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HOUSE BILL 448

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

INTRODUCED BY

Gail C. Beam

AN ACT

RELATING TO PUBLIC EMPLOYEES; PROVIDING FOR PUBLIC SCHOOL DISTRICTS AND INSTITUTIONS OF HIGHER EDUCATION TO CONTRIBUTE UP TO ONE HUNDRED PERCENT OF THE COSTS OF GROUP INSURANCE.

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

Section 1. Section 10-7-4 NMSA 1978 (being Laws 1941, Chapter 188, Section 1, as amended) is amended to read:

"10-7-4. GROUP INSURANCE- - CAFETERIA PLAN- - CONTRIBUTIONS FROM PUBLIC FUNDS. - -

A. All state departments and institutions and all political subdivisions of the state, excluding municipalities and counties, shall cooperate in providing group term life, medical or disability income insurance for the benefit of eligible employees or salaried officers of the respective departments, institutions and subdivisions.

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1                   B. Except as provided in Subsection C of this  
2 section, the group insurance contributions of the state or any  
3 of its departments or institutions, including institutions of  
4 higher education and the public schools, shall be made as  
5 follows:

6                   (1) seventy-five percent of the cost of the  
7 insurance of an employee whose annual salary is less than  
8 fifteen thousand dollars (\$15,000);

9                   (2) seventy percent of the cost of the  
10 insurance of an employee whose annual salary is fifteen  
11 thousand dollars (\$15,000) or more but less than twenty  
12 thousand dollars (\$20,000);

13                   (3) sixty-five percent of the cost of the  
14 insurance of an employee whose annual salary is twenty  
15 thousand dollars (\$20,000) or more but less than twenty-five  
16 thousand dollars (\$25,000); or

17                   (4) sixty percent of the cost of the  
18 insurance of an employee whose annual salary is twenty-five  
19 thousand dollars (\$25,000) or more.

20                   ~~[As used in this subsection, "cost of the insurance"~~  
21 ~~means the premium required to be paid to provide coverages.]~~

22                   C. Any group insurance contributions of the  
23 political subdivisions of the state, except the public schools  
24 or institutions of higher education, shall not exceed sixty  
25 percent of the cost of the insurance. School districts or

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1 institutions of higher education may contribute any amount up  
2 to one hundred percent of the cost of the insurance but shall  
3 not contribute less than the amounts provided for in  
4 Subsection B of this section.

5 D. As used in this section, "cost of the  
6 insurance" means the premium required to be paid to provide  
7 insurance coverage.

8 [~~E.~~] E. When a public employee elects to  
9 participate in a cafeteria plan as authorized by the Cafeteria  
10 Plan Act and enters into a salary reduction agreement with the  
11 governmental employer, the provision of Subsection B of this  
12 section with respect to the maximum contributions that can be  
13 made by the employer are not violated and will still apply.  
14 The employer percentage or dollar contributions as provided in  
15 Subsection B of this section shall be determined by the  
16 employee's gross salary prior to any salary reduction  
17 agreement.

18 [~~D.~~] F. Any group medical insurance plan offered  
19 pursuant to this section shall include effective  
20 cost-containment measures to control the growth of health care  
21 costs. The responsible public body that administers a plan  
22 offered pursuant to this section shall report annually by  
23 September 1 to appropriate interim legislative committees on  
24 the effectiveness of the cost-containment measures required by  
25 this subsection. "

1           Section 2.   EFFECTIVE DATE. --The effective date of the  
2 provisions of this act is July 1, 1999.

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1 FORTY-FOURTH LEGISLATURE  
2 FIRST SESSION, 1999  
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6 February 25, 1999  
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8 Mr. Speaker:  
9

10 Your EDUCATION COMMITTEE, to whom has been referred  
11

12 HOUSE BILL 448  
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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

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 8 For 5 Against

Yes: 8

No: Blanton, Dana, Hamilton, Macko, Williams

Excused: Burpo, Marquardt, Wright

Absent: None

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