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AN ACT

RELATING TO RETIREE HEALTH CARE; INCREASING EMPLOYEE AND
EMPLOYER CONTRIBUTION RATES TO THE RETIREE HEALTH CARE FUND.

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

SECTION 1. Section 10-7C-15 NMSA 1978 (being Laws 1990,
Chapter 6, Section 15, as amended by Laws 2009, Chapter 287,
Section 2 and by Laws 2009, Chapter 288, Section 3) is
amended to read:

"10-7C-15. RETIREE HEALTH CARE FUND CONTRIBUTIONS.--

A. Following completion of the preliminary
contribution period, each participating employer shall make
contributions to the fund pursuant to the following
provisions:

(1) for participating employees who are not
members of an enhanced retirement plan, the employer's
contribution shall equal two and thirty-three hundredths
percent of each participating employee's salary;

(2) for participating employees who are
members of an enhanced retirement plan, the employer's
contribution shall equal two and ninety-three hundredths
percent of each participating employee's salary; and

(3) each employer that chooses to become a
participating employer after January 1, 1998 shall make
contributions to the fund in the amount determined to be

1 appropriate by the board.

2 B. Following completion of the preliminary
3 contribution period, each participating employee, as a
4 condition of employment, shall contribute to the fund
5 pursuant to the following provisions:

6 (1) for a participating employee who is not
7 a member of an enhanced retirement plan, the employee's
8 contribution shall equal one and seventeen-hundredths percent
9 of the employee's salary;

10 (2) for a participating employee who is a
11 member of an enhanced retirement plan, the employee's
12 contribution shall equal one and forty-seven hundredths
13 percent of the employee's salary; and

14 (3) as a condition of employment, each
15 participating employee of an employer that chooses to become
16 a participating employer after January 1, 1998 shall
17 contribute to the fund an amount that is determined to be
18 appropriate by the board. Each month, participating
19 employers shall deduct the contribution from the
20 participating employee's salary and shall remit it to the
21 board as provided by any procedures that the board may
22 require.

23 C. No person who has obtained service credit
24 pursuant to Subsection B of Section 10-11-6 NMSA 1978,
25 Section 10-11-7 NMSA 1978 or Paragraph (3) or (4) of

1 Subsection A of Section 22-11-34 NMSA 1978 may enroll with
2 the authority unless the person makes a contribution to the
3 fund equal to the full actuarial present value of the amount
4 of the increase in the person's health care benefit, as
5 determined by the authority.

6 D. Except for contributions made pursuant to
7 Subsection C of this section, a participating employer that
8 fails to remit before the tenth day after the last day of the
9 month all employer and employee deposits required by the
10 Retiree Health Care Act to be remitted by the employer for
11 the month shall pay to the fund, in addition to the deposits,
12 interest on the unpaid amounts at the rate of six percent per
13 year compounded monthly.

14 E. Except for contributions made pursuant to
15 Subsection C of this section, the employer and employee
16 contributions shall be paid in monthly installments based on
17 the percent of payroll certified by the employer.

18 F. Except in the case of erroneously made
19 contributions or as may be otherwise provided in Subsection D
20 of Section 10-7C-9 NMSA 1978, contributions from
21 participating employers and participating employees shall
22 become the property of the fund on receipt by the board and
23 shall not be refunded under any circumstances, including
24 termination of employment or termination of the participating
25 employer's operation or participation in the Retiree Health

1 Care Act.

2 G. Notwithstanding any other provision in the
3 Retiree Health Care Act and at the first session of the
4 legislature following July 1, 2013, the legislature shall
5 review and adjust the distributions pursuant to Section
6 7-1-6.30 NMSA 1978 and the employer and employee
7 contributions to the authority in order to ensure the
8 actuarial soundness of the benefits provided under the
9 Retiree Health Care Act.

10 H. As used in this section, "member of an enhanced
11 retirement plan" means:

12 (1) a member of the public employees
13 retirement association who, pursuant to the Public Employees
14 Retirement Act, is included in:

15 (a) state police member and adult
16 correctional officer member coverage plan 1;

17 (b) municipal police member coverage
18 plan 3, 4 or 5;

19 (c) municipal fire member coverage plan
20 3, 4 or 5; or

21 (d) municipal detention officer member
22 coverage plan 1; or

23 (2) a member pursuant to the provisions of
24 the Judicial Retirement Act."

25 SECTION 2. EFFECTIVE DATE.--The effective date of the

