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## FISCAL IMPACT REPORT

SPONSOR SPAC ORIGINAL DATE 3/1/19 LAST UPDATED 3/4/19 HB \_\_\_\_\_  
SHORT TITLE Educational Retirement Benefits to Spouses SB CS/CS/664/SJC/SPACS  
ANALYST Jorgensen

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		No Fiscal Impact				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Educational Retirement Board (ERB)

### SUMMARY

#### Synopsis of Bill

The Senate Public Affairs Committee substitute for Senate Bill 664 amends the Educational Retirement Act (Act) pertaining to retirement benefit options. Currently, the Act provides that if an ERB member dies and the member has not designated a beneficiary for purposes of the Act, ERB must distribute to the member's estate the member's contributions to the fund plus interest at the rate set by the ERB board. ERB cannot consider the deceased member's surviving spouse or surviving domestic partner as a beneficiary. The SJC Substitute amends the Act so that if a member dies and the member has not designated a beneficiary under the Act, the ERB may consider the member's surviving spouse or surviving domestic partner as a beneficiary.

### FISCAL IMPLICATIONS

Because ERB currently distributes contributions of deceased members to the estate of the member, the changes proposed in SB664 would not alter distributions from the educational retirement fund.

### SIGNIFICANT ISSUES

ERB reports that SB664 is similar to a provision available for certain members covered by the Public Employees Retirement Act (PERA Act). Section 10-11-14.5(D) NMSA 1978 of the PERA Act allows for the payment of a survivor pension to a member's eligible surviving spouse if there is no designated survivor beneficiary.

CJ/gb