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SENATE BILL 412

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

VIRGIL O. RHODES

AN ACT

RELATING TO EDUCATIONAL RETIREMENT; AMENDING A SECTION OF THE  
EDUCATIONAL RETIREMENT ACT TO EXTEND THE DATE TO PURCHASE  
SERVICE-CREDIT BY A MEMBER.

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

Section 1. Section 22-11-34 NMSA 1978 (being Laws 1967,  
Chapter 16, Section 157, as amended) is amended to read:

"22-11-34. ALLOWED SERVICE-CREDIT. --

A. A member shall be certified to have acquired  
allowed service-credit for those periods of time when he was:

(1) employed prior to the effective date of the  
Educational Retirement Act in any federal educational program  
within New Mexico, including United States Indian schools and  
civilian conservation corps camps. This service-credit shall be  
allowed without contribution;

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1 (2) engaged in military service that  
2 interrupted his employment in New Mexico, if he returned to his  
3 employment within eighteen months following honorable discharge.  
4 This service-credit shall be allowed without contribution;

5 (3) engaged in United States military service  
6 or the commissioned corps of the public health service from  
7 which he was honorably discharged if he contributes to the fund  
8 a sum equal to ten and one-half percent of his average annual  
9 salary for that period of time for which he has acquired earned  
10 service-credit under the Educational Retirement Act for each  
11 year of service-credit he desires to purchase. Average annual  
12 salary shall be determined in accordance with rules promulgated  
13 by the board, but shall always be based upon actual salaries  
14 earned by the member where the actual salaries can be  
15 ascertained by the board. The employer's contributions for  
16 service-credit shall not be paid by the employer. The purchase  
17 of service-credit provided in this section shall be carried out  
18 by the member prior to [~~July 1, 1992~~] July 1, 1998 or within  
19 three years after the date of the member's employment following  
20 service, whichever is later; or

21 (4) employed:  
22 (a) in any public school or public  
23 institution of higher learning in another state, territory or  
24 possession of the United States;

25 (b) in any United States military

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1 dependents' school operated by a branch of the armed forces of  
2 the United States;

3 (c) as provided in Paragraph (1) of this  
4 subsection after the effective date of the Educational  
5 Retirement Act; or

6 (d) in any private school or institution  
7 of higher learning in New Mexico whose education program is  
8 accredited or approved by the state board at the time of  
9 employment.

10 B. The member or employer under Paragraph (4) of  
11 Subsection A of this section shall contribute to the fund for  
12 each year of allowed service-credit desired an amount equal to  
13 twelve percent of the member's annual salary at the time payment  
14 is made if the member is employed or twelve percent times the  
15 member's annual salary during the member's last year of  
16 employment if the member is not employed at the time of payment.  
17 Contributions paid for the member who is not employed shall bear  
18 interest at the average rate earned by the fund during the five-  
19 fiscal-year period immediately preceding the date of payment.  
20 Such interest shall run from the date the member last terminated  
21 employment to the date of payment. Payment pursuant to  
22 Paragraph (4) of Subsection A of this section may be made in  
23 installments, at the discretion of the board, over a period of  
24 not to exceed one year, and, if the sum paid does not equal the  
25 amount required for any full year of allowed service-credit, the

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1 member shall acquire allowed service-credit for that period of  
2 time which is proportionate to the payment made. Half credit  
3 may be allowed without contribution for not more than ten years  
4 of the educational service described by Subparagraph (a) of  
5 Paragraph (4) of Subsection A of this section if that service  
6 was prior to June 13, 1953 and if the member was employed in New  
7 Mexico prior to June 13, 1953 in any position covered by the  
8 Educational Retirement Act or any law repealed thereby.

9 C. No member shall be certified to have acquired  
10 allowed service-credit:

11 (1) under any single paragraph or the  
12 combination of only Paragraphs (1) and (4) or only Paragraphs  
13 (2) and (3) of Subsection A of this section in excess of five  
14 years; or

15 (2) in excess of ten years for any other  
16 combination of Paragraphs (1) through (4) of Subsection A of  
17 this section.

18 D. The provisions of this section are made  
19 applicable to the services described prior to as well as after  
20 the effective date of the Educational Retirement Act. "

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