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SENATE BILL 235

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

INTRODUCED BY

Michael S. Sanchez

AN ACT

RELATING TO PUBLIC EMPLOYEES RETIREMENT; AUTHORIZING THE
PURCHASE OF CREDITED SERVICE FOR CIVILIAN PRISONERS OF WAR.

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

Section 1. Section 10-11-7 NMSA 1978 (being Laws 1987,
Chapter 253, Section 7, as amended) is amended to read:

"10-11-7. CREDITED SERVICE--PURCHASE OF SERVICE. --

A. A member who entered a uniformed service of the
United States, or who was a civilian prisoner of war captured
while in service to the United States as an employee of the
federal government or as an employee of a contractor with the
federal government, may purchase service credit for periods of
active duty in the uniformed services or for the period of
internment as a civilian prisoner of war subject to the
following conditions:

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1 (1) the member pays the association the
2 purchase cost determined according to Subsection D of this
3 section;

4 (2) the member has five or more years of
5 service credit acquired as a result of personal service
6 rendered in the employ of an affiliated public employer;

7 (3) the aggregate amount of service credit
8 purchased under this subsection does not exceed five years
9 reduced by any period of service credit acquired for military
10 service under any other provision of the Public Employees
11 Retirement Act;

12 (4) service credit may not be purchased for
13 periods of service in the uniformed services or internment as
14 a civilian prisoner of war that are used to obtain or increase
15 a benefit from another retirement program; and

16 (5) the member must not have received a
17 discharge or separation from uniformed service under other
18 than honorable conditions.

19 B. A member who was employed by a utility company,
20 library, museum, transit company or by a nonprofit
21 organization administering federally funded public service
22 programs, which utility company, library, museum, transit
23 company or nonprofit organization administering federally
24 funded public service programs or federally funded public
25 service programs administered by a nonprofit organization are

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1 subsequently taken over by an affiliated public employer, or a
2 member who was employed by an entity created pursuant to a
3 joint powers agreement between two or more affiliated public
4 employers for the purpose of administering or providing drug
5 or alcohol addiction treatment services irrespective of
6 whether the entity is subsequently taken over by an affiliated
7 public employer, may purchase credited service for the period
8 of employment subject to the following conditions:

9 (1) the member pays the association the
10 purchase cost determined according to Subsection D of this
11 section;

12 (2) the member has five or more years of
13 credited service acquired as a result of personal service
14 rendered in the employ of an affiliated public employer; and

15 (3) the aggregate amount of credited service
16 purchased under this subsection does not exceed five years.

17 C. A member who was appointed to participate in a
18 cooperative work study training program established jointly by
19 the state highway and transportation department and the
20 university of New Mexico or New Mexico state university may
21 purchase credited service for the period of participation
22 subject to the following conditions:

23 (1) the member pays the association the
24 purchase cost determined according to Subsection D of this
25 section;

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1 (2) the member has five or more years of
2 credited service acquired as a result of personal service
3 rendered in the employ of an affiliated public employer; and

4 (3) the aggregate amount of credited service
5 purchased under this subsection does not exceed five years.

6 D. Except for service to be used under a state
7 legislator coverage plan, the purchase cost for each month of
8 credited service purchased under the provisions of this
9 section is equal to the member's final average salary
10 multiplied by the sum of the member contribution rate and
11 employer contribution rate, determined in accordance with the
12 coverage plan applicable to the member at the time of the
13 written election to purchase. The purchase cost for each year
14 of credited service to be used under a state legislator
15 coverage plan is equal to the sum of the member contribution
16 and an employer contribution of ten times the annual amount of
17 pension per year of credited service under the state
18 legislator coverage plan applicable to the member. Full
19 payment shall be made in a single lump sum within sixty days
20 of the date the member is informed of the amount of the
21 payment. The portion of the purchase cost derived from the
22 employer contribution rate shall be credited to the employer
23 accumulation fund and shall not be paid out of the association
24 in the event of cessation of membership. In no case shall any
25 member be credited with a month of service for less than the

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1 purchase cost as defined in this section.

2 E. A member shall be refunded, upon written
3 request filed with the association, the portion of the
4 purchase cost of credited service purchased under this section
5 that the association determines to have been unnecessary to
6 provide the member with the maximum pension applicable to the
7 member. The association shall not pay interest on the portion
8 of the purchase cost refunded to the member.

9 F. A member of the magistrate retirement system
10 who during his service as a magistrate was eligible to become
11 a member of the public employees retirement system and elected
12 not to become a member of that system may purchase service
13 credit under the public employees retirement system for the
14 period for which the magistrate elected not to become a public
15 employees retirement system member, by paying the amount of
16 the increase in the actuarial present value of the magistrate
17 pension as a consequence of the purchase as determined by the
18 association. Full payment shall be made in a single lump-sum
19 amount in accordance with procedures established by the board.
20 Except as provided in Subsection E of this section, seventy-
21 five percent of the purchase cost shall be considered to be
22 employer contributions and shall not be refunded to the member
23 in the event of cessation of membership. "

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FIRST SESSION, 1999

March 12, 1999

Mr. President:

Your PUBLIC AFFAIRS COMMITTEE, to whom has been referred

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has had it under consideration and reports same with recommendation that it DO PASS, amended as follows:

1. On page 1, line 19, strike ", or who was a civilian prisoner of war captured" and all of lines 20 and 21 and on line 22, strike "federal government,".

2. On page 1, line 23, strike "or for the period of".

3. On page 1, line 24, strike "internment as a civilian prisoner of war".

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4. On page 2, line 2, strike "D" and insert in lieu thereof "E".

5. On page 2, line 13, strike "or internment as".

6. On page 2, line 14, strike "a civilian prisoner of war".

7. On page 2, between lines 18 and 19, insert the following new subsection:

"B. A member who was a civilian prisoner of war captured while in service to the United States as an employee of the federal government or as an employee of a contractor with the federal government may purchase service credit for the period of internment as a civilian prisoner of war, provided that:

(1) the member provides proof of employment with the federal government or as a contractor to the federal

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government in a form acceptable to the association;

(2) the member provides proof of the period of
internment in a form acceptable to the association;

(3) the member has at least five years of service
credit acquired as a result of personal service rendered in the
employ of an affiliated public employer;

(4) the aggregate amount of service credit
purchased pursuant to this subsection does not exceed five years
reduced by any period of service credit acquired for military
service pursuant to any other provision of the Public Employees
Retirement Act;

(5) service credit may not be purchased for
periods of service in internment as a civilian prisoner of war
if such periods are used to obtain or increase a benefit from
another retirement program; and

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(6) the member pays the association the purchase cost determined according to Subsection E of this section."

8. Reletter the succeeding subsections accordingly.

9. On page 3, line 10, strike "D" and insert in lieu thereof "E".

10. On page 3, line 24, strike "D" and insert in lieu thereof "E".

11. On page 5, line 20, strike "E" and insert in lieu thereof "F".,

and thence referred to the FINANCE COMMITTEE.

Respectfully submitted,

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Shannon Robinson, Chairman

Adopted _____ Not

Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 5 For 0 Against

Yes: 5

No: 0

Excused: Garcia, Howes, Stockard, Smith

Absent: None

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12 March 17, 1999
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14 Mr. Presi dent:

15
16 Your FINANCE COMMI TTEE, to whom has been referred
17

18 SENATE BILL 235, as amended
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20
21 has had it under consideration and reports same with
22 recommendation that it DO PASS.
23

24 Respectfully submi tted,
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Ben D. Altami rano, Chair man

Adopted _____ Not

Adopted _____

(Chi ef Clerk)

(Chi ef Clerk)

Date _____

The roll call vote was 7 For 0 Agai nst

Yes: 7

No: 0

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Excused: Carraro, Ingle, McKibben, Rodriguez, Smith, Tsosie

Absent: None

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8 FORTY- FOURTH LEGI SLATURE
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12 March 17, 1999

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14 Mr. Presi dent:

15
16 Your FI NANCE COMMI TTEE, to whom has been referred

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18 SENATE BILL 235, as amended

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21 has had it under consideration and reports same with
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24 Respectfully submi tted,

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Ben D. Altamirano, Chairman

Adopted _____ Not

Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 7 For 0 Against

Yes: 7

No: 0

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Page 17

Excused: Carraro, Ingle, McKibben, Rodriguez, Smith, Tsosie

Absent: None

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