

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: 2/17/25 *Check all that apply:*
Bill Number: SB 402 Original Correction
 Amendment Substitute

Sponsor: Senator Ramos, Senator Block & Senator Thornton **Agency Name and Code** 366-PERA
Short Title: UNIFORM OFFICER SERVICE CREDIT **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		

(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:

SB 402 amends the Public Employees Retirement Act [NMSA 1978 10-11-7] to remove the requirement that military service credit may only be purchased for active duty service in the uniformed services. The bill also removes the requirement that the total service credit purchased may not exceed five years reduced by any military service acquired under any other provision of the PERA Act. It also removes the provision that service credit may not be purchased for periods of service in the uniformed services that are used to obtain or increase a benefit from another retirement program.

FISCAL IMPLICATIONS

SB 402 proposes allowing members who have served in a uniformed service of the United States, including non-active duty, to purchase service credit for PERA. Since the purchase of military service credit is based on a reduced formula rather than the actuarial cost, this change could have a minimal impact on the fund.

SB 402 should not have an impact to PERA's operating budget.

SIGNIFICANT ISSUES

The bill would allow members to purchase military service credit for the same period of service in more than one retirement program, which is contrary to current law that a member may not obtain service credit from more than one retirement system for overlapping service. Under the amendments, a member could purchase military service for the same time period in both PERA and the Educational Retirement Association, for example.

Furthermore, the bill would allow members to purchase military service time that is not active-duty time. Under the proposed language, inactive duty training, such as routine training for national guard service, as well as other inactive duty military service could be eligible for purchase if other statutory criteria is met.

PERFORMANCE IMPLICATIONS

SB 402 will not affect PERA's performance measures.

ADMINISTRATIVE IMPLICATIONS

PERA will have to make system modifications to its pension administration system to ensure all

uniformed service could be purchased as well as updating PERA forms.

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 would continue to follow the existing statutes in NMSA 1978 and the New Mexico Constitution.

AMENDMENTS

None.