

LFC Requester:	Simon, Joseph
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/17/2025 *Check all that apply:*
Bill Number: HB 96 Original Correction
 Amendment Substitute

Sponsor: Representative Sanchez **Agency Name and Code** 366-PERA
Short Title: PERA Member Temporary Payment **Number:** _____
Person Writing Anna Williams
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	\$66,000.00	Nonrecurring	General Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Effective July 1, 2025, HB 96 will amend section 10-11-118 NMSA 1978 related to cost-of-living adjustments for certain PERA retirees as follows;

- Qualified pension recipients shall receive an annual, non-compounding, additional payment.
- The additional payment shall be determined by multiplying the amount of annual pension payments, inclusive of all cost-of-living adjustments prior to that fiscal year, by two percent.
- The non-compounding annual additional payment will be for the fiscal years 2026 and 2027.

The payments provided by HB 96 will be in addition to the compounding cost-of-living adjustments provided by existing law.

FISCAL IMPLICATIONS

Article 20, Section 22 of the New Mexico Constitution prohibits the Legislature from enacting any law that increases the benefits paid by PERA unless adequate funding is provided. That section provides the retirement board the sole and exclusive power to adopt actuarial assumptions, based on recommendations from an independent actuary.

PERA actuaries have estimated the total cost of HB 96 as \$66,000,000.

The appropriation included within the legislation will provide much needed relief to eligible PERA retirees while not increasing the current unfunded liability.

SIGNIFICANT ISSUES

None

PERFORMANCE IMPLICATIONS

HB 96 will not affect PERA's performance measures.

ADMINISTRATIVE IMPLICATIONS

PERA will have to make system modifications to its pension administration system to ensure that all qualified pension recipients receive an annual, non-compounding, additional payment for FY26 and FY27.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

PERA members will continue to be able to receive the annual compounding cost of living adjustments provided by existing law.

AMENDMENTS

None