

AN ACT

RELATING TO MUNICIPAL EMPLOYEE RETIREMENT; ALLOWING A MUNICIPAL AFFILIATED PUBLIC EMPLOYER TO CONTRIBUTE UP TO SEVENTY-FIVE PERCENT OF EMPLOYEE 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; however, a municipal affiliated public employer may by subsequent resolution:

(1) elect to increase the percentage of employee member contributions for which it will be responsible; or

(2) at the time a new coverage plan is adopted, elect to be responsible for a different percentage of employee member contributions than that which it elected under a previous coverage plan;

B. the resolution shall apply to all employees or

else to specified employee divisions of the municipal affiliated public employer and shall be effective the first pay period of the month following the filing of the resolution with the retirement board;

C. the portion of the employee contributions made by the municipal affiliated public employer on behalf of a member shall be credited to the member's individual accumulated member contribution account in the member contribution fund. The member shall be responsible for the difference between the contributions the member would be required to make if the municipal affiliated public employer had not made the election provided for in this section and the amount contributed by the municipal affiliated public employer under the provisions of this section;

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

E. any municipal affiliated public employer increasing the percentage of the employee member contributions it elects to make pursuant to this section shall submit a resolution to the association by July 1 of the fiscal year in which the increase will take place indicating the percentage of the employee member contributions that will be made by the municipal affiliated public employer."

Section 2. EFFECTIVE DATE--CONTINGENCY--INTERNAL
REVENUE SERVICE RULING.--

A. The effective date of this act is July 1,
1999.

B. If the public employees retirement association
receives a ruling from the internal revenue service that the
provisions of this act jeopardize the qualified status of the
public employees retirement plan, the provisions of this act
shall be null and void as of the date of receipt of the
ruling.
