HOUSE BILL 713

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

INTRODUCED BY

Jeannette Wallace

AN ACT

RELATING TO PUBLIC EMPLOYEES; CHANGING BENEFIT CONTRIBUTION LEVELS.

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.

B. The group insurance contributions of the [state . 127436.1

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or any of its departments or institutions, including]
institutions of higher education and the public schools shall
be made as follows:

- (1) seventy-five percent of the cost of the insurance of an employee whose annual salary is less than fifteen thousand dollars (\$15,000);
- (2) seventy percent of the cost of the insurance of an employee whose annual salary is fifteen thousand dollars (\$15,000) or more but less than twenty thousand dollars (\$20,000);
- (3) sixty-five percent of the cost of the insurance of an employee whose annual salary is twenty thousand dollars (\$20,000) or more but less than twenty-five thousand dollars (\$25,000); or
- (4) sixty percent of the cost of the insurance of an employee whose annual salary is twenty-five thousand dollars (\$25,000) or more.

As used in this subsection, "cost of the insurance" means the premium required to be paid to provide coverages. Any contributions of the political subdivisions of the state, except the public schools, shall not exceed sixty percent of the cost of the insurance.

C. The group insurance contributions of the state
or any of its departments or institutions, excluding
institutions of higher education and the public schools, shall

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be	made	as	tol	lows:

- (1) seventy-five percent of the cost of the insurance of an employee whose annual salary is less than twenty thousand dollars (\$20,000);
- (2) seventy percent of the cost of the insurance of an employee whose annual salary is twenty thousand dollars (\$20,000) or more but less than twenty-five thousand dollars (\$25,000);
- (3) sixty-five percent of the cost of the insurance of an employee whose annual salary is twenty-five thousand dollars (\$25,000) or more but less than thirty thousand dollars (\$30,000); or
- (4) sixty percent of the cost of the insurance of an employee whose annual salary is thirty thousand dollars (\$30,000) or more._

As used in this subsection, "cost of the insurance" means
the premium required to be paid to provide coverage. Any
contributions of the political subdivisions of the state,
except the public schools, shall not exceed sixty percent of
the cost of the insurance.

[C.] <u>D.</u> When a public employee elects to participate in a cafeteria plan as authorized by the Cafeteria Plan Act and enters into a salary reduction agreement with the governmental employer, the provision of Subsection B <u>or C</u> of this section with respect to the maximum contributions that

can be made by the employer are not violated and will still apply. The employer percentage or dollar contributions as provided in Subsection B or C of this section shall be determined by the employee's gross salary prior to any salary reduction agreement.

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

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

- 4 -

FORTY-FOURTH LEGISLATURE FIRST SESSION, 1999

February 25, 1999

Mr. Speaker:

Your **LABOR AND HUMAN RESOURCES COMMITTEE**, to whom has been referred

HOUSE BILL 713

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

Respectfully submitted,

Sheryl Williams Stapleton, Chairwonan

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1 FORTY-FOURTH LEGISLATURE FIRST SESSION, 1999 2 Page 6 3 4 Adopted _____ Not Adopted ____ 5 6 (Chief Clerk) (Chief Clerk) 7 Date _____ 8 9 The roll call vote was 7 For 2 Against 10 Yes: 7 11 Foley, Roberts No: 12 None Excused **13** Absent: None 14 **15** J:\99BillsWP\H0713 16 **17** 18 19 20 21 22 23 24

FORTY- FOURTH LEGISLATURE FIRST SESSION, 1999

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March 1, 1999

⁷ Mr. Speaker:

Your APPROPRIATIONS AND FINANCE COMMITTEE, to whom has been referred

HOUSE BILL 713

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

Respectfully submitted,

Max Coll, Chairnan

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11	Yes:	14				
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Page 9 1 2 3 4 FORTY-FOURTH LEGISLATURE FIRST SESSION, 1999 5 6 7 March 10, 1999 8 9 Mr. President: 10 11 Your PUBLIC AFFAIRS COMMITTEE, to whom has been 12 referred **13** HOUSE BILL 713 14 15 has had it under consideration and reports same with 16 recommendation that it DO PASS, and further recommends that it 17 now be referred to the FINANCE COMMITTEE. 18 19 Respectfully submitted, 20 21 22 23 24 Shannon Robinson, Chairnan

FORTY-FOURTH LEGISLATURE FIRST SESSION, 1999

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