  
12 rendered in the employ of an affiliated public employer; and

13 (3) the aggregate amount of credited service  
14 purchased pursuant to this subsection does not exceed five  
15 years.

16 D. A member who was appointed to participate in a  
17 cooperative work study training program established jointly by  
18 ~~[the state highway and transportation department and the~~  
19 ~~university of New Mexico or New Mexico state university]~~ a  
20 state agency and a state post-secondary educational institution  
21 may purchase credited service for the period of participation  
22 subject to the following conditions:

23 (1) the member pays the association the  
24 ~~[purchase cost determined according to Subsection E of this~~  
25 ~~section]~~ full actuarial present value of the amount of the

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1 increase in the employee's pension as a consequence of the  
2 purchase as determined by the association;

3 (2) the member pays the full cost of the  
4 purchase within sixty days of the date the member is informed  
5 of the amount of the payment;

6 [~~2~~] (3) the member has five or more years of  
7 credited service acquired as a result of personal service  
8 rendered in the employ of an affiliated public employer; and

9 [~~3~~] (4) the aggregate amount of credited  
10 service purchased pursuant to this subsection does not exceed  
11 five years.

12 E. Except for service to be used under a state  
13 legislator coverage plan, the purchase cost for each month of  
14 credited service purchased pursuant to the provisions of this  
15 section is equal to the member's final average salary  
16 multiplied by the sum of the member contribution rate and  
17 employer contribution rate, determined in accordance with the  
18 coverage plan applicable to the member at the time of the  
19 written election to purchase. The purchase cost for each year  
20 of credited service to be used under a state legislator  
21 coverage plan is equal to three times the normal member  
22 contribution per year of credited service under the state  
23 legislator coverage plan applicable to the member. Full  
24 payment shall be made in a single lump sum within sixty days of  
25 the date the member is informed of the amount of the payment.

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1 The portion of the purchase cost derived from the employer  
2 contribution rate shall be credited to the employer's  
3 accumulation fund and shall not be paid out of the association  
4 in the event of cessation of membership. In no case shall a  
5 member be credited with a month of service for less than the  
6 purchase cost as defined in this section.

7 F. A member shall be refunded, upon written request  
8 filed with the association, the portion of the purchase cost of  
9 credited service purchased pursuant to this section that the  
10 association determines to have been unnecessary to provide the  
11 member with the maximum pension applicable to the member. The  
12 association shall not pay interest on the portion of the  
13 purchase cost refunded to the member.

14 G. A member of the magistrate retirement system  
15 who during [~~his~~] the member's service as a magistrate was  
16 eligible to become a member of the public employees  
17 retirement system and elected not to become a member of that  
18 system may purchase service credit pursuant to the public  
19 employees retirement system for the period for which the  
20 magistrate elected not to become a public employees  
21 retirement system member, by paying the amount of the  
22 increase in the actuarial present value of the magistrate  
23 pension as a consequence of the purchase as determined by the  
24 association. Full payment shall be made in a single lump-sum  
25 amount in accordance with procedures established by the

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1 retirement board. Except as provided in Subsection F of this  
2 section, seventy-five percent of the purchase cost shall be  
3 considered to be employer contributions and shall not be  
4 refunded to the member in the event of cessation of  
5 membership.

6 H. At any time prior to retirement, any member  
7 may purchase service credit in monthly increments, subject to  
8 the following conditions:

9 (1) the member has at least five years of  
10 service credit acquired as a result of personal service  
11 rendered in the employ of an affiliated public employer;

12 (2) the aggregate amount of service credit  
13 purchased pursuant to this subsection does not exceed one  
14 year;

15 (3) the member pays full actuarial present  
16 value of the amount of the increase in the employee's pension  
17 as a consequence of the purchase as determined by the  
18 association;

19 (4) the member pays the full cost of the  
20 purchase within sixty days of the date the member is informed  
21 of the amount of the payment; and

22 (5) the purchase of service under this  
23 subsection cannot be used to determine the final average  
24 salary or the pension factor or be used to exceed the pension  
25 maximum."

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