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HOUSE BILL 221

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

John A. Heaton

AN ACT

RELATING TO EDUCATIONAL RETIREMENT; MAKING AN AD HOC COST-OF-LIVING ADJUSTMENT.

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

Section 1. Section 22-11-31 NMSA 1978 (being Laws 1979, Chapter 333, Section 2, as amended) is amended to read:

"22-11-31. COST-OF-LIVING ADJUSTMENT--ADDITIONAL CONTRIBUTIONS. --

A. For the purposes of this section:

(1) "adjustment factor" means a multiplicative factor computed to provide an annuity adjustment pursuant to the provisions of Subsection B of this section;

(2) "annuity" means any benefit payable under the Educational Retirement Act or the Public Employees

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1 Retirement Reciprocity Act as a retirement benefit, disability
2 benefit or survivor benefit;

3 (3) "calendar year" means the full twelve
4 months beginning January 1 and ending December 31;

5 (4) "consumer price index" means the average
6 of the monthly consumer price indexes for a calendar year for
7 the entire United States for all items as published by the
8 United States department of labor;

9 (5) "next preceding calendar year" means the
10 full calendar year immediately prior to the preceding calendar
11 year; and

12 (6) "preceding calendar year" means the full
13 calendar year preceding the July 1 on which a benefit is to be
14 adjusted.

15 B. On or after July 1, 1984, each annuity shall be
16 adjusted annually and cumulatively commencing on July 1 of the
17 year in which a member attains the age of sixty-five or on
18 July 1 following the year a member retires, whichever is
19 later. The annuity shall be adjusted by applying an
20 adjustment factor that results in either an adjustment equal
21 to one-half of the percentage increase or decrease of the
22 consumer price index between the next preceding calendar year
23 and the preceding calendar year, except that the adjustment
24 shall not exceed four percent, in absolute value, nor be less
25 than two percent, in absolute value. In the event that the

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1 percentage increase or decrease of the consumer price index is
2 less than two percent, in absolute value, the adjustment
3 factor shall be the same as the percentage increase or
4 decrease of the consumer price index. No negative adjustment
5 in the retirement benefit shall reduce the member's benefit
6 below that which he received upon the date of his retirement.

7 C. A retired member whose benefit is subject to
8 adjustment under the provisions of the Educational Retirement
9 Act in effect prior to July 1, 1984 shall have his annuity
10 readjusted annually and cumulatively under the provisions of
11 that act in effect prior to July 1, 1984 until July 1 of the
12 year in which he attains the age of sixty-five, when he shall
13 have his annuity readjusted annually and cumulatively under
14 the provisions of this section. A member who retires after
15 attaining the age of sixty-five shall have his annuity
16 adjusted annually and cumulatively commencing on July 1 of the
17 year following his retirement.

18 D. A retired member who returns to work shall be
19 subject to the provisions of this section as they exist at the
20 time of his final retirement.

21 E. Benefits of a member who is on a disability
22 status in accordance with Section 22-11-35 NMSA 1978 or a
23 member [whom] who the board certifies was disabled at regular
24 retirement shall be adjusted in accordance with Subsections B
25 and C of this section, except that the benefits shall be

1 adjusted annually and cumulatively commencing on July 1 of the
2 third full year following the year in which the member was
3 approved by the board for disability or retirement.

4 F. The board shall adjust the benefits of each
5 person receiving an annuity as of June 30, [~~1991~~] 1999. The
6 adjustment shall be made on July 1, [~~1991~~] 1999 on the basis
7 of an increase of two dollars (\$2.00) per month for each year
8 since the member's last retirement plus an increase of one
9 dollar (\$1.00) per month for each year of credited service at
10 the time of the last retirement. "

1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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6 February 15, 1999
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8 Mr. Speaker:
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10 Your EDUCATION COMMITTEE, to whom has been referred
11

12 HOUSE BILL 221
13

14 has had it under consideration and reports same with
15 recommendation that it DO PASS, and thence referred to the
16 APPROPRIATIONS AND FINANCE COMMITTEE.

17 Respectfully submitted,
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21 _____
22 Rick Miera, Chairman
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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

HEC/HB 221

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 9 For 0 Against

Yes: 9

Excused: Blanton, Burpo, Dana, Hamilton, Macko, Marquardt, Williams

Absent: None

J: \99BillSWP\H0221

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1 FORTY- FOURTH LEGISLATURE
2 FIRST SESSION, 1999

3
4 February 19, 1999

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6
7 Mr. Speaker:

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9 Your APPROPRIATIONS AND FINANCE COMMITTEE, to
10 whom has been referred

11 HOUSE BILL 221

12
13 has had it under consideration and reports same with
14 recommendation that it DO PASS.

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16 Respectfully submitted,

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21 Max Coll, Chairman
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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 9 For 0 Against

Yes: 9

Excused: Buffett, Garcia, M H., Parsons, Pearce, Picraux, Saavedra,
Salazar, Watchman

Absent: None

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FIRST SESSION, 1999

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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

March 1, 1999

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred

HOUSE BILL 221

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submitted,

Ben D. Altamirano, Chairman

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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

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Adopted _____ Not

Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 7 For 0 Against

Yes: 7

No: 0

Excused: Carraro, Eisenstadt, Ingle, Lyons, McKibben, Tsosie

Absent: None

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