

1 SENATE BILL 228

2 **50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012**

3 INTRODUCED BY

4 Howie Morales

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10 AN ACT

11 RELATING TO PUBLIC EMPLOYEE RETIREMENT; CHANGING THE EMPLOYEE
12 AND EMPLOYER CONTRIBUTION RATES FOR CERTAIN RETIREMENT PLANS ON
13 AND AFTER JULY 1, 2012.

14
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. Section 10-11-26.5 NMSA 1978 (being Laws 1994,
17 Chapter 128, Section 6, as amended) is amended to read:

18 "10-11-26.5. STATE GENERAL MEMBER COVERAGE PLAN 3--MEMBER
19 CONTRIBUTION RATE.--A member under state general member
20 coverage plan 3 shall contribute seven and forty-two hundredths
21 percent of salary starting with the first full pay period that
22 ends within the calendar month in which state general member
23 coverage plan 3 becomes applicable to the member [~~except that~~
24 ~~for members whose annual salary is greater than twenty thousand~~
25 ~~dollars (\$20,000):~~

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1 A. ~~from July 1, 2009 through June 30, 2011, the~~
2 ~~member contribution rate shall be eight and ninety-two~~
3 ~~hundredths percent of salary;~~

4 B. ~~from July 1, 2011 through June 30, 2012, the~~
5 ~~member contribution rate shall be ten and sixty-seven~~
6 ~~hundredths percent of salary; and~~

7 C. ~~from July 1, 2012 through June 30, 2013, the~~
8 ~~member contribution rate shall be eight and ninety-two~~
9 ~~hundredths percent of salary]."~~

10 SECTION 2. Section 10-11-26.6 NMSA 1978 (being Laws 1994,
11 Chapter 128, Section 7, as amended) is amended to read:

12 "10-11-26.6. STATE GENERAL MEMBER COVERAGE PLAN 3--STATE
13 CONTRIBUTION RATE.--The state shall contribute sixteen and
14 fifty-nine hundredths percent of the salary of each member
15 covered by state general member coverage plan 3 starting with
16 the first pay period that ends within the calendar month in
17 which state general member coverage plan 3 becomes applicable
18 to the member [~~except that for members whose annual salary is~~
19 ~~greater than twenty thousand dollars (\$20,000):~~

20 A. ~~from July 1, 2009 through June 30, 2011, the~~
21 ~~state contribution rate shall be fifteen and nine-hundredths~~
22 ~~percent of the salary of each member;~~

23 B. ~~from July 1, 2011 through June 30, 2012, the~~
24 ~~state contribution rate shall be thirteen and thirty-four~~
25 ~~hundredths percent of the salary of each member; and~~

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1 ~~C. from July 1, 2012 through June 30, 2013, the~~
2 ~~state contribution rate shall be fifteen and nine-hundredths~~
3 ~~percent of the salary of each member]."~~

4 SECTION 3. Section 10-11-31 NMSA 1978 (being Laws 1987,
5 Chapter 253, Section 31, as amended) is amended to read:

6 "10-11-31. STATE POLICE MEMBER AND ADULT CORRECTIONAL
7 OFFICER MEMBER COVERAGE PLAN 1--MEMBER CONTRIBUTION RATE.--A
8 member under state police member and adult correctional officer
9 member coverage plan 1 shall contribute seven and six-tenths
10 percent of salary [~~except that for members whose annual salary~~
11 ~~is greater than twenty thousand dollars (\$20,000):~~

12 ~~A. from July 1, 2009 through June 30, 2011, the~~
13 ~~member contribution rate shall be nine and one-tenth percent of~~
14 ~~salary;~~

15 ~~B. from July 1, 2011 through June 30, 2012, the~~
16 ~~member contribution rate shall be ten and eighty-five~~
17 ~~hundredths percent of salary; and~~

18 ~~C. from July 1, 2012 through June 30, 2013, the~~
19 ~~member contribution rate shall be nine and one-tenth percent of~~
20 ~~salary]."~~

21 SECTION 4. Section 10-11-32 NMSA 1978 (being Laws 1987,
22 Chapter 253, Section 32, as amended) is amended to read:

23 "10-11-32. STATE POLICE MEMBER AND ADULT CORRECTIONAL
24 OFFICER MEMBER COVERAGE PLAN 1--STATE CONTRIBUTION RATE.--The
25 state shall contribute twenty-five and one-tenth percent of the

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1 salary of each member under state police member and adult
2 correctional officer member coverage plan 1 [~~except that for~~
3 ~~members whose annual salary is greater than twenty thousand~~
4 ~~dollars (\$20,000):~~

5 A. ~~from July 1, 2009 through June 30, 2011, the~~
6 ~~state contribution rate shall be twenty-three and six-tenths~~
7 ~~percent of the salary of each member;~~

8 B. ~~from July 1, 2011 through June 30, 2012, the~~
9 ~~state contribution rate shall be twenty-one and eighty-five~~
10 ~~hundredths percent of the salary of each member; and~~

11 C. ~~from July 1, 2012 through June 30, 2013, the~~
12 ~~state contribution rate shall be twenty-three and six-tenths~~
13 ~~percent of the salary of each member]."~~

14 SECTION 5. Section 10-11-38.5 NMSA 1978 (being Laws 1994,
15 Chapter 128, Section 13, as amended) is amended to read:

16 "10-11-38.5. STATE HAZARDOUS DUTY MEMBER COVERAGE PLAN
17 2--MEMBER CONTRIBUTION RATE.--A member under state hazardous
18 duty member coverage plan 2 shall contribute four and seventy-
19 eight hundredths percent of salary starting with the first full
20 pay period that ends within the calendar month in which state
21 hazardous duty member coverage plan 2 becomes applicable to the
22 member [~~except that for members whose annual salary is greater~~
23 ~~than twenty thousand dollars (\$20,000):~~

24 A. ~~from July 1, 2009 through June 30, 2011, the~~
25 ~~member contribution rate shall be six and twenty-eight~~

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1 ~~hundredths percent of salary;~~

2 ~~B. from July 1, 2011 through June 30, 2012, the~~
3 ~~member contribution rate shall be eight and three-hundredths~~
4 ~~percent of salary; and~~

5 ~~C. from July 1, 2012 through June 30, 2013, the~~
6 ~~member contribution rate shall be six and twenty-eight~~
7 ~~hundredths percent of salary]."~~

8 SECTION 6. Section 10-11-38.6 NMSA 1978 (being Laws 1994,
9 Chapter 128, Section 14, as amended) is amended to read:

10 "10-11-38.6. STATE HAZARDOUS DUTY MEMBER COVERAGE PLAN
11 2--STATE CONTRIBUTION RATE.--The state shall contribute twenty-
12 five and seventy-two hundredths percent of the salary of each
13 member covered by state hazardous duty member coverage plan 2
14 starting with the first pay period that ends within the
15 calendar month in which state hazardous duty member coverage
16 plan 2 becomes applicable to the member [~~except that for~~
17 ~~members whose annual salary is greater than twenty thousand~~
18 ~~dollars (\$20,000):~~

19 ~~A. from July 1, 2009 through June 30, 2011, the~~
20 ~~state contribution rate shall be twenty-four and twenty-two~~
21 ~~hundredths percent of the salary of each member;~~

22 ~~B. from July 1, 2011 through June 30, 2012, the~~
23 ~~state contribution rate shall be twenty-two and forty-seven~~
24 ~~hundredths percent of the salary of each member; and~~

25 ~~C. from July 1, 2012 through June 30, 2013, the~~

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1 ~~state contribution rate shall be twenty-four and twenty-two~~
2 ~~hundredths percent of the salary of each member]."~~

3 SECTION 7. Section 10-12B-10 NMSA 1978 (being Laws 1992,
4 Chapter 111, Section 10, as amended) is amended to read:

5 "10-12B-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

6 A. Members, while in office, shall contribute to
7 the member contribution fund [~~pursuant to the following~~
8 ~~schedule:~~

9 (1) ~~prior to July 1, 2005, five and one-half~~
10 ~~percent of salary;~~

11 (2) ~~from July 1, 2005 through June 30, 2006,~~
12 ~~six and one-half percent of salary; and~~

13 (3) ~~on and after July 1, 2006]~~ seven and one-
14 half percent of salary [~~except that for members whose annual~~
15 ~~salary is greater than twenty thousand dollars (\$20,000):~~

16 (a) ~~from July 1, 2009 through June 30,~~
17 ~~2011, the member contribution rate shall be nine percent of~~
18 ~~salary;~~

19 (b) ~~from July 1, 2011 through June 30,~~
20 ~~2012, the member contribution rate shall be ten and three-~~
21 ~~fourths percent of salary; and~~

22 (c) ~~from July 1, 2012 through June 30,~~
23 ~~2013, the member contribution rate shall be nine percent of~~
24 ~~salary].~~

25 B. Upon implementation, the state, acting as

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1 employer of members covered pursuant to the provisions of the
2 Judicial Retirement Act, shall, solely for the purpose of
3 compliance with Section 414(h) of the Internal Revenue Code of
4 1986, pick up for the purposes specified in that section member
5 contributions required by this section for all annual salary
6 earned by the member. Member contributions picked up pursuant
7 to the provisions of this section shall be treated as employer
8 contributions for purposes of determining income tax
9 obligations under the Internal Revenue Code of 1986; however,
10 such picked-up member contributions shall be included in the
11 determination of the member's gross annual salary for all other
12 purposes under federal and state laws. Member contributions
13 picked up pursuant to the provisions of this section shall
14 continue to be designated member contributions for all purposes
15 of the Judicial Retirement Act and shall be considered as part
16 of the member's annual salary for purposes of determining the
17 amount of the member's contribution. The provisions of this
18 section are mandatory, and the member shall have no option
19 concerning the pickup or concerning the receipt of the
20 contributed amounts directly instead of having the amounts paid
21 by the employer to the retirement system. Implementation
22 occurs upon authorization by the board. In no event may
23 implementation occur other than at the beginning of a pay
24 period applicable to the member."

25 SECTION 8. Section 10-12B-11 NMSA 1978 (being Laws 1992,

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1 Chapter 111, Section 11, as amended) is amended to read:

2 "10-12B-11. EMPLOYER CONTRIBUTIONS.--

3 A. The member's court shall contribute [the
4 ~~following amounts to the fund:~~

5 ~~(1) prior to July 1, 2005, nine percent of~~
6 ~~salary for each member in office;~~

7 ~~(2) from July 1, 2005 through June 30, 2006,~~
8 ~~ten and one-half percent of salary for each member in office;~~
9 ~~and~~

10 ~~(3) on and after July 1, 2006] to the fund~~
11 ~~twelve percent of salary for each member in office [except that~~
12 ~~for members whose annual salary is greater than twenty thousand~~
13 ~~dollars (\$20,000):~~

14 ~~(a) from July 1, 2009 through June 30,~~
15 ~~2011, the member's court contribution rate shall be ten and~~
16 ~~one-half percent of salary for each member in office;~~

17 ~~(b) from July 1, 2011 through June 30,~~
18 ~~2012, the member's court contribution rate shall be eight and~~
19 ~~three-fourths percent of salary for each member in office; and~~

20 ~~(c) from July 1, 2012 through June 30,~~
21 ~~2013, the member's court contribution rate shall be ten and~~
22 ~~one-half percent of salary for each member in office].~~

23 B. Thirty-eight dollars (\$38.00) from each civil
24 case docket fee paid in the district court, twenty-five dollars
25 (\$25.00) from each civil docket fee paid in metropolitan court

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1 and ten dollars (\$10.00) from each jury fee paid in
2 metropolitan court shall be paid by the court clerk to the
3 employer's accumulation fund."

4 SECTION 9. Section 10-12C-10 NMSA 1978 (being Laws 1992,
5 Chapter 118, Section 10, as amended) is amended to read:

6 "10-12C-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

7 A. Members, while in office, shall contribute [~~the~~
8 ~~following amounts~~] to the member contribution fund

9 [~~(1) through June 30, 2006, six and one-half~~
10 ~~percent of salary; and~~

11 ~~(2) on and after July 1, 2006]~~ seven and one-
12 half percent of salary [~~except that for members whose annual~~
13 ~~salary is greater than twenty thousand dollars (\$20,000):~~

14 ~~(a) from July 1, 2009 through June 30,~~
15 ~~2011, the member contribution rate shall be nine percent of~~
16 ~~salary;~~

17 ~~(b) from July 1, 2011 through June 30,~~
18 ~~2012, the member contribution rate shall be ten and three-~~
19 ~~fourths percent of salary; and~~

20 ~~(c) from July 1, 2012 through June 30,~~
21 ~~2013, the member contribution rate shall be nine percent of~~
22 ~~salary].~~

23 B. Upon implementation, the state, acting as
24 employer of members covered pursuant to the provisions of the
25 Magistrate Retirement Act, shall, solely for the purpose of

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1 compliance with Section 414(h) of the Internal Revenue Code of
2 1986, pick up for the purposes specified in that section member
3 contributions required by this section for all annual salary
4 earned by the member. Member contributions picked up pursuant
5 to the provisions of this section shall be treated as employer
6 contributions for purposes of determining income tax
7 obligations under the Internal Revenue Code of 1986; however,
8 such picked-up member contributions shall be included in the
9 determination of the member's gross annual salary for all other
10 purposes under federal and state laws. Member contributions
11 picked up pursuant to the provisions of this section shall
12 continue to be designated member contributions for all purposes
13 of the Magistrate Retirement Act and shall be considered as
14 part of the member's annual salary for purposes of determining
15 the amount of the member's contribution. The provisions of
16 this section are mandatory, and the member shall have no option
17 concerning the pick up or concerning the receipt of the
18 contributed amounts directly instead of having the amounts paid
19 by the employer to the retirement system. Implementation
20 occurs upon authorization by the board. In no event may
21 implementation occur other than at the beginning of a pay
22 period applicable to the member."

23 SECTION 10. Section 10-12C-11 NMSA 1978 (being Laws 1992,
24 Chapter 118, Section 11, as amended) is amended to read:

25 "10-12C-11. EMPLOYER CONTRIBUTIONS.--

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1 A. The state, through the administrative office of
2 the courts, shall contribute [~~the following amounts~~] to the
3 fund

4 ~~[(1) through June 30, 2006, ten percent of~~
5 ~~salary for each member in office; and~~

6 ~~(2) on and after July 1, 2006]~~ eleven percent
7 of salary for each member in office [~~except that for members~~
8 ~~whose annual salary is greater than twenty thousand dollars~~
9 ~~(\$20,000):~~

10 ~~(a) from July 1, 2009 through June 30,~~
11 ~~2011, the state contribution rate shall be nine and one-half~~
12 ~~percent of salary for each member in office;~~

13 ~~(b) from July 1, 2011 through June 30,~~
14 ~~2012, the state contribution rate shall be seven and three-~~
15 ~~fourths percent of salary for each member in office; and~~

16 ~~(c) from July 1, 2012 through June 30,~~
17 ~~2013, the state contribution rate shall be nine and one-half~~
18 ~~percent of salary for each member in office].~~

19 B. Twenty-five dollars (\$25.00) from each civil
20 case docket fee paid in magistrate court and ten dollars
21 (\$10.00) from each civil jury fee paid in magistrate court
22 shall be paid by the court clerk to the employer's accumulation
23 fund."

24 SECTION 11. Section 22-11-21 NMSA 1978 (being Laws 1967,
25 Chapter 16, Section 144, as amended) is amended to read:

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1 "22-11-21. CONTRIBUTIONS--MEMBERS--LOCAL ADMINISTRATIVE
2 UNITS.--

3 A. Except as provided in Subsection C of this
4 section, each member shall make contributions to the fund
5 according to the following schedule:

6 (1) through June 30, 2005, an amount equal to
7 seven and six-tenths percent of the member's annual salary;

8 (2) from July 1, 2005 through June 30, 2006,
9 an amount equal to seven and six hundred seventy-five
10 thousandths percent of the member's annual salary;

11 (3) from July 1, 2006 through June 30, 2007,
12 an amount equal to seven and seventy-five hundredths percent of
13 the member's annual salary;

14 (4) from July 1, 2007 through June 30, 2008,
15 an amount equal to seven and eight hundred twenty-five
16 thousandths percent of the member's annual salary; ~~and~~

17 (5) ~~[on and after]~~ from July 1, 2008 through
18 June 30, 2012, an amount equal to seven and nine-tenths percent
19 of the member's annual salary, except that for members whose
20 annual salary is greater than twenty thousand dollars
21 (\$20,000):

22 (a) from July 1, 2009 through June 30,
23 2011, the member contribution rate shall be nine and four-
24 tenths percent of the member's annual salary; and

25 (b) from July 1, 2011 through June 30,

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1 2012, the member contribution rate shall be eleven and fifteen-
2 hundredths percent of the member's annual salary; and

3 ~~[(c) from July 1, 2012 through June 30,~~
4 ~~2013, the member contribution rate shall be nine and four-~~
5 ~~tenths of the member's annual salary]~~

6 (6) on and after July 1, 2012, an amount equal
7 to seven and nine-tenths percent of the member's annual salary.

8 B. Except as provided in Subsection C of this
9 section, each local administrative unit shall make an annual
10 contribution to the fund according to the following schedule:

11 (1) through June 30, 2005, a sum equal to
12 eight and sixty-five hundredths percent of the annual salary of
13 each member employed by the local administrative unit;

14 (2) from July 1, 2005 through June 30, 2006, a
15 sum equal to nine and forty-hundredths percent of the annual
16 salary of each member employed by the local administrative
17 unit;

18 (3) from July 1, 2006 through June 30, 2007, a
19 sum equal to ten and fifteen-hundredths percent of the annual
20 salary of each member employed by the local administrative
21 unit;

22 (4) from July 1, 2007 through June 30, 2008, a
23 sum equal to ten and ninety-hundredths percent of the annual
24 salary of each member employed by the local administrative
25 unit;

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1 (5) from July 1, 2008 through June 30, 2009, a
2 sum equal to eleven and sixty-five hundredths percent of the
3 annual salary of each member employed by the local
4 administrative unit;

5 (6) from July 1, 2009 through June 30, 2011, a
6 sum equal to ten and nine-tenths percent of the annual salary
7 of each member employed by the local administrative unit,
8 except that for members whose annual salary is twenty thousand
9 dollars (\$20,000) or less, the local administrative unit shall
10 contribute twelve and four-tenths percent of the member's
11 annual salary;

12 (7) from July 1, 2011 through June 30, 2012, a
13 sum equal to nine and fifteen-hundredths percent of the annual
14 salary of each member employed by the local administrative
15 unit, except that for members whose annual salary is twenty
16 thousand dollars (\$20,000) or less, the local administrative
17 unit shall contribute twelve and four-tenths percent of the
18 member's annual salary;

19 (8) from July 1, 2012 through June 30, 2013, a
20 sum equal to ~~[ten and nine-tenths percent of the annual salary~~
21 ~~of each member employed by the local administrative unit,~~
22 ~~except that for members whose annual salary is twenty thousand~~
23 ~~dollars (\$20,000) or less, the local administrative unit shall~~
24 ~~contribute]~~ twelve and four-tenths percent of the member's
25 annual salary;

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1 (9) from July 1, 2013 through June 30, 2014, a
2 sum equal to thirteen and fifteen-hundredths percent of the
3 annual salary of each member employed by the local
4 administrative unit; and

5 (10) on and after July 1, 2014, a sum equal to
6 thirteen and nine-tenths percent of the annual salary of each
7 member employed by the local administrative unit.

8 C. If, in a calendar year, the salary of a member,
9 initially employed by a local administrative unit on or after
10 July 1, 1996, equals the annual compensation limit set pursuant
11 to Section 401(a)(17) of the Internal Revenue Code of 1986, as
12 amended, then:

13 (1) for the remainder of that calendar year,
14 no additional member contributions or local administrative unit
15 contributions for that member shall be made pursuant to this
16 section; provided that no member shall be denied service credit
17 solely because contributions are not made by the member or on
18 behalf of the member pursuant to the provisions of this
19 subsection; and

20 (2) the amount of the annual compensation
21 limit shall be divided into four equal portions, and, for
22 purposes of attributing contributory employment and crediting
23 service credit, each portion shall be attributable to one of
24 the four quarters of the calendar year."

25 SECTION 12. EFFECTIVE DATE.--The effective date of the
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1 provisions of this act is July 1, 2012.

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