

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

AN ACT
RELATING TO EDUCATIONAL RETIREMENT; INCREASING CERTAIN
CONTRIBUTIONS TO THE EDUCATIONAL RETIREMENT FUND.

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

SECTION 1. Section 22-11-21 NMSA 1978 (being Laws 1967,
Chapter 16, Section 144, as amended) is amended to read:

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

A. Except as provided in Subsection D of this
section, for a member whose annual salary is greater than
twenty-four thousand dollars (\$24,000), the member shall make
contributions to the fund at the rate of ten and seven-tenths
percent of the member's annual salary.

B. For a member whose annual salary is twenty-four
thousand dollars (\$24,000) or less, the member shall make
contributions to the fund at the rate of seven and
nine-tenths percent of the member's annual salary.

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

(1) from July 1, 2021 through June 30, 2022,
at the rate of fifteen and fifteen-hundredths percent of the
annual salary of each member employed by the local
administrative unit;

1 (2) from July 1, 2022 through June 30, 2023,
2 at the rate of seventeen and fifteen-hundredths percent of
3 the annual salary of each member employed by the local
4 administrative unit; and

5 (3) on and after July 1, 2023, at the rate
6 of eighteen and fifteen-hundredths percent of the annual
7 salary of each member employed by the local administrative
8 unit.

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

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

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

1 SECTION 2. Section 22-11-49 NMSA 1978 (being Laws 1991,
2 Chapter 118, Section 7, as amended) is amended to read:

3 "22-11-49. ALTERNATIVE RETIREMENT PLAN--
4 CONTRIBUTIONS.--

5 A. A participant shall contribute an amount equal
6 to the percentage of the participant's salary that the
7 participant would be required to contribute if the
8 participant were, instead, a regular member. The
9 contribution shall be made as provided by the board.

10 B. A qualifying state educational institution
11 shall contribute on behalf of each participant an amount of
12 the participant's salary equal to the contribution that would
13 be required of the employer if the participant were, instead,
14 a regular member. Of that contribution, a sum equal to the
15 following percentage of the annual salary of each participant
16 shall be paid to the fund, and the remainder of the
17 contribution shall be paid to the alternative retirement plan
18 as provided by the board:

19 (1) from July 1, 2021 through June 30, 2022,
20 four and one-fourth percent;

21 (2) from July 1, 2022 through June 30, 2023,
22 six and one-fourth percent; and

23 (3) on and after July 1, 2023, seven and
24 one-fourth percent; or

25 (4) if, on July 1 following any report by

1 the actuary to the board that concludes that less than that
2 percentage is required to satisfy the unfunded actuarial
3 liability attributable to the participation of the
4 participants in the alternative retirement plan, then the
5 percentage the actuary determines is the minimum required to
6 satisfy that liability.

7 C. Contributions required by this section may be
8 made by a reduction in salary or by a public employer
9 pick-up as provided in the Internal Revenue Code of 1986, as
10 amended." _____

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25