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HOUSE BILL 328

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

JUDY VANDERSTAR RUSSELL

AN ACT

RELATING TO MUNICIPAL EMPLOYEE RETIREMENT; AMENDING THE PUBLIC
EMPLOYEES RETIREMENT ACT TO ALLOW A MUNICIPAL AFFILIATED
PUBLIC EMPLOYER TO CONTRIBUTE UP TO SEVENTY-FIVE PERCENT OF
EMPLOYEES' MEMBER CONTRIBUTIONS.

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

Section 1. Section 10-11-5 NMSA 1978 (being Laws 1987,
Chapter 253, Section 5) is amended to read:

"10-11-5. CREDITED SERVICE--MUNICIPAL ELECTION TO MAKE
EMPLOYEE CONTRIBUTIONS.--A municipal affiliated public
employer may elect by resolution of its governing body and in
the manner prescribed by the retirement board to be
responsible for making contributions of up to seventy-five
percent of its employees' member contributions as follows:

A. the resolution shall be irrevocable, shall

Underscored material = new
[bracketed material] = delete

Underscored material = new
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1 apply to all employees or else to specified employee divisions
2 of the municipal affiliated public employer and shall be
3 effective the first pay period of the month following the
4 filing of the resolution with the retirement board;

5 B. the portion of the employee contributions made
6 by the municipal affiliated public employer on behalf of a
7 member shall be credited to the member's individual
8 accumulated member contribution account in the member
9 contribution fund. The member shall be responsible for the
10 difference between the contributions the member would be
11 required to make if the municipal affiliated public employer
12 had not made the election provided for in this section and the
13 amount contributed by the municipal affiliated public employer
14 under the provisions of this section; [and]

15 C. pensions payable to members whose municipal
16 affiliated public employer makes the election provided for in
17 this section shall be the same as if the member had made the
18 entire member contribution; and

19 D. any municipal affiliated public employer
20 increasing the percentage amount of the employees' member
21 contributions it elects to make pursuant to this section shall
22 submit a resolution to the association by July 1 of the fiscal
23 year in which the increase will take place indicating the
24 percentage of the employee contribution that will be made by
25 the municipal affiliated public employer. "

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Underscored material = new
[bracketed material] = delete

1 Section 2. EFFECTIVE DATE--CONTINGENCY--INTERNAL REVENUE
2 SERVICE RULING.--On or before May 31, 1998, the public
3 employees retirement association shall seek a ruling from the
4 internal revenue service that the provisions of Section 1 of
5 this act do not jeopardize the qualified status of the public
6 employees retirement plan. The provisions of Section 1 of
7 this act shall become effective on the date the association
8 receives a favorable ruling. If the association receives an
9 unfavorable ruling, the provisions of Section 1 of this act
10 are null and void.