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HOUSE BILL 1209

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

INTRODUCED BY

Rhonda S. King

AN ACT

RELATING TO RETIREMENT; EXPANDING ELIGIBILITY UNDER THE PUBLIC EMPLOYEES RETIREMENT ACT TO INCLUDE PARTICIPANTS IN COOPERATIVE WORK STUDY TRAINING PROGRAMS ESTABLISHED JOINTLY BY A STATE AGENCY AND A FOUR-YEAR PUBLIC POST-SECONDARY EDUCATIONAL INSTITUTION.

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

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1 purchase cost determined according to Subsection E of this
2 section;

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

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

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

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

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

24 (1) the member provides proof of employment
25 with the federal government or as a contractor to the federal

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1 government in a form acceptable to the association;

2 (2) the member provides proof of the period of
3 internment in a form acceptable to the association;

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

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

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

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

19 C. A member who was employed by a utility company,
20 library, museum, transit company or nonprofit organization
21 administering federally funded public service programs, which
22 utility company, library, museum, transit company or nonprofit
23 organization administering federally funded public service
24 programs or federally funded public service programs
25 administered by a nonprofit organization are subsequently taken

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

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

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

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

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

25 (1) the member pays the association the

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1 purchase cost determined according to Subsection E of this
2 section;

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

6 (3) the aggregate amount of credited service
7 purchased pursuant to this subsection does not exceed five
8 years.

9 E. Except for service to be used under a state
10 legislator coverage plan, the purchase cost for each month of
11 credited service purchased pursuant to the provisions of this
12 section is equal to the member's final average salary
13 multiplied by the sum of the member contribution rate and
14 employer contribution rate, determined in accordance with the
15 coverage plan applicable to the member at the time of the
16 written election to purchase. The purchase cost for each year
17 of credited service to be used under a state legislator
18 coverage plan is equal to three times the normal member
19 contribution per year of credited service under the state
20 legislator coverage plan applicable to the member. Full
21 payment shall be made in a single lump sum within sixty days of
22 the date the member is informed of the amount of the payment.
23 The portion of the purchase cost derived from the employer
24 contribution rate shall be credited to the employer's
25 accumulation fund and shall not be paid out of the association

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1 in the event of cessation of membership. In no case shall a
2 member be credited with a month of service for less than the
3 purchase cost as defined in this section.

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

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

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1 refunded to the member in the event of cessation of
2 membership.

3 H. At any time prior to retirement, any member
4 may purchase service credit in monthly increments, subject to
5 the following conditions:

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

9 (2) the aggregate amount of service credit
10 purchased pursuant to this subsection does not exceed one
11 year;

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

16 (4) the member pays the full cost of the
17 purchase within sixty days of the date the member is informed
18 of the amount of the payment; and

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