



INVESTED IN TOMORROW.

PERA Special Board Meeting

PERA Building • Senator Fabian Chavez, Jr. Board Room
33 Plaza La Prensa • Santa Fe, NM 87507

Monday, January 14, 2019

9:00 a.m.

AGENDA

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Roll Call**
- 4. Approval of Agenda**
- 5. New Business**
 - A. Oath of Office** Action Dr. Jackie Kohlasch,
Outgoing Board Chair
 1. Paula Fisher, State Board Member
 2. Shirley Ragin, County Board Member
 3. Loretta Naranjo Lopez, Retiree Board Member
 - B. Nomination of 2020 Board Officers** John Melia, Vice Chair
 1. Board Chair Nominee's Presentation of Goals & Priorities
 2. Vice Chair Nominee's Presentation of Goals & Priorities
 - C. Approval of 2020 Resolutions** John Melia
 1. Resolution No. 20-01 Open Meetings Resolution Action
 2. Resolution No. 20-02 Regarding Authorization to Act on
Behalf of PERA to Transact Investment Business Required Action
 3. Resolution No. 20-03 Setting Annual Meeting Action
 4. Resolution No. 20-04 Calling for Nominations of State,
Municipal and Retired Member Positions for a Four-Year
Term. Action
 5. Resolution No. 20-05 Delegation to Executive Director Action
 6. Resolution No. 20-06 Concerning Board Policy on Legislation Action
 - D. 2020 PERA Related Legislation**
 1. IPOC Endorsed Legislation
 - a. Docket Fees to General Fund Action Artie Pepin,
Director, Administrative
Office of the Courts
 - b. Legislative Retirement Funding Diversion Action
 - c. Judicial and Magistrate Retirement General Fund
Appropriation Action

2. Pre-Filed Legislation

- | | |
|--|--------|
| a. SB 34 COLA Increases to Retired Law Enforcement | Action |
| b. SB 60 Public Employees Board Changes | Action |
| c. SB 62 Public Employees Retirement Pay Changes | Action |
| d. SB 71 PERA and ERB Employee Compensation | Action |
| e. SB 72 PERA Solvency | Action |
| f. SB 94 Retired Law Enforcement Returning To Work | Action |

Wayne Propst,
Executive Director;
Greg Trujillo,
Deputy Director

6. Adjournment

Any person with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact Trish Winter at 476-9305 at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact Ms. Winter if a summary or other type of accessible format is needed.



PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

RESOLUTION NO. ~~19-0120-01~~
OPEN MEETINGS RESOLUTION OF THE
PUBLIC EMPLOYEES RETIREMENT BOARD

WHEREAS, Section 10-11-130 (G) of the Public Employees Retirement Act (NMSA 1978, Chapter 10, Article 11) states that all meetings of the Public Employees Retirement Board (hereinafter the "Board") shall comply with the Open Meetings Act; and

WHEREAS, Section 10-15-1 of the Open Meetings Act (NMSA 1978, Sections 10-15-1 to 10-15-4) states that, except as may be otherwise provided in the Constitution or the provisions of the Open Meetings Act, all meetings of a quorum of members of any board, council, commission, administrative adjudicatory body or other policymaking body of any state or local public agency held for the purpose of formulating public policy, discussing public business, or for the purpose of taking any action within the authority of such body, are declared to be public meetings open to the public at all times; and

WHEREAS, any meetings subject to the Open Meetings Act at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs shall be held only after reasonable notice to the public; and

WHEREAS, Section 10-15-1 (D) of the Open Meetings Act requires the Board to determine at least annually what constitutes reasonable notice of its public meetings;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD THAT:

1. Inasmuch as NMSA Section 10-11-130 (G) requires the PERA Board to schedule at least four "regular" meetings a year and allows the Board to schedule further "special" meetings of the Board, the Board determines that its volume of business warrants additional regularly scheduled monthly Board meetings. Unless otherwise specified, in the public notice or a Board Meeting is canceled, monthly meetings of the PERA Board shall be held at 9:00 a.m. on the last Thursday of each month. Moreover, the Board may schedule such additional special Board meetings as may be warranted upon the call of the Board Chair or any three Board members.

Public notice of any other regular Board meetings or additional special Board meetings shall be given at least ten days in advance of the meeting date in accordance with Paragraph 4, below.

2. Public notice shall be given at least twenty-four (24) hours in advance of any emergency meetings of the Board, except where the nature of the emergency renders twenty-four (24) hour notice impractical. In such instances, public notice of less than twenty-four (24) hours is permitted



for emergency meetings provided as much advance notice as is possible under the circumstances is given. An "emergency meeting" is as defined at Section 10-15-l(F) of the Open Meetings Act.

3. Public notice for Board committee meetings (including meetings of any standing Committee of the PERA Board or any ad hoc Committee, at which a quorum of the entire Board may be present or at which a recommendation may be made to a quorum of the Board) shall be provided at least seventy-two hours in advance of the meetings in accordance with Paragraph 4, below. Unless otherwise specified in the public notice or a standing Board committee meeting is canceled, meetings of the standing Board committees (the Disability Review Committee, the Rules and Administration Committee, the Audit and Budget Committee, the Legislative Committee, and the deferred compensation SmartSave Committee) shall be held on the second Tuesday of each month. Unless otherwise specified in the public notice or it is canceled, the Investment Committee shall be held in conjunction with the monthly Board meetings in accordance with Paragraph 1.

4. The public notice requirements set forth in Paragraphs 1, 2 and 3, above, are satisfied if:

(A) Written notice of the date, time and place of the meeting is posted on the PERA website www.pera.org and posted on the bulletin board located in the reception area of PERA at 33 Plaza la Prensa, Santa Fe, NM.

(B) The written notice referred to in Paragraph 4(A) also shall be mailed to broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation that have provided a written request for such notice, except that in the case of emergency meetings or Board committee meetings described in Paragraphs 2 and 3 hereof, notice shall be given by facsimile mail or e-mail.

5. In addition to giving such public Notice as may be applicable under Paragraphs 1, 2 or 3 hereof, Notice of Hearings on proposed rule changes shall be given by publication of a notice of the hearing in compliance with the State Rules Act, §14-4-1 et seq. and PERA Rule 2.80.200.10(B) NMAC.

6. Notices of public meetings and Board committee meetings will include an agenda for the meeting or information on how members of the public may obtain a copy of the agenda. A final agenda will be available from PERA at least seventy-two (72) hours prior to the public meeting or Board Committee meeting or, in the case of emergency meetings for which less than twenty-four hours' notice is given under Paragraphs 2 and 4 hereof, at the time the public notice is delivered under Paragraph 4(A). Copies of an agenda may be obtained by contacting Trish Winter at (505) 476-9305.

7. Individuals with a disability who are in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in meetings or hearings of the PERA Board, should contact Trish Winter at (505) 476-9305 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. If a summary or other type of accessible format is needed, please contact Trish Winter at (505) 476-9305. Each public notice issued pursuant to this Open Meetings Resolution will contain a paragraph substantially the same as the one contained in this Paragraph 7.



8. The Board may close all or a portion of a meeting to the public as authorized by Section 10-15-1(H), (I), and (J) of the Open Meetings Act.

9. PERA shall cause a copy of this Open Meetings Act Resolution to: (A) be posted on the bulletin board in the reception area of the PERA Santa Fe office, which shall also be the official location for the posting of PERA Board and Committee open meetings notices and agendas; and (B) be mailed to the entities described in Paragraph 4(B), above, if any.

ADOPTED AND APPROVED THIS ~~8TH~~14TH DAY OF JANUARY, ~~2019~~2020.

**RETIREMENT BOARD OF THE
PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION OF NEW MEXICO**

BY: _____
PERA Board Chair

ATTEST: _____
Wayne Propst, Executive Director





PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

RESOLUTION NO. 20-01 OPEN MEETINGS RESOLUTION OF THE PUBLIC EMPLOYEES RETIREMENT BOARD

WHEREAS, Section 10-11-130 (G) of the Public Employees Retirement Act (NMSA 1978, Chapter 10, Article 11) states that all meetings of the Public Employees Retirement Board (hereinafter the "Board") shall comply with the Open Meetings Act; and

WHEREAS, Section 10-15-1 of the Open Meetings Act (NMSA 1978, Sections 10-15-1 to 10-15-4) states that, except as may be otherwise provided in the Constitution or the provisions of the Open Meetings Act, all meetings of a quorum of members of any board, council, commission, administrative adjudicatory body or other policymaking body of any state or local public agency held for the purpose of formulating public policy, discussing public business, or for the purpose of taking any action within the authority of such body, are declared to be public meetings open to the public at all times; and

WHEREAS, any meetings subject to the Open Meetings Act at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs shall be held only after reasonable notice to the public; and

WHEREAS, Section 10-15-1 (D) of the Open Meetings Act requires the Board to determine at least annually what constitutes reasonable notice of its public meetings;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD THAT:

1. Inasmuch as NMSA Section 10-11-130 (G) requires the PERA Board to schedule at least four "regular" meetings a year and allows the Board to schedule further "special" meetings of the Board, the Board determines that its volume of business warrants additional regularly scheduled monthly Board meetings. Unless otherwise specified in the public notice or a Board Meeting is canceled, monthly meetings of the PERA Board shall be held at 9:00 a.m. on the last Thursday of each month. Moreover, the Board may schedule such additional special Board meetings as may be warranted upon the call of the Board Chair or any three Board members.

Public notice of any other regular Board meetings or additional special Board meetings shall be given at least ten days in advance of the meeting date in accordance with Paragraph 4, below.

2. Public notice shall be given at least twenty-four (24) hours in advance of any emergency meetings of the Board, except where the nature of the emergency renders twenty-four (24) hour notice impractical. In such instances, public notice of less than twenty-four (24) hours is permitted



for emergency meetings provided as much advance notice as is possible under the circumstances is given. An "emergency meeting" is as defined at Section 10-15-l(F) of the Open Meetings Act.

3. Public notice for Board committee meetings (including meetings of any standing Committee of the PERA Board or any ad hoc Committee, at which a quorum of the entire Board may be present or at which a recommendation may be made to a quorum of the Board) shall be provided at least seventy-two hours in advance of the meetings in accordance with Paragraph 4, below. Unless otherwise specified in the public notice or a standing Board committee meeting is canceled, meetings of the standing Board committees (the Disability Review Committee, the Rules and Administration Committee, the Audit and Budget Committee, the Legislative Committee, and the deferred compensation SmartSave Committee) shall be held on the second Tuesday of each month. Unless otherwise specified in the public notice or it is canceled, the Investment Committee shall be held in conjunction with the monthly Board meetings in accordance with Paragraph 1.

4. The public notice requirements set forth in Paragraphs 1, 2 and 3, above, are satisfied if:

(A) Written notice of the date, time and place of the meeting is posted on the PERA website www.pera.org and posted on the bulletin board located in the reception area of PERA at 33 Plaza la Prensa, Santa Fe, NM.

(B) The written notice referred to in Paragraph 4(A) also shall be mailed to broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation that have provided a written request for such notice, except that in the case of emergency meetings or Board committee meetings described in Paragraphs 2 and 3 hereof, notice shall be given by facsimile mail or e-mail.

5. In addition to giving such public Notice as may be applicable under Paragraphs 1, 2 or 3 hereof, Notice of Hearings on proposed rule changes shall be given by publication of a notice of the hearing in compliance with the State Rules Act, §14-4-1 et seq. and PERA Rule 2.80.200.10(B) NMAC.

6. Notices of public meetings and Board committee meetings will include an agenda for the meeting or information on how members of the public may obtain a copy of the agenda. A final agenda will be available from PERA at least seventy-two (72) hours prior to the public meeting or Board Committee meeting or, in the case of emergency meetings for which less than twenty-four hours' notice is given under Paragraphs 2 and 4 hereof, at the time the public notice is delivered under Paragraph 4(A). Copies of an agenda may be obtained by contacting Trish Winter at (505) 476-9305.

7. Individuals with a disability who are in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in meetings or hearings of the PERA Board, should contact Trish Winter at (505) 476-9305 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. If a summary or other type of accessible format is needed, please contact Trish Winter at (505) 476-9305. Each public notice issued pursuant to this Open Meetings Resolution will contain a paragraph substantially the same as the one contained in this Paragraph 7.



8. The Board may close all or a portion of a meeting to the public as authorized by Section 10-15-1(H), (I), and (J) of the Open Meetings Act.

9. PERA shall cause a copy of this Open Meetings Act Resolution to: (A) be posted on the bulletin board in the reception area of the PERA Santa Fe office, which shall also be the official location for the posting of PERA Board and Committee open meetings notices and agendas; and (B) be mailed to the entities described in Paragraph 4(B), above, if any.

ADOPTED AND APPROVED THIS 14TH DAY OF JANUARY, 2020.

**RETIREMENT BOARD OF THE
PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION OF NEW MEXICO**

BY: _____
PERA Board Chair

ATTEST: _____
Wayne Propst, Executive Director





PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

RESOLUTION NO. ~~19-0220-02~~
RESOLUTIONS REGARDING AUTHORIZATION
TO ACT ON BEHALF OF PERA TO TRANSACT
INVESTMENT BUSINESS AS REQUIRED

BE IT RESOLVED that the persons occupying the positions of PERA Executive Director, PERA Chief Investment Officer, and PERA Deputy Chief Investment Officer are hereby authorized to act on behalf of the Public Employees Retirement Association of New Mexico ("PERA") to transact investment business as authorized by the retirement board in accordance with PERA's Investment Policy, Sections 10-11-132 and 10-11-133 of the Public Employees Retirement Act and all applicable state and federal laws and regulations. This delegation of authority also includes the authority, on the part of the persons occupying the positions of PERA Executive Director, PERA Chief Investment Officer, and PERA Deputy Chief Investment Officer only, to implement and direct all decisions necessary and appropriate to carry out the Board's investment policies, to grant investment managers under contract with PERA the written authority, as necessary or appropriate, to: (1) communicate with PERA 's custodial bank, in accordance with the terms of PERA's Investment Policy and investment management agreements; and (2) engage in investment transactions with other investment managers that provide investment management services to PERA. This delegation of authority further carries with it the obligation on the part of the individuals occupying the above-named PERA positions to maintain complete and accurate records of all investment business transactions and written authorizations made by them on behalf of PERA and to include such information in the regular, periodic records and reports maintained by the Investment Division for the Board.

Wayne Propst currently holds the position of PERA Executive Director, Dominic J. Garcia currently holds the position of PERA Chief Investment Officer and Kristin Varela currently holds the position of PERA Deputy Chief Investment Officer.

If there are any changes in the persons occupying the above-named PERA positions, this Resolution shall be supplemented with an affidavit or affidavits executed by the PERA Executive Director setting forth the changes in the persons holding such positions. Such affidavit or affidavits shall set forth the names of the persons vacating such positions and the names of the new persons taking their place. As of the dates stated in the affidavit or affidavits, the authority delegated under this resolution to the persons vacating the positions shall cease and the authority delegated under this resolution to the persons taking their place shall commence.



The authority delegated by this Resolution shall remain in effect unless withdrawn or modified by further action of the Board. The Board will review and reissue this Resolution at least annually.

ADOPTED AND APPROVED THIS ~~8TH~~ 14TH DAY OF JANUARY, ~~2019~~ 2020.

**RETIREMENT BOARD OF THE
PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION OF NEW MEXICO**

BY: _____
PERA Board Chair

ATTEST: _____
Wayne Propst, Executive Director





PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

RESOLUTION NO. 20-02
RESOLUTIONS REGARDING AUTHORIZATION
TO ACT ON BEHALF OF PERA TO TRANSACT
INVESTMENT BUSINESS AS REQUIRED

BE IT RESOLVED that the persons occupying the positions of PERA Executive Director, PERA Chief Investment Officer, and PERA Deputy Chief Investment Officer are hereby authorized to act on behalf of the Public Employees Retirement Association of New Mexico ("PERA") to transact investment business as authorized by the retirement board in accordance with PERA's Investment Policy, Sections 10-11-132 and 10-11-133 of the Public Employees Retirement Act and all applicable state and federal laws and regulations. This delegation of authority also includes the authority, on the part of the persons occupying the positions of PERA Executive Director, PERA Chief Investment Officer, and PERA Deputy Chief Investment Officer only, to implement and direct all decisions necessary and appropriate to carry out the Board's investment policies, to grant investment managers under contract with PERA the written authority, as necessary or appropriate, to: (1) communicate with PERA 's custodial bank, in accordance with the terms of PERA's Investment Policy and investment management agreements; and (2) engage in investment transactions with other investment managers that provide investment management services to PERA. This delegation of authority further carries with it the obligation on the part of the individuals occupying the above-named PERA positions to maintain complete and accurate records of all investment business transactions and written authorizations made by them on behalf of PERA and to include such information in the regular, periodic records and reports maintained by the Investment Division for the Board.

Wayne Propst currently holds the position of PERA Executive Director, Dominic J. Garcia currently holds the position of PERA Chief Investment Officer and Kristin Varela currently holds the position of PERA Deputy Chief Investment Officer.

If there are any changes in the persons occupying the above-named PERA positions, this Resolution shall be supplemented with an affidavit or affidavits executed by the PERA Executive Director setting forth the changes in the persons holding such positions. Such affidavit or affidavits shall set forth the names of the persons vacating such positions and the names of the new persons taking their place. As of the dates stated in the affidavit or affidavits, the authority delegated under this resolution to the persons vacating the positions shall cease and the authority delegated under this resolution to the persons taking their place shall commence.



The authority delegated by this Resolution shall remain in effect unless withdrawn or modified by further action of the Board. The Board will review and reissue this Resolution at least annually.

ADOPTED AND APPROVED THIS 14TH DAY OF JANUARY, 2020.

**RETIREMENT BOARD OF THE
PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION OF NEW MEXICO**

BY: _____
PERA Board Chair

ATTEST: _____
Wayne Propst, Executive Director





PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

RESOLUTION NO. 19-03

**RESOLUTION CALLING FOR THE ANNUAL MEETING
OF THE MEMBERS OF THE PUBLIC EMPLOYEES
RETIREMENT ASSOCIATION OF NEW MEXICO AND
ESTABLISHING TIME AND PLACE**

WHEREAS, NMSA 1978, Section 10-11-130(H), provides that the annual meeting of the members of the Public Employees Retirement Association of New Mexico shall be held in Santa Fe, New Mexico, at such time and place as the Retirement Board shall from time to time determine; and

WHEREAS, it is the desire of the Retirement Board to set the time and place for the ~~2019~~ 2020 annual meeting of the members of the Public Employees Retirement Association;

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC EMPLOYEES RETIREMENT BOARD as follows:

1. The ~~2019~~ 2020 annual meeting of the members of the Public Employees Retirement Association of New Mexico shall be held in Santa Fe, New Mexico, in conjunction with the regular Board meeting, which begins at 9:00 a.m. on September ~~26, 2019~~ 24, 2020, in the Board Room of the Public Employees Retirement Association (PERA) Building, 33 Plaza La Prensa.

2. PERA shall publicize the annual meeting to the membership by various means, including the PERA website, PERA's *La Voz* and the annual letters to retiree members concerning the Cost of Living Adjustment (COLA).

ADOPTED AND APPROVED THIS ~~8TH-14TH~~ DAY OF JANUARY, ~~2019~~ 2020.

**RETIREMENT BOARD OF THE
PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION OF NEW MEXICO**

BY: _____
PERA Board Chair

ATTEST: _____
Wayne Propst, Executive Director



33 Plaza La Prensa, Santa Fe, NM 87507 physical/mailling address



PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

RESOLUTION NO. 20-03

**RESOLUTION CALLING FOR THE ANNUAL MEETING
OF THE MEMBERS OF THE PUBLIC EMPLOYEES
RETIREMENT ASSOCIATION OF NEW MEXICO AND
ESTABLISHING TIME AND PLACE**

WHEREAS, NMSA 1978, Section 10-11-130(H), provides that the annual meeting of the members of the Public Employees Retirement Association of New Mexico shall be held in Santa Fe, New Mexico, at such time and place as the Retirement Board shall from time to time determine; and

WHEREAS, it is the desire of the Retirement Board to set the time and place for the 2020 annual meeting of the members of the Public Employees Retirement Association;

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC EMPLOYEES RETIREMENT BOARD as follows:

1. The 2020 annual meeting of the members of the Public Employees Retirement Association of New Mexico shall be held in Santa Fe, New Mexico, in conjunction with the regular Board meeting, which begins at 9:00 a.m. on September 24, 2020, in the Board Room of the Public Employees Retirement Association (PERA) Building, 33 Plaza La Prensa.

2. PERA shall publicize the annual meeting to the membership by various means, including the PERA website, PERA's *La Voz* and the annual letters to retiree members concerning the Cost of Living Adjustment (COLA).

ADOPTED AND APPROVED THIS 14TH DAY OF JANUARY, 2020.

**RETIREMENT BOARD OF THE
PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION OF NEW MEXICO**

BY: _____
PERA Board Chair

ATTEST: _____
Wayne Propst, Executive Director



33 Plaza La Prensa, Santa Fe, NM 87507 physical/mailling address



PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

RESOLUTION NO. ~~19-0420-04~~

RESOLUTION CALLING FOR NOMINATIONS FOR ONE STATE MEMBER FOR A FOUR-YEAR TERM, ONE ~~COUNTY~~ MUNICIPAL MEMBER FOR A FOUR-YEAR TERM, AND ONE RETIRED MEMBER FOR A FOUR-YEAR TERM

WHEREAS NMSA 1978, Section 10-11-130(C), provides that the elections of elected members of the retirement board shall be certified at the time of the annual meeting of the association and conducted according to the rules and regulations of the retirement board; and

WHEREAS, pursuant to NMSA 1978, Section 10-11-130(D), the regular term of office of the elected members of the retirement board is four years, the term of one retirement board member under a state coverage plan shall expire annually on December 31, and the term of county retirement board members under a municipal coverage plan shall expire on December 31 of non-coinciding years in the pattern set by the retirement board, and the term of one retirement board member under a retired coverage plan shall expire on December 31 of non-coinciding years in the pattern set by the retirement board; and

WHEREAS, the New Mexico Public Employees Retirement Board has adopted rules and regulations establishing procedures for nominating and electing members of the Public Employees Retirement Association for positions on the Public Employees Retirement Board; and

WHEREAS, the New Mexico Public Employees Retirement Board, by Resolution 19-03, fixed the date of the annual meeting to be on Thursday, September ~~26, 2019~~ 24, 2020; and

WHEREAS, PERA Rule 2.80.200.70(A) NMAC requires the Public Employees Retirement Board to adopt a resolution during its January meeting specifying when nominating petitions are due to be returned for the non-retired member positions, which shall be not earlier than six months prior and not later than one month prior to the election for the position; and

WHEREAS, PERA Rule 2.80.200.70(A)(1) NMAC requires that candidates nominated for any non-retired board member position shall be vested members under the Public Employees Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act;

WHEREAS, PERA Rule 2.80.200.60(A) NMAC requires the Public Employees Retirement Board to adopt a resolution during its January meeting specifying when nominating petitions are due to be returned to PERA for the retired board member position, which shall be no earlier than six months prior and not later than one month prior to the election for the position; and



WHEREAS, PERA Rule 2.80.200.60(B) NMAC requires that candidates nominated for any retired board member position shall be “receiving a disability or normal retirement pension under the Public Employees Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act”;

NOW, THEREFORE; BE IT RESOLVED BY THE PUBLIC EMPLOYEES RETIREMENT BOARD as follows:

The 2019 PERA Board election shall be held in accordance with PERA Rule 2.80.200 NMAC and the results shall be certified at the PERA annual meeting on Thursday, September ~~26, 2019~~24, 2020.

Nominating petitions for one (1) state member position for a four-year term, for one (1) ~~county~~municipal board member position for a four-year term and for one (1) retired board member position for a four-year term on the Public Employees Retirement Board shall be available from Automated Election Services (1-800-833-5568 ext. 6534) beginning on Wednesday, January ~~9, 2019~~15, 2020. Nominating petitions with original signatures must be received at Automated Election Services, 7000 Zenith Ct., Rio Rancho, New Mexico 87144-6467 by 5 p.m. on Monday, April ~~8, 2019~~13, 2020 to be counted.

The method of voting for the 2019 PERA Board election shall be mailed paper ballots.

The Executive Director of the Public Employees Retirement Association is authorized and directed to take any and all steps necessary for the proper conduct of the nominating and election process, including retaining Automated Election Services, an independent contractor firm, for the 2019 Board election.

ADOPTED AND APPROVED THIS ~~8TH~~14TH DAY OF JANUARY, ~~2019~~2020.

**RETIREMENT BOARD OF THE
PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION OF NEW MEXICO**

BY: _____
PERA Board Chair

ATTEST: _____
Wayne Propst, Executive Director





PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

RESOLUTION NO. 20-04

RESOLUTION CALLING FOR NOMINATIONS FOR ONE STATE MEMBER FOR A FOUR-YEAR TERM, ONE MUNICIPAL MEMBER FOR A FOUR-YEAR TERM, AND ONE RETIRED MEMBER FOR A FOUR-YEAR TERM

WHEREAS NMSA 1978, Section 10-11-130(C), provides that the elections of elected members of the retirement board shall be certified at the time of the annual meeting of the association and conducted according to the rules and regulations of the retirement board; and

WHEREAS, pursuant to NMSA 1978, Section 10-11-130(D), the regular term of office of the elected members of the retirement board is four years, the term of one retirement board member under a state coverage plan shall expire annually on December 31, and the term of county retirement board members under a municipal coverage plan shall expire on December 31 of non-coinciding years in the pattern set by the retirement board, and the term of one retirement board member under a retired coverage plan shall expire on December 31 of non-coinciding years in the pattern set by the retirement board; and

WHEREAS, the New Mexico Public Employees Retirement Board has adopted rules and regulations establishing procedures for nominating and electing members of the Public Employees Retirement Association for positions on the Public Employees Retirement Board; and

WHEREAS, the New Mexico Public Employees Retirement Board, by Resolution 20-03, fixed the date of the annual meeting to be on Thursday, September 24, 2020; and

WHEREAS, PERA Rule 2.80.200.70(A) NMAC requires the Public Employees Retirement Board to adopt a resolution during its January meeting specifying when nominating petitions are due to be returned for the non-retired member positions, which shall be not earlier than six months prior and not later than one month prior to the election for the position; and

WHEREAS, PERA Rule 2.80.200.70(A)(1) NMAC requires that candidates nominated for any non-retired board member position shall be vested members under the Public Employees Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act;

WHEREAS, PERA Rule 2.80.200.60(A) NMAC requires the Public Employees Retirement Board to adopt a resolution during its January meeting specifying when nominating petitions are due to be returned to PERA for the retired board member position, which shall be no earlier than six months prior and not later than one month prior to the election for the position; and



WHEREAS, PERA Rule 2.80.200.60(B) NMAC requires that candidates nominated for any retired board member position shall be “receiving a disability or normal retirement pension under the Public Employees Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act”;

NOW, THEREFORE; BE IT RESOLVED BY THE PUBLIC EMPLOYEES RETIREMENT BOARD as follows:

The 2020 PERA Board election shall be held in accordance with PERA Rule 2.80.200 NMAC and the results shall be certified at the PERA annual meeting on Thursday, September 24, 2020.

Nominating petitions for one (1) state member position for a four-year term, for one (1) municipal board member position for a four-year term and for one (1) retired board member position for a four-year term on the Public Employees Retirement Board shall be available from Automated Election Services (1-800-833-5568 ext. 6534) beginning on Wednesday, January 15, 2020. Nominating petitions with original signatures must be received at Automated Election Services, 7000 Zenith Ct., Rio Rancho, New Mexico 87144-6467 by 5 p.m. on Monday, April 13, 2020 to be counted.

The method of voting for the 2020 PERA Board election shall be mailed paper ballots.

The Executive Director of the Public Employees Retirement Association is authorized and directed to take any and all steps necessary for the proper conduct of the nominating and election process, including retaining Automated Election Services, an independent contractor firm, for the 2020 Board election.

ADOPTED AND APPROVED THIS 14TH DAY OF JANUARY, 2020.

**RETIREMENT BOARD OF THE
PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION OF NEW MEXICO**

BY: _____
PERA Board Chair

ATTEST: _____
Wayne Propst, Executive Director





INVESTED IN TOMORROW.

RESOLUTION NO. 20-05
RESOLUTION REGARDING DELEGATION OF AUTHORITY
TO THE EXECUTIVE DIRECTOR

BE IT RESOLVED that pursuant to the authority granted the Board under applicable law and the Board Policies and Procedures, the Board hereby delegates authority to the Executive Director as more fully set forth in this Resolution. This Resolution shall be deemed effective as of the date adopted and shall remain in full force and effect, unless otherwise amended, restated or superseded.

1. General Delegation

The day-to-day administration of the PERA is hereby delegated to the Executive Director, who shall be the executive and administrative head of the system. The Executive Director shall operate the system within the framework established by all applicable laws, and in accordance with rules and policies adopted by the Board. The Executive Director shall act as advisor to the Board on all matters pertaining to the system, act as liaison between the Board, members, member organizations, employers, employer organizations, state departments and agencies and the Legislature, and shall also act as Secretary of the Board. Notwithstanding this section, the Executive Director has the duty to bring to the attention of the Board all matters which have a material impact on PERA.

2. Specific Duties and Authority

- A. Fiduciary Duties.** As a fiduciary to PERA's members and beneficiaries, the Executive Director has the duty to utilize their power loyally, equitably and with prudence in managing the PERA Fund for the exclusive benefit of PERA's members and beneficiaries, and incurring reasonable expenses of administration, according to the terms of the trust set forth in the New Mexico Constitution and statutes. The Executive Director shall not cause or allow any act, decision, activity or circumstance that is imprudent, in violation of commonly accepted business and professional ethics, or a breach of fiduciary, contractual or regulatory responsibility. The Executive Director shall be expected to have a working knowledge of and to be in compliance with all applicable state and federal laws, regulations and Board policies, procedures and by-laws.
- B.** In administering the System, the Executive Director has the duty and is granted the authority to:

1. Present recommendations to the Board with respect to policies, rules and regulations for the purpose of carrying out the provisions of the laws applicable to the system;
2. Submit to the Board reports, resolutions and procedures, and make recommendations for legislative action on changes in the programs and the laws being administered;
3. Appear before legislative committees and address other groups and provide information regarding the provisions of the retirement laws, operations of the system and its programs, and positions taken by the Board on proposed laws and other issues; provided, however, that the Executive Director may not attribute any position to the Board without Board approval;
4. Determine the amount of and make timely payment of annuities, allowances, and refunds to members, former members and their survivors who are the beneficiaries of the system, all in accordance with governing laws; this includes the authority to adjust any benefit payments and to collect overpayments of benefits pursuant to and in accordance with the law and Board policy;
5. Negotiate, enter into, amend and terminate contracts for goods and services provided by external vendors and service providers, subject to the limitations on authority set forth in the PERA Investment Policy Statement;
6. Submit to the Board for its timely approval an annual administrative budget that is appropriate to the fulfillment of PERA's mission, and timely submit the Board-approved budget to the Legislature for inclusion in the State's annual budget in accordance with the Board's constitutional authority. Thereafter, the Executive Director is responsible for administering PERA's operations within authorized budget resources;
7. Prepare and submit to the Board the Comprehensive Annual Financial Report, which covers the operations of the system for the preceding fiscal year including investment results, and thereafter send copies of the report to the Legislature and any other persons/entities as appropriate;
8. Maintain membership and participate in the proceedings of nationally recognized organizations in the fields of public retirement administration, investments, and other disciplines as appropriate for the purpose of keeping abreast with the latest developments applicable to public pension plan administration and to further the interests of PERA;
9. In consultation with the Board Chair, act as the prime spokesperson for the system to the public, the media and the Legislature, subject to the provisions of Par. 3, above;

10. Identify, articulate, prioritize and schedule matters the Board will regularly address, including setting the meeting agendas as well as preparing a summary of issues to be discussed, a staff or committee recommendation (if applicable), and a proposed motion or motions for the Board to consider.
- C. The Executive Director is granted the authority to act finally with respect to the following matters:
1. Planning, organizing and directing the work of the system as deemed necessary to fulfill the functions thereof;
 2. Negotiating, entering into, amending and terminating consulting contracts of a non-investment nature as may be necessary for the administration of the system.
 3. Negotiating, entering into, amending and terminating contracts for investment management, advice, consulting, and legal counsel and authorizing expenditures for such investment services to be paid out of budgeted funds, all subject to the terms of the Investment Policy Statement;
 4. Execute, on the recommendation of the Chief Investment Officer, all documents or authorize the issuance of instructions, both when the system is acting directly and when the system is acting in its capacity as a constituent of an entity in which the system holds an interest, necessary to purchase, sell, convey, assign, incur debt, encumber assets or otherwise manage investments and assets of the system including, but not limited to, those involving real estate, mortgages, equities, fixed income, alternative investments, and special situations, in compliance with policy guidelines adopted by the Board or Investment Committee, including authorized investment delegation levels. A copy of this Delegation of Authority and the most current list of discretion levels delegated to the Chief Investment Officer and investment staff shall be maintained in the Investment Policy Statement;
 5. Vote, vote by proxy and otherwise act in accordance with Board policy and applicable procedure on all matters relating to the corporations, limited partnerships, limited liability companies and other entities through which the system holds title to investments, including but not limited to matters of corporate governance;
 6. Establishing and directing the maintenance of an effective system of internal controls and records and accounts following recognized accounting principles;

7. Directing the preparation of accurate statistical records to serve as a basis for actuarial investigations, valuations, and computations in sufficient detail to permit the valuation and establishment of experience factors;
8. Appointing, evaluating, disciplining, promoting, dismissing and compensating such employees as may be necessary to carry out the provisions of the law applicable to the system and defining the duties thereof, *provided*, that employee compensation shall be reflected in the proposed annual budgets submitted to the Board and shall be subject to approval by the Board as part of the budgetary process. The Executive Director has the authority to employ all NMPERA employees, subject to applicable law, and shall disclose the credentials of newly hired individuals for the positions of Deputy Director, Chief Investment Officer and General Counsel which meet the qualifications for those positions. The Executive Director shall develop and execute performance plans for all employees under their supervision. Such performance plans shall be consistent with the Executive Director's performance plan. Exempt employees shall be evaluated by the Executive Director in relation to their performance plan at least once per year.
9. Initiating, prosecuting, and defending appeals, writs and other litigation in the courts and administrative forums as necessary to comply with and enforce applicable law and to carry out the decisions and policies of the Board. Board approval will be obtained before taking such action where required by Board policy or otherwise appropriate under the circumstances;
10. Accept service of summons and any other legal service of process for and on behalf of the Board and the system;
11. Initiate, prosecute and defend subrogation actions, appeals, and other related litigation matters, such as cross complaints, and to file liens, intervene in court proceeding, join parties to actions, consolidate actions, compromise claims, contract with outside counsel, and take other such action as necessary to recover amounts owed to the system;
12. Make programmatic decisions regarding the system's defined contribution program, including but not limited to selecting investment options available to plan participants. Any authority the Executive Director has to enter into contracts shall be subject to the limitations imposed above.
13. It is the responsibility of the Executive Director, or their designee, to act as the liaison for communication and information flow between the Board and PERA staff.

- D. The Executive Director shall perform such other duties as may be required for the administration of the system, other provisions of law governing the system, and for the transaction of its business.
- E. The Executive Director may sub-delegate any and all of the powers and authority delegated herein as appropriate, consistent with applicable law and Board policies. The Executive Director must act prudently with respect to delegation of duties and any such delegation must be in writing. The Executive Director must regularly evaluate performance under such delegation to assure competent delegation.
- F. The Executive Director shall be formally evaluated by the Board at least once a year, following the close of the fiscal year. The Board shall follow the process set out in the Executive Director Evaluation Form attached as an appendix to the Board's Policies and Procedures. Performance criteria shall primarily include objectives for outcomes that are under the Executive Director's control, but may also include outcomes for which the Executive Director may reasonably be expected to exercise influence. Performance criteria requiring additional resources shall be enforced only in the event that such incremental resources have been authorized and funded in PERA's annual budget. The performance plan which the Board adopts and monitors each year for the Executive Director shall include training and professional development. The Board shall approve training for the Executive Director in the same manner as for Board Members.
- G. The Executive Director does not have delegated authority to establish their own compensation or benefits. That authority is reserved explicitly to the Board, acting as a whole. The annual compensation for the Executive Director shall be set by Board action, upon majority vote taken during open session at a regular Board meeting following the annual performance evaluation, subject to the Board's authority to modify such compensation at any time upon appropriate notice. The compensation of the Executive Director shall be included in the budget submitted to the Board for adoption for the fiscal year in which the compensation is to be paid, and is subject to final approval of that budget.

ADOPTED AND APPROVED THIS 14TH DAY OF JANUARY, 2020.

**RETIREMENT BOARD OF THE
PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION OF NEW MEXICO**

BY: _____
PERA Board Chair

ATTEST: _____
Wayne Propst, Executive Director



PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

RESOLUTION NO. ~~19-0520-06~~

RESOLUTION CONCERNING BOARD POLICY ON LEGISLATION

RESOLVED, given the nature of the legislative process, legislation may be introduced or amended that requires immediate analysis and response from PERA. In such an event, the PERA Board Chair and the Executive Director, in consultation with the Legislative Committee Chair are delegated the authority to determine Board positions on legislative proposals affecting PERA. The Board Chair and the Executive Director will work closely with the Legislative Committee Chair and Committee to make determinations regarding legislation that are in the best interest of the Fund. The Executive Director will report regularly to the full Board throughout the ~~2019-2020~~ legislative session, any special session that might occur and the following interim.

RESOLVED, that the PERA Board Chair, the Legislative Chair and Executive Director, or his designees, are authorized to testify on legislation affecting PERA and to make determinations on the positions PERA will take regarding legislative proposals when circumstances do not permit action by the full Board. The Board Chair and the Executive Director will provide regular reports to the full Board throughout the legislative session. The PERA Board Chair may delegate other Board members to testify on legislation affecting PERA as appropriate.

ADOPTED AND APPROVED THIS ~~8TH-14TH~~ DAY OF JANUARY, ~~2019~~2020.

**RETIREMENT BOARD OF THE
PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION OF NEW MEXICO**

BY: _____
PERA Board Chair

ATTEST: _____
Wayne Propst, Executive Director





PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

RESOLUTION NO. 20-06

**RESOLUTION CONCERNING
BOARD POLICY ON LEGISLATION**

RESOLVED, given the nature of the legislative process, legislation may be introduced or amended that requires immediate analysis and response from PERA. In such an event, the PERA Board Chair and the Executive Director, in consultation with the Legislative Committee Chair are delegated the authority to determine Board positions on legislative proposals affecting PERA. The Board Chair and the Executive Director will work closely with the Legislative Committee Chair and Committee to make determinations regarding legislation that are in the best interest of the Fund. The Executive Director will report regularly to the full Board throughout the 2020 legislative session, any special session that might occur and the following interim.

RESOLVED, that the PERA Board Chair, the Legislative Chair and Executive Director, or his designees, are authorized to testify on legislation affecting PERA and to make determinations that reflect the previous actions of the Board on the positions PERA will take regarding legislative proposals when circumstances do not permit action by the full Board. The Board Chair and the Executive Director will provide regular reports to the full Board throughout the legislative session. The PERA Board Chair may delegate other Board members to testify on legislation affecting PERA as appropriate.

ADOPTED AND APPROVED THIS 14TH DAY OF JANUARY, 2020.

**RETIREMENT BOARD OF THE
PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION OF NEW MEXICO**

BY: _____
PERA Board Chair

ATTEST: _____
Wayne Propst, Executive Director





INVESTED IN TOMORROW.

To: PERA Board Members
From: Wayne Propst, Executive Director
Re: Pre-filed/ IPOC-Endorsed PERA-Related Legislation
Date: January 14, 2020

Investment and Pension Oversight Committee (IPOC) Endorsed Legislation¹

Docket Fees to General Fund/Employer Contributions as a Percentage of Salary Discussion Draft .216014.1SA

Provides that portion of docket fees currently deposited into the Magistrate retirement Fund and Judicial retirement Fund be deposited directly into the General Fund. Docket fees will be replaced by increases employer and employee contribution rates that are a statutory percentage of salary (after removal of the docket fee component the employer contribution rate for the JRA will increase from 15% to 30% and for the MRA from 15% to 22%). PERA actuaries have historically recommended that funding for these poorly-funded retirement plans be statutory contribution rates correlated to salary.

PERA has supported similar legislation as it provides a more stable, reliable funding source for the JRA and MRA Plans.

Staff Recommendation: *Support*

Legislative Retirement Funding Diversion Discussion Draft .216015.1SA

Provides for a 5-fiscal year diversion of the \$2.4 million annual distribution to the Legislation Retirement Fund, split equally to the Magistrate and Judicial Retirement Funds.

PERA has supported similar legislation in the past as a prudent utilization of excess funds in the Legislative Retirement Fund.

Staff Recommendation: *Support*

¹ As of the date of this memo, have not yet been pre-filed.

Judicial and Magistrate Retirement General Fund Appropriation

Discussion Draft .216016.1SA

Provides for one-time, non-reverting General Fund appropriations to address solvency issues as follows: to the Judicial Retirement Fund, \$32,500,000; and to the Magistrate Retirement Fund, \$14,500,000.

Staff Recommendation: *Neutral*

Pre-filed Legislation

SB 34 COLA Increases to Retired Law Enforcement Senator Craig Brandt

SB 34 would allow retired PERA law enforcement officers who are hired as school security officers with an ERB affiliate to receive cost-of-living adjustments (COLAs). As a result of SB 27, retirees reemployed with ERB-covered affiliated employers have their COLAs suspended while reemployed. Similar legislation passed the Legislature in 2019 but was pocket vetoed. Note: the Governor's PERA solvency legislation would restore COLAs for all reemployed PERA members who return to work for an ERB affiliate.

Staff Recommendation: *Neutral*

SB 60 Public Employees Board Changes

Senator George Munoz

SB 60 would make changes to the composition of the PERA Board. SB 60 was endorsed by the Investments and Pensions Oversight Committee.

Staff Recommendation: *None*

SB 62 Public Employees Retirement Pay Changes Senator George Munoz

SB 62 would include certain overtime hours under the Fair Labor Standards Act (FLSA) in the calculation of PERA pension amounts. SB 62 was endorsed by the Investments and Pensions Oversight Committee.

Staff Recommendation: *None*

SB 71 PERA and ERB Employee Compensation

Senator George Munoz

Authorizes the PERA and ERB Boards to develop and implement a framework for compensation for their respective Chief Investment Officer and investment staff that includes a base compensation component and a variable, investment performance-based component aligned with investment industry norms for the following fiscal year. Excludes PERA and ERB Chief Investment Officer (CIO) and the investment staff covered by the compensation framework established from the State Personnel Act and specifically includes them in the annual exempt employee salary plan.

The PERA Board endorsed this bill in the 2020 Legislative Session.

Staff Recommendation: *None*

SB 72 PERA Solvency**Senator George Munoz**

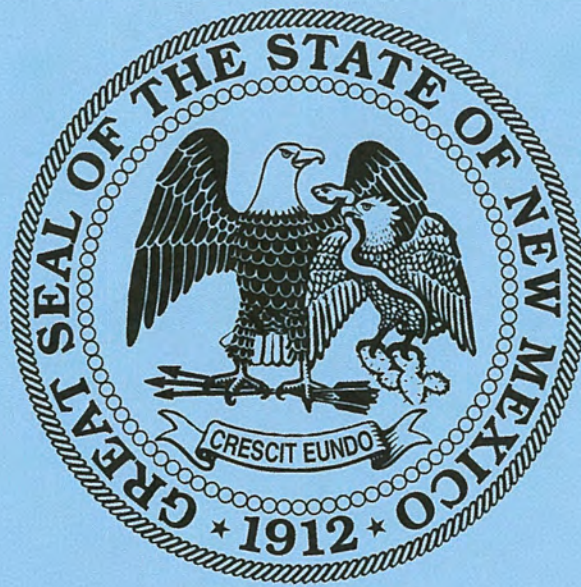
Governor's PERA solvency legislation, based on the PERA Solvency Task Force recommendations, which provides for comprehensive pension reform measures to improve pension funding solvency in the long term with shared sacrifice among all membership groups- retirees, active employees and future members. The main components of the legislation increases employee and employer contribution rates 4% and changes COLA calculations for most retirees effective July 1, 2023 to a profit-share model. Also provides for a non-compounding 13th check for retirees for the next three fiscal years. A complete analysis is posted to the Board Portal. The Board passed Resolution 19-16 in support of the recommendations of the Governors PERA Solvency Task Force.

Staff Recommendation: Support

SB 94 Retired Law Enforcement Returning to Work**Senator Clemente Sanchez**

Allows certified law enforcement officers who retirement from certain PERA member coverage plans to return to work subject to certain conditions. Requires the reemployed retired law enforcement officer to be employed in the capacity of a patrol officer. Provides for a 90-day lay out period post-retirement, includes nonrefundable employer and employee contributions, and suspension of cost-of-living adjustments during reemployment. The Board has, for the last 10 years, opposed Return to Work Legislation.

Staff Recommendation: None



State of New Mexico

Judicial Compensation Commission

2019 Report

To the Legislative Finance Committee
and
Department of Finance and Administration

Introduction

In 2005, the Legislature enacted Senate Bill 263, now NMSA 1978, Section 34-1-10 (2005), creating the Judicial Compensation Commission (“JCC”), an independent six-member commission charged with recommending a compensation and benefits plan for New Mexico judges to the Legislative Finance Committee and the Department of Finance and Administration. 2019 JCC members are:

Sergio Pareja, Dean of the University of New Mexico School of Law, statutorily designated as Chair of the JCC;

Deborah Seligman, appointed by the President Pro Tempore of the New Mexico Senate;

Kathleen “Kay” Marr, appointed by the Speaker of the New Mexico House of Representatives;

Gerald Dixon, President of the State Bar of New Mexico, statutorily designated as a member; and

William F. Fulginiti, Executive Director of the New Mexico Municipal League, appointed by the Chief Justice of the New Mexico Supreme Court.

The position reserved for an appointee by the Governor of New Mexico is vacant.

Statutory Requirement

The New Mexico Judicial Compensation Commission (JCC) must annually “report to the legislative finance committee and the department of finance and administration its findings and recommendations on salaries for judges and justices.” NMSA 1978 § 34-1-10(G). Judicial compensation in New Mexico is set through a statutory formula based on the salary the Legislature sets for the Justices of the Supreme Court. NMSA 1978 § 34-1-9. The Chief Justice salary is set \$2,000 higher than the salary of a Justice. Each judge of the Court of Appeals is paid a salary equal to 95% of the salary of a Supreme Court Justice. Each District Court judge is paid 95% of the salary of a Judge of the Court of Appeals. Each Metropolitan Court judge is paid 95% of the salary of a judge of the District court. Each Magistrate is paid 75% of the salary of a Metropolitan Court judge. Salaries for Chief Judges are set according to the same formula based on the Chief Justice’s salary. Judicial salaries are not adjusted for location. Each judge of the same type of court earns the same amount in any community in the state, regardless of size, docket, cost of living, or judicial experience. In 2015, the New Mexico Supreme Court adopted a policy of endorsing JCC recommendations. The judicial branch supports legislation in the 2019 session to accomplish the recommendations of the Legislature’s Judicial Compensation Commission.

Update on the 2019 Legislative Session

During the 2019 legislative session, the Legislature considered the JCC's recommendations and voted a 6% salary increase for judges in New Mexico. Governor Lujan Grisham approved this increase. The Legislature did not address judicial retirement or the additional compensation provided for the Chief Justice and Chief Judges.

JCC Recommendations for FY 2021

- Increase judicial pay 8% as part of a three-year plan to pay district court judges \$165,000.
- Increase differential for Chief Justice pay from \$2,000 to 5% of Justice salary.
- Amend JCC statute to make JCC salary recommendations effective unless rejected by a majority of the Legislature.
- Reverse trend toward insolvency in judicial retirement funds by combination of:
 - One-time investments
 - Temporary dedication of legislative retirement funding stream to judicial retirements, and
 - Directing filing fees to the general fund instead of judicial retirement while replacing the amount contributed by fees with an equivalent percentage of general fund appropriations to judiciary retirement funds.

2019 Salary Recommendation

1. Increase salaries 8%

The JCC recommends that the salary of Supreme Court Justices be increased 8%, consisting of a real increase of 6% in salary (\$8,892) plus a 2% COLA adjustment (\$2,964), for a total increase of 8% (\$11,857) bringing the Justice salary from \$148,208 to \$160,064. This increase would bring the district court judges' salaries to \$144,458 based on the statutorily mandated salary regression steps in NMSA § 34-1-9. The new salary of New Mexico Supreme Court Justices as increased in July 2019 (\$148,208) ranks 48 out of 55 in the United States based on salaries in other states as of July 2019.¹ The fact that judges are paid less than lawyers with comparable experience as well as local and state employees has significantly reduced the Judiciary's ability to attract and retain judges with proficiency in civil law.²

The 6% increase effective in July 2018 left New Mexico district court judges with a salary ranked 48 of 55 and judges of the Court of Appeals ranked 40 of 43.³ Pay is a significant factor having an impact on the diversity of candidates who seek judicial office. Candidates with only criminal law experience have a steep learning curve when serving in districts where judges are expected to hear a diverse range of civil, family, juvenile, and criminal cases.

As noted in the 2017 and 2018 JCC reports, the judiciary should reflect a diversity of legal backgrounds, including in the private sector and law firms, as well as government experience.

Our court system should be filled with judges who not only are intelligent, thoughtful, and faithful to the rule of law, but also bring diversity of experience and background ... The reality is that all judges bring into the courtroom their unique life experience, tempered by their oath to make decisions based on the law and the constitution. It's the integrity and judgment of those men and women that allow our constitutional democracy to move forward.⁴

In 2017, the New Mexico Bar Association commissioned a lawyer compensation study, as it did in 2012. Survey respondents who identified themselves as a partner/shareholder reported an average salary of \$210,502, with sole practitioners reporting \$184,457.5 The report indicates that attorneys charged the highest per-hour billing rate (a median of \$250) for civil litigation, business, contract law, and estate planning, which could explain why fewer of those performing this work are attracted by the salary offered by the judiciary. With the recommendation to increase salaries 8% in FY 2021, a district judge's pay would be \$144,458, still significantly less than the reported salaries of partners and solo practitioners in private practice.

¹ It is expected that the ranking of New Mexico judicial salaries will decline when salaries are updated by NCSC in January 2020.

² The Economics of Law Practice in New Mexico, *Lawyer Compensation*, May 2017, Research & Polling, Inc.

³ NCSC Annual Survey of Judicial Salaries, July 1, 2019, at <https://www.ncsc.org/~media/Microsites/Files/Judicial%20Salaries/JSS-July-2019.ashx>

⁴ Yvette McGee Brown, former Ohio Supreme Court Justice, Forward to *Building a Diverse Bench: A Guide for Judicial Nominating Commissioners*, Brennan Center for Justice, 2016.

2019 Salary Recommendation (cont.)

Using salaries reported in the Bar's 2017 survey, the average partner in a law firm is paid 42% more than a Justice of the Supreme Court. The average solo practitioner is paid 24% more than a Supreme Court Justice.⁵ The average pay of all 569 lawyers in the 2017 survey, from partners in law firms to legal aid and government attorneys, was \$142,382, putting the 2020 salary for a Justice of the Supreme Court just 3.9% above the average pay of all attorneys in all fields of law practice in New Mexico as reported in 2017.

The experience of Judicial Nominating Commissions during 2018 confirmed previous findings regarding judicial applicants. A 2016 review of all 309 judicial candidates from 2010 to 2015 revealed that 17% were age 39 or younger, although a district court judge must be at least age 35. More striking was that 85% of all applicants had experience in government service. Almost half (44.7%) had ten or more years of government service. Lawyers with experience in the private sector as well as law firms reported that judicial salaries prevent them from applying to be judges. The data also show these lawyers are simply not seeking judicial office. Continuing to improve salaries will help address the need to attract a more diverse mix of experience among attorneys seeking to be judges.

To increase the diversity of judicial candidates and encourage more broadly experienced attorneys to become and remain judges, the Commission recommends that the salary of a district court judge should be \$165,000. That salary should attract more diverse candidates to the district courts including lawyers in mid-career who have experience across the spectrum of civil cases beyond the criminal law experience that dominates among recent candidates. Raising pay to \$165,000 will make district court judge pay higher than the salary reported by the average of all attorneys and less demonstrably below what they might earn in private practice. The target salary would be less than the current salary of executives paid by the government to manage the Legislative Finance Committee, PERA, and Santa Fe (both the city and county) (see page 9).

The Commission recommends the necessary salary level be achieved over three years. To achieve the target pay of \$165,000 for district court judges, the pay of a Justice would have to be approximately \$183,000 under the statutory salary progression. Supreme Court Justices in, for example, Colorado and Utah are already paid above \$183,000 and the national average for a Justice as of July 2019 is \$178,346. A three-year plan to achieve a target district court judge pay of \$165,000 would require an average annual increase of 7.33%. The Commission recommends increases of 8% in FY 2021, 7% in FY 2022, and 7% in FY 2023, which would take Justice pay to \$160,064 in the 2020 legislative session, \$171,268 in the 2021 session, and \$183,257 in the 2022 session.

JCC recommends Justice pay be set at \$160,064 in FY2021, an increase of 6% plus a 2% COLA for a total salary increase of 8%. The total recurring cost for all judges would be \$2,432,436.92.

⁵ The Economics of Law Practice in New Mexico, *supra*, at p. 7.

2019 Salary Recommendation *(cont.)*

2. Amend Chief Judge Pay Differential from \$2,000 to 5% of Salary

An aspect of judicial pay that has not been addressed by the Legislature since 1993 is pay differentials for Chief Judges and the Chief Justice. In recognition of the added duties and responsibilities that attach to the office, the Legislature in 1993 added \$2,000 to the pay of the Chief Justice.⁶ The same statute provides that Chief Judges are paid 95% of the next higher level court, so that the Chief Judge of the Court of Appeals is paid 95% of the \$2,000 salary differential of the Chief Justice, the district court Chief Judges are paid 95% of the Court of Appeals Chief Judge, the Chief Judge of the Bernalillo County Metropolitan Court is paid 95% of the district court Chief Judge, and the five qualifying Magistrate Court Presiding Judges (who oversee three or more magistrates) are paid 75% of the Metropolitan Court Chief Judge. JCC recommends setting the differential as a percentage of salary and setting the differential at 5%. This would increase the Chief Justice differential from \$2,000 to \$7,929.

At the time the Chief Justice pay differential was set at \$2,000 in 1993, the Justice salary was \$77,250. Although Justice pay has increased since 1993, the compensation differential for the Chief has remained at \$2,000 for the Chief Justice and \$1,805 for the Chief Judges of the district courts. If the work of the Chief Justice and Chief Judges were the same as in 1993, a simple inflationary calculation would suggest the compensation for serving in the higher office should be about \$4,000. However, there have been some significant changes in the role of the Chiefs.

The size and scope of the Judiciary is much greater than in 1993. For example, oversight is required of 47% more district court judges (from 65 in 1993 to 94 today) and 127% more district court employee positions (from 436 in 1993 to 989 today). The general fund budget that Chiefs are required to manage increased by 207% from \$59,684,400 in 1996 to \$183,112,000 today. Courts now oversee more than \$10 million in drug court operations that did not exist in 1993. Programs that require judges' oversight today also include Alternative Dispute Resolution, Court Appointed Attorneys in abuse and neglect cases, almost 100 court interpreters and independent interpreter contractors, and Information Technology unimagined in 1993.

While it is difficult to quantify, it is clear that the responsibilities of the Chief Justice and Chief Judges have increased dramatically in size and scope since the Chief compensation was set at \$2,000 more than 25 years ago. The JCC recommends that the compensation differential for the Chief Justice and chief judges be set at 5% above the pay of judges in each court level.

⁶ NMSA 1978, Section 34-1-9A.

2019 Salary Recommendation (cont.)

FY2021 New Mexico Judicial Compensation Increase including Benefits

8% increase across the board & 5% additional increase for Chiefs
(effective 7/11/2020 (1st full pay period in FY21))

Job Title	FTE	Formula	FY2020 Current Annual Rate	Annual Rate - reflecting 8% Increase	Annual Rate - reflecting 5% Increase for Chiefs
Chief Justice	1	AJ + \$2000	\$150,207.08	\$162,063.65	\$168,066.83
Associate Justice (AJ)	4	Target Pay	\$148,207.08	\$160,063.65	\$160,063.65
Chief Court of Appeals	1	95% of Chief Justice	\$142,696.73	\$153,960.46	\$159,663.48
Court of Appeals Judges	9	95% of Associate Justice	\$140,796.73	\$152,060.46	\$152,060.46
Chief District Judge	13	95% of Chief Court of Appeals Judge	\$135,561.89	\$146,262.44	\$151,680.30
District Judge	81	95% of Court of Appeals Judge	\$133,756.89	\$144,457.44	\$144,457.44
Chief Metro Judge	1	95% of Chief District Judge	\$128,783.80	\$138,949.32	\$144,096.28
Metropolitan Judge	18	95% of District Court Judge	\$127,069.05	\$137,234.57	\$137,234.57
Presiding Magistrate Judge	5	75% of Chief Metro Judge	\$96,587.85	\$104,211.99	\$108,072.21
Magistrate Judge	62	75% of Metropolitan Judge	\$95,301.78	\$102,925.93	\$102,925.93
195					
8% Increase Cost* (including Chiefs)		\$2,261,958.35			
5% Chief Increase Cost*		\$170,478.57			
TOTAL COST*		\$2,432,436.92			

Formula: Total new cost / 26 pay periods x 25 pay periods* - effective is first full pay period in FY2021

JRA: 25.4% = 2.5% retiree healthcare, 15.25% PERA, 7.65% FICA

MRA: 24.9% = 2% retiree health care, 15.25% PERA, 7.65% FICA

National Salary Comparison 2019

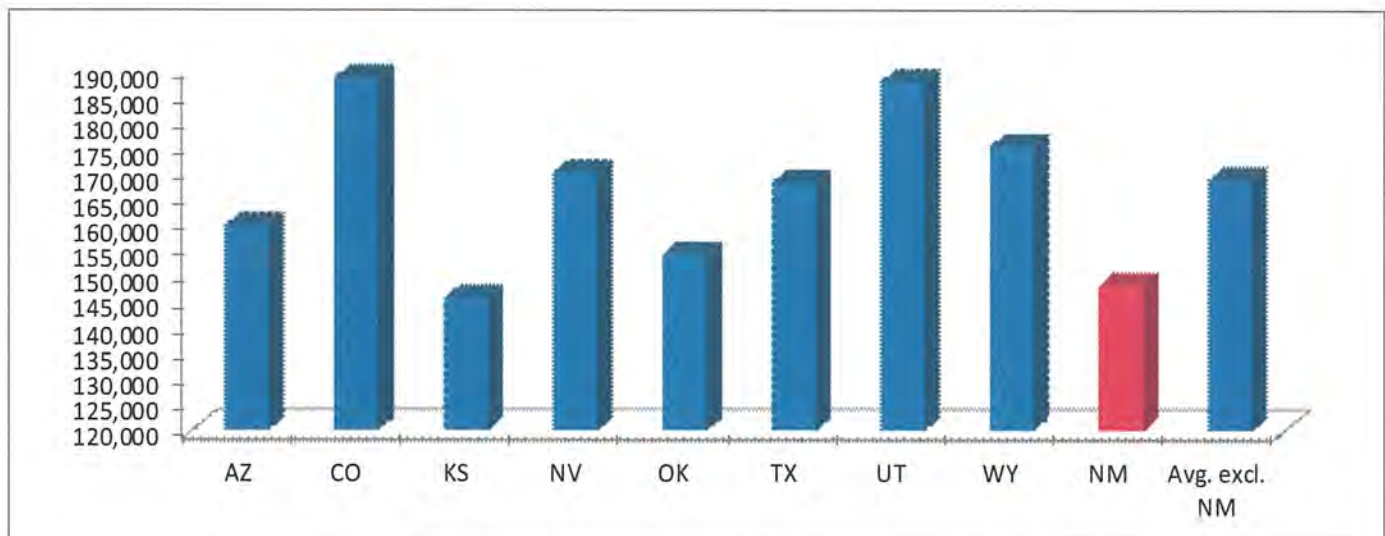
- New Mexico Supreme Court Justice salary ranks 48 of 55 among all state courts as of July 1, 2019.
- New Mexico Intermediate Appellate Court (Court of Appeals) Judge salary is 40 out of 43 (not all states have an Intermediate Appellate Court).
- New Mexico general jurisdiction district trial court judge salary is now 48 out of 55.
- The average national salary of a Supreme Court Justice is \$178,346. The salary of a New Mexico Supreme Court Justice is now \$148,208, or \$30,138 below the national average.

Supreme Court Justice Salaries as of July 1, 2019 in Western Comparison States⁷

AZ	\$159,685
CO	\$188,151
KS	\$145,641
NV	\$170,000
OK	\$154,174
TX	\$168,000
UT	\$187,500
WY	\$175,000
NM	\$148,208

The average Justice salary in the mountain west states excluding New Mexico is \$168,519, or about \$10,000 less than the national average. The New Mexico Justice salary is \$20,311 below the mountain west average and \$30,138 below the national average. The cost-of-living index reported in the NCSC salary tracker for New Mexico is 101.7% (above the national average). Five mountain west states have a higher cost-of-living index than New Mexico and three have a lower cost-of-living index than New Mexico.⁷

New Mexico Justice salaries continue to lag well behind neighboring states in the Mountain West region. States used in the comparison chart report below were selected because they are the designated “Mountain West Region” states by the Hay Group. The Hay Group is a consulting firm whose salary compilation data is used by the Judiciary and many state and private entities, regarding comparative salary data. The Mountain West Region is used by the Judiciary because of states’ similarities in population concentrations and economics.



⁷ NCSC Annual Survey of Judicial Salaries, July 1, 2019.

State and Local Salary Comparison

The salaries of New Mexico Supreme Court Justices, Court of Appeals judges, and trial judges (highlighted in yellow) compared to salaries paid in local and state government, as well as in higher education.⁸

University of New Mexico Athletic Coach 4 (Football)	\$422,690
University of New Mexico Chief Legal Counsel	\$272,950
Senior Investment Officer, State Investment Council	\$265,267
ERB Deputy Director of Investments	\$254,409
University of New Mexico School of Law Dean	\$249,672
PERA Chief Investment Officer	\$239,700
U.S. Tenth Circuit Judge	\$223,700
U.S. District Judge	\$210,900
Santa Fe County Manager	\$198,750
Bernalillo County Attorney	\$170,000
Santa Fe City Manager	\$170,000
PERA Executive Director Investments/Pensions	\$166,290
Legislative Finance Committee Director	\$165,460
Albuquerque Metropolitan County Detention Center Chief	\$165,000
Rio Rancho City Manager	\$161,408
Los Alamos County Deputy Attorney	\$161,136
Dona Ana County Manager	\$160,000
New Mexico Spaceport Director	\$153,000
New Mexico Supreme Court Chief Justice	\$150,207
New Mexico Supreme Court Justice	\$148,207
Annual salary of all NM attorneys in 2017 State Bar Salary Survey	\$142,382
New Mexico District Court Judge	\$133,757
Senate Chief Clerk	\$127,314
Attorney General's Office Chief of Staff	\$127,607
New Mexico Metropolitan Court Judge	\$127,069
Legislative Education Study Committee Director	\$124,200
State Auditor's Office Deputy State Auditor	\$123,749
San Juan County District Attorney	\$121,000
House Chief Clerk	\$117,300
Santa Fe Municipal Judge	\$113,568
New Mexico Magistrate Judge	\$ 95,302

⁸ Data collected from salaries reported on the New Mexico Sunshine Portal, the University of New Mexico Sunshine Portal, sites published by local governments, & information provided by employees of the institution or government office.

2019 Proposed Change to the Statute Governing the Judicial Compensation Commission

3. Change JCC Statute to Make Recommendations “Opt Out”

As is the case for judicial salary commissions in 14 other states, the JCC is only advisory to the Legislature. JCC has no statutory authority to enforce its recommendations. However, in nine states (AL, AZ, DE, HI, MD, MO, NY, OK, and WA), the salary recommendations of the commission are binding unless affirmatively rejected by the Legislature (or by the voters in Washington). Three of these states (Alabama, Arizona, and Oklahoma) moved from advisory commissions to binding-unless-rejected commissions since 2015. In addition, the Arkansas Constitution provides that its commission’s recommendations are binding and cannot be rejected by the Legislature or Executive.

Some states have addressed this by statute; in others, this authority is granted by their constitutions. For example, the Missouri Constitution in Article VIII, Section 3, paragraph 8 provides that the Salary Commission shall file a schedule of compensation by December 1, which “shall become law unless disapproved by concurrent resolution adopted by a two-thirds majority vote of the general assembly before February 1 of the year following the filing of the schedule.” While Missouri requires a two-thirds vote of its legislature, most states allow override of the recommendation of their compensation commissions by a simple majority vote.

The current statute makes the Commission’s recommendations advisory only. This requires either a stand-alone bill for judicial pay or that the Supreme Court prioritize the JCC’s recommendations over other needs of the courts in the Unified Budget the Court approves for submission in September each year. JCC recommends a statutory change to address this issue. The existing Judicial Compensation Commission statute (section 34-1-10) requires salary recommendations but gives them no effect. Elsewhere in the NM Constitution, the “legislature shall provide by law” for compensation of district court judges, Article VI, Section 17, and magistrates shall be paid “as may be provided by law,” Article VI, Section 26. A statutory amendment could add the following in Section 34-1-10G:

- G. The recommendations shall take effect and have the force of law as of July 1 following submission, unless the legislature shall by joint resolution reject or amend the recommendations during the next regular legislative session following submission of the commission’s recommendations. Sufficient appropriations shall be provided for the salaries of all justices, judges and state judicial officers.

2019 Proposed Change to the Statute Governing The Judicial Compensation Commission *(cont.)*

The effect of this statutory amendment would be to make the JCC recommendations binding unless affirmatively rejected by the Legislature. Additionally, this would:

- Make the recommendations of the independent judicial compensation commission created by the Legislature effective while retaining the Legislature's power to reject or modify its recommendations;
- Reduce judicial lobbying for pay increases in competition with other critical needs of the courts;
- Establish the Legislative Branch as the authority for Judicial Branch salaries, minimizing political interests in establishing pay for judges; and
- Avoid litigation such as occurred in 2014 over veto or partial veto of appropriations for judicial salaries.

Judicial Retirement Funding

4. Improve Judicial Retirement Funding

As JCC has continued to emphasize over the years, adequate compensation for state court judges is tied directly to judicial retirement benefits. Retirement provisions are of particular importance to judges because judicial careers typically start in early middle age, often a very different scenario from other state employees.

In 2015, NCSC conducted a nationwide survey on judicial retirement and benefits. The resulting report shows that New Mexico judges, whose salaries are among the lowest, contribute at the 4th highest rate, behind judges in California, Rhode Island, and Illinois. Judges in the mountain west states of Nevada and Utah contribute nothing. The table below shows salaries and contribution rates of judges in general jurisdiction courts.

Judicial Retirement Funding

<i>State</i>	<i>Salary*</i>	<i>Salary Rank</i>	<i>Judge's Contribution Rate as a % of salary</i>	<i>Required Years of Service **</i>
California	\$253,189	1	15.25%	65 or older, 20 years 70+, 5-19 years Amount varies based on tier of employment
Rhode Island	\$187,149	19	12%	Under 65, 20 years, 65% 65+, 10 years, 65% 65 and 20 years, 80%
Illinois	\$240,016	2	11%	55 with 10 years, reduced benefits 60 or older, 10 years 63 with 8 years, reduced benefits 67, 8 years
New Mexico	\$148,208	48	10.5%	Magistrate, any age with 24 years of service Judge, 60 with 15 years of service or 65 with 8 years
Idaho	\$155,200	41	10.2%	60 with 10 years of service 65 with 4 years of service Any age with 20 years of service
New Hampshire	\$175,837	27	10%	60 with 15 years, 70% 65 with 10 years, 75% 70 with 7 years, 45%
Pennsylvania	\$211,027	7	10%	Superannuation Pension 60 with 3 years Or any age with 35 years

As the chart shows, retirement benefits for New Mexico judges are at best average. The chart also shows that New Mexico judges contribute the fourth highest percentage of salary to retirement while they receive the eighth lowest pay in the nation.*** The answer to the projected insolvency of both JRA and MRA should not include further reducing judge pay by increasing their contributions toward retirement.

* Justice salary as of July 1, 2019.

** From *A Comparative Analysis of Judicial Compensation in the US and Canada: Facts, Figures and Comparisons*, ICM Fellows Program, 2015- 2016 Court Project Phase, May 2016.

*** The seven entities with lower pay than New Mexico are MT, KS, ME, SD, WV, Northern Mariana Islands and Puerto Rico.

Judicial Retirement Funding (cont.)

The Legislature made significant changes to judicial retirements in 2014 by increasing the percentage of salary contributed by judges, reducing annual service credit which effectively extends the required period of judicial service before retirement, lengthening the vesting period, and suspending the retirement COLA for 2 out of every 3 years the funds are not projected to achieve 100% funding. Despite these changes, the funded ratio of the JRA declined from 61.7% at the end of FY17 to 56.3% at the end of FY18. The MRA funded ratio declined from 61.3% at the end of FY17 to 55.6% at the end of FY18. Although figures are not yet final for the end of FY19 further declines will be reported. Current projections provided by PERA show that JRA will be insolvent in the year 2062 while MRA will be insolvent in 2041. It is essential to address the projected insolvency in the JRA and MRA. JCC recommends a three-part approach to reversing the projection toward insolvency in judicial retirement funds.

ONE-TIME INVESTMENT OF FUNDS IN THE JRA AND MRA

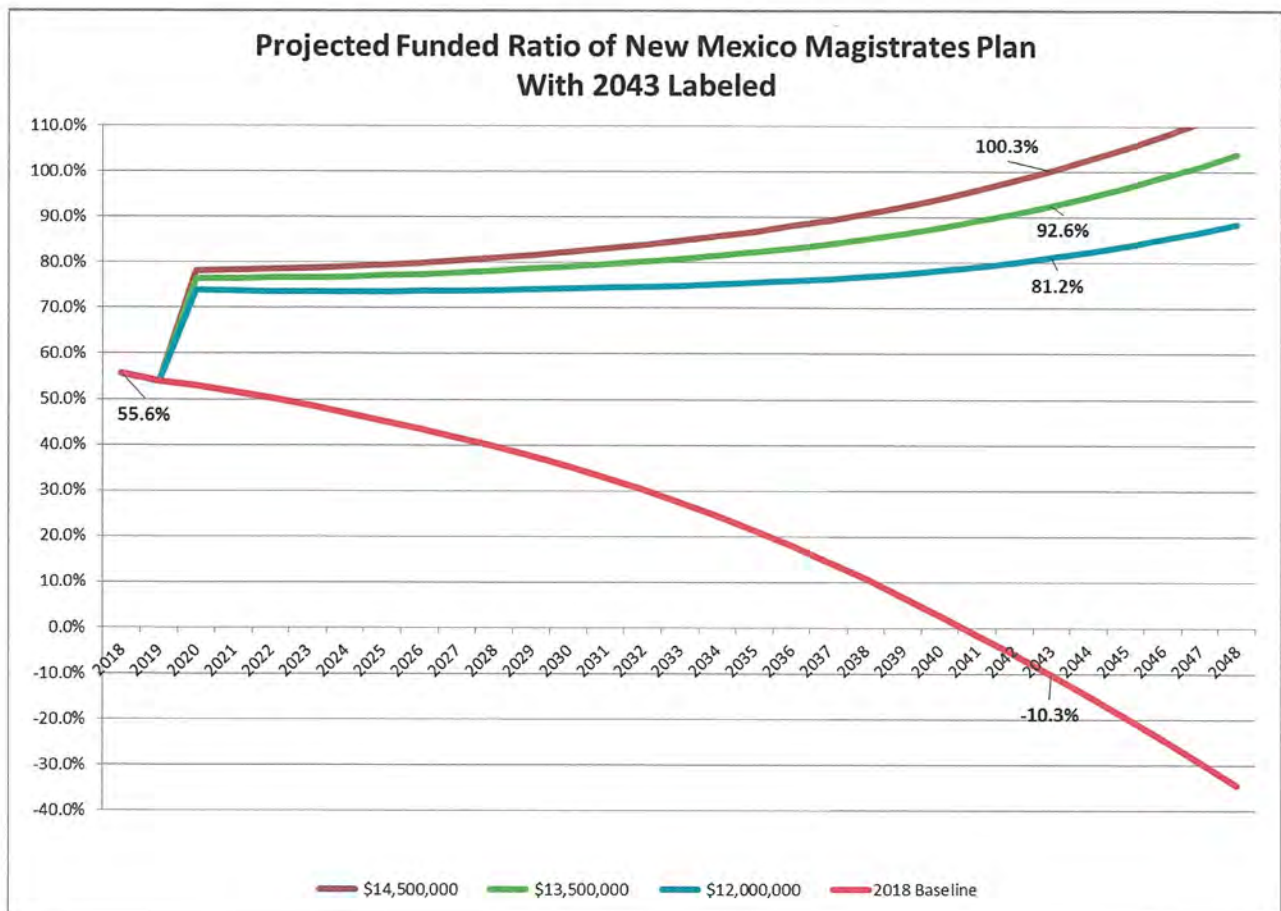
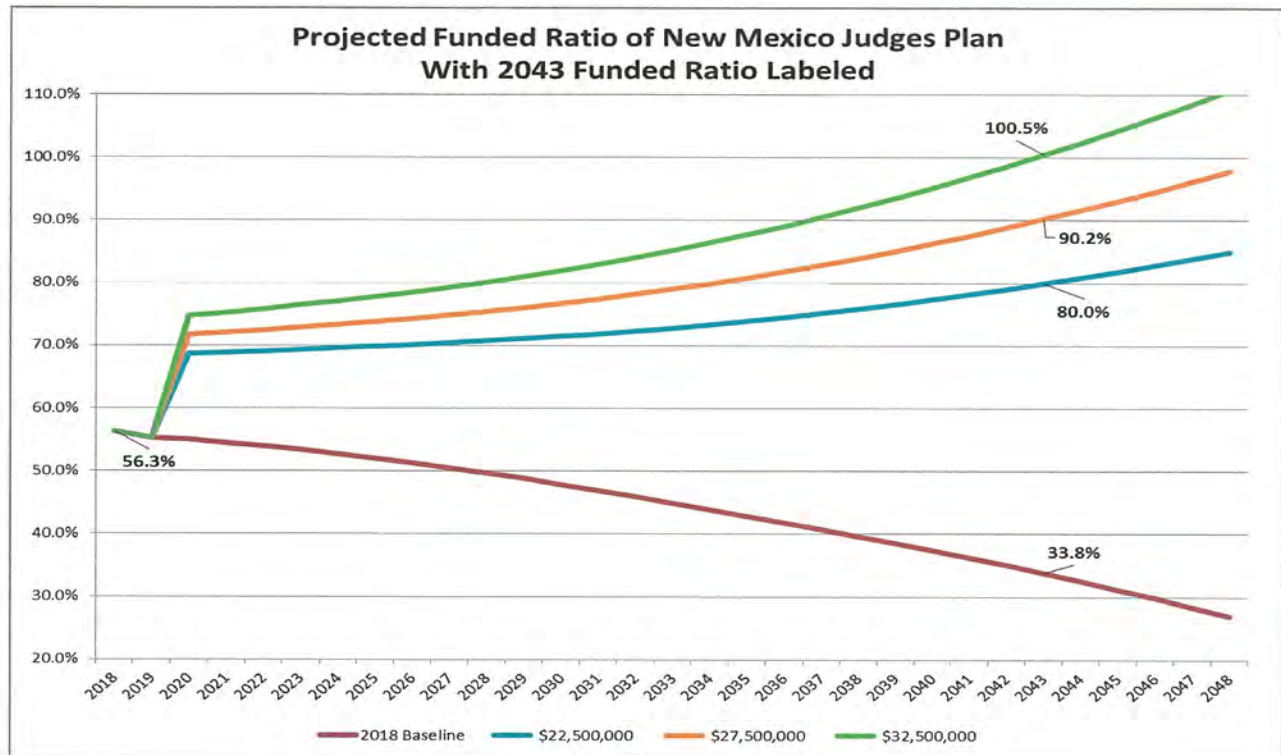
One solution that would achieve 100% funding for both the JRA and MRA within a reasonable projected timeline is a one-time investment of funds. PERA actuaries provided projections showing the solutions to fund insolvencies. The two tables below show the impact of such an investment.

JUDGES	Insolvency	80%	90%	100%
Baseline	2062	NA	NA	NA
+\$22,500,000	NA	2043	2053	2061
+\$27,500,000	NA	2034	2043	2050
+\$32,500,000	NA	2028	2037	2043

MAGISTRATES	Insolvency	80%	90%	100%
Baseline	2041	NA	NA	NA
+\$12,000,000	NA	2042	2049	2054
+\$13,500,000	NA	2031	2042	2047
+\$14,500,000	NA	2026	2038	2043

The graphs below show the relative impact of an investment of \$22,500,000, \$27,500,000, or \$32,500,000 in JRA as well as the relative impact of investments of \$12,000,000, \$13,500,000, or \$14,500,000 in the MRA.

Judicial Retirement Funding (cont.)



Judicial Retirement Funding (cont.)

Even with the lowest charted level of investment (\$22,500,000 in JRA and \$12,000,000 in MRA, a total of \$34,500,000), both JRA and MRA would achieve a funded ratio above 80% by the year 2043 and 100% funding by the year 2060. Under either approach, both funds would reverse the current negative projection toward insolvency into an upward projection toward full funding.

INVESTMENT OF THE LEGISLATIVE RETIREMENT FUNDING STREAM TO JRA AND MRA

In 2014 the Legislature passed SB 304. The bill directed 50% of the funding stream that funds legislative retirement, or \$1,200,000 of the annual funding stream of \$2,400,000, to JRA and MRA. Governor Martinez vetoed SB 304. In the first special session of 2017, HB 2 on page 9 reduced the annual revenue to the legislative retirement fund to \$900,000 beginning in FY20. Both this amount (\$900,000) and an additional \$1,500,000 from the Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act that funds legislative retirement could be directed to JRA and MRA without harming legislative retirement funding. PERA actuaries provided projections of several proposals to direct this funding to JRA and MRA for a period of five years. As the charts below show, the impact of various distributions of the \$2,400,000 is to retard but not reverse the downward trend toward insolvency of both funds.

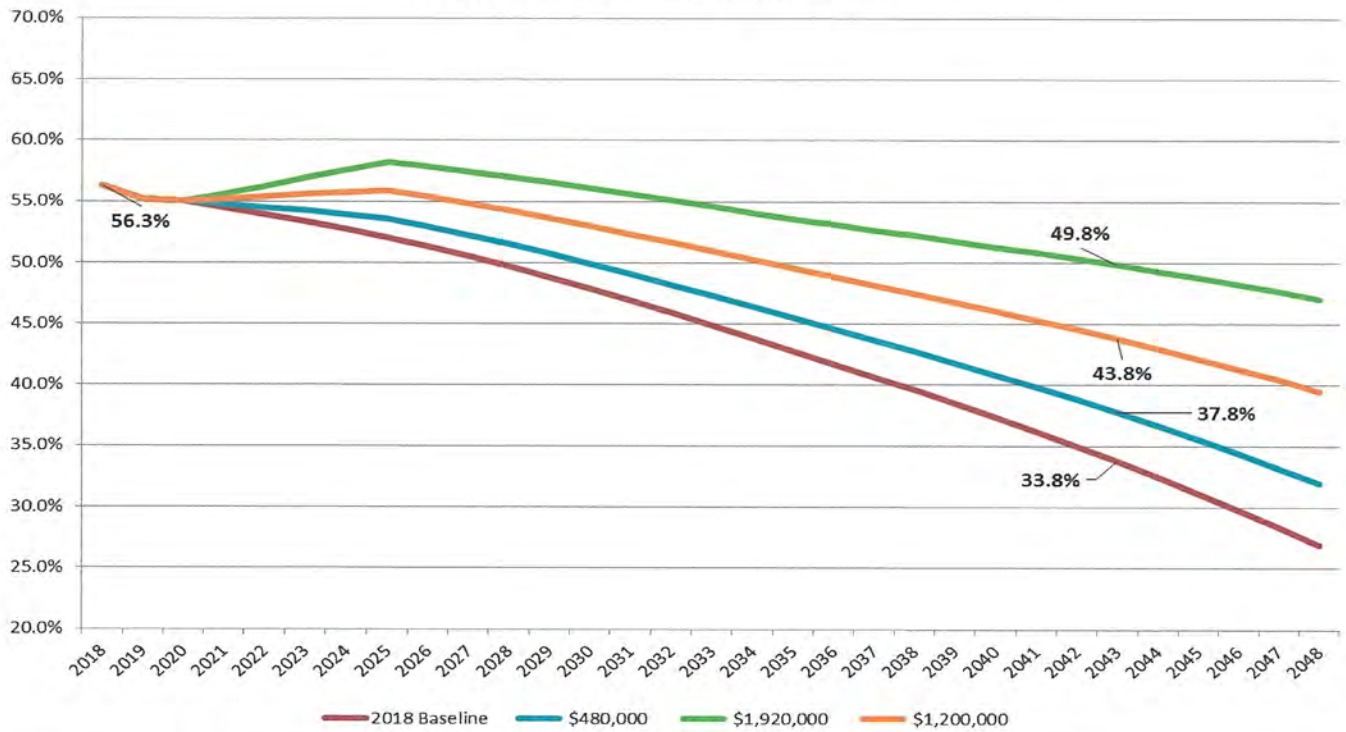
JUDGES	2020	2025	2030	2040	2043	2050
Baseline	55.0%	52.0%	47.9%	37.4%	33.8%	23.8%
+\$480,000	55.0%	53.6%	49.9%	40.8%	37.8%	29.3%
+\$1,200,000	55.0%	55.9%	53.0%	46.0%	53.8%	37.6%
+\$1,920,000	55.0%	58.2%	56.1%	51.3%	49.8%	45.8%

MAGISTRATES	2020	2025	2030	2040	2043	2050
Baseline	53.1%	45.4%	35.3%	2.7%	-10.3%	-44.8%
+\$480,000	53.1%	50.0%	41.7%	15.0%	4.6%	-22.5%
+\$1,200,000	53.1%	56.9%	51.2%	33.5%	27.0%	11.0%
+\$1,920,000	53.1%	63.8%	60.7%	52.0%	49.3%	44.5%

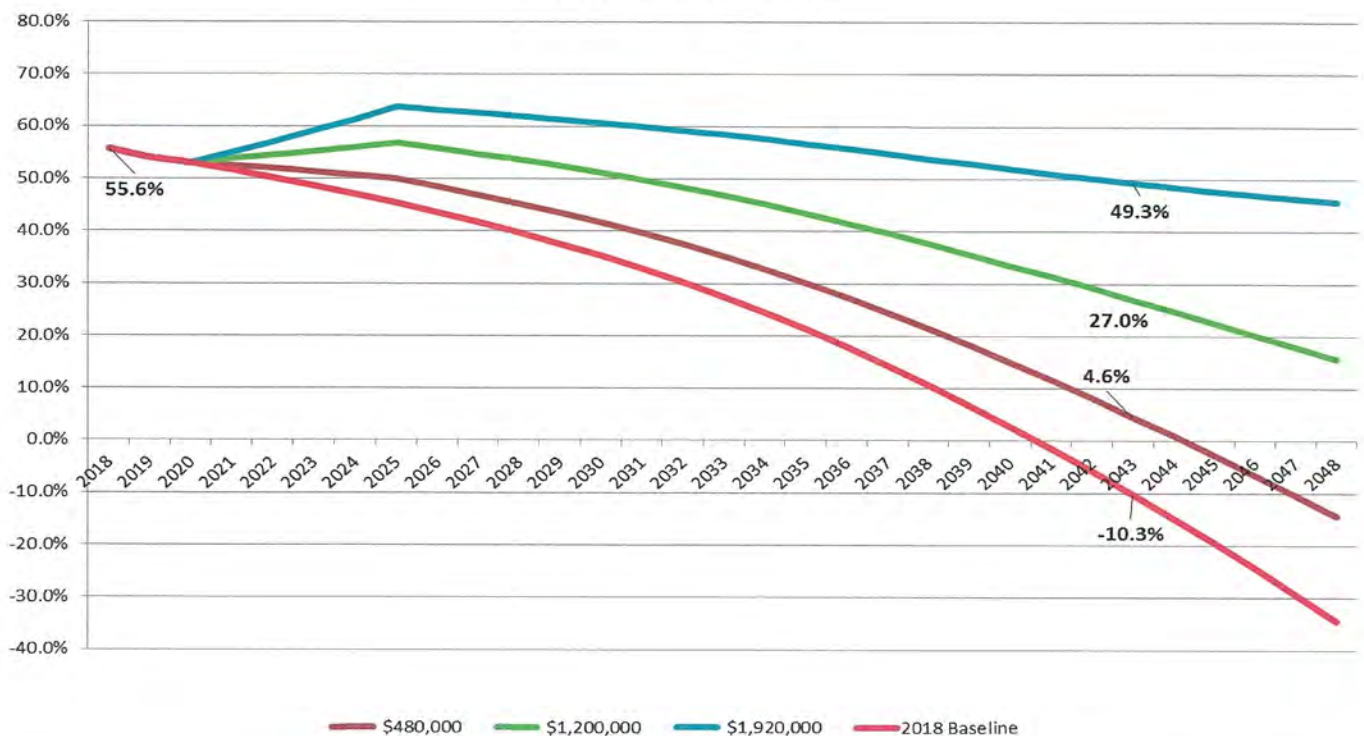
In considering these proposals it is important to know that, as stated by PERA (emphasis added), **“Based on the actuaries’ assumptions, the legislative plan could withstand no State contributions for up to 5 years and still be fully funded.”** At the end of FY 2018 the Legislative Retirement Fund funded ratio was 137.7% and the funded ratio should increase with the report issued for the end of FY 2019. Without threatening the legislative retirement fund with falling below 100% funding, redirecting the \$2,400,000 would delay the insolvency of the JRA and MRA significantly. For example, sending the funds 50% to each fund, thus providing JRA with \$1,200,000 per year and also MRA with \$1,200,000 per year, the impact at the 25-year mark in 2043 is a projection of JRA at 43.8% funded and MRA at 27.0% funded. The graphs below illustrate the impact of dedication of various proportions of the legislative funding stream to the JRA and MRA.

Judicial Retirement Funding (cont.)

**Projected Funded Ratio of New Mexico Judges Plan
5 Year Annual Diversions from Legislative Fund
With 2043 Funded Ratio Labeled**



**Projected Funded Ratio of New Mexico Magistrates Plan
5 Year Annual Diversions from Legislative Fund
With 2043 Labeled**



Judicial Retirement Funding *(cont.)*

Although HB 58 would have had no general fund impact unless and until judicial salaries were increased (they were not), Governor Martinez vetoed HB 58 stating, “substantive reform of the State’s multiple pension funds is best achieved if they are all reviewed concurrently” and the future gap between fees and general fund appropriations as a percentage of salaries “has the potential to impact the State’s general fund adversely.”

The 2012 Legislature passed an identical bill, HB 72, by combined votes of 105 yes to 0 no, which Governor Martinez vetoed without a message. The three-year average fee revenue for the general fund “swap” in HB 72 was \$2,996,000.

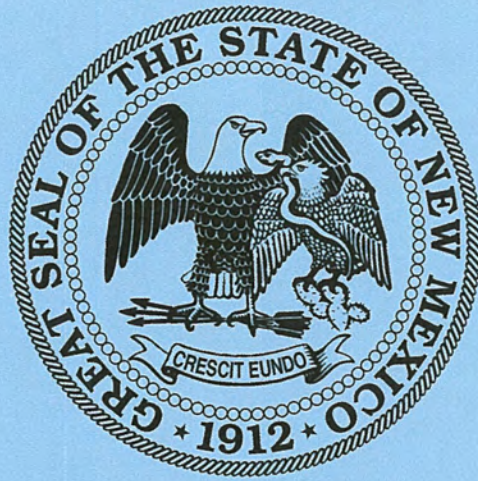
The Retirement Systems Task Force, the Investments and Pensions Oversight Committee, the Courts, Corrections and Justice Committee, PERA, and the Judiciary’s Unified Budget all endorsed both HB72 and HB58. It remains as true today as it was in 2011 and 2012 that funding retirement with a flat fee is unsound actuarial practice and guaranteed to underfund retirement by a gap that widens with any salary increase. Replacing fees with a percentage of salary contribution by the employer is an essential step in promoting the funding stability of judicial retirements. JCC endorses legislation similar to HB58 and HB72 to replace fees with general fund dollar-for-dollar in FY20 with an employer contribution set as a percentage of salary to replace fee funding.

In FY 2018 fees contributed \$2,466,505, or 15.14% of salary, to the JRA and \$402,932, or 6.69% of salary, to MRA. With no impact to the general fund in FY 2021 the Legislature could increase the State’s (employer) contribution rate from 15.0% to 30% in JRA and from 15.0% to 22% in MRA, while directing docket fee collections that totaled \$2,869,437 in FY 2018 to the general fund. Updated figures from collections and contributions during FY 2019 will be available in late 2019 and could be used in any such legislation instead of using the FY 2018 figures.

In sum, the three-part approach recommended by JCC to reverse the projected insolvency of the JRA and MRA is:

- One-time investments = \$32,500,000 in JRA and \$14,500,000 in MRA;
- Dedicate the legislative retirement funding stream and funds from the Oil and Gas Proceeds and Pass-Through Entity Withholding Tax (\$2,400,000 annually) to judicial retirements for five years without reducing the legislative retirement funding level below 100%;
- Direct filing fees to the general fund instead of judicial retirement while replacing the amount contributed by fees with an equivalent percentage of general fund appropriations to judiciary retirement funds, approximately \$3,000,000 (net impact on the general fund in FY2021 is \$0).

NOTES



Judicial Compensation Commission
c/o Administrative Office of the Courts
237 Don Gaspar, Room 25
Santa Fe, New Mexico 87501

_____ BILL

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO JUDICIAL RETIREMENT; PROVIDING THAT CERTAIN AMOUNTS OF THE CIVIL DOCKET AND JURY FEES BE DEPOSITED INTO THE GENERAL FUND; INCREASING CONTRIBUTIONS TO THE JUDICIAL AND MAGISTRATE RETIREMENT FUNDS; PROVIDING THAT CONTRIBUTIONS TO JUDICIAL AND MAGISTRATE RETIREMENT BE PROVIDED FROM THE GENERAL FUND; MAKING AN APPROPRIATION.

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

SECTION 1. Section 10-12B-3 NMSA 1978 (being Laws 1992, Chapter 111, Section 3, as amended) is amended to read:

"10-12B-3. JUDICIAL RETIREMENT FUND ESTABLISHED--
ADMINISTRATION OF FUND--ACCOUNTING FUNDS.--

A. There is established in the state treasury the "judicial retirement fund". The fund ~~[is comprised]~~ consists of money received from ~~[docket and jury fees of metropolitan~~

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underscored material = new
[bracketed material] = delete

1 ~~courts, district courts, the court of appeals and the supreme~~
2 ~~court]~~ employer and employee contributions and [~~any~~] all income
3 derived from the investment [~~earnings on fees and~~
4 ~~contributions~~] of the fund. The board is the trustee of the
5 fund and shall administer and invest the fund. Investment of
6 the fund shall be conducted pursuant to the provisions of the
7 Public Employees Retirement Act. The provisions of the
8 Judicial Retirement Act shall be administered by the board.
9 The board is authorized to promulgate rules. Expenses related
10 to the investment of the fund and administration of the
11 Judicial Retirement Act shall be paid from the fund.

12 B. For purposes of this section, the accounting
13 funds shall be known as the "member contribution fund",
14 "employer's accumulation fund", "retirement reserve fund" and
15 "income fund". The maintenance of separate accounting funds
16 shall not require the actual segregation of the assets of the
17 fund.

18 C. The accounting funds provided for in this
19 section are trust funds and shall be used only for the purposes
20 provided for in the Judicial Retirement Act.

21 D. The member contribution fund is the accounting
22 fund in which shall be accumulated contributions of members and
23 from which shall be made refunds and transfers of accumulated
24 member contributions as provided in the Judicial Retirement
25 Act. The member's court shall cause member contributions to be

1 deducted from the salary of the member and shall remit the
2 deducted member contributions to the association in accordance
3 with procedures and schedules established by the association.
4 The association may assess an interest charge and a penalty
5 charge on any late remittance. Each member shall be deemed to
6 consent and agree to the deductions made and provided for in
7 this section. Contributions by members shall be credited to
8 the members' individual accounts in the member contribution
9 fund. A member's accumulated member contributions shall be
10 transferred to the retirement reserve fund when a pension
11 becomes payable.

12 E. The employer's accumulation fund is the
13 accounting fund in which shall be accumulated the contributions
14 paid by the state through the member's court. The state,
15 through the member's court, shall remit its contributions to
16 the association in accordance with procedures and schedules
17 established by the association. The board may assess an
18 interest charge and a penalty charge on any late remittance.

19 F. The retirement reserve fund is the accounting
20 fund from which shall be paid all pensions to retired members
21 and survivor beneficiaries and all residual refunds to refund
22 beneficiaries of retired members and survivor beneficiaries.

23 G. Each year, following receipt of the report of
24 the annual actuarial valuation, the excess, if any, of the
25 reported actuarial present value of pensions being paid and

1 likely to be paid to retired members and survivor beneficiaries
2 and residual refunds likely to be paid to refund beneficiaries
3 of retired members and survivor beneficiaries over the balance
4 in the retirement reserve fund shall be transferred to the
5 retirement reserve fund from the employer's accumulation fund.

6 H. The income fund is the accounting fund to which
7 shall be credited all interest, dividends, rents and other
8 income from investments of the fund, all gifts and bequests,
9 all unclaimed member contributions and all other money the
10 disposition of which is not specifically provided for in the
11 Judicial Retirement Act. Expenses related to the
12 administration of the Judicial Retirement Act shall be paid for
13 from the income fund.

14 I. The association shall at least annually
15 distribute all or a portion of the balance in the income fund
16 to the member contribution fund, the retirement reserve fund
17 and the employer's accumulation fund. Distribution rates shall
18 be determined by the board and may vary for the respective
19 accounting funds."

20 SECTION 2. Section 10-12B-11 NMSA 1978 (being Laws 1992,
21 Chapter 111, Section 11, as amended) is amended to read:

22 "10-12B-11. EMPLOYER CONTRIBUTIONS.--

23 [A.] The member's court shall contribute [~~fifteen~~]
24 thirty percent of salary to the fund for each member in office.

25 [~~B. Thirty-eight dollars (\$38.00) from each civil~~

1 ~~case docket fee paid in the district court, twenty-five dollars~~
2 ~~(\$25.00) from each civil docket fee paid in metropolitan court~~
3 ~~and ten dollars (\$10.00) from each jury fee paid in~~
4 ~~metropolitan court shall be paid by the court clerk to the~~
5 ~~employer's accumulation fund.]"~~

6 SECTION 3. Section 10-12C-3 NMSA 1978 (being Laws 1992,
7 Chapter 118, Section 3, as amended) is amended to read:

8 "10-12C-3. MAGISTRATE RETIREMENT FUND ESTABLISHED--
9 ADMINISTRATION OF FUND--ACCOUNTING FUNDS.--

10 A. There is established in the state treasury the
11 "magistrate retirement fund". The fund ~~[is comprised]~~ consists
12 of money received from ~~[docket fees of magistrate courts]~~
13 employer and member contributions and ~~[any]~~ all income derived
14 from the investment [earnings on fees and contributions] of the
15 fund. The board is the trustee of the fund and shall
16 administer and invest the fund. Investment of the fund shall
17 be conducted pursuant to the provisions of the Public Employees
18 Retirement Act. The provisions of the Magistrate Retirement
19 Act shall be administered by the board. The board is
20 authorized to promulgate rules. Expenses related to the
21 investment of the fund and administration of the Magistrate
22 Retirement Act shall be paid from the fund.

23 B. For purposes of this section, the accounting
24 funds shall be known as the "member contribution fund",
25 "employer's accumulation fund", "retirement reserve fund" and

1 "income fund". The maintenance of separate accounting funds
2 shall not require the actual segregation of the assets of the
3 fund.

4 C. The accounting funds provided for in this
5 section are trust funds and shall be used only for the purposes
6 provided for in the Magistrate Retirement Act.

7 D. The member contribution fund is the accounting
8 fund in which shall be accumulated contributions of members and
9 from which shall be made refunds and transfers of accumulated
10 member contributions as provided in the Magistrate Retirement
11 Act. The member's court shall cause member contributions to be
12 deducted from the salary of the member and shall remit the
13 deducted member contributions to the association in accordance
14 with procedures and schedules established by the association.
15 The association may assess an interest charge and a penalty
16 charge on any late remittance. Each member shall be deemed to
17 consent and agree to the deductions made and provided for in
18 this section. Contributions by members shall be credited to
19 the members' individual accounts in the member contribution
20 fund. A member's accumulated member contributions shall be
21 transferred to the retirement reserve fund when a pension
22 becomes payable.

23 E. The employer's accumulation fund is the
24 accounting fund in which shall be accumulated the contributions
25 paid by the state through the administrative office of the

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1 courts. The state, through the administrative office of the
2 courts, shall remit its contributions to the association in
3 accordance with procedures and schedules established by the
4 association. The board may assess an interest charge and a
5 penalty charge on any late remittance.

6 F. The retirement reserve fund is the accounting
7 fund from which shall be paid all pensions to retired members
8 and survivor beneficiaries and all residual refunds to refund
9 beneficiaries of retired members and survivor beneficiaries.

10 G. Each year, following receipt of the report of
11 the annual actuarial valuation, the excess, if any, of the
12 reported actuarial present value of pensions being paid and
13 likely to be paid to retired members and survivor beneficiaries
14 and residual refunds likely to be paid to refund beneficiaries
15 of retired members and survivor beneficiaries over the balance
16 in the retirement reserve fund shall be transferred to the
17 retirement reserve fund from the employer's accumulation fund.

18 H. The income fund is the accounting fund to which
19 shall be credited all interest, dividends, rents and other
20 income from investments of the fund, all gifts and bequests,
21 all unclaimed member contributions and all other money the
22 disposition of which is not specifically provided for in the
23 Magistrate Retirement Act. Expenses related to the
24 administration of the Magistrate Retirement Act shall be paid
25 for from the income fund.

1 I. The association shall at least annually
2 distribute all or a portion of the balance in the income fund
3 to the member contribution fund, the retirement reserve fund
4 and the employer's accumulation fund. Distribution rates shall
5 be determined by the board and may vary for the respective
6 accounting funds."

7 SECTION 4. Section 10-12C-11 NMSA 1978 (being Laws 1992,
8 Chapter 118, Section 11, as amended by Laws 2014, Chapter 39,
9 Section 8 and by Laws 2014, Chapter 43, Section 8) is amended
10 to read:

11 "10-12C-11. EMPLOYER CONTRIBUTIONS.--

12 [A.] The state, through the administrative office
13 of the courts, shall contribute to the fund [fifteen] twenty-
14 two percent of salary for each member in office. [except that,
15 from July 1, 2014 through June 30, 2015, the state contribution
16 rate shall be eleven percent of salary for each member in
17 office.]

18 B. ~~Twenty-five dollars (\$25.00) from each civil~~
19 ~~case docket fee paid in magistrate court and ten dollars~~
20 ~~(\$10.00) from each civil jury fee paid in magistrate court~~
21 ~~shall be paid by the court clerk to the employer's accumulation~~
22 ~~fund.]"~~

23 SECTION 5. Section 35-6-1 NMSA 1978 (being Laws 1968,
24 Chapter 62, Section 92, as amended) is amended to read:

25 "35-6-1. MAGISTRATE COSTS--SCHEDULE--DEFINITION OF

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underscored material = new
[bracketed material] = delete

1 "CONVICTED".--

2 A. Magistrate judges, including metropolitan court
3 judges, shall assess and collect and shall not waive, defer or
4 suspend the following costs:

5 docket fee, criminal actions under Section 29-5-1 NMSA

6 1978 \$ 1.00;

7 docket fee, to be collected prior to docketing any other

8 criminal action, except as provided in Subsection B

9 of Section 35-6-3 NMSA 1978. 20.00.

10 Proceeds from this docket fee shall be transferred

11 to the administrative office of the courts for

12 deposit in the court facilities fund;

13 docket fee, twenty dollars (\$20.00) of which shall be

14 deposited in the court automation fund ~~[and]~~,

15 fifteen dollars (\$15.00) of which shall be deposited

16 in the civil legal services fund and twenty-five

17 dollars (\$25.00) of which shall be deposited in the

18 general fund, to be collected prior to docketing any

19 civil action, except as provided in Subsection A of

20 Section 35-6-3 NMSA 1978 72.00;

21 jury fee, to be collected from the party demanding trial

22 by jury in any civil action at the time the demand

23 is filed or made 25.00;

24 copying fee, for making and certifying copies of any

25 records in the court, for each page copied by

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1 photographic process 0.50.
2 Proceeds from this copying fee shall be transferred
3 to the administrative office of the courts for
4 deposit in the court facilities fund; and
5 copying fee, for computer-generated or electronically
6 transferred copies, per page 1.00.
7 Proceeds from this copying fee shall be transferred
8 to the administrative office of the courts for
9 deposit in the court automation fund.

10 Except as otherwise specifically provided by law, docket
11 fees shall be paid into the court facilities fund.

12 B. Except as otherwise provided by law, no other
13 costs or fees shall be charged or collected in the magistrate
14 or metropolitan court.

15 C. The magistrate or metropolitan court may grant
16 free process to any party in any civil proceeding or special
17 statutory proceeding upon a proper showing of indigency. The
18 magistrate or metropolitan court may deny free process if it
19 finds that the complaint on its face does not state a cause of
20 action.

21 D. As used in this subsection, "convicted" means
22 the defendant has been found guilty of a criminal charge by the
23 magistrate or metropolitan judge, either after trial, a plea of
24 guilty or a plea of nolo contendere. Magistrate judges,
25 including metropolitan court judges, shall assess and collect

1 and shall not waive, defer or suspend the following costs:

2 (1) corrections fee, to be collected upon
3 conviction from persons convicted of violating any provision of
4 the Motor Vehicle Code involving the operation of a motor
5 vehicle, convicted of a crime constituting a misdemeanor or a
6 petty misdemeanor or convicted of violating any ordinance that
7 may be enforced by the imposition of a term of imprisonment as
8 follows:

9 in a county with a metropolitan court \$10.00;

10 in a county without a metropolitan court 20.00;

11 (2) court automation fee, to be collected upon
12 conviction from persons convicted of violating any provision of
13 the Motor Vehicle Code involving the operation of a motor
14 vehicle, convicted of a crime constituting a misdemeanor or a
15 petty misdemeanor or convicted of violating any ordinance that
16 may be enforced by the imposition of a term of
17 imprisonment. 10.00;

18 (3) traffic safety fee, to be collected upon
19 conviction from persons convicted of violating any provision of
20 the Motor Vehicle Code involving the operation of a motor
21 vehicle 3.00;

22 (4) judicial education fee, to be collected
23 upon conviction from persons convicted of operating a motor
24 vehicle in violation of the Motor Vehicle Code, convicted of a
25 crime constituting a misdemeanor or a petty misdemeanor or

.216014.1SA

1 convicted of violating any ordinance punishable by a term of
2 imprisonment. 3.00;

3 (5) jury and witness fee, to be collected upon
4 conviction from persons convicted of operating a motor vehicle
5 in violation of the Motor Vehicle Code, convicted of a crime
6 constituting a misdemeanor or a petty misdemeanor or convicted
7 of violating any ordinance punishable by a term of
8 imprisonment 5.00;

9 (6) brain injury services fee, to be collected
10 upon conviction from persons convicted of violating any
11 provision of the Motor Vehicle Code involving the operation of
12 a motor vehicle 5.00;
13 and

14 (7) court facilities fee, to be collected upon
15 conviction from persons convicted of violating any provision of
16 the Motor Vehicle Code involving the operation of a motor
17 vehicle, convicted of a crime constituting a misdemeanor or a
18 petty misdemeanor or convicted of violating any ordinance that
19 may be enforced by the imposition of a term of imprisonment as
20 follows:

21 in a county with a metropolitan court 24.00;
22 in any other county 10.00.

23 E. Metropolitan court judges shall assess and
24 collect and shall not waive, defer or suspend as costs a
25 mediation fee not to exceed five dollars (\$5.00) for the

1 docketing of small claims and criminal actions specified by
2 metropolitan court rule. Proceeds of the mediation fee shall
3 be deposited into the metropolitan court mediation fund."

4 **SECTION 6. APPROPRIATION.**--Three million dollars
5 (\$3,000,000) is appropriated from the general fund to the
6 department of finance and administration for expenditure in
7 fiscal year 2021 and subsequent fiscal years for distribution
8 to the supreme court, court of appeals, district courts,
9 Bernalillo county metropolitan court and administrative office
10 of the courts to pay increased employer retirement
11 contributions. Any unexpended or unencumbered balance
12 remaining at the end of a fiscal year shall not revert to the
13 general fund.

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Current	IPOC-ENDORSED JUDICIAL/MAGISTRATE DISCUSSION DRAFT .216014.1 SA
DOCKET FEES TO GENERAL FUND/EMPLOYER CONTRIBUTIONS AS A PERCENTAGE OF SALARY	
<p>Judicial (JRA)</p> <p><i>Current Contribution Rates</i> Employee 10.5% Employer 15.0% Current Statutory Shortfall</p> <p><i>Docket Fees Paid to JRA</i> \$38.00 each district court civil case \$25.00 each metro court civil case \$10.00 each metro court jury fee</p> <p>Magistrates (MRA)</p> <p><i>Current Contribution Rates</i> Employee 10.5% Employer 15.0% Current Statutory Shortfall</p> <p><i>Docket Fees Paid to MRA</i> \$25.00 each civil case \$10.00 each civil jury fee</p>	<p>That portion of docket fees currently deposited into the Judicial (JRA) and Magistrate Retirement Funds (MRA) deposited directly into the General Fund. Docket fees would be replaced by increase employer contribution rates that are a statutory percentage of salary.</p> <p><i>Contribution Rates</i> Employee 10.5% Employer 30.0%</p> <p><i>Contribution Rates</i> Employee 10.5% Employer 22.0%</p>

_____ BILL

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO JUDICIAL RETIREMENT; PROVIDING FOR A DISTRIBUTION
PURSUANT TO THE OIL AND GAS PROCEEDS AND PASS-THROUGH ENTITY
WITHHOLDING TAX ACT TO THE JUDICIAL RETIREMENT FUND AND TO THE
MAGISTRATE RETIREMENT FUND; DELAYING FURTHER DISTRIBUTIONS TO
THE LEGISLATIVE RETIREMENT FUND UNTIL FISCAL YEAR 2026.

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

SECTION 1. Section 7-1-6.43 NMSA 1978 (being Laws 2003,
Chapter 86, Section 1, as amended) is amended to read:

"7-1-6.43. DISTRIBUTION--OIL AND GAS PROCEEDS AND PASS-
THROUGH ENTITY WITHHOLDING TAX--MAGISTRATE RETIREMENT FUND--
JUDICIAL RETIREMENT FUND--LEGISLATIVE RETIREMENT FUND.--

A. [~~Beginning on July 1, 2019~~] A distribution
pursuant to Section 7-1-6.1 NMSA 1978 from the net receipts
attributable to the amount of tax deducted pursuant to the Oil
.216015.1SA

underscored material = new
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1 and Gas Proceeds and Pass-Through Entity Withholding Tax Act
2 shall be made as follows:

3 (1) prior to July 1, 2025:

4 (a) to the magistrate retirement fund in
5 the amount of one hundred thousand dollars (\$100,000); and

6 (b) to the judicial retirement fund in
7 the amount of one hundred thousand dollars (\$100,000); and

8 (2) on and after July 1, 2025, to the
9 legislative retirement fund in the amount of seventy-five
10 thousand dollars (\$75,000) or, if larger, in an amount equal to
11 one-twelfth of the amount necessary to pay out the retirement
12 benefits due under state legislator member coverage plan 2 and
13 Paragraph (2) of Subsection C of Section 10-11-41 NMSA 1978 for
14 the succeeding calendar year.

15 B. In regard to the distribution to the legislative
16 retirement fund, in December ~~[2003]~~ 2024 and in each December
17 thereafter, ~~[except in 2017]~~ the public employees retirement
18 association, with the assistance of the legislative council
19 service, shall determine the amount of retirement benefits for
20 the succeeding calendar year. If the monthly average exceeds
21 seventy-five thousand dollars (\$75,000), the association shall
22 immediately notify the department of the average amount."

23 SECTION 2. EFFECTIVE DATE.--The effective date of the
24 provisions of this act is July 1, 2020.

Current	IPOC-ENDORSED JUDICIAL/MAGISTRATE DISCUSSION DRAFT .216015.1SA
DIVERTING DISTRIBUTIONS TO LEGISLATIVE RETIREMENT TO JUDICIAL AND MAGISTRATE FUNDS	
<p>Distribution pursuant to Section 7-1-6.1 NMSA 1978 from the Oil and Gas Proceeds and Pass-through Entity Withholding Tax to fund Legislative Retirement Fund</p> <p>\$2.4 million annually (\$200,000 monthly)</p>	<p>5-year diversion to the Judicial and Magistrate Funds for fiscal years 2021, 2022, 2023, 2024 and 2025:</p> <p>\$100,000 monthly to the Magistrate Retirement Fund (\$1.2 million annually)</p> <p>\$100,000 monthly to the Judicial Retirement Fund (\$1.2 million annually)</p>

_____ BILL

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO JUDICIAL RETIREMENT; ALLOWING FOR THE APPROPRIATION
OF MONEY INTO THE JUDICIAL RETIREMENT FUND; ALLOWING FOR THE
APPROPRIATION OF MONEY INTO THE MAGISTRATE RETIREMENT FUND;
MAKING APPROPRIATIONS.

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

SECTION 1. Section 10-12B-3 NMSA 1978 (being Laws 1992,
Chapter 111, Section 3, as amended) is amended to read:

"10-12B-3. JUDICIAL RETIREMENT FUND ESTABLISHED--
ADMINISTRATION OF FUND--ACCOUNTING FUNDS.--

A. There is established in the state treasury the
"judicial retirement fund". The fund ~~[is comprised]~~ consists
of appropriations, money received from docket and jury fees of
metropolitan courts, district courts, the court of appeals and
the supreme court, employer and employee contributions and

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underscored material = new
[bracketed material] = delete

1 ~~[any]~~ all income derived from the investment ~~[earnings on fees~~
2 ~~and contributions]~~ of the fund. The board is the trustee of
3 the fund and shall administer and invest the fund. Investment
4 of the fund shall be conducted pursuant to the provisions of
5 the Public Employees Retirement Act. The provisions of the
6 Judicial Retirement Act shall be administered by the board.
7 The board is authorized to promulgate rules. Expenses related
8 to the investment of the fund and administration of the
9 Judicial Retirement Act shall be paid from the fund.

10 B. For purposes of this section, the accounting
11 funds shall be known as the "member contribution fund",
12 "employer's accumulation fund", "retirement reserve fund" and
13 "income fund". The maintenance of separate accounting funds
14 shall not require the actual segregation of the assets of the
15 fund.

16 C. The accounting funds provided for in this
17 section are trust funds and shall be used only for the purposes
18 provided for in the Judicial Retirement Act.

19 D. The member contribution fund is the accounting
20 fund in which shall be accumulated contributions of members and
21 from which shall be made refunds and transfers of accumulated
22 member contributions as provided in the Judicial Retirement
23 Act. The member's court shall cause member contributions to be
24 deducted from the salary of the member and shall remit the
25 deducted member contributions to the association in accordance

1 with procedures and schedules established by the association.
2 The association may assess an interest charge and a penalty
3 charge on any late remittance. Each member shall be deemed to
4 consent and agree to the deductions made and provided for in
5 this section. Contributions by members shall be credited to
6 the members' individual accounts in the member contribution
7 fund. A member's accumulated member contributions shall be
8 transferred to the retirement reserve fund when a pension
9 becomes payable.

10 E. The employer's accumulation fund is the
11 accounting fund in which shall be accumulated the contributions
12 paid by the state through the member's court. The state,
13 through the member's court, shall remit its contributions to
14 the association in accordance with procedures and schedules
15 established by the association. The board may assess an
16 interest charge and a penalty charge on any late remittance.

17 F. The retirement reserve fund is the accounting
18 fund from which shall be paid all pensions to retired members
19 and survivor beneficiaries and all residual refunds to refund
20 beneficiaries of retired members and survivor beneficiaries.

21 G. Each year, following receipt of the report of
22 the annual actuarial valuation, the excess, if any, of the
23 reported actuarial present value of pensions being paid and
24 likely to be paid to retired members and survivor beneficiaries
25 and residual refunds likely to be paid to refund beneficiaries

1 of retired members and survivor beneficiaries over the balance
2 in the retirement reserve fund shall be transferred to the
3 retirement reserve fund from the employer's accumulation fund.

4 H. The income fund is the accounting fund to which
5 shall be credited all interest, dividends, rents and other
6 income from investments of the fund, all gifts and bequests,
7 all unclaimed member contributions and all other money the
8 disposition of which is not specifically provided for in the
9 Judicial Retirement Act. Expenses related to the
10 administration of the Judicial Retirement Act shall be paid for
11 from the income fund.

12 I. The association shall at least annually
13 distribute all or a portion of the balance in the income fund
14 to the member contribution fund, the retirement reserve fund
15 and the employer's accumulation fund. Distribution rates shall
16 be determined by the board and may vary for the respective
17 accounting funds."

18 SECTION 2. Section 10-12C-3 NMSA 1978 (being Laws 1992,
19 Chapter 118, Section 3, as amended) is amended to read:

20 "10-12C-3. MAGISTRATE RETIREMENT FUND ESTABLISHED--
21 ADMINISTRATION OF FUND--ACCOUNTING FUNDS.--

22 A. There is established in the state treasury the
23 "magistrate retirement fund". The fund ~~[is comprised]~~ consists
24 of appropriations, money received from docket fees of
25 magistrate courts, employer and member contributions and ~~[any]~~

.216016.1SA

1 all income derived from the investment [~~earnings on fees and~~
2 ~~contributions~~] of the fund. The board is the trustee of the
3 fund and shall administer and invest the fund. Investment of
4 the fund shall be conducted pursuant to the provisions of the
5 Public Employees Retirement Act. The provisions of the
6 Magistrate Retirement Act shall be administered by the board.
7 The board is authorized to promulgate rules. Expenses related
8 to the investment of the fund and administration of the
9 Magistrate Retirement Act shall be paid from the fund.

10 B. For purposes of this section, the accounting
11 funds shall be known as the "member contribution fund",
12 "employer's accumulation fund", "retirement reserve fund" and
13 "income fund". The maintenance of separate accounting funds
14 shall not require the actual segregation of the assets of the
15 fund.

16 C. The accounting funds provided for in this
17 section are trust funds and shall be used only for the purposes
18 provided for in the Magistrate Retirement Act.

19 D. The member contribution fund is the accounting
20 fund in which shall be accumulated contributions of members and
21 from which shall be made refunds and transfers of accumulated
22 member contributions as provided in the Magistrate Retirement
23 Act. The member's court shall cause member contributions to be
24 deducted from the salary of the member and shall remit the
25 deducted member contributions to the association in accordance

1 with procedures and schedules established by the association.
2 The association may assess an interest charge and a penalty
3 charge on any late remittance. Each member shall be deemed to
4 consent and agree to the deductions made and provided for in
5 this section. Contributions by members shall be credited to
6 the members' individual accounts in the member contribution
7 fund. A member's accumulated member contributions shall be
8 transferred to the retirement reserve fund when a pension
9 becomes payable.

10 E. The employer's accumulation fund is the
11 accounting fund in which shall be accumulated the contributions
12 paid by the state through the administrative office of the
13 courts. The state, through the administrative office of the
14 courts, shall remit its contributions to the association in
15 accordance with procedures and schedules established by the
16 association. The board may assess an interest charge and a
17 penalty charge on any late remittance.

18 F. The retirement reserve fund is the accounting
19 fund from which shall be paid all pensions to retired members
20 and survivor beneficiaries and all residual refunds to refund
21 beneficiaries of retired members and survivor beneficiaries.

22 G. Each year, following receipt of the report of
23 the annual actuarial valuation, the excess, if any, of the
24 reported actuarial present value of pensions being paid and
25 likely to be paid to retired members and survivor beneficiaries

1 and residual refunds likely to be paid to refund beneficiaries
2 of retired members and survivor beneficiaries over the balance
3 in the retirement reserve fund shall be transferred to the
4 retirement reserve fund from the employer's accumulation fund.

5 H. The income fund is the accounting fund to which
6 shall be credited all interest, dividends, rents and other
7 income from investments of the fund, all gifts and bequests,
8 all unclaimed member contributions and all other money the
9 disposition of which is not specifically provided for in the
10 Magistrate Retirement Act. Expenses related to the
11 administration of the Magistrate Retirement Act shall be paid
12 for from the income fund.

13 I. The association shall at least annually
14 distribute all or a portion of the balance in the income fund
15 to the member contribution fund, the retirement reserve fund
16 and the employer's accumulation fund. Distribution rates shall
17 be determined by the board and may vary for the respective
18 accounting funds."

19 **SECTION 3. APPROPRIATION.**--Thirty-two million five
20 hundred thousand dollars (\$32,500,000) is appropriated from the
21 general fund to the judicial retirement fund for expenditure in
22 fiscal year 2021 and subsequent fiscal years to address
23 solvency issues related to the Judicial Retirement Act. Any
24 unexpended or unencumbered balance remaining at the end of a
25 fiscal year shall not revert to the general fund.

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1 **SECTION 4. APPROPRIATION.**--Fourteen million five hundred
2 thousand dollars (\$14,500,000) is appropriated from the general
3 fund to the magistrate retirement fund for expenditure in
4 fiscal year 2021 and subsequent fiscal years to address
5 solvency issues related to the Magistrate Retirement Act. Any
6 unexpended or unencumbered balance remaining at the end of a
7 fiscal year shall not revert to the general fund.

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Current	IPOC-ENDORSED JUDICIAL/MAGISTRATE DISCUSSION DRAFT .216016.1SA
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Appropriation/Cash Infusion	
	Appropriates \$32.5 million from the General Fund to the Judicial Retirement Fund in FY 2021 Appropriates \$14.5 million from the General Fund to the Magistrate Retirement Fund in FY 2021.

SENATE BILL 34

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

Craig W. Brandt

AN ACT

RELATING TO RETIREMENT; ALLOWING COST-OF-LIVING ADJUSTMENT
INCREASES TO RETIRED LAW ENFORCEMENT OFFICERS HIRED AS SCHOOL
SECURITY PERSONNEL.

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

SECTION 1. Section 10-11-8 NMSA 1978 (being Laws 1987,
Chapter 253, Section 8, as amended by Laws 2014, Chapter 35,
Section 1 and by Laws 2014, Chapter 39, Section 1 and also by
Laws 2014, Chapter 43, Section 1) is amended to read:

"10-11-8. NORMAL RETIREMENT--RETURN TO EMPLOYMENT--
BENEFITS CONTINUED--CONTRIBUTIONS.--

A. A member may retire upon fulfilling the
following requirements prior to the selected date of
retirement:

(1) a written application for normal

1 retirement, in the form prescribed by the association, is filed
2 with the association;

3 (2) employment is terminated with all
4 employers covered by any state system or the educational
5 retirement system;

6 (3) the member selects an effective date of
7 retirement that is the first day of a calendar month; and

8 (4) the member meets the age and service
9 credit requirement for normal retirement specified in the
10 coverage plan applicable to the member.

11 B. The amount of normal retirement pension is
12 determined in accordance with the coverage plan applicable to
13 the member.

14 C. Except as provided in Subsection E of this
15 section, on or after July 1, 2010, a retired member may be
16 subsequently employed by an affiliated public employer only
17 pursuant to the following provisions:

18 (1) the retired member has not been employed
19 as an employee of an affiliated public employer or retained as
20 an independent contractor by the affiliated public employer
21 from which the retired member retired for at least twelve
22 consecutive months from the date of retirement to the
23 commencement of subsequent employment or reemployment with an
24 affiliated public employer;

25 (2) the retired member's pension shall be

1 suspended upon commencement of the subsequent employment;

2 (3) except as provided in Subsection G of this
3 section, the retired member shall not become a member and shall
4 not accrue service credit, and the retired member and that
5 person's subsequent affiliated public employer shall not make
6 contributions under any coverage plan pursuant to the Public
7 Employees Retirement Act; and

8 (4) upon termination of the subsequent
9 employment, the retired member's pension shall resume in
10 accordance with the provisions of Subsection A of this section.

11 D. Notwithstanding the provisions of Subsection B
12 of Section 10-11-118 NMSA 1978, on and after July 1, 2013, if a
13 retired member becomes employed with an employer pursuant to
14 the Educational Retirement Act, and effective July 1, 2014, if
15 a retired member who, subsequent to retirement, is employed and
16 covered pursuant to the Judicial Retirement Act, and, effective
17 July 1, 2014, if a retired member who, subsequent to
18 retirement, is employed and covered pursuant to the Magistrate
19 Retirement Act:

20 (1) the retired member's cost-of-living
21 pension adjustment shall be suspended upon commencement of the
22 employment, unless that retired member is a retired law
23 enforcement officer who is employed as school security
24 personnel; and

25 (2) upon termination of the employment, the

1 retired member's suspended cost-of-living pension adjustment
2 shall be reinstated as provided under Subsection B of Section
3 10-11-118 NMSA 1978, unless that retired member is a retired
4 law enforcement officer who is employed as school security
5 personnel.

6 E. The provisions of Subsections C, H and I of this
7 section do not apply to:

8 (1) a retired member employed by the
9 legislature for legislative session work;

10 (2) a retired member employed temporarily as a
11 precinct board member for a municipal election or an election
12 covered by the Election Code; or

13 (3) a retired member who is elected to serve a
14 term as an elected official in an office covered pursuant to
15 the Public Employees Retirement Act; provided that:

16 (a) the retired member files an
17 irrevocable exemption from membership with the association
18 within thirty days of taking office; and

19 (b) the irrevocable exemption shall be
20 for the elected official's term of office.

21 F. A retired member who returns to employment
22 during retirement pursuant to Subsection E of this section is
23 entitled to receive retirement benefits but is not entitled to
24 accrue service credit or to acquire or purchase service credit
25 in the future for the period of the retired member's subsequent

1 employment with an affiliated public employer.

2 G. At any time during a retired member's subsequent
3 employment pursuant to Subsection C of this section, the
4 retired member may elect to become a member and the following
5 conditions shall apply:

6 (1) the previously retired member and the
7 subsequent affiliated public employer shall make the required
8 employee and employer contributions, and the previously retired
9 member shall accrue service credit for the period of subsequent
10 employment; and

11 (2) when the previously retired member
12 terminates the subsequent employment with an affiliated public
13 employer, the previously retired member shall retire according
14 to the provisions of the Public Employees Retirement Act,
15 subject to the following conditions:

16 (a) payment of the pension shall resume
17 in accordance with the provisions of Subsection A of this
18 section;

19 (b) unless the previously retired member
20 accrued at least three years of service credit on account of
21 the subsequent employment, the recalculation of pension shall:
22 1) employ the form of payment selected by the previously
23 retired member at the time of the first retirement; and 2) use
24 the provisions of the coverage plan applicable to the member on
25 the date of the first retirement; and

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1 (c) the recalculated pension shall not
2 be less than the amount of the suspended pension.

3 H. A retired member who returned to work with an
4 affiliated public employer prior to July 1, 2010 shall be
5 subject to the provisions of this section in effect on the date
6 the retired member returned to work; provided that:

7 (1) on and after July 1, 2010, the retired
8 member shall pay the employee contribution in an amount
9 specified in the Public Employees Retirement Act for the
10 position in which the retired member is subsequently employed;

11 (2) notwithstanding the provisions of
12 Subsection B of Section 10-11-118 NMSA 1978, on and after July
13 1, 2013, the retired member's cost-of-living pension adjustment
14 shall be suspended, unless that retired member is a retired law
15 enforcement officer who is employed as school security
16 personnel; and

17 (3) upon termination of the subsequent
18 employment with the affiliated public employer, the retired
19 member's cost-of-living pension adjustment shall be reinstated
20 as provided in Subsection B of Section 10-11-118 NMSA 1978,
21 unless that retired member is a retired law enforcement officer
22 who is employed as school security personnel.

23 I. Effective July 1, 2014, if a retired member who,
24 subsequent to retirement, is employed and covered pursuant to
25 the provisions of the Magistrate Retirement Act or Judicial

1 Retirement Act, during the period of subsequent employment:

2 (1) the member shall be entitled to receive
3 retirement benefits;

4 (2) the retired member's cost-of-living
5 pension adjustment shall be suspended upon commencement of the
6 employment; and

7 (3) upon termination of the employment, the
8 retired member's suspended cost-of-living pension adjustment
9 shall be reinstated as provided under Subsection B of Section
10 10-11-118 NMSA 1978.

11 J. The pension of a member who has earned service
12 credit under more than one coverage plan shall be determined as
13 follows:

14 (1) the pension of a member who has three or
15 more years of service credit earned on or before June 30, 2013
16 under each of two or more coverage plans shall be determined in
17 accordance with the coverage plan that produces the highest
18 pension;

19 (2) the pension of a member who has service
20 credit earned on or before June 30, 2013 under two or more
21 coverage plans but who has three or more years of service
22 credit under only one of those coverage plans shall be
23 determined in accordance with the coverage plan in which the
24 member has three or more years of service credit. If the
25 service credit is acquired under two different coverage plans

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1 applied to the same affiliated public employer as a consequence
2 of an election by the members, adoption by the affiliated
3 public employer or a change in the law that results in the
4 application of a coverage plan with a greater pension, the
5 greater pension shall be paid a member retiring from the
6 affiliated public employer under which the change in coverage
7 plan took place regardless of the amount of service credit
8 under the coverage plan producing the greater pension; provided
9 that the member has three or more years of continuous
10 employment with that affiliated public employer immediately
11 preceding or immediately preceding and immediately following
12 the date the coverage plan changed;

13 (3) the pension of a member who has service
14 credit earned on or before June 30, 2013 under each of two or
15 more coverage plans and who has service credit earned under any
16 coverage plan on or after July 1, 2013 shall be equal to the
17 sum of:

18 (a) the pension attributable to the
19 service credit earned on or before June 30, 2013 determined
20 pursuant to Paragraph (1) or (2) of this subsection; and

21 (b) the pension attributable to the
22 service credit earned under each coverage plan on or after July
23 1, 2013;

24 (4) the pension of a member who has service
25 credit earned only on and after July 1, 2013 shall be equal to

1 the sum of the pension attributable to the service credit the
2 member has accrued under each coverage plan; and

3 (5) the provisions of each coverage plan for
4 the purpose of this subsection shall be those in effect at the
5 time the member ceased to be covered by the coverage plan.
6 "Service credit", for the purposes of this subsection, shall be
7 only personal service rendered an affiliated public employer
8 and credited to the member under the provisions of Subsection A
9 of Section 10-11-4 NMSA 1978. Service credited under any other
10 provision of the Public Employees Retirement Act shall not be
11 used to satisfy the three-year service credit requirement of
12 this subsection."

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SENATE BILL 60

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

George K. Munoz

FOR THE INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

AN ACT

RELATING TO PUBLIC EMPLOYEE RETIREMENT; CHANGING THE
COMPOSITION OF THE PUBLIC EMPLOYEES RETIREMENT BOARD; REMOVING
CERTAIN ELECTION REQUIREMENTS.

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

SECTION 1. Section 10-11-130 NMSA 1978 (being Laws 1987,
Chapter 253, Section 130, as amended) is amended to read:

"10-11-130. RETIREMENT BOARD--AUTHORITY--MEMBERSHIP.--

A. The "retirement board" is created and is the
trustee of the association and the funds created by the state
retirement system acts and has all the powers necessary or
convenient to carry out and effectuate the purposes and
provisions of the state retirement system acts, including, in
addition to any specific powers provided for in the Public
Employees Retirement Act but without limiting the generality of

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1 the foregoing, the power to:

2 (1) administer the state retirement system
3 acts, including the management of the association and making
4 effective the provisions of those acts, as well as to
5 administer and manage any other employee benefit acts as
6 provided by law;

7 (2) in addition to utilizing services of the
8 attorney general and notwithstanding any other provision of
9 law, employ or contract with and compensate competent legal
10 counsel to handle the legal matters and litigation of the
11 retirement board and the association and to give advice and
12 counsel in regard to any matter connected with the duties of
13 the retirement board;

14 (3) administer oaths;

15 (4) adopt and use a seal for authentication of
16 records, processes and proceedings;

17 (5) create and maintain records relating to
18 all members, affiliated public employers and all activities and
19 duties required of the retirement board;

20 (6) issue subpoenas and compel the production
21 of evidence and attendance of witnesses in connection with any
22 hearings or proceedings of the retirement board;

23 (7) make and execute contracts;

24 (8) purchase, acquire or hold land adjacent to
25 the state capitol grounds or other suitable location and build

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1 thereon a building to house the association and its employees
2 and, in the event additional office space is available in the
3 building after the retirement board and its employees have been
4 housed, to rent or lease the additional space to any public
5 agency or private person; provided that first priority for the
6 rental or leasing shall be to public agencies; and further
7 provided that for the purpose of purchasing, acquiring or
8 holding the land and the building thereon, the retirement board
9 may use funds from the income fund and any other funds
10 controlled by the retirement board the use of which for such
11 purposes is not prohibited by law;

12 (9) after the sale of the land and building
13 acquired pursuant to Paragraph (8) of this subsection, acquire
14 land and build thereon a new building to house the association
15 and its employees and hold the building and land in fee simple
16 in the name of the association. In order to acquire the land
17 and plan, design and construct the building, the retirement
18 board may expend the proceeds of the sale of the land and
19 building acquired pursuant to Paragraph (8) of this subsection
20 or any funds controlled by the board, the use of which for such
21 purposes is not otherwise prohibited by law;

22 (10) make and adopt such reasonable rules as
23 may be necessary or convenient to carry out the duties of the
24 retirement board and activities of the association, including
25 any rules necessary to preserve the status of the association

1 as a qualified pension plan under the provisions of the
2 Internal Revenue Code of 1986, as amended, or under successor
3 or related provisions of law;

4 (11) designate committees and designate
5 committee members, including individuals who may not be members
6 of the association; and

7 (12) select and contract for the services of
8 one or more custodian banks for all funds under the retirement
9 board's management. For the purpose of this paragraph,
10 "custodian bank" means a financial institution with the general
11 fiduciary duties to manage, control and collect the assets of
12 an investment fund, including receiving all deposits and paying
13 all disbursements as directed by staff, safekeeping of assets,
14 coordination of asset transfers, timely settlement of
15 securities transactions and accurate and timely reporting of
16 the assets by individual account and in total.

17 B. The retirement board consists of

18 ~~[(1) the secretary of state;~~

19 ~~(2) the state treasurer;~~

20 ~~(3) four members under a state coverage plan~~
21 ~~to be elected by the members under state coverage plans;~~

22 ~~(4) four members under a municipal coverage~~
23 ~~plan to be elected by the members under municipal coverage~~
24 ~~plans, provided one member shall be a municipal member employed~~
25 ~~by a county; and~~

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1 ~~(5) two retired members to be elected by the~~
2 ~~retired members of the association.~~

3 ~~G. The results of elections of elected members of~~
4 ~~the retirement board shall be certified at the annual meeting~~
5 ~~of the association. Elections shall be conducted according to~~
6 ~~rules the retirement board adopts from time to time] the~~
7 following members; provided that the appointed members shall
8 reside in geographically diverse areas of the state:

9 (1) one active member of a state general
10 coverage plan to be appointed by the personnel board;

11 (2) one active county member of a municipal
12 general coverage plan to be appointed by New Mexico counties;

13 (3) one active municipal member of a municipal
14 general coverage plan to be appointed by the New Mexico
15 municipal league;

16 (4) one public representative who is not a
17 member and has skill, knowledge and experience in retirement
18 investment products or retirement plan designs to be appointed
19 by the speaker of the house of representatives;

20 (5) one public representative who is not a
21 member and has skill, knowledge and experience in retirement
22 investment products or retirement plan designs to be appointed
23 by the president pro tempore of the senate;

24 (6) the secretary of finance and
25 administration; and

1 (7) two retired members to be appointed by the
2 organization that represents the retired members of the
3 association; provided that at least one of the members shall be
4 retired from a public safety coverage plan and at least one of
5 the members shall have skill, knowledge and experience in
6 financial matters.

7 [~~D.~~] C. The regular term of office of the [~~elected~~]
8 appointed members of the retirement board is four years. [~~The~~
9 ~~term of one retirement board member under a state coverage plan~~
10 ~~expires annually on December 31. The terms of retirement board~~
11 ~~members under a municipal coverage plan expire on December 31~~
12 ~~of noncoinciding years in the pattern set by the retirement~~
13 ~~board] An appointed member shall not serve more than two
14 regular terms of office. Members of the retirement board serve
15 until their successors have qualified.~~

16 [~~E.~~ ~~A member elected to the retirement board who~~
17 ~~fails to attend four consecutively scheduled meetings of the~~
18 ~~retirement board, unless in each case excused for cause by the~~
19 ~~retirement board members in attendance, is considered to have~~
20 ~~resigned from the retirement board, and the retirement board~~
21 ~~shall by resolution declare the office vacated as of the date~~
22 ~~of adoption of the resolution. A vacancy occurring on the~~
23 ~~retirement board except in the case of an elected official~~
24 ~~shall be filled by the remaining retirement board members,~~
25 ~~without requirement that a quorum be present. The member~~

1 ~~appointed to fill the vacancy serves for the remainder of the~~
2 ~~vacated term.~~

3 ~~F.~~ D. Members of the retirement board serve
4 without salary for their services as retirement board members,
5 but they shall receive those amounts authorized under the Per
6 Diem and Mileage Act.

7 ~~G.~~ E. The retirement board shall hold four
8 regular meetings each year and shall designate in advance the
9 time and place of the meetings. Special meetings and emergency
10 meetings of the retirement board may be held upon call of the
11 chair or any three members of the retirement board. Written
12 notice of special meetings shall be sent to each member of the
13 retirement board at least seventy-two hours in advance of the
14 special meeting. Verbal notice of emergency meetings shall be
15 given to as many members as is feasible at least eight hours
16 before the emergency meeting, and the meeting shall commence
17 with a statement of the nature of the emergency. The
18 retirement board shall adopt its own rules of procedure and
19 shall keep a record of its proceedings. All meetings of the
20 retirement board shall comply with the Open Meetings Act. A
21 majority of retirement board members shall constitute a quorum.
22 Each attending member of the retirement board is entitled to
23 one vote on each question before the retirement board, and at
24 least a majority of a quorum shall be necessary for a decision
25 by the retirement board.

1 [~~H.~~] F. Annual meetings of the members of the
2 association shall be held in Santa Fe at such time and place as
3 the retirement board shall from time to time determine.
4 Special meetings of the members of the association shall be
5 held in Santa Fe upon call of any seven retirement board
6 members. The retirement board shall send a written notice to
7 the last known residence address of each member currently
8 employed by an affiliated public employer at least ten days
9 prior to any meeting of the members of the association. The
10 notice shall contain the call of the meeting and the principal
11 purpose of the meeting. All meetings of the association shall
12 be public and shall be conducted according to procedures the
13 retirement board shall from time to time adopt. The retirement
14 board shall keep a record of the proceedings of each meeting of
15 the association.

16 [~~F.~~] G. Neither the retirement board nor the
17 association shall allow public inspection of, or disclosure of,
18 information from any member or retiree file unless a prior
19 release and consent, in the form prescribed by the association,
20 has been executed by the member or retiree; except that
21 applicable coverage plans, amounts of retirement plan
22 contributions made by members and affiliated public employers,
23 pension amounts paid and the names and addresses of public
24 employees retirement association members [~~or retirees requested~~
25 ~~for election purposes by candidates for election to the~~

1 ~~retirement board~~] may be produced or disclosed without release
2 or consent."

3 SECTION 2. Section 10-11-130.1 NMSA 1978 (being Laws
4 1999, Chapter 153, Section 1) is amended to read:

5 "10-11-130.1. RESTRICTIONS ON RECEIPT OF GIFTS

6 [~~RESTRICTION ON CAMPAIGN CONTRIBUTIONS--REQUIRED REPORTING~~].--

7 [~~A.~~] Except for gifts of food or beverage given in a place of
8 public accommodation, consumed at the time of receipt, not
9 exceeding fifty dollars (\$50.00) for a single gift and the
10 aggregate value of which gifts may not exceed one hundred fifty
11 dollars (\$150) in a calendar year, neither a retirement board
12 member nor an employee of the retirement board or association
13 shall receive or accept anything of value directly or
14 indirectly from a person who:

15 [~~(1)~~] A. has a current contract with the retirement
16 board or association;

17 [~~(2)~~] B. is a potential bidder, offeror or
18 contractor for the provision of services or personal property
19 to the retirement board or association;

20 [~~(3)~~] C. is authorized to invest public funds
21 pursuant to state or federal law or is an employee or agent of
22 such a person; or

23 [~~(4)~~] D. is an organization, association or other
24 entity having a membership that includes persons described in

25 [~~Paragraphs (1) through (3)~~] Subsections A through C of this

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1 ~~[subsection]~~ section.

2 ~~[B. No person who is a candidate in a primary or~~
3 ~~general election for a position that qualifies the person for~~
4 ~~ex-officio membership on the retirement board, no member~~
5 ~~serving ex officio on the retirement board and no person who is~~
6 ~~a nominee for retirement board membership by election by some~~
7 ~~or all of the members of the association pursuant to the Public~~
8 ~~Employees Retirement Act shall accept anything of a value of~~
9 ~~more than twenty-five dollars (\$25.00) as a contribution to an~~
10 ~~ex-officio member's statewide campaign in a primary or general~~
11 ~~election or as a contribution to the campaign of a nominee for~~
12 ~~membership on the board as a member elected by all or some of~~
13 ~~the members of the association from a person who:~~

14 ~~(1) has a current contract with the retirement~~
15 ~~board or association;~~

16 ~~(2) is a potential bidder, offeror or~~
17 ~~contractor for the provision of services or personal property~~
18 ~~to the retirement board or association;~~

19 ~~(3) is authorized to invest public funds~~
20 ~~pursuant to state or federal law or is an employee or agent of~~
21 ~~such a person; or~~

22 ~~(4) is an organization, association or other~~
23 ~~entity having a membership that includes persons described in~~
24 ~~Paragraphs (1) through (3) of this subsection.~~

25 ~~G. Within ten days after an election in which one~~

1 ~~or more board members are elected by some or all of the members~~
2 ~~of the association pursuant to the Public Employees Retirement~~
3 ~~Act, all persons who were candidates for board membership in~~
4 ~~that election shall file with the association a report~~
5 ~~disclosing all contributions to their respective campaigns~~
6 ~~whether made directly to the candidate, a political action~~
7 ~~committee or to some other entity supporting the candidate's~~
8 ~~election. The contributions shall be reported by amount and~~
9 ~~specific source. Within sixty days after the election, the~~
10 ~~association shall publish the reports required by this~~
11 ~~subsection.]"~~

12 SECTION 3. Section 10-11-131 NMSA 1978 (being Laws 1987,
13 Chapter 253, Section 131, as amended) is amended to read:

14 "10-11-131. RETIREMENT BOARD--OFFICERS--EMPLOYMENT OF
15 SERVICES.--

16 A. The retirement board shall elect from its own
17 number a ~~[chairman]~~ chair and a vice ~~[chairman]~~ chair. The
18 board may remove a chair or vice chair for good cause by a
19 majority vote.

20 B. The retirement board shall appoint an executive
21 director who shall be the chief administrative officer for the
22 retirement board and the association.

23 C. The retirement board shall employ professional,
24 technical, clerical and other services as required for the
25 operation of the association. The compensation for employed

1 services shall be fixed by the retirement board.

2 D. ~~[The state treasurer shall be the treasurer of~~
3 ~~the association and the custodian of its funds. The~~
4 ~~treasurer's general bond to the state shall cover all liability~~
5 ~~for acts as treasurer of the association]~~ The ~~[treasurer]~~
6 executive director of the association shall credit all receipts
7 of money and assets of the association to the association. The
8 ~~[treasurer]~~ executive director or executive director's designee
9 shall make disbursements from association assets only upon
10 warrants issued by the secretary of finance and administration
11 based upon vouchers signed by the ~~[executive secretary or~~
12 ~~vouchers signed by the state treasurer]~~ executive director of
13 the association for purposes of investment."

14 SECTION 4. EFFECTIVE DATE.--The effective date of the
15 provisions of this act is July 1, 2020.

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CURRENT LAW	SUMMARY REVIEW SB 60 PUBLIC EMPLOYEES RETIREMENT BOARD CHANGES
Current structure in effect	<ul style="list-style-type: none"> • One active member of a state general coverage plan appointed by the State Personnel Board • One active county member of a municipal general coverage plan appointed by the New Mexico Association of Counties • One active municipal member of a municipal general coverage plan appointed by the New Mexico Municipal League • The Secretary of the Department of Finance and Administration • One retired member appointed by the organization that represents retired members and must have experience in financial matters • One retired member appointed by the organization that represents retired members who retired from a public safety coverage plan and must have experience in financial matters • One public member who is not a member of PERA appointed by the Speaker of the House and who must have experience in retirement investing or plan design • One public member who is not a member of PERA appointed by the President Pro Tempore of the Senate and who must have experience in retirement investing or plan design • All terms are for a period of 4 years • Appointed members may not serve more than 2, 4 year terms • Appointed members must reside in geographically diverse areas of the state • Provides for the appointment of a Chair and Vice Chair and for removal of a Chair and Vice Chair by majority vote of the Board • Provides that the Executive Director of the Association will credit all receipts and assets of the Association to the Association and make disbursements as authorized by DFA • Effective date, July 1, 2020

SENATE BILL 62

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

George K. Munoz

FOR THE INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

AN ACT

RELATING TO PUBLIC EMPLOYEE RETIREMENT; INCLUDING OVERTIME PAY
REQUIRED FOR A REGULAR SCHEDULED TOUR OF DUTY IN THE DEFINITION
OF "SALARY" IN THE PUBLIC EMPLOYEES RETIREMENT ACT.

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

SECTION 1. Section 10-11-2 NMSA 1978 (being Laws 1987,
Chapter 253, Section 2, as amended) is amended to read:

"10-11-2. DEFINITIONS.--As used in the Public Employees
Retirement Act:

A. "accumulated member contributions" means the
amounts deducted from the salary of a member and credited to
the member's individual account, together with interest, if
any, credited to that account;

B. "affiliated public employer" means the state and
any public employer affiliated with the association as provided

1 in the Public Employees Retirement Act, but does not include an
2 employer pursuant to the Magistrate Retirement Act, the
3 Judicial Retirement Act or the Educational Retirement Act;

4 C. "association" means the public employees
5 retirement association established under the Public Employees
6 Retirement Act;

7 D. "disability retired member" means a retired
8 member who is receiving a pension pursuant to the disability
9 retirement provisions of the Public Employees Retirement Act;

10 E. "disability retirement pension" means the
11 pension paid pursuant to the disability retirement provisions
12 of the Public Employees Retirement Act;

13 F. "educational retirement system" means that
14 retirement system provided for in the Educational Retirement
15 Act;

16 G. "employee" means any employee of an affiliated
17 public employer;

18 H. "federal social security program" means that
19 program or those programs created and administered pursuant to
20 the act of congress approved August 14, 1935, Chapter 531, 49
21 Stat. 620, as that act may be amended;

22 I. "final average salary" means the final average
23 salary calculated in accordance with the provisions of the
24 applicable coverage plan;

25 J. "form of payment" means the applicable form of

1 payment of a pension provided for in Section 10-11-117 NMSA
2 1978;

3 K. "former member" means a person who was
4 previously employed by an affiliated public employer, who has
5 terminated that employment and who has received a refund of
6 member contributions;

7 L. "fund" means the funds included under the Public
8 Employees Retirement Act;

9 M. "member" means a currently employed,
10 contributing employee of an affiliated public employer, or a
11 person who has been but is not currently employed by an
12 affiliated public employer, who has not retired and who has not
13 received a refund of member contributions; "member" also
14 includes the following:

15 (1) "adult correctional officer member" means
16 a member who is employed as an adult correctional officer or an
17 adult correctional officer specialist by a state correctional
18 facility of the corrections department or its successor agency;

19 (2) "juvenile correctional officer member"
20 means a member who is employed as a juvenile correctional
21 officer by the children, youth and families department or its
22 successor agency;

23 (3) "municipal detention officer member" means
24 a member who is employed by an affiliated public employer other
25 than the state and who has inmate custodial responsibilities at

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1 a facility used for the confinement of persons charged with or
2 convicted of a violation of a law or ordinance;

3 (4) "municipal fire member" means any member
4 who is employed as a full-time nonvolunteer firefighter by an
5 affiliated public employer and who has taken the oath
6 prescribed for firefighters;

7 (5) "municipal police member" means any member
8 who is employed as a police officer by an affiliated public
9 employer, other than the state, and who has taken the oath
10 prescribed for police officers; and

11 (6) "state police member" means a member who
12 is an officer of the New Mexico state police and who has taken
13 the oath prescribed for such officers, except that a state
14 police member shall not include a member who is an officer of
15 the New Mexico state police division and who was certified and
16 commissioned as of June 30, 2015 in the former motor
17 transportation division or the former special investigations
18 division of the department of public safety;

19 N. "membership" means membership in the
20 association;

21 O. "pension" means a series of monthly payments to
22 a retired member or survivor beneficiary as provided in the
23 Public Employees Retirement Act;

24 P. "public employer" means the state, any
25 municipality, city, county, metropolitan arroyo flood control

1 authority, economic development district, regional housing
2 authority, soil and water conservation district, entity created
3 pursuant to a joint powers agreement, council of government,
4 conservancy district, irrigation district, water and sanitation
5 district, water district and metropolitan water board,
6 including the boards, departments, bureaus and agencies of a
7 public employer, so long as these entities fall within the
8 meaning of governmental plan as that term is used in Section
9 414(d) of the Internal Revenue Code of 1986, as amended;

10 Q. "refund beneficiary" means a person designated
11 by the member, in writing, in the form prescribed by the
12 association, as the person who would be refunded the member's
13 accumulated member contributions payable if the member dies and
14 no survivor pension is payable or who would receive the
15 difference between pension paid and accumulated member
16 contributions if the retired member dies before receiving in
17 pension payments the amount of the accumulated member
18 contributions;

19 R. "retire" means to:

20 (1) terminate employment with all employers
21 covered by any state system or the educational retirement
22 system; and

23 (2) receive a pension from a state system or
24 the educational retirement system;

25 S. "retired member" means a person who has met all

1 requirements for retirement and who is receiving a pension from
2 the fund;

3 T. "retirement board" means the retirement board
4 provided for in the Public Employees Retirement Act;

5 U. "salary" means the base salary or wages paid a
6 member, including longevity pay, for personal services rendered
7 an affiliated public employer. "Salary" shall not include
8 overtime pay, unless the overtime payment is required for a
9 regular scheduled tour of duty as set forth in Section 207(k)
10 of Title 29 of the United States Code and is made on the
11 regular payroll for the period represented by that payment,
12 allowances for housing, clothing, equipment or travel, payments
13 for unused sick leave, unless the unused sick leave payment is
14 made through continuation of the member on the regular payroll
15 for the period represented by that payment, and any other form
16 of remuneration not specifically designated by law as included
17 in salary for Public Employees Retirement Act purposes. Salary
18 in excess of the limitations set forth in Section 401(a)(17) of
19 the Internal Revenue Code of 1986, as amended, shall be
20 disregarded. The limitation on compensation for eligible
21 employees shall not be less than the amount that was allowed to
22 be taken into account under the state retirement system acts in
23 effect on July 1, 1993. For purposes of this subsection,
24 "eligible employee" means an individual who was a member of a
25 state system before the first plan year beginning after

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December 31, 1995;

V. "state system" means the retirement programs provided for in the Public Employees Retirement Act, the Magistrate Retirement Act and the Judicial Retirement Act;

W. "state retirement system acts" means collectively the Public Employees Retirement Act, the Magistrate Retirement Act, the Judicial Retirement Act and the Volunteer Firefighters Retirement Act; and

X. "survivor beneficiary" means a person who receives a pension or who has been designated to be paid a pension as a result of the death of a member or retired member."

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2020.

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underscored material = new
[bracketed material] = delete

SENATE BILL 71

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

George K. Munoz

AN ACT

RELATING TO PUBLIC EMPLOYEES; PROVIDING FOR AN INVESTMENT-
PERFORMANCE-BASED FRAMEWORK FOR THE COMPENSATION OF PUBLIC
EMPLOYEES RETIREMENT ASSOCIATION AND EDUCATIONAL RETIREMENT
BOARD STAFF; EXEMPTING THOSE AGENCIES' INVESTMENT STAFF
POSITIONS FROM THE PERSONNEL ACT.

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

SECTION 1. A new section of the Public Employees
Retirement Act is enacted to read:

"[NEW MATERIAL] INVESTMENT STAFF--INVESTMENT-PERFORMANCE-
BASED COMPENSATION--REPORTING.--

A. Each year, the retirement board, in consultation
with the executive director of the association, may establish a
framework for the compensation of the association's chief
investment officer and other investment staff that:

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- 1 (1) includes, for each of those positions:
2 (a) a base compensation component; and
3 (b) a variable, investment-performance-
4 based component aligned with investment industry norms and best
5 practices; and

6 (2) applies to the following fiscal year.

7 B. The association's chief investment officer and
8 other investment staff may receive compensation in accordance
9 with the framework developed by the retirement board.

10 C. Each year, the executive director of the
11 association shall report to the legislative finance committee
12 and, as appropriate, to one or more other legislative interim
13 committees, on the compensation framework established in
14 accordance with Subsection A of this section."

15 SECTION 2. A new section of the Educational Retirement
16 Act is enacted to read:

17 "[NEW MATERIAL] INVESTMENT STAFF--INVESTMENT-PERFORMANCE-
18 BASED COMPENSATION--REPORTING.--

19 A. Each year, the board, in consultation with the
20 director, may establish a framework for the compensation of the
21 board's chief investment officer and other investment staff
22 that:

- 23 (1) includes, for each of those positions:
24 (a) a base compensation component; and
25 (b) a variable, investment-performance-

1 based component aligned with investment industry norms and best
2 practices; and

3 (2) applies to the following fiscal year.

4 B. The board's chief investment officer and other
5 investment staff may receive compensation in accordance with
6 the framework developed by the board.

7 C. Each year, the director shall report to the
8 legislative finance committee and, as appropriate, to one or
9 more other legislative interim committees, on the compensation
10 framework established in accordance with Subsection A of this
11 section."

12 SECTION 3. Section 10-9-4 NMSA 1978 (being Laws 1961,
13 Chapter 240, Section 4, as amended) is amended to read:

14 "10-9-4. COVERAGE OF SERVICE.--The Personnel Act and the
15 service cover all state positions except:

16 A. officials elected by popular vote or appointed
17 to fill vacancies to elective offices;

18 B. members of boards and commissions and heads of
19 agencies appointed by the governor;

20 C. heads of agencies appointed by boards or
21 commissions;

22 D. directors of department divisions;

23 E. those in educational institutions and in public
24 schools;

25 F. those who are employed by state institutions and

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1 by state agencies providing educational programs and who are
2 required to hold valid certificates as certified school
3 instructors, as defined in Section 22-1-2 NMSA 1978, issued by
4 the public education department;

5 G. those in the governor's office;

6 H. those in the state militia or the commissioned
7 officers of the New Mexico state police division of the
8 department of public safety;

9 I. those in the judicial branch of government;

10 J. those in the public defender department, upon
11 implementation of personnel policies and rules by the public
12 defender commission;

13 K. those in the legislative branch of government;

14 L. ~~[not more than]~~ up to two assistants and one
15 secretary in the office of each official listed in Subsections
16 A [B] and C of this section ~~[excluding members of boards and~~
17 ~~commissions in Subsection B of this section]~~ and in the office
18 of each head of an agency appointed by the governor;

19 M. those of a professional or scientific nature and
20 that are temporary ~~[in nature]~~;

21 N. those filled by patients or inmates in
22 charitable, penal or correctional institutions;

23 O. state employees if the board in its discretion
24 decides that the position is one of policymaking; ~~[and]~~

25 P. disadvantaged youth under twenty-two years of

1 age who are regularly enrolled or to be enrolled in a secondary
2 educational institution approved by the public education
3 department or in an accredited state institution of advanced
4 learning or vocational training and who are to be employed for
5 not more than seven hundred twenty hours during any calendar
6 year:

7 (1) the term "disadvantaged youth" shall be
8 defined for purposes of this exemption by regulation duly
9 promulgated by the board; and

10 (2) the board shall:

11 (a) require that all the criteria of
12 this subsection have been met;

13 (b) establish employment lists for the
14 certification of the highest-standing candidates to the
15 prospective employers; and

16 (c) establish the pay rates for such
17 employees;

18 Q. the chief investment officer of the public
19 employees retirement association and those subject to the
20 investment-performance-based compensation framework provided
21 for by Section 1 of this 2020 act; provided, however, that the
22 framework has been adopted; and

23 R. the chief investment officer of the educational
24 retirement board and those subject to the investment-
25 performance-based compensation framework provided for by

1 Section 2 of this 2020 act; provided, however, that the
2 framework has been adopted."

3 SECTION 4. Section 10-9-5 NMSA 1978 (being Laws 1978,
4 Chapter 96, Section 1, as amended) is amended to read:

5 "10-9-5. PUBLIC OFFICERS AND PUBLIC EMPLOYEES--EXECUTIVE
6 BRANCH--ANNUAL EXEMPT SALARIES PLAN.--

7 A. The department of finance and administration
8 shall prepare, by December 1 of each year, an exempt salaries
9 plan for the governor's approval [~~The plan shall specify~~] that
10 specifies salary ranges for the following public officer and
11 public employee positions of the executive branch of
12 government:

- 13 (1) members of boards and commissions
14 appointed by the governor;
15 (2) heads of agencies or departments appointed
16 by the governor;
17 (3) heads of agencies or departments appointed
18 by the respective boards and commissions of the agencies;
19 (4) directors of department divisions;
20 (5) employees in the governor's office;
21 (6) positions in the state militia and the
22 commissioned officers of the New Mexico state police division
23 of the department of public safety;
24 (7) assistants and secretaries in the offices
25 of each official covered by Paragraphs (2) and (3) [~~and (10)~~]

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1 of this subsection;

2 (8) temporary positions of a professional or
3 scientific nature [~~which are temporary in nature~~]; and

4 (9) state employees whose positions the
5 [~~personnel~~] board has classified as [~~policy-making~~]
6 policymaking positions and exempt employees of elective public
7 officials [~~and~~

8 (~~10~~) ~~secretaries of departments appointed by~~
9 ~~the governor~~].

10 B. Excluded from the provisions of this section
11 are:

12 (1) employees of the [~~commission on~~] higher
13 education [~~and~~] department;

14 (2) employees of state educational
15 institutions named in Article 12, Section 11 of the
16 constitution of New Mexico;

17 (3) the chief investment officer of the public
18 employees retirement association and those subject to the
19 investment-performance-based compensation framework provided
20 for by Section 1 of this 2020 act; provided, however, that the
21 framework has been adopted; and

22 (4) the chief investment officer of the
23 educational retirement board and those subject to the
24 investment-performance-based compensation framework provided
25 for by Section 2 of this 2020 act; provided, however, that the

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1 framework has been adopted.

2 C. The exempt salaries plan for the ensuing fiscal
3 year, as prepared by the department of finance and
4 administration and approved by the governor, shall be published
5 as a part of the executive budget document presented to the
6 legislature at its next regular session following the
7 preparation of the plan.

8 D. Upon the governor's approval, the plan shall
9 take effect at the beginning of the subsequent fiscal year."

10 SECTION 5. Section 10-11-2 NMSA 1978 (being Laws 1987,
11 Chapter 253, Section 2, as amended) is amended to read:

12 "10-11-2. DEFINITIONS.--As used in the Public Employees
13 Retirement Act:

14 A. "accumulated member contributions" means the
15 amounts deducted from the salary of a member and credited to
16 the member's individual account, together with interest, if
17 any, credited to that account;

18 B. "affiliated public employer" means the state and
19 any public employer affiliated with the association as provided
20 in the Public Employees Retirement Act, but does not include an
21 employer pursuant to the Magistrate Retirement Act, the
22 Judicial Retirement Act or the Educational Retirement Act;

23 C. "association" means the public employees
24 retirement association established under the Public Employees
25 Retirement Act;

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1 D. "disability retired member" means a retired
2 member who is receiving a pension pursuant to the disability
3 retirement provisions of the Public Employees Retirement Act;

4 E. "disability retirement pension" means the
5 pension paid pursuant to the disability retirement provisions
6 of the Public Employees Retirement Act;

7 F. "educational retirement system" means that
8 retirement system provided for in the Educational Retirement
9 Act;

10 G. "employee" means any employee of an affiliated
11 public employer;

12 H. "federal social security program" means that
13 program or those programs created and administered pursuant to
14 the act of congress approved August 14, 1935, Chapter 531, 49
15 Stat. 620, as that act may be amended;

16 I. "final average salary" means the final average
17 salary calculated in accordance with the provisions of the
18 applicable coverage plan;

19 J. "form of payment" means the applicable form of
20 payment of a pension provided for in Section 10-11-117 NMSA
21 1978;

22 K. "former member" means a person who was
23 previously employed by an affiliated public employer, who has
24 terminated that employment and who has received a refund of
25 member contributions;

1 L. "fund" means the funds included under the Public
2 Employees Retirement Act;

3 M. "member" means a currently employed,
4 contributing employee of an affiliated public employer, or a
5 person who has been but is not currently employed by an
6 affiliated public employer, who has not retired and who has not
7 received a refund of member contributions; "member" also
8 includes the following:

9 (1) "adult correctional officer member" means
10 a member who is employed as an adult correctional officer or an
11 adult correctional officer specialist by a state correctional
12 facility of the corrections department or its successor agency;

13 (2) "juvenile correctional officer member"
14 means a member who is employed as a juvenile correctional
15 officer by the children, youth and families department or its
16 successor agency;

17 (3) "municipal detention officer member" means
18 a member who is employed by an affiliated public employer other
19 than the state and who has inmate custodial responsibilities at
20 a facility used for the confinement of persons charged with or
21 convicted of a violation of a law or ordinance;

22 (4) "municipal fire member" means any member
23 who is employed as a full-time nonvolunteer firefighter by an
24 affiliated public employer and who has taken the oath
25 prescribed for firefighters;

1 (5) "municipal police member" means any member
2 who is employed as a police officer by an affiliated public
3 employer, other than the state, and who has taken the oath
4 prescribed for police officers; and

5 (6) "state police member" means a member who
6 is an officer of the New Mexico state police and who has taken
7 the oath prescribed for such officers, except that a state
8 police member shall not include a member who is an officer of
9 the New Mexico state police division and who was certified and
10 commissioned as of June 30, 2015 in the former motor
11 transportation division or the former special investigations
12 division of the department of public safety;

13 N. "membership" means membership in the
14 association;

15 O. "pension" means a series of monthly payments to
16 a retired member or survivor beneficiary as provided in the
17 Public Employees Retirement Act;

18 P. "public employer" means the state, any
19 municipality, city, county, metropolitan arroyo flood control
20 authority, economic development district, regional housing
21 authority, soil and water conservation district, entity created
22 pursuant to a joint powers agreement, council of government,
23 conservancy district, irrigation district, water and sanitation
24 district, water district and metropolitan water board,
25 including the boards, departments, bureaus and agencies of a

1 public employer, so long as these entities fall within the
2 meaning of governmental plan as that term is used in Section
3 414(d) of the Internal Revenue Code of 1986, as amended;

4 Q. "refund beneficiary" means a person designated
5 by the member, in writing, in the form prescribed by the
6 association, as the person who would be refunded the member's
7 accumulated member contributions payable if the member dies and
8 no survivor pension is payable or who would receive the
9 difference between pension paid and accumulated member
10 contributions if the retired member dies before receiving in
11 pension payments the amount of the accumulated member
12 contributions;

13 R. "retire" means to:

14 (1) terminate employment with all employers
15 covered by any state system or the educational retirement
16 system; and

17 (2) receive a pension from a state system or
18 the educational retirement system;

19 S. "retired member" means a person who has met all
20 requirements for retirement and who is receiving a pension from
21 the fund;

22 T. "retirement board" means the retirement board
23 provided for in the Public Employees Retirement Act;

24 U. "salary" means the base salary or wages paid a
25 member, including longevity pay, for personal services rendered

1 an affiliated public employer. "Salary" ~~[shall]~~ does not
2 include overtime pay, allowances for housing, clothing,
3 equipment or travel, payments for unused sick leave, unless the
4 unused sick leave payment is made through continuation of the
5 member on the regular payroll for the period represented by
6 that payment, ~~[and]~~ investment-performance-based compensation
7 received in accordance with Section 1 or 2 of this 2020 act or
8 any other form of remuneration not specifically designated by
9 law as included in salary for Public Employees Retirement Act
10 purposes. Salary in excess of the limitations set forth in
11 Section 401(a)(17) of the Internal Revenue Code of 1986, as
12 amended, shall be disregarded. The limitation on compensation
13 for eligible employees shall not be less than the amount that
14 was allowed to be taken into account under the state retirement
15 system acts in effect on July 1, 1993. For purposes of this
16 subsection, "eligible employee" means an individual who was a
17 member of a state system before the first plan year beginning
18 after December 31, 1995;

19 V. "state system" means the retirement programs
20 provided for in the Public Employees Retirement Act, the
21 Magistrate Retirement Act and the Judicial Retirement Act;

22 W. "state retirement system acts" means
23 collectively the Public Employees Retirement Act, the
24 Magistrate Retirement Act, the Judicial Retirement Act and the
25 Volunteer Firefighters Retirement Act; and

1 X. "survivor beneficiary" means a person who
2 receives a pension or who has been designated to be paid a
3 pension as a result of the death of a member or retired
4 member."

5 SECTION 6. EFFECTIVE DATE.--The effective date of the
6 provisions of this act is July 1, 2021.

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underscored material = new
[bracketed material] = delete

SENATE BILL 72

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

George K. Munoz

ENDORSED BY THE INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

AN ACT

RELATING TO PUBLIC EMPLOYEE RETIREMENT; ADDRESSING THE
ACTUARIAL SOLVENCY OF THE FUNDS OF THE PUBLIC EMPLOYEES
RETIREMENT ASSOCIATION; CLARIFYING APPLICATION OF MUNICIPAL
RESOLUTIONS RELATED TO EMPLOYEE CONTRIBUTIONS; REMOVING CERTAIN
COST-OF-LIVING SUSPENSIONS FOR RETIRED MEMBERS RETURNING TO
WORK; INCREASING CERTAIN EMPLOYEE AND EMPLOYER COVERAGE PLAN
CONTRIBUTIONS; CREATING AN INCREASED INCOME THRESHOLD FOR
INCREASED CONTRIBUTIONS; DECREASING VESTING PERIODS; REMOVING
MAXIMUM BENEFIT CAPS; CHANGING COST-OF-LIVING ADJUSTMENT
PROVISIONS; REQUIRING CERTIFICATION OF COVERAGE PLAN FUNDED
RATIOS AND ADJUSTMENT OF CONTRIBUTION RATES; REVISING THE STATE
POLICE MEMBER AND ADULT CORRECTIONAL OFFICER MEMBER COVERAGE
PLAN 1 TO INCLUDE JUVENILE CORRECTIONAL OFFICERS, ADULT
PROBATION AND PAROLE OFFICERS AND JUVENILE PROBATION AND PAROLE
OFFICERS; PROVIDING FOR ELECTIONS PERTAINING TO ADOPTION OF

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1 CERTAIN COVERAGE PLANS; MAKING AN APPROPRIATION.

2
3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

4 SECTION 1. Section 10-11-2 NMSA 1978 (being Laws 1987,
5 Chapter 253, Section 2, as amended) is amended to read:

6 "10-11-2. DEFINITIONS.--As used in the Public Employees
7 Retirement Act:

8 A. "accumulated member contributions" means the
9 amounts deducted from the salary of a member and credited to
10 the member's individual account, together with interest, if
11 any, credited to that account;

12 B. "affiliated public employer" means the state and
13 any public employer affiliated with the association as provided
14 in the Public Employees Retirement Act, but does not include an
15 employer pursuant to the Magistrate Retirement Act, the
16 Judicial Retirement Act or the Educational Retirement Act;

17 C. "association" means the public employees
18 retirement association established under the Public Employees
19 Retirement Act;

20 D. "coverage plan funded ratio" means the ratio of
21 the actuarial value of the assets of a coverage plan to the
22 actuarial accrued liability of the association for payments
23 from the coverage plan, as determined by the association's
24 actuaries;

25 [~~D.~~] E. "disability retired member" means a retired

1 member who is receiving a pension pursuant to the disability
2 retirement provisions of the Public Employees Retirement Act;

3 ~~[E.]~~ F. "disability retirement pension" means the
4 pension paid pursuant to the disability retirement provisions
5 of the Public Employees Retirement Act;

6 ~~[F.]~~ G. "educational retirement system" means that
7 retirement system provided for in the Educational Retirement
8 Act;

9 ~~[G.]~~ H. "employee" means any employee of an
10 affiliated public employer;

11 ~~[H.]~~ I. "federal social security program" means
12 that program or those programs created and administered
13 pursuant to the act of congress approved August 14, 1935,
14 Chapter 531, 49 Stat. 620, as that act may be amended;

15 ~~[I.]~~ J. "final average salary" means the final
16 average salary calculated in accordance with the provisions of
17 the applicable coverage plan;

18 ~~[J.]~~ K. "form of payment" means the applicable form
19 of payment of a pension provided for in Section 10-11-117 NMSA
20 1978;

21 ~~[K.]~~ L. "former member" means a person who was
22 previously employed by an affiliated public employer, who has
23 terminated that employment and who has received a refund of
24 member contributions;

25 ~~[L.]~~ M. "fund" means the funds included under the

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Public Employees Retirement Act;

~~[M.]~~ N. "member" means a currently employed, contributing employee of an affiliated public employer, or a person who has been but is not currently employed by an affiliated public employer, who has not retired and who has not received a refund of member contributions; "member" also includes the following:

(1) "adult correctional officer member" means a member who is employed as an adult correctional officer or an adult correctional officer specialist by a state correctional facility of the corrections department or its successor agency;

(2) "adult probation and parole officer member" means a member who is employed as a probation and parole officer by the corrections department or its successor agency;

~~[+2]~~ (3) "juvenile correctional officer member" means a member who is employed as a juvenile correctional officer by the children, youth and families department or its successor agency;

(4) "juvenile probation and parole officer member" means a member who is employed as a probation and parole officer by the children, youth and families department or its successor agency;

~~[+3]~~ (5) "municipal detention officer member" means a member who is employed by an affiliated public employer

1 other than the state and who has inmate custodial
2 responsibilities at a facility used for the confinement of
3 persons charged with or convicted of a violation of a law or
4 ordinance;

5 ~~[(4)]~~ (6) "municipal fire member" means any
6 member who is employed as a full-time nonvolunteer firefighter
7 by an affiliated public employer and who has taken the oath
8 prescribed for firefighters;

9 ~~[(5)]~~ (7) "municipal police member" means any
10 member who is employed as a police officer by an affiliated
11 public employer, other than the state, and who has taken the
12 oath prescribed for police officers; and

13 ~~[(6)]~~ (8) "state police member" means a member
14 who is an officer of the New Mexico state police and who has
15 taken the oath prescribed for such officers, except that a
16 state police member shall not include a member who is an
17 officer of the New Mexico state police division and who was
18 certified and commissioned as of June 30, 2015 in the former
19 motor transportation division or the former special
20 investigations division of the department of public safety;

21 ~~[N-]~~ O. "membership" means membership in the
22 association;

23 ~~[Θ-]~~ P. "pension" means a series of monthly
24 payments to a retired member or survivor beneficiary as
25 provided in the Public Employees Retirement Act;

1 [~~P~~] Q. "public employer" means the state, any
2 municipality, city, county, metropolitan arroyo flood control
3 authority, economic development district, regional housing
4 authority, soil and water conservation district, entity created
5 pursuant to a joint powers agreement, council of government,
6 conservancy district, irrigation district, water and sanitation
7 district, water district and metropolitan water board,
8 including the boards, departments, bureaus and agencies of a
9 public employer, so long as these entities fall within the
10 meaning of governmental plan as that term is used in Section
11 414(d) of the Internal Revenue Code of 1986, as amended;

12 [~~Q~~] R. "refund beneficiary" means a person
13 designated by the member, in writing, in the form prescribed by
14 the association, as the person who would be refunded the
15 member's accumulated member contributions payable if the member
16 dies and no survivor pension is payable or who would receive
17 the difference between pension paid and accumulated member
18 contributions if the retired member dies before receiving in
19 pension payments the amount of the accumulated member
20 contributions;

21 [~~R~~] S. "retire" means to:

22 (1) terminate employment with all employers
23 covered by any state system or the educational retirement
24 system; and

25 (2) receive a pension from a state system or

1 the educational retirement system;

2 ~~[S.]~~ T. "retired member" means a person who has met
3 all requirements for retirement and who is receiving a pension
4 from the fund;

5 ~~[T.]~~ U. "retirement board" means the retirement
6 board provided for in the Public Employees Retirement Act;

7 ~~[U.]~~ V. "salary" means the base salary or wages
8 paid a member, including longevity pay, for personal services
9 rendered an affiliated public employer. "Salary" shall not
10 include overtime pay, allowances for housing, clothing,
11 equipment or travel, payments for unused sick leave, unless the
12 unused sick leave payment is made through continuation of the
13 member on the regular payroll for the period represented by
14 that payment, and any other form of remuneration not
15 specifically designated by law as included in salary for Public
16 Employees Retirement Act purposes. Salary in excess of the
17 limitations set forth in Section 401(a)(17) of the Internal
18 Revenue Code of 1986, as amended, shall be disregarded. The
19 limitation on compensation for eligible employees shall not be
20 less than the amount that was allowed to be taken into account
21 under the state retirement system acts in effect on July 1,
22 1993. For purposes of this subsection, "eligible employee"
23 means an individual who was a member of a state system before
24 the first plan year beginning after December 31, 1995;

25 ~~[V.]~~ W. "state system" means the retirement

1 programs provided for in the Public Employees Retirement Act,
2 the Magistrate Retirement Act and the Judicial Retirement Act;

3 ~~[W.]~~ X. "state retirement system acts" means
4 collectively the Public Employees Retirement Act, the
5 Magistrate Retirement Act, the Judicial Retirement Act and the
6 Volunteer Firefighters Retirement Act; and

7 ~~[X.]~~ Y. "survivor beneficiary" means a person who
8 receives a pension or who has been designated to be paid a
9 pension as a result of the death of a member or retired
10 member."

11 SECTION 2. Section 10-11-5 NMSA 1978 (being Laws 1987,
12 Chapter 253, Section 5, as amended) is amended to read:

13 "10-11-5. CREDITED SERVICE--MUNICIPAL ELECTION TO MAKE
14 EMPLOYEE CONTRIBUTIONS.--A municipal affiliated public employer
15 may elect by resolution of its governing body or by execution
16 of a collective bargaining agreement and in the manner
17 prescribed by the retirement board to be responsible for making
18 contributions of up to seventy-five percent of its employees'
19 member contributions as follows:

20 A. the resolution or collective bargaining
21 agreement shall be irrevocable; except that:

22 (1) if the resolution is passed or the
23 collective bargaining agreement is executed on or before June
24 30, ~~[2013]~~ 2020, the percentage of the employee contributions
25 that the municipal affiliated public employer elects to be

1 responsible for making shall apply to the statutory employee
2 contribution rate in effect on June 30, ~~[2013]~~ 2020 and shall
3 not apply to any increase in the statutory employee
4 contribution rate that may occur after that date; and

5 (2) if the resolution is passed or the
6 collective bargaining agreement is executed on or after
7 July 1, ~~[2013]~~ 2020, the percentage of the employee
8 contributions that the municipal affiliated public employer
9 elects to be responsible for making shall apply to the
10 statutory employee contribution rate in effect on the date that
11 the resolution is passed or the collective bargaining agreement
12 is executed and shall not apply to any increases in the
13 statutory employee contribution rate that may occur after that
14 date; provided, however, that if the statutory employee
15 contribution rate is decreased after the date that the
16 resolution is passed or the collective bargaining agreement is
17 executed, the percentage of the employee contributions that the
18 municipal public affiliated employer is responsible for making
19 shall apply to the decreased statutory employee contribution
20 rate;

21 B. a municipal affiliated public employer may by
22 subsequent resolution or collective bargaining agreement:

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

25 (2) elect to be responsible for a percentage

1 of any increase to the statutory employee contribution rate in
2 effect after the passing of an earlier resolution or the
3 execution of an earlier collective bargaining agreement; or

4 (3) at the time a new coverage plan is
5 adopted, elect to be responsible under the new coverage plan
6 for making a different percentage of employee member
7 contributions than that which it elected under a previous
8 coverage plan;

9 C. the resolution or executed collective bargaining
10 agreement shall apply to all employees or else to specified
11 employee divisions of the municipal affiliated public employer
12 and shall be effective the first pay period of the month
13 following the filing of the resolution with the retirement
14 board;

15 D. the portion of the employee contributions made
16 by the municipal affiliated public employer on behalf of a
17 member shall be credited to the member's individual accumulated
18 member contribution account in the member contribution fund.
19 The member shall be responsible for the difference between the
20 contributions the member would be required to make if the
21 municipal affiliated public employer had not made the election
22 provided for in this section and the amount contributed by the
23 municipal affiliated public employer pursuant to the provisions
24 of this section;

25 E. pensions payable to members whose municipal

1 affiliated public employer makes the election provided for in
2 this section shall be the same as if the member had made the
3 entire member contribution; and

4 F. any municipal affiliated public employer
5 increasing the percentage of the employee member contributions
6 it elects to make pursuant to this section shall submit a
7 resolution or executed collective bargaining agreement to the
8 association by July 1 of the fiscal year in which the increase
9 will take place indicating the percentage of the employee
10 member contributions that will be made by the municipal
11 affiliated public employer."

12 SECTION 3. Section 10-11-8 NMSA 1978 (being Laws 1987,
13 Chapter 253, Section 8, as amended by Laws 2014, Chapter 35,
14 Section 1 and by Laws 2014, Chapter 39, Section 1 and also by
15 Laws 2014, Chapter 43, Section 1) is amended to read:

16 "10-11-8. NORMAL RETIREMENT--RETURN TO EMPLOYMENT--
17 BENEFITS CONTINUED--CONTRIBUTIONS.--

18 A. A member may retire upon fulfilling the
19 following requirements prior to the selected date of
20 retirement:

21 (1) a written application for normal
22 retirement, in the form prescribed by the association, is filed
23 with the association;

24 (2) employment is terminated with all
25 employers covered by any state system or the educational

1 retirement system;

2 (3) the member selects an effective date of
3 retirement that is the first day of a calendar month; and

4 (4) the member meets the age and service
5 credit requirement for normal retirement specified in the
6 coverage plan applicable to the member.

7 B. The amount of normal retirement pension is
8 determined in accordance with the coverage plan applicable to
9 the member.

10 C. Except as provided in Subsection [E] D of this
11 section, on or after July 1, 2010, a retired member may be
12 subsequently employed by an affiliated public employer only
13 pursuant to the following provisions:

14 (1) the retired member has not been employed
15 as an employee of an affiliated public employer or retained as
16 an independent contractor by the affiliated public employer
17 from which the retired member retired for at least twelve
18 consecutive months from the date of retirement to the
19 commencement of subsequent employment or reemployment with an
20 affiliated public employer;

21 (2) the retired member's pension shall be
22 suspended upon commencement of the subsequent employment;

23 (3) except as provided in Subsection [G] F of
24 this section, the retired member shall not become a member and
25 shall not accrue service credit, and the retired member and

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1 that person's subsequent affiliated public employer shall not
2 make contributions under any coverage plan pursuant to the
3 Public Employees Retirement Act; and

4 (4) upon termination of the subsequent
5 employment, the retired member's pension shall resume in
6 accordance with the provisions of Subsection A of this section.

7 ~~[D. Notwithstanding the provisions of Subsection B~~
8 ~~of Section 10-11-118 NMSA 1978, on and after July 1, 2013, if a~~
9 ~~retired member becomes employed with an employer pursuant to~~
10 ~~the Educational Retirement Act, and effective July 1, 2014, if~~
11 ~~a retired member who, subsequent to retirement, is employed and~~
12 ~~covered pursuant to the Judicial Retirement Act, and, effective~~
13 ~~July 1, 2014, if a retired member who, subsequent to~~
14 ~~retirement, is employed and covered pursuant to the Magistrate~~
15 ~~Retirement Act.~~

16 ~~(1) the retired member's cost-of-living~~
17 ~~pension adjustment shall be suspended upon commencement of the~~
18 ~~employment; and~~

19 ~~(2) upon termination of the employment, the~~
20 ~~retired member's suspended cost-of-living pension adjustment~~
21 ~~shall be reinstated as provided under Subsection B of Section~~
22 ~~10-11-118 NMSA 1978.~~

23 ~~E.]~~ D. The provisions of Subsections C, G and H
24 ~~[and I]~~ of this section do not apply to:

25 (1) a retired member employed by the

1 legislature for legislative session work;

2 (2) a retired member employed temporarily as a
3 precinct board member for a municipal election or an election
4 covered by the Election Code; or

5 (3) a retired member who is elected to serve a
6 term as an elected official in an office covered pursuant to
7 the Public Employees Retirement Act; provided that:

8 (a) the retired member files an
9 irrevocable exemption from membership with the association
10 within thirty days of taking office; and

11 (b) the irrevocable exemption shall be
12 for the elected official's term of office.

13 ~~[F.]~~ E. A retired member who returns to employment
14 during retirement pursuant to Subsection ~~[E]~~ D of this section
15 is entitled to receive retirement benefits but is not entitled
16 to accrue service credit or to acquire or purchase service
17 credit in the future for the period of the retired member's
18 subsequent employment with an affiliated public employer.

19 ~~[G.]~~ F. At any time during a retired member's
20 subsequent employment pursuant to Subsection C of this section,
21 the retired member may elect to become a member and the
22 following conditions shall apply:

23 (1) the previously retired member and the
24 subsequent affiliated public employer shall make the required
25 employee and employer contributions, and the previously retired

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1 member shall accrue service credit for the period of subsequent
2 employment; and

3 (2) when the previously retired member
4 terminates the subsequent employment with an affiliated public
5 employer, the previously retired member shall retire according
6 to the provisions of the Public Employees Retirement Act,
7 subject to the following conditions:

8 (a) payment of the pension shall resume
9 in accordance with the provisions of Subsection A of this
10 section;

11 (b) unless the previously retired member
12 accrued at least three years of service credit on account of
13 the subsequent employment, the recalculation of pension shall:
14 1) employ the form of payment selected by the previously
15 retired member at the time of the first retirement; and 2) use
16 the provisions of the coverage plan applicable to the member on
17 the date of the first retirement; and

18 (c) the recalculated pension shall not
19 be less than the amount of the suspended pension.

20 ~~[H.]~~ G. A retired member who returned to work with
21 an affiliated public employer prior to July 1, 2010 shall be
22 subject to the provisions of this section in effect on the date
23 the retired member returned to work; provided that ~~[~~1~~]~~ on and
24 after July 1, 2010, the retired member shall pay the employee
25 contribution in an amount specified in the Public Employees

1 Retirement Act for the position in which the retired member is
2 subsequently employed.

3 ~~[(2) notwithstanding the provisions of~~
4 ~~Subsection B of Section 10-11-118 NMSA 1978, on and after July~~
5 ~~1, 2013, the retired member's cost-of-living pension adjustment~~
6 ~~shall be suspended; and~~

7 ~~(3) upon termination of the subsequent~~
8 ~~employment with the affiliated public employer, the retired~~
9 ~~member's cost-of-living pension adjustment shall be reinstated~~
10 ~~as provided in Subsection B of Section 10-11-118 NMSA 1978.~~

11 ~~F.]~~ H. Effective July 1, 2014, if a retired member
12 who, subsequent to retirement, is employed and covered pursuant
13 to the provisions of the Magistrate Retirement Act or Judicial
14 Retirement Act, during the period of subsequent employment:

15 (1) the member shall be entitled to receive
16 retirement benefits;

17 (2) the retired member's cost-of-living
18 pension adjustment shall be suspended upon commencement of the
19 employment; and

20 (3) upon termination of the employment, the
21 retired member's suspended cost-of-living pension adjustment
22 shall be reinstated as provided under ~~[Subsection B of]~~ Section
23 10-11-118 NMSA 1978.

24 ~~[F.]~~ I. The pension of a member who has earned
25 service credit under more than one coverage plan shall be

1 determined as follows:

2 (1) the pension of a member who has three or
3 more years of service credit earned on or before June 30, 2013
4 under each of two or more coverage plans shall be determined in
5 accordance with the coverage plan that produces the highest
6 pension;

7 (2) the pension of a member who has service
8 credit earned on or before June 30, 2013 under two or more
9 coverage plans but who has three or more years of service
10 credit under only one of those coverage plans shall be
11 determined in accordance with the coverage plan in which the
12 member has three or more years of service credit. If the
13 service credit is acquired under two different coverage plans
14 applied to the same affiliated public employer as a consequence
15 of an election by the members, adoption by the affiliated
16 public employer or a change in the law that results in the
17 application of a coverage plan with a greater pension, the
18 greater pension shall be paid a member retiring from the
19 affiliated public employer under which the change in coverage
20 plan took place regardless of the amount of service credit
21 under the coverage plan producing the greater pension; provided
22 that the member has three or more years of continuous
23 employment with that affiliated public employer immediately
24 preceding or immediately preceding and immediately following
25 the date the coverage plan changed;

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1 (3) the pension of a member who has service
2 credit earned on or before June 30, 2013 under each of two or
3 more coverage plans and who has service credit earned under any
4 coverage plan on or after July 1, 2013 shall be equal to the
5 sum of:

6 (a) the pension attributable to the
7 service credit earned on or before June 30, 2013 determined
8 pursuant to Paragraph (1) or (2) of this subsection; and

9 (b) the pension attributable to the
10 service credit earned under each coverage plan on or after July
11 1, 2013;

12 (4) the pension of a member who has service
13 credit earned only on and after July 1, 2013 shall be equal to
14 the sum of the pension attributable to the service credit the
15 member has accrued under each coverage plan; and

16 (5) the provisions of each coverage plan for
17 the purpose of this subsection shall be those in effect at the
18 time the member ceased to be covered by the coverage plan.
19 "Service credit", for the purposes of this subsection, shall be
20 only personal service rendered an affiliated public employer
21 and credited to the member under the provisions of Subsection A
22 of Section 10-11-4 NMSA 1978. Service credited under any other
23 provision of the Public Employees Retirement Act shall not be
24 used to satisfy the three-year service credit requirement of
25 this subsection."

1 SECTION 4. Section 10-11-26.2 NMSA 1978 (being Laws 1994,
2 Chapter 128, Section 3, as amended) is amended to read:

3 "10-11-26.2. STATE GENERAL MEMBER COVERAGE PLAN 3--AGE
4 AND SERVICE CREDIT REQUIREMENTS FOR NORMAL RETIREMENT.--

5 A. Under state general member coverage plan 3:

6 (1) for a member who on or before June 30,
7 2013 was a peace officer and for a member who is not a peace
8 officer but was a retired member or a member on June 30, 2013,
9 the age and service credit requirements for normal retirement
10 are:

11 (a) age sixty-five years or older and
12 five or more years of service credit;

13 (b) age sixty-four years and eight or
14 more years of service credit;

15 (c) age sixty-three years and eleven or
16 more years of service credit;

17 (d) age sixty-two years and fourteen or
18 more years of service credit;

19 (e) age sixty-one years and seventeen or
20 more years of service credit;

21 (f) age sixty years and twenty or more
22 years of service credit; or

23 (g) any age and twenty-five or more
24 years of service credit;

25 (2) for a member who is not a peace officer

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1 and was not a retired member or a member on June 30, 2013, the
2 age and service requirements for normal retirement are:

3 (a) age sixty-five years or older and
4 ~~[eight]~~ five or more years of service credit; or

5 (b) any age if the member has ~~[eight]~~
6 five or more years of service credit and the sum of the
7 member's age and years of service credit equals at least
8 eighty-five; and

9 (3) for a member who on or after July 1, 2013
10 becomes a peace officer and who was not a retired member or a
11 member on June 30, 2013, the age and service requirements for
12 normal retirement are:

13 (a) age sixty years or older and ~~[six]~~
14 five or more years of service credit; or

15 (b) any age and twenty-five or more
16 years of service credit.

17 B. As used in this section, "peace officer" means
18 any employee of the state with a duty to maintain public order
19 or to make arrests for crime, whether that duty extends to all
20 crimes or is limited to specific crimes, and who is not
21 specifically covered by another coverage plan."

22 SECTION 5. Section 10-11-26.3 NMSA 1978 (being Laws 1994,
23 Chapter 128, Section 4, as amended) is amended to read:

24 "10-11-26.3. STATE GENERAL MEMBER COVERAGE PLAN 3--AMOUNT
25 OF PENSION--FORM OF PAYMENT A.--Under state general member

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1 coverage plan 3:

2 A. for a member with age and service requirements
3 provided under Paragraph (1) or (3) of Subsection A of Section
4 10-11-26.2 NMSA 1978, the amount of pension under form of
5 payment A is equal to three percent of final average salary
6 multiplied by service credit [~~The amount shall not exceed~~
7 ~~ninety percent of the final average salary~~]; and

8 B. for a member with age and service requirements
9 provided under Paragraph (2) of Subsection A of Section
10 10-11-26.2 NMSA 1978, the amount of pension under form of
11 payment A is equal to two and one-half percent of the final
12 average salary multiplied by service credit. [~~The amount shall~~
13 ~~not exceed ninety percent of the final average salary.~~]"

14 SECTION 6. Section 10-11-26.5 NMSA 1978 (being Laws 1994,
15 Chapter 128, Section 6, as amended) is amended to read:

16 "10-11-26.5. STATE GENERAL MEMBER COVERAGE PLAN 3--MEMBER
17 CONTRIBUTION RATE.--A member under state general member
18 coverage plan 3 shall contribute seven and forty-two hundredths
19 percent of salary starting with the first full pay period that
20 ends within the calendar month in which state general member
21 coverage plan 3 becomes applicable to the member, except that a
22 member whose annual salary is greater than [~~twenty thousand~~
23 ~~dollars (\$20,000)~~] twenty-five thousand dollars (\$25,000) shall
24 contribute [~~eight and ninety-two hundredths percent of salary~~]:

25 A. beginning July 1, 2020 and continuing through

1 June 30, 2021, nine and forty-two hundredths percent of salary;

2 B. beginning July 1, 2021 and continuing through
3 June 30, 2022, nine and ninety-two hundredths percent of
4 salary;

5 C. beginning July 1, 2022 and continuing through
6 June 30, 2023, ten and forty-two hundredths percent of salary;
7 and

8 D. beginning July 1, 2023 and thereafter, ten and
9 ninety-two hundredths percent of salary."

10 SECTION 7. Section 10-11-26.6 NMSA 1978 (being Laws 1994,
11 Chapter 128, Section 7, as amended) is amended to read:

12 "10-11-26.6. STATE GENERAL MEMBER COVERAGE PLAN 3--STATE
13 CONTRIBUTION RATE.--The state shall contribute [~~seventeen and~~
14 ~~twenty-four hundredths percent~~] the following percentages of
15 the salary of each member covered by state general member
16 coverage plan 3 starting with the first pay period that ends
17 within the calendar month in which state general member
18 coverage plan 3 becomes applicable to the member:

19 A. beginning July 1, 2020 and continuing through
20 June 30, 2021, seventeen and seventy-four hundredths percent of
21 salary;

22 B. beginning July 1, 2021 and continuing through
23 June 30, 2022, eighteen and twenty-four hundredths percent of
24 salary;

25 C. beginning July 1, 2022 and continuing through

1 June 30, 2023, eighteen and seventy-four hundredths percent of
2 salary; and

3 D. beginning July 1, 2023 and thereafter, nineteen
4 and twenty-four hundredths percent of salary."

5 SECTION 8. Section 10-11-27 NMSA 1978 (being Laws 1987,
6 Chapter 253, Section 27, as amended) is amended to read:

7 "10-11-27. STATE POLICE MEMBER [~~AND ADULT~~], CORRECTIONAL
8 OFFICER MEMBER AND PROBATION AND PAROLE OFFICER MEMBER COVERAGE
9 PLAN 1--APPLICABILITY--CREDITED SERVICE.--

10 A. State police member [~~and adult~~], correctional
11 officer member and probation and parole officer member coverage
12 plan 1 is applicable to:

13 (1) state police members who are not
14 specifically covered by another coverage plan; [~~and to~~]

15 (2) adult correctional officer members;

16 (3) juvenile correctional officer members;

17 (4) adult probation and parole officer
18 members; and

19 (5) juvenile probation and parole officer
20 members.

21 B. The credited service of a state police member
22 who was a retired member or a member on June 30, 2013 and who
23 has held the permanent rank of patrolman, sergeant, lieutenant
24 or captain and does not hold an exempt rank or who is assigned
25 to the aircraft division as a pilot, or of an adult

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1 correctional officer member, shall have actual credited service
2 increased by twenty percent for the purposes of state police
3 member [~~and adult~~], correctional officer member and probation
4 and parole officer member coverage plan 1.

5 C. The credited service, accrued after July 1,
6 2021, of a juvenile correctional officer member, an adult
7 probation and parole officer or a juvenile probation and parole
8 officer shall be increased by twenty percent for the purposes
9 of state police member, correctional officer member and
10 probation and parole officer member coverage plan 1.

11 [~~G.~~] D. Except as provided in Subsection B of this
12 section, the credited service of a member covered under state
13 police member [~~and adult~~], correctional officer member and
14 probation and parole officer member coverage plan 1 shall be
15 credited as provided in Section 10-11-4 NMSA 1978.

16 [~~D.~~] E. State police member [~~and adult~~],
17 correctional officer member and probation and parole officer
18 member coverage plan 1 is applicable to [~~adult~~] juvenile
19 correctional officer members, adult probation and parole
20 officer members and juvenile probation and parole officer
21 members in the first full pay period after July 1, [~~2004~~] 2021
22 if the retirement board certifies to the secretary of state
23 that, of those [~~adult~~] juvenile correctional officer members,
24 adult probation and parole officer members and juvenile
25 probation and parole officer members to be covered under state

1 police member [~~and adult~~], correctional officer member and
2 probation and parole officer member coverage plan 1, a majority
3 of the respective members voting have voted to approve adoption
4 of that plan at an election conducted pursuant to [~~Laws 2003,~~
5 ~~Chapter 268, Section 16~~] Sections 80 through 83 of this 2020
6 act."

7 SECTION 9. Section 10-11-27.1 NMSA 1978 (being Laws 2003,
8 Chapter 268, Section 10) is amended to read:

9 "10-11-27.1. STATE POLICE MEMBER [~~AND ADULT~~],
10 CORRECTIONAL OFFICER MEMBER AND PROBATION AND PAROLE OFFICER
11 MEMBER COVERAGE PLAN 1--SERVICE CREDIT REQUIRED.--
12 Notwithstanding the provisions of Section 10-11-27 NMSA 1978,
13 to qualify for payment under state police member [~~and adult~~],
14 correctional officer member and probation and parole officer
15 member coverage plan, 1 an adult correctional officer member
16 shall have eighteen months of service credit earned under [~~the~~]
17 state police member, [~~and adult~~] correctional officer member
18 and probation and parole officer member coverage plan 1
19 subsequent to July 1, 2004."

20 SECTION 10. Section 10-11-28 NMSA 1978 (being Laws 1987,
21 Chapter 253, Section 28, as amended) is amended to read:

22 "10-11-28. STATE POLICE MEMBER [~~AND ADULT~~], CORRECTIONAL
23 OFFICER MEMBER AND PROBATION AND PAROLE OFFICER MEMBER COVERAGE
24 PLAN 1--AGE AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--
25 Under state police member [~~and adult~~], correctional officer

member and probation and parole officer member coverage plan 1:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

(1) age sixty-five years or older and five or more years of credited service;

(2) age sixty-four years and eight or more years of credited service;

(3) age sixty-three years and eleven or more years of credited service;

(4) age sixty-two years and fourteen or more years of credited service;

(5) age sixty-one years and seventeen or more years of credited service;

(6) age sixty years and twenty or more years of credited service; or

(7) any age and twenty-five or more years of credited service; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

(1) age sixty years or older and [~~six~~] five or more years of service credit; or

(2) any age and twenty-five or more years of service credit."

1 SECTION 11. Section 10-11-29 NMSA 1978 (being Laws 1987,
2 Chapter 253, Section 29, as amended) is amended to read:

3 "10-11-29. STATE POLICE MEMBER [~~AND ADULT~~], CORRECTIONAL
4 OFFICER MEMBER AND PROBATION AND PAROLE OFFICER MEMBER COVERAGE
5 PLAN 1--AMOUNT OF PENSION--FORM OF PAYMENT A.--Under state
6 police member [~~and adult~~], correctional officer member and
7 probation and parole officer member coverage plan 1, the amount
8 of pension under form of payment A is equal to three percent of
9 final average salary multiplied by credited service. [~~The~~
10 ~~amount shall not exceed ninety percent of the final average~~
11 ~~salary.~~]"

12 SECTION 12. Section 10-11-31 NMSA 1978 (being Laws 1987,
13 Chapter 253, Section 31, as amended) is amended to read:

14 "10-11-31. STATE POLICE MEMBER [~~AND ADULT~~], CORRECTIONAL
15 OFFICER MEMBER AND PROBATION AND PAROLE OFFICER MEMBER COVERAGE
16 PLAN 1--MEMBER CONTRIBUTION RATE.--A member under state police
17 member [~~and adult~~], correctional officer member and probation
18 and parole officer member coverage plan 1 shall contribute
19 seven and six-tenths percent of salary, except that a member
20 whose annual salary is greater than [~~twenty thousand dollars~~
21 ~~(\$20,000)] twenty-five thousand dollars (\$25,000) shall~~
22 contribute nine and one-tenth percent of salary."

23 SECTION 13. Section 10-11-32 NMSA 1978 (being Laws 1987,
24 Chapter 253, Section 32, as amended) is amended to read:

25 "10-11-32. STATE POLICE MEMBER [~~AND ADULT~~], CORRECTIONAL

1 OFFICER MEMBER AND PROBATION AND PAROLE OFFICER MEMBER COVERAGE
2 PLAN 1--STATE CONTRIBUTION RATE.--The state shall contribute
3 twenty-five and one-half percent of the salary of each member
4 under state police member [~~and adult~~], correctional officer
5 member and probation and parole officer member coverage plan 1
6 [~~except that, from July 1, 2013 through June 30, 2014, the~~
7 ~~state contribution rate shall be twenty-five and one-tenth~~
8 ~~percent of the salary of each member~~]."

9 SECTION 14. Section 10-11-38.2 NMSA 1978 (being Laws
10 1994, Chapter 128, Section 10, as amended) is amended to read:

11 "10-11-38.2. JUVENILE CORRECTIONAL OFFICER MEMBER
12 COVERAGE PLAN 2--AGE AND SERVICE CREDIT REQUIREMENTS FOR NORMAL
13 RETIREMENT.--Under juvenile correctional officer member
14 coverage plan 2:

15 A. for a member who was a retired member or a
16 member on June 30, 2013, the age and service credit
17 requirements for normal retirement are:

18 (1) age sixty-five years or older and five or
19 more years of service credit;

20 (2) age sixty-four years and eight or more
21 years of service credit;

22 (3) age sixty-three years and eleven or more
23 years of service credit;

24 (4) age sixty-two years and fourteen or more
25 years of service credit;

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1 (5) age sixty-one years and seventeen or more
2 years of service credit;

3 (6) age sixty years and twenty or more years
4 of service credit; and

5 (7) any age and twenty-five or more years of
6 service credit; and

7 B. for a member who was not a retired member or a
8 member on June 30, 2013, the age and service requirements for
9 normal retirement are:

10 (1) age sixty years or older and [~~six~~] five or
11 more years of service credit; or

12 (2) any age and twenty-five or more years of
13 service credit."

14 SECTION 15. Section 10-11-38.3 NMSA 1978 (being Laws
15 1994, Chapter 128, Section 11, as amended) is amended to read:

16 "10-11-38.3. JUVENILE CORRECTIONAL OFFICER MEMBER
17 COVERAGE PLAN 2--AMOUNT OF PENSION--FORM OF PAYMENT A.--Under
18 juvenile correctional officer member coverage plan 2, the
19 amount of pension under form of payment A is equal to three
20 percent of final average salary multiplied by service credit.
21 [~~The amount shall not exceed ninety percent of the final~~
22 ~~average salary.~~]"

23 SECTION 16. Section 10-11-38.5 NMSA 1978 (being Laws
24 1994, Chapter 128, Section 13, as amended) is amended to read:

25 "10-11-38.5. JUVENILE CORRECTIONAL OFFICER MEMBER

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1 COVERAGE PLAN 2--MEMBER CONTRIBUTION RATE.--A member under
2 juvenile correctional officer member coverage plan 2 shall
3 contribute four and seventy-eight hundredths percent of salary
4 starting with the first full pay period that ends within the
5 calendar month in which juvenile correctional officer member
6 coverage plan 2 becomes applicable to the member, except that a
7 member whose annual salary is greater than [~~twenty thousand~~
8 ~~dollars (\$20,000)~~] twenty-five thousand dollars (\$25,000) shall
9 contribute [~~six and twenty-eight hundredths percent of salary~~]:

10 A. beginning July 1, 2020 and continuing through
11 June 30, 2021, six and seventy-eight hundredths percent of
12 salary;

13 B. beginning July 1, 2021 and continuing through
14 June 30, 2022, seven and twenty-eight hundredths percent of
15 salary;

16 C. beginning July 1, 2022 and continuing through
17 June 30, 2023, seven and seventy-eight hundredths percent of
18 salary; and

19 D. beginning July 1, 2023 and thereafter, eight and
20 twenty-eight hundredths percent of salary."

21 SECTION 17. Section 10-11-38.6 NMSA 1978 (being Laws
22 1994, Chapter 128, Section 14, as amended) is amended to read:

23 "10-11-38.6. JUVENILE CORRECTIONAL OFFICER MEMBER
24 COVERAGE PLAN 2--STATE CONTRIBUTION RATE.--The state shall
25 contribute [~~twenty-six and thirty-seven hundredths percent~~] the

1 following percentages of the salary of each member covered by
2 juvenile correctional officer member coverage plan 2 starting
3 with the first pay period that ends within the calendar month
4 in which juvenile correctional officer member coverage plan 2
5 becomes applicable to the member:

6 A. beginning July 1, 2020 and continuing through
7 June 30, 2021, twenty-six and eighty-seven hundredths percent
8 of salary;

9 B. beginning July 1, 2021 and continuing through
10 June 30, 2022, twenty-seven and thirty-seven hundredths percent
11 of salary;

12 C. beginning July 1, 2022 and continuing through
13 June 30, 2023, twenty-seven and eighty-seven hundredths percent
14 of salary; and

15 D. beginning July 1, 2023 and thereafter, twenty-
16 eight and thirty-seven hundredths percent of salary."

17 SECTION 18. Section 10-11-45 NMSA 1978 (being Laws 1987,
18 Chapter 253, Section 45, as amended) is amended to read:

19 "10-11-45. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 1--AGE
20 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
21 municipal general member coverage plan 1:

22 A. for a member who was a retired member or a
23 member on June 30, 2013, the age and service requirements for
24 normal retirement are:

25 (1) age sixty-five years or older and five or

1 more years of service credit;

2 (2) age sixty-four years and eight or more
3 years of service credit;

4 (3) age sixty-three years and eleven or more
5 years of service credit;

6 (4) age sixty-two years and fourteen or more
7 years of service credit;

8 (5) age sixty-one years and seventeen or more
9 years of service credit;

10 (6) age sixty years and twenty or more years
11 of service credit; or

12 (7) any age and twenty-five or more years of
13 service credit; and

14 B. for a member who was not a retired member or a
15 member on June 30, 2013, the age and service requirements for
16 normal retirement are:

17 (1) age sixty-five years or older and ~~[eight]~~
18 five or more years of service credit; or

19 (2) any age if the member has ~~[eight]~~ five or
20 more years of service credit and the sum of the member's age
21 and years of service credit equals at least eighty-five."

22 SECTION 19. Section 10-11-46 NMSA 1978 (being Laws 1987,
23 Chapter 253, Section 46, as amended) is amended to read:

24 "10-11-46. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 1--
25 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal general

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1 member coverage plan 1, the amount of pension under form of
2 payment A is equal to two percent of the final average salary
3 multiplied by credited service. [~~The amount shall not exceed~~
4 ~~ninety percent of the final average salary.~~]"

5 SECTION 20. Section 10-11-48 NMSA 1978 (being Laws 1987,
6 Chapter 253, Section 48, as amended) is amended to read:

7 "10-11-48. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 1--
8 MEMBER CONTRIBUTION RATE.--A member under municipal general
9 member coverage plan 1 shall contribute seven percent of salary
10 starting with the first full pay period in the calendar month
11 in which municipal general member coverage plan 1 becomes
12 applicable to the member, except that a member whose annual
13 salary is greater than [~~twenty thousand dollars (\$20,000)~~]
14 twenty-five thousand dollars (\$25,000) shall contribute [~~eight~~
15 ~~and one-half percent of salary~~]:

16 A. prior to July 1, 2022, eight and one-half
17 percent of salary;

18 B. beginning July 1, 2022 and continuing through
19 June 30, 2023, nine percent of salary;

20 C. beginning July 1, 2023 and continuing through
21 June 30, 2024, nine and one-half percent of salary;

22 D. beginning July 1, 2024 and continuing through
23 June 30, 2025, ten percent of salary; and

24 E. beginning July 1, 2025 and thereafter, ten and
25 one-half percent of salary."

1 SECTION 21. Section 10-11-49 NMSA 1978 (being Laws 1987,
2 Chapter 253, Section 49, as amended) is amended to read:

3 "10-11-49. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 1--
4 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--An affiliated
5 public employer shall contribute [~~seven and sixty-five~~
6 ~~hundredths percent~~] the following percentages of the salary of
7 each member it employs and who is covered under municipal
8 general member coverage plan 1:

9 A. prior to July 1, 2022, seven and sixty-five
10 hundredths percent of salary;

11 B. beginning July 1, 2022 and continuing through
12 June 30, 2023, eight and fifteen-hundredths percent of salary;

13 C. beginning July 1, 2023 and continuing through
14 June 30, 2024, eight and sixty-five hundredths percent of
15 salary;

16 D. beginning July 1, 2024 and continuing through
17 June 30, 2025, nine and fifteen-hundredths percent of salary;
18 and

19 E. beginning July 1, 2025 and thereafter, nine and
20 sixty-five hundredths percent of salary."

21 SECTION 22. Section 10-11-51 NMSA 1978 (being Laws 1987,
22 Chapter 253, Section 51, as amended) is amended to read:

23 "10-11-51. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 2--AGE
24 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
25 municipal general member coverage plan 2:

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1 A. for a member who was a retired member or a
2 member on June 30, 2013, the age and service requirements for
3 normal retirement are:

4 (1) age sixty-five years or older and five or
5 more years of service credit;

6 (2) age sixty-four years and eight or more
7 years of service credit;

8 (3) age sixty-three years and eleven or more
9 years of service credit;

10 (4) age sixty-two years and fourteen or more
11 years of service credit;

12 (5) age sixty-one years and seventeen or more
13 years of service credit;

14 (6) age sixty years and twenty or more years
15 of service credit; or

16 (7) any age and twenty-five or more years of
17 service credit; and

18 B. for a member who was not a retired member or a
19 member on June 30, 2013, the age and service requirements for
20 normal retirement are:

21 (1) age sixty-five years or older and ~~[eight]~~
22 five or more years of service credit; or

23 (2) any age if the member has ~~[eight]~~ five or
24 more years of service credit and the sum of the member's age
25 and years of service credit equals at least eighty-five."

1 SECTION 23. Section 10-11-52 NMSA 1978 (being Laws 1987,
2 Chapter 253, Section 52, as amended) is amended to read:

3 "10-11-52. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 2--
4 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal general
5 member coverage plan 2:

6 A. for a member with age and service requirements
7 provided in Subsection A of Section 10-11-51 NMSA 1978, the
8 amount of pension under form of payment A is equal to two and
9 one-half percent of the final average salary multiplied by
10 credited service [~~The amount shall not exceed ninety percent of~~
11 ~~the final average salary~~]; and

12 B. for a member with age and service requirements
13 provided in Subsection B of Section 10-11-51 NMSA 1978, the
14 amount of pension under form of payment A is equal to two
15 percent of the final average salary multiplied by service
16 credit. [~~The amount shall not exceed ninety percent of the~~
17 ~~final average salary.~~]"

18 SECTION 24. Section 10-11-54 NMSA 1978 (being Laws 1987,
19 Chapter 253, Section 54, as amended) is amended to read:

20 "10-11-54. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 2--
21 MEMBER CONTRIBUTION RATE.--A member under municipal general
22 member coverage plan 2 shall contribute nine and fifteen-
23 hundredths percent of salary starting with the first full pay
24 period in the calendar month in which municipal general member
25 coverage plan 2 becomes applicable to the member, except that a

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1 member whose annual salary is greater than [~~twenty thousand~~
2 ~~dollars (\$20,000)~~] twenty-five thousand dollars (\$25,000) shall
3 contribute [~~ten and sixty-five hundredths percent of salary~~]:

4 A. prior to July 1, 2022, ten and sixty-five
5 hundredths percent of salary;

6 B. beginning July 1, 2022 and continuing through
7 June 30, 2023, eleven and fifteen-hundredths percent of salary;

8 C. beginning July 1, 2023 and continuing through
9 June 30, 2024, eleven and sixty-five hundredths percent of
10 salary;

11 D. beginning July 1, 2024 and continuing through
12 June 30, 2025, twelve and fifteen-hundredths percent of salary;
13 and

14 E. beginning July 1, 2025 and thereafter, twelve
15 and sixty-five hundredths percent of salary."

16 SECTION 25. Section 10-11-55 NMSA 1978 (being Laws 1987,
17 Chapter 253, Section 55, as amended) is amended to read:

18 "10-11-55. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 2--
19 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--An affiliated
20 public employer shall contribute [~~nine and eight-tenths~~
21 ~~percent~~] the following percentages of the salary of each member
22 it employs and who is covered under municipal general member
23 coverage plan 2:

24 A. prior to July 1, 2022, nine and eight-tenths
25 percent of salary;

1 B. beginning July 1, 2022 and continuing through
2 June 30, 2023, ten and three-tenths percent of salary;

3 C. beginning July 1, 2023 and continuing through
4 June 30, 2024, ten and eight-tenths percent of salary;

5 D. beginning July 1, 2024 and continuing through
6 June 30, 2025, eleven and three-tenths percent of salary; and

7 E. beginning July 1, 2025 and thereafter, eleven
8 and eight-tenths percent of salary."

9 SECTION 26. Section 10-11-55.2 NMSA 1978 (being Laws
10 1993, Chapter 58, Section 2, as amended) is amended to read:

11 "10-11-55.2. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 3--
12 AGE AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
13 municipal general member coverage plan 3:

14 A. for a member who was a retired member or a
15 member on June 30, 2013, the age and service requirements for
16 normal retirement are:

17 (1) age sixty-five years or older and five or
18 more years of service credit;

19 (2) age sixty-four years and eight or more
20 years of service credit;

21 (3) age sixty-three years and eleven or more
22 years of service credit;

23 (4) age sixty-two years and fourteen or more
24 years of service credit;

25 (5) age sixty-one years and seventeen or more

1 years of service credit;

2 (6) age sixty years and twenty or more years
3 of service credit; or

4 (7) any age and twenty-five or more years of
5 service credit; and

6 B. for a member who was not a retired member or a
7 member on June 30, 2013, the age and service requirements for
8 normal retirement are:

9 (1) age sixty-five years or older and ~~[eight]~~
10 five or more years of service credit; or

11 (2) any age if the member has ~~[eight]~~ five or
12 more years of service credit and the sum of the member's age
13 and years of service credit equals at least eighty-five."

14 SECTION 27. Section 10-11-55.3 NMSA 1978 (being Laws
15 1993, Chapter 58, Section 3, as amended) is amended to read:

16 "10-11-55.3. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 3--
17 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal general
18 member coverage plan 3:

19 A. for a member with age and service requirements
20 provided under Subsection A of Section 10-11-55.2 NMSA 1978,
21 the amount of pension under form of payment A is equal to three
22 percent of the final average salary multiplied by credited
23 service ~~[The amount shall not exceed ninety percent of the~~
24 ~~final average salary]~~; and

25 B. for a member with age and service requirements

1 provided under Subsection B of Section 10-11-55.2 NMSA 1978,
2 the amount of pension under form of payment A is equal to two
3 and one-half percent of the final average salary multiplied by
4 credited service. [~~The amount shall not exceed ninety percent~~
5 ~~of the final average salary.~~]"

6 SECTION 28. Section 10-11-55.5 NMSA 1978 (being Laws
7 1993, Chapter 58, Section 5, as amended) is amended to read:

8 "10-11-55.5. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 3--
9 MEMBER CONTRIBUTION RATE.--A member under municipal general
10 member coverage plan 3 shall contribute thirteen and fifteen-
11 hundredths percent of salary starting with the first full pay
12 period in the calendar month in which municipal general member
13 coverage plan 3 becomes applicable to the member, except that a
14 member whose annual salary is greater than [~~twenty thousand~~
15 ~~dollars (\$20,000)~~] twenty-five thousand dollars (\$25,000) shall
16 contribute [~~fourteen and sixty-five hundredths percent of~~
17 ~~salary~~]:

18 A. prior to July 1, 2022, fourteen and sixty-five
19 hundredths percent of salary;

20 B. beginning July 1, 2022 and continuing through
21 June 30, 2023, fifteen and fifteen-hundredths percent of
22 salary;

23 C. beginning July 1, 2023 and continuing through
24 June 30, 2024, fifteen and sixty-five hundredths percent of
25 salary;

1 D. beginning July 1, 2024 and continuing through
2 June 30, 2025, sixteen and fifteen-hundredths percent of
3 salary; and

4 E. beginning July 1, 2025 and thereafter, sixteen
5 and sixty-five hundredths percent of salary."

6 SECTION 29. Section 10-11-55.6 NMSA 1978 (being Laws
7 1993, Chapter 58, Section 6, as amended) is amended to read:

8 "10-11-55.6. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 3--
9 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--An affiliated
10 public employer shall contribute [~~nine and eight-tenths~~
11 ~~percent~~] the following percentages of the salary of each member
12 it employs and who is covered under municipal general member
13 coverage plan 3:

14 A. prior to July 1, 2022, nine and eight-tenths
15 percent of salary;

16 B. beginning July 1, 2022 and continuing through
17 June 30, 2023, ten and three-tenths percent of salary;

18 C. beginning July 1, 2023 and continuing through
19 June 30, 2024, ten and eight-tenths percent of salary;

20 D. beginning July 1, 2024 and continuing through
21 June 30, 2025, eleven and three-tenths percent of salary; and

22 E. beginning July 1, 2025 and thereafter, eleven
23 and eight-tenths percent of salary."

24 SECTION 30. Section 10-11-55.8 NMSA 1978 (being Laws
25 1998, Chapter 106, Section 2, as amended) is amended to read:

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1 "10-11-55.8. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 4--
2 AGE AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
3 municipal general member coverage plan 4:

4 A. for a member who was a retired member or a
5 member on June 30, 2013, the age and service requirements for
6 normal retirement are:

7 (1) age sixty-five years or older and five or
8 more years of service credit;

9 (2) age sixty-four years and eight or more
10 years of service credit;

11 (3) age sixty-three years and eleven or more
12 years of service credit;

13 (4) age sixty-two years and fourteen or more
14 years of service credit;

15 (5) age sixty-one years and seventeen or more
16 years of service credit;

17 (6) age sixty years and twenty or more years
18 of service credit; or

19 (7) any age and twenty-five or more years of
20 service credit; and

21 B. for a member who was not a retired member or a
22 member on June 30, 2013, the age and service requirements for
23 normal retirement are:

24 (1) age sixty-five years or older and [eight]
25 five or more years of service credit; or

1 (2) any age if the member has ~~[eight]~~ five or
2 more years of service credit and the sum of the member's age
3 and years of service credit equals at least eighty-five."

4 SECTION 31. Section 10-11-55.9 NMSA 1978 (being Laws
5 1998, Chapter 106, Section 3, as amended) is amended to read:

6 "10-11-55.9. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 4--
7 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal general
8 member coverage plan 4:

9 A. for a member with age and service requirements
10 provided under Subsection A of Section 10-11-55.8 NMSA 1978,
11 the amount of pension under form of payment A is equal to three
12 percent of the final average salary multiplied by credited
13 service ~~[The amount shall not exceed ninety percent of the~~
14 ~~final average salary]~~; and

15 B. for a member with age and service requirements
16 provided under Subsection B of Section 10-11-55.8 NMSA 1978,
17 the amount of pension under form of payment A is equal to two
18 and one-half percent of the final average salary multiplied by
19 credited service. ~~[The amount shall not exceed ninety percent~~
20 ~~of the final average salary.]"~~

21 SECTION 32. Section 10-11-55.11 NMSA 1978 (being Laws
22 1998, Chapter 106, Section 5, as amended) is amended to read:

23 "10-11-55.11. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 4--
24 MEMBER CONTRIBUTION RATE.--A member under municipal general
25 member coverage plan 4 shall contribute fifteen and sixty-five

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1 hundredths percent of salary starting with the first full pay
2 period in the calendar month in which municipal general member
3 coverage plan 4 becomes applicable to the member, except that a
4 member whose annual salary is greater than [~~twenty thousand~~
5 ~~dollars (\$20,000)~~] twenty-five thousand dollars (\$25,000) shall
6 contribute [~~seventeen and fifteen hundredths percent of~~
7 ~~salary~~]:

8 A. prior to July 1, 2022, seventeen and fifteen
9 hundredths percent of salary;

10 B. beginning July 1, 2022 and continuing through
11 June 30, 2023, seventeen and sixty-five hundredths percent of
12 salary;

13 C. beginning July 1, 2023 and continuing through
14 June 30, 2024, eighteen and fifteen hundredths percent of
15 salary;

16 D. beginning July 1, 2024 and continuing through
17 June 30, 2025, eighteen and sixty-five hundredths percent of
18 salary; and

19 E. beginning July 1, 2025 and thereafter, nineteen
20 and fifteen hundredths percent of salary."

21 SECTION 33. Section 10-11-55.12 NMSA 1978 (being Laws
22 1998, Chapter 106, Section 6, as amended) is amended to read:

23 "10-11-55.12. MUNICIPAL GENERAL MEMBER COVERAGE PLAN 4--
24 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.---An affiliated
25 public employer shall contribute [~~twelve and three-tenths~~

percent] the following percentages of the salary of each member it employs and who is covered under municipal general member coverage plan 4:

A. prior to July 1, 2022, twelve and three-tenths percent of salary;

B. beginning July 1, 2022 and continuing through June 30, 2023, twelve and eight-tenths percent of salary;

C. beginning July 1, 2023 and continuing through June 30, 2024, thirteen and three-tenths percent of salary;

D. beginning July 1, 2024 and continuing through June 30, 2025, thirteen and eight-tenths percent of salary; and

E. beginning July 1, 2025 and thereafter, fourteen and three-tenths percent of salary."

SECTION 34. Section 10-11-57 NMSA 1978 (being Laws 1987, Chapter 253, Section 57, as amended) is amended to read:

"10-11-57. MUNICIPAL POLICE MEMBER COVERAGE PLAN 1--AGE AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under municipal police member coverage plan 1:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

(1) age sixty-five years or older and five or more years of credited service;

(2) age sixty-four years and eight or more years of credited service;

1 (3) age sixty-three years and eleven or more
2 years of credited service;

3 (4) age sixty-two years and fourteen or more
4 years of credited service;

5 (5) age sixty-one years and seventeen or more
6 years of credited service;

7 (6) age sixty years and twenty or more years
8 of credited service; or

9 (7) any age and twenty-five or more years of
10 credited service; and

11 B. for a member who was not a retired member or a
12 member on June 30, 2013, the age and service requirements for
13 normal retirement are:

14 (1) age sixty years or older and [~~six~~] five or
15 more years of service credit; or

16 (2) any age and twenty-five or more years of
17 service credit."

18 SECTION 35. Section 10-11-58 NMSA 1978 (being Laws 1987,
19 Chapter 253, Section 58, as amended) is amended to read:

20 "10-11-58. MUNICIPAL POLICE MEMBER COVERAGE PLAN 1--
21 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal police
22 member coverage plan 1, the amount of pension under form of
23 payment A is equal to two percent of the final average salary
24 multiplied by credited service. [~~The amount shall not exceed~~
25 ~~ninety percent of the final average salary.~~]"

1 SECTION 36. Section 10-11-60 NMSA 1978 (being Laws 1987,
2 Chapter 253, Section 60, as amended) is amended to read:

3 "10-11-60. MUNICIPAL POLICE MEMBER COVERAGE PLAN 1--
4 MEMBER CONTRIBUTION RATE.--A member under municipal police
5 member coverage plan 1 shall contribute seven percent of salary
6 starting with the first full pay period in the calendar month
7 in which municipal police member coverage plan 1 becomes
8 applicable to the member, except that a member whose annual
9 salary is greater than [~~twenty thousand dollars (\$20,000)~~]
10 twenty-five thousand dollars (\$25,000) shall contribute [~~eight~~
11 ~~and one-half percent of salary~~]:

12 A. prior to July 1, 2022, eight and one-half
13 percent of salary;

14 B. beginning July 1, 2022 and continuing through
15 June 30, 2023, nine percent of salary;

16 C. beginning July 1, 2023 and continuing through
17 June 30, 2024, nine and one-half percent of salary;

18 D. beginning July 1, 2024 and continuing through
19 June 30, 2025, ten percent of salary; and

20 E. beginning July 1, 2025 and thereafter, ten and
21 one-half percent of salary."

22 SECTION 37. Section 10-11-61 NMSA 1978 (being Laws 1987,
23 Chapter 253, Section 61, as amended) is amended to read:

24 "10-11-61. MUNICIPAL POLICE MEMBER COVERAGE PLAN 1--
25 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated

1 public employer shall contribute [~~ten and sixty-five hundredths~~
2 ~~percent~~] the following percentages of the salary of each member
3 it employs and who is covered under municipal police member
4 coverage plan 1:

5 A. prior to July 1, 2022, ten and sixty-five
6 hundredths percent of salary;

7 B. beginning July 1, 2022 and continuing through
8 June 30, 2023, eleven and fifteen-hundredths percent of salary;

9 C. beginning July 1, 2023 and continuing through
10 June 30, 2024, eleven and sixty-five hundredths percent of
11 salary;

12 D. beginning July 1, 2024 and continuing through
13 June 30, 2025, twelve and fifteen-hundredths percent of salary;
14 and

15 E. beginning July 1, 2025 and thereafter, twelve
16 and sixty-five hundredths percent of salary."

17 **SECTION 38.** Section 10-11-63 NMSA 1978 (being Laws 1987,
18 Chapter 253, Section 63, as amended) is amended to read:

19 "10-11-63. MUNICIPAL POLICE MEMBER COVERAGE PLAN 2--AGE
20 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
21 municipal police coverage plan 2:

22 A. for a member who was a retired member or a
23 member on June 30, 2013, the age and service requirements for
24 normal retirement are:

25 (1) age sixty-five years or older and five or

1 more years of credited service;

2 (2) age sixty-four years and eight or more
3 years of credited service;

4 (3) age sixty-three years and eleven or more
5 years of credited service;

6 (4) age sixty-two years and fourteen or more
7 years of credited service;

8 (5) age sixty-one years and seventeen or more
9 years of credited service;

10 (6) age sixty years and twenty or more years
11 of credited service; or

12 (7) any age and twenty-five or more years of
13 credited service; and

14 B. for a member who was not a retired member or a
15 member on June 30, 2013, the age and service requirements for
16 normal retirement are:

17 (1) age sixty years or older and [~~six~~] five or
18 more years of service credit; or

19 (2) any age and twenty-five or more years of
20 service credit."

21 SECTION 39. Section 10-11-64 NMSA 1978 (being Laws 1987,
22 Chapter 253, Section 64, as amended) is amended to read:

23 "10-11-64. MUNICIPAL POLICE MEMBER COVERAGE PLAN 2--
24 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal police
25 member coverage plan 2:

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1 A. for a member with age and service requirements
2 provided under Subsection A of Section 10-11-63 NMSA 1978, the
3 amount of pension under form of payment A is equal to two and
4 one-half percent of the final average salary multiplied by
5 credited service [~~The amount shall not exceed ninety percent of~~
6 ~~the final average salary~~]; and

7 B. for a member with age and service requirements
8 provided under Subsection B of Section 10-11-63 NMSA 1978, the
9 amount of pension under form of payment A is equal to two
10 percent of the final average salary multiplied by credited
11 service. [~~The amount shall not exceed ninety percent of the~~
12 ~~final average salary.~~]"

13 SECTION 40. Section 10-11-66 NMSA 1978 (being Laws 1987,
14 Chapter 253, Section 66, as amended) is amended to read:

15 "10-11-66. MUNICIPAL POLICE MEMBER COVERAGE PLAN 2--
16 MEMBER CONTRIBUTION RATE.--A member under municipal police
17 member coverage plan 2 shall contribute seven percent of salary
18 with the first full pay period in the calendar month in which
19 municipal police member coverage plan 2 becomes applicable to
20 the member, except that a member whose annual salary is greater
21 than [~~twenty thousand dollars (\$20,000)~~] twenty-five thousand
22 dollars (\$25,000) shall contribute [~~eight and one-half percent~~
23 ~~of salary~~]:

24 A. prior to July 1, 2022, eight and one-half
25 percent of salary;

1 B. beginning July 1, 2022 and continuing through
2 June 30, 2023, nine percent of salary;

3 C. beginning July 1, 2023 and continuing through
4 June 30, 2024, nine and one-half percent of salary;

5 D. beginning July 1, 2024 and continuing through
6 June 30, 2025, ten percent of salary; and

7 E. beginning July 1, 2025 and thereafter, ten and
8 one-half percent of salary."

9 SECTION 41. Section 10-11-67 NMSA 1978 (being Laws 1987,
10 Chapter 253, Section 67, as amended) is amended to read:

11 "10-11-67. MUNICIPAL POLICE MEMBER COVERAGE PLAN 2--
12 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated
13 public employer shall contribute [~~fifteen and sixty-five~~
14 ~~hundredths percent~~] the following percentages of the salary of
15 each member it employs and who is covered under municipal
16 police member coverage plan 2:

17 A. prior to July 1, 2022, fifteen and sixty-five
18 hundredths percent of salary;

19 B. beginning July 1, 2022 and continuing through
20 June 30, 2023, sixteen and fifteen-hundredths percent of
21 salary;

22 C. beginning July 1, 2023 and continuing through
23 June 30, 2024, sixteen and sixty-five hundredths percent of
24 salary;

25 D. beginning July 1, 2024 and continuing through

1 June 30, 2025, seventeen and fifteen-hundredths percent of
2 salary; and

3 E. beginning July 1, 2025 and thereafter, seventeen
4 and sixty-five hundredths percent of salary."

5 SECTION 42. Section 10-11-69 NMSA 1978 (being Laws 1987,
6 Chapter 253, Section 69, as amended) is amended to read:

7 "10-11-69. MUNICIPAL POLICE MEMBER COVERAGE PLAN 3--AGE
8 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
9 municipal police member coverage plan 3:

10 A. for a member who was a retired member or a
11 member on June 30, 2013, the age and service requirements for
12 normal retirement are:

13 (1) age sixty-five years or older and five or
14 more years of credited service;

15 (2) age sixty-four years and eight or more
16 years of credited service;

17 (3) age sixty-three years and eleven or more
18 years of credited service;

19 (4) age sixty-two years and fourteen or more
20 years of credited service;

21 (5) age sixty-one years and seventeen or more
22 years of credited service; or

23 (6) any age and twenty or more years of
24 credited service; and

25 B. for a member who was not a retired member or a

1 member on June 30, 2013, the age and service requirements for
2 normal retirement are:

3 (1) age sixty years or older and [~~six~~] five or
4 more years of service credit; or

5 (2) any age and twenty-five or more years of
6 service credit."

7 SECTION 43. Section 10-11-70 NMSA 1978 (being Laws 1987,
8 Chapter 253, Section 70, as amended) is amended to read:

9 "10-11-70. MUNICIPAL POLICE MEMBER COVERAGE PLAN 3--
10 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal police
11 member coverage plan 3:

12 A. for a member with age and service requirements
13 provided under Subsection A of Section 10-11-69 NMSA 1978, the
14 amount of pension under form of payment A is equal to two and
15 one-half percent of the final average salary multiplied by
16 credited service [~~The amount shall not exceed ninety percent of~~
17 ~~the final average salary~~]; and

18 B. for a member with age and service requirements
19 provided under Subsection B of Section 10-11-69 NMSA 1978, the
20 amount of pension under form of payment A is equal to two
21 percent of the final average salary multiplied by credited
22 service. [~~The amount shall not exceed ninety percent of the~~
23 ~~final average salary.~~]"

24 SECTION 44. Section 10-11-72 NMSA 1978 (being Laws 1987,
25 Chapter 253, Section 72, as amended) is amended to read:

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1 "10-11-72. MUNICIPAL POLICE MEMBER COVERAGE PLAN 3--
2 MEMBER CONTRIBUTION RATE.--A member under municipal police
3 member coverage plan 3 shall contribute seven percent of salary
4 with the first full pay period in the calendar month in which
5 municipal police member coverage plan 3 becomes applicable to
6 the member, except that a member whose annual salary is greater
7 than [~~twenty thousand dollars (\$20,000)~~] twenty-five thousand
8 dollars (\$25,000) shall contribute [~~eight and one-half percent~~
9 ~~of salary~~]:

10 A. prior to July 1, 2022, eight and one-half
11 percent of salary;

12 B. beginning July 1, 2022 and continuing through
13 June 30, 2023, nine percent of salary;

14 C. beginning July 1, 2023 and continuing through
15 June 30, 2024, nine and one-half percent of salary;

16 D. beginning July 1, 2024 and continuing through
17 June 30, 2025, ten percent of salary; and

18 E. beginning July 1, 2025 and thereafter, ten and
19 one-half percent of salary."

20 SECTION 45. Section 10-11-73 NMSA 1978 (being Laws 1987,
21 Chapter 253, Section 73, as amended) is amended to read:

22 "10-11-73. MUNICIPAL POLICE MEMBER COVERAGE PLAN 3--
23 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated
24 public employer shall contribute [~~nineteen and fifteen-~~
25 ~~hundredths percent~~] the following percentages of the salary of

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1 each member it employs and who is covered under municipal
2 police member coverage plan 3:

3 A. prior to July 1, 2022, nineteen and fifteen-
4 hundredths percent of salary;

5 B. beginning July 1, 2022 and continuing through
6 June 30, 2023, nineteen and sixty-five hundredths percent of
7 salary;

8 C. beginning July 1, 2023 and continuing through
9 June 30, 2024, twenty and fifteen-hundredths percent of salary;

10 D. beginning July 1, 2024 and continuing through
11 June 30, 2025, twenty and sixty-five hundredths percent of
12 salary; and

13 E. beginning July 1, 2025 and thereafter, twenty-
14 one and fifteen-hundredths percent of salary."

15 SECTION 46. Section 10-11-75 NMSA 1978 (being Laws 1987,
16 Chapter 253, Section 75, as amended) is amended to read:

17 "10-11-75. MUNICIPAL POLICE MEMBER COVERAGE PLAN 4--AGE
18 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
19 municipal police member coverage plan 4:

20 A. for a member who was a retired member or a
21 member on June 30, 2013, the age and service requirements for
22 normal retirement are:

23 (1) age sixty-five years or older and five or
24 more years of credited service;

25 (2) age sixty-four years and eight or more

1 years of credited service;

2 (3) age sixty-three years and eleven or more
3 years of credited service;

4 (4) age sixty-two years and fourteen or more
5 years of credited service;

6 (5) age sixty-one years and seventeen or more
7 years of credited service; or

8 (6) any age and twenty or more years of
9 credited service; and

10 B. for a member who was not a retired member or a
11 member on June 30, 2013, the age and service requirements for
12 normal retirement are:

13 (1) age sixty years or older and [~~six~~] five or
14 more years of service credit; or

15 (2) any age and twenty-five or more years of
16 service credit."

17 SECTION 47. Section 10-11-76 NMSA 1978 (being Laws 1987,
18 Chapter 253, Section 76, as amended) is amended to read:

19 "10-11-76. MUNICIPAL POLICE MEMBER COVERAGE PLAN 4--
20 AMOUNT OF PENSION--FORM OF [~~PENSION~~] PAYMENT A.--Under
21 municipal police member coverage plan 4:

22 A. for a member with age and service requirements
23 provided under Subsection A of Section 10-11-75 NMSA 1978, the
24 amount of pension under form of payment A is equal to three
25 percent of the final average salary multiplied by credited

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1 service [~~The amount shall not exceed ninety percent of the~~
2 ~~final average salary~~]; and

3 B. for a member with age and service requirements
4 provided under Subsection B of Section 10-11-75 NMSA 1978, the
5 amount of pension under form of payment A is equal to two and
6 one-half percent of the final average salary multiplied by
7 credited service. [~~The amount shall not exceed ninety percent~~
8 ~~of the final average salary.~~]"

9 SECTION 48. Section 10-11-78 NMSA 1978 (being Laws 1987,
10 Chapter 253, Section 78, as amended) is amended to read:

11 "10-11-78. MUNICIPAL POLICE MEMBER COVERAGE PLAN 4--
12 MEMBER CONTRIBUTION RATE.--A member under municipal police
13 member coverage plan 4 shall contribute twelve and thirty-five
14 hundredths percent of salary starting with the first full pay
15 period in the calendar month in which municipal police member
16 coverage plan 4 becomes applicable to the member, except that a
17 member whose annual salary is greater than [~~twenty thousand~~
18 ~~dollars (\$20,000)~~] twenty-five thousand dollars (\$25,000) shall
19 contribute [~~thirteen and eighty-five hundredths percent of~~
20 ~~salary~~]:

21 A. prior to July 1, 2022, thirteen and eighty-five
22 hundredths percent of salary;

23 B. beginning July 1, 2022 and continuing through
24 June 30, 2023, fourteen and thirty-five hundredths percent of
25 salary;

1 C. beginning July 1, 2023 and continuing through
2 June 30, 2024, fourteen and eighty-five hundredths percent of
3 salary;

4 D. beginning July 1, 2024 and continuing through
5 June 30, 2025, fifteen and thirty-five hundredths percent of
6 salary; and

7 E. beginning July 1, 2025 and thereafter, fifteen
8 and eighty-five hundredths percent of salary."

9 SECTION 49. Section 10-11-79 NMSA 1978 (being Laws 1987,
10 Chapter 253, Section 79, as amended) is amended to read:

11 "10-11-79. MUNICIPAL POLICE MEMBER COVERAGE PLAN 4--
12 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated
13 public employer shall contribute [~~nineteen and fifteen-~~
14 ~~hundredths percent~~] the following percentages of the salary of
15 each member it employs and who is covered under municipal
16 police member coverage plan 4:

17 A. prior to July 1, 2022, nineteen and fifteen-
18 hundredths percent of salary;

19 B. beginning July 1, 2022 and continuing through
20 June 30, 2023, nineteen and sixty-five hundredths percent of
21 salary;

22 C. beginning July 1, 2023 and continuing through
23 June 30, 2024, twenty and fifteen-hundredths percent of salary;

24 D. beginning July 1, 2024 and continuing through
25 June 30, 2025, twenty and sixty-five hundredths percent of

1 salary; and

2 E. beginning July 1, 2025 and thereafter, twenty-
3 one and fifteen-hundredths percent of salary."

4 SECTION 50. Section 10-11-81 NMSA 1978 (being Laws 1987,
5 Chapter 253, Section 81, as amended) is amended to read:

6 "10-11-81. MUNICIPAL POLICE MEMBER COVERAGE PLAN 5--AGE
7 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
8 municipal police member coverage plan 5:

9 A. for a member who was a retired member or a
10 member on June 30, 2013, the age and service requirements for
11 normal retirement are:

12 (1) age sixty-five years or older and five or
13 more years of credited service;

14 (2) age sixty-four years and eight or more
15 years of credited service;

16 (3) age sixty-three years and eleven or more
17 years of credited service;

18 (4) age sixty-two years and fourteen or more
19 years of credited service;

20 (5) age sixty-one years and seventeen or more
21 years of credited service; or

22 (6) any age and twenty or more years of
23 credited service; and

24 B. for a member who was not a retired member or a
25 member on June 30, 2013, the age and service requirements for

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1 normal retirement are:

2 (1) age sixty years or older and [~~six~~] five or
3 more years of service credit; or

4 (2) any age and twenty-five or more years of
5 service credit."

6 SECTION 51. Section 10-11-82 NMSA 1978 (being Laws 1987,
7 Chapter 253, Section 82, as amended) is amended to read:

8 "10-11-82. MUNICIPAL POLICE MEMBER COVERAGE PLAN 5--
9 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal police
10 member coverage plan 5:

11 A. for a member with age and service requirements
12 provided under Subsection A of Section 10-11-81 NMSA 1978, the
13 amount of pension under form of payment A is equal to three and
14 one-half percent of the final average salary multiplied by
15 credited service [~~The amount shall not exceed ninety percent of~~
16 ~~the final average salary~~]; and

17 B. for a member with age and service requirements
18 provided under Subsection B of Section 10-11-81 NMSA 1978, the
19 amount of pension under form of payment A is equal to three
20 percent of the final average salary multiplied by credited
21 service. [~~The amount shall not exceed ninety percent of the~~
22 ~~final average salary.~~]"

23 SECTION 52. Section 10-11-84 NMSA 1978 (being Laws 1987,
24 Chapter 253, Section 84, as amended) is amended to read:

25 "10-11-84. MUNICIPAL POLICE MEMBER COVERAGE PLAN 5--

1 MEMBER CONTRIBUTION RATE.--A member under municipal police
2 member coverage plan 5 shall contribute sixteen and three-
3 tenths percent of salary starting with the first full pay
4 period in the calendar month in which municipal police member
5 coverage plan 5 becomes applicable to the member, except that a
6 member whose annual salary is greater than [~~twenty thousand~~
7 ~~dollars (\$20,000)~~] twenty-five thousand dollars (\$25,000) shall
8 contribute [~~seventeen and eight-tenths percent of salary~~]:

9 A. prior to July 1, 2022, seventeen and eight-
10 tenths percent of salary;

11 B. beginning July 1, 2022 and continuing through
12 June 30, 2023, eighteen and three-tenths percent of salary;

13 C. beginning July 1, 2023 and continuing through
14 June 30, 2024, eighteen and eight-tenths percent of salary;

15 D. beginning July 1, 2024 and continuing through
16 June 30, 2025, nineteen and three-tenths percent of salary; and

17 E. beginning July 1, 2025 and thereafter, nineteen
18 and eight-tenths percent of salary."

19 SECTION 53. Section 10-11-85 NMSA 1978 (being Laws 1987,
20 Chapter 253, Section 85, as amended) is amended to read:

21 "10-11-85. MUNICIPAL POLICE MEMBER COVERAGE PLAN 5--
22 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated
23 public employer shall contribute [~~nineteen and fifteen-~~
24 ~~hundredths percent~~] the following percentages of the salary of
25 each member it employs and who is covered under municipal

1 police member coverage plan 5:

2 A. prior to July 1, 2022, nineteen and fifteen-
3 hundredths percent of salary;

4 B. beginning July 1, 2022 and continuing through
5 June 30, 2023, nineteen and sixty-five hundredths percent of
6 salary;

7 C. beginning July 1, 2023 and continuing through
8 June 30, 2024, twenty and fifteen-hundredths percent of salary;

9 D. beginning July 1, 2024 and continuing through
10 June 30, 2025, twenty and sixty-five hundredths percent of
11 salary; and

12 E. beginning July 1, 2025 and thereafter, twenty-
13 one and fifteen-hundredths percent of salary."

14 SECTION 54. Section 10-11-87 NMSA 1978 (being Laws 1987,
15 Chapter 253, Section 87, as amended) is amended to read:

16 "10-11-87. MUNICIPAL FIRE MEMBER COVERAGE PLAN 1--AGE AND
17 SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under municipal
18 fire member coverage plan 1:

19 A. for a member who was a retired member or a
20 member on June 30, 2013, the age and service requirements for
21 normal retirement are:

22 (1) age sixty-five years or older and five or
23 more years of credited service;

24 (2) age sixty-four years and eight or more
25 years of credited service;

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1 (3) age sixty-three years and eleven or more
2 years of credited service;

3 (4) age sixty-two years and fourteen or more
4 years of credited service;

5 (5) age sixty-one years and seventeen or more
6 years of credited service;

7 (6) age sixty years and twenty or more years
8 of credited service; or

9 (7) any age and twenty-five or more years of
10 credited service; and

11 B. for a member who was not a retired member or a
12 member on June 30, 2013, the age and service requirements for
13 normal retirement are:

14 (1) age sixty years or older and [~~six~~] five or
15 more years of service credit; or

16 (2) any age and twenty-five or more years of
17 service credit."

18 SECTION 55. Section 10-11-88 NMSA 1978 (being Laws 1987,
19 Chapter 253, Section 88, as amended) is amended to read:

20 "10-11-88. MUNICIPAL FIRE MEMBER COVERAGE PLAN 1--AMOUNT
21 OF PENSION--FORM OF PAYMENT A.--Under municipal fire member
22 coverage plan 1, the amount of pension under form of payment A
23 is equal to two percent of the final average salary multiplied
24 by credited service. [~~The amount shall not exceed ninety~~
25 ~~percent of the final average salary.~~]"

1 SECTION 56. Section 10-11-90 NMSA 1978 (being Laws 1987,
2 Chapter 253, Section 90, as amended) is amended to read:

3 "10-11-90. MUNICIPAL FIRE MEMBER COVERAGE PLAN 1--MEMBER
4 CONTRIBUTION RATE.--A member under municipal fire member
5 coverage plan 1 shall contribute eight percent of salary with
6 the first full pay period in the calendar month in which
7 municipal fire member coverage plan 1 becomes applicable to the
8 member, except that a member whose annual salary is greater
9 than [~~twenty thousand dollars (\$20,000)~~] twenty-five thousand
10 dollars (\$25,000) shall contribute [~~nine and one-half percent~~
11 ~~of salary~~]:

12 A. prior to July 1, 2022, nine and one-half percent
13 of salary;

14 B. beginning July 1, 2022 and continuing through
15 June 30, 2023, ten percent of salary;

16 C. beginning July 1, 2023 and continuing through
17 June 30, 2024, ten and one-half percent of salary;

18 D. beginning July 1, 2024 and continuing through
19 June 30, 2025, eleven percent of salary; and

20 E. beginning July 1, 2025 and thereafter, eleven
21 and one-half percent of salary."

22 SECTION 57. Section 10-11-91 NMSA 1978 (being Laws 1987,
23 Chapter 253, Section 91, as amended) is amended to read:

24 "10-11-91. MUNICIPAL FIRE MEMBER COVERAGE PLAN 1--
25 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated

1 public employer shall contribute [~~eleven and sixty-five~~
2 ~~hundredths percent~~] the following percentages of the salary of
3 each member it employs and covers under municipal fire member
4 coverage plan 1:

5 A. prior to July 1, 2022, eleven and sixty-five
6 hundredths percent of salary;

7 B. beginning July 1, 2022 and continuing through
8 June 30, 2023, twelve and fifteen-hundredths percent of salary;

9 C. beginning July 1, 2023 and continuing through
10 June 30, 2024, twelve and sixty-five hundredths percent of
11 salary;

12 D. beginning July 1, 2024 and continuing through
13 June 30, 2025, thirteen and fifteen-hundredths percent of
14 salary; and

15 E. beginning July 1, 2025 and thereafter, thirteen
16 and sixty-five hundredths percent of salary."

17 SECTION 58. Section 10-11-93 NMSA 1978 (being Laws 1987,
18 Chapter 253, Section 93, as amended) is amended to read:

19 "10-11-93. MUNICIPAL FIRE MEMBER COVERAGE PLAN 2--AGE AND
20 SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under municipal
21 fire member coverage plan 2:

22 A. for a member who was a retired member or a
23 member on June 30, 2013, the age and service requirements for
24 normal retirement are:

25 (1) age sixty-five years or older and five or

1 more years of credited service;

2 (2) age sixty-four years and eight or more
3 years of credited service;

4 (3) age sixty-three years and eleven or more
5 years of credited service;

6 (4) age sixty-two years and fourteen or more
7 years of credited service;

8 (5) age sixty-one years and seventeen or more
9 years of credited service;

10 (6) age sixty years and twenty or more years
11 of credited service; or

12 (7) any age and twenty-five or more years of
13 credited service; and

14 B. for a member who was not a retired member or a
15 member on June 30, 2013, the age and service requirements for
16 normal retirement are:

17 (1) age sixty years or older and [~~six~~] five or
18 more years of service credit; or

19 (2) any age and twenty-five or more years of
20 service credit."

21 SECTION 59. Section 10-11-94 NMSA 1978 (being Laws 1987,
22 Chapter 253, Section 94, as amended) is amended to read:

23 "10-11-94. MUNICIPAL FIRE MEMBER COVERAGE PLAN 2--AMOUNT
24 OF PENSION--FORM OF PAYMENT A.--Under municipal fire member
25 contribution plan 2:

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1 A. for a member with age and service requirements
2 provided under Subsection A of Section 10-11-93 NMSA 1978, the
3 amount of pension under form of payment A is equal to two and
4 one-half percent of the final average salary multiplied by
5 credited service [~~The amount shall not exceed ninety percent of~~
6 ~~the final average salary~~]; and

7 B. for a member with age and service requirements
8 provided under Subsection B of Section 10-11-93 NMSA 1978, the
9 amount of pension under form of payment A is equal to two
10 percent of the final average salary multiplied by credited
11 service. [~~The amount shall not exceed ninety percent of the~~
12 ~~final average salary.~~]"

13 SECTION 60. Section 10-11-96 NMSA 1978 (being Laws 1987,
14 Chapter 253, Section 96, as amended) is amended to read:

15 "10-11-96. MUNICIPAL FIRE MEMBER COVERAGE PLAN 2--MEMBER
16 CONTRIBUTION RATE.--A member under municipal fire member
17 coverage plan 2 shall contribute eight percent of salary with
18 the first full pay period in the calendar month in which
19 municipal fire member coverage plan 2 becomes applicable to the
20 member, except that a member whose annual salary is greater
21 than [~~twenty thousand dollars (\$20,000)~~] twenty-five thousand
22 dollars (\$25,000) shall contribute [~~nine and one-half percent~~
23 ~~of salary~~]:

24 A. prior to July 1, 2022, nine and one-half percent
25 of salary;

1 B. beginning July 1, 2022 and continuing through
2 June 30, 2023, ten percent of salary;

3 C. beginning July 1, 2023 and continuing through
4 June 30, 2024, ten and one-half percent of salary;

5 D. beginning July 1, 2024 and continuing through
6 June 30, 2025, eleven percent of salary; and

7 E. beginning July 1, 2025 and thereafter, eleven
8 and one-half percent of salary."

9 SECTION 61. Section 10-11-97 NMSA 1978 (being Laws 1987,
10 Chapter 253, Section 97, as amended) is amended to read:

11 "10-11-97. MUNICIPAL FIRE MEMBER COVERAGE PLAN 2--
12 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated
13 public employer shall contribute [~~eighteen and fifteen-~~
14 ~~hundredths percent~~] the following percentages of the salary of
15 each member it employs and covers under municipal fire member
16 coverage plan 2:

17 A. prior to July 1, 2022, eighteen and fifteen-
18 hundredths percent of salary;

19 B. beginning July 1, 2022 and continuing through
20 June 30, 2023, eighteen and sixty-five hundredths percent of
21 salary;

22 C. beginning July 1, 2023 and continuing through
23 June 30, 2024, nineteen and fifteen-hundredths percent of
24 salary;

25 D. beginning July 1, 2024 and continuing through

1 June 30, 2025, nineteen and sixty-five hundredths percent of
2 salary; and

3 E. beginning July 1, 2025 and thereafter, twenty
4 and fifteen-hundredths percent of salary."

5 SECTION 62. Section 10-11-99 NMSA 1978 (being Laws 1987,
6 Chapter 253, Section 99, as amended) is amended to read:

7 "10-11-99. MUNICIPAL FIRE MEMBER COVERAGE PLAN 3--AGE AND
8 SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under municipal
9 fire member coverage plan 3:

10 A. for a member who was a retired member or a
11 member on June 30, 2013, the age and service requirements for
12 normal retirement are:

13 (1) age sixty-five years or older and five or
14 more years of credited service;

15 (2) age sixty-four years and eight or more
16 years of credited service;

17 (3) age sixty-three years and eleven or more
18 years of credited service;

19 (4) age sixty-two years and fourteen or more
20 years of credited service;

21 (5) age sixty-one years and seventeen or more
22 years of credited service; or

23 (6) any age and twenty or more years of
24 credited service; and

25 B. for a member who was not a retired member or a

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1 member on June 30, 2013, the age and service requirements for
2 normal retirement are:

3 (1) age sixty years or older and [~~six~~] five or
4 more years of service credit; or

5 (2) any age and twenty-five or more years of
6 service credit."

7 SECTION 63. Section 10-11-100 NMSA 1978 (being Laws 1987,
8 Chapter 253, Section 100, as amended) is amended to read:

9 "10-11-100. MUNICIPAL FIRE MEMBER COVERAGE PLAN 3--AMOUNT
10 OF PENSION--FORM OF PAYMENT A.--Under municipal fire member
11 coverage plan 3:

12 A. for a member with age and service requirements
13 provided under Subsection A of Section 10-11-99 NMSA 1978, the
14 amount of pension under form of payment A is equal to two and
15 one-half percent of the final average salary multiplied by
16 credited service [~~The amount shall not exceed ninety percent of~~
17 ~~the final average salary~~]; and

18 B. for a member with age and service requirements
19 provided under Subsection B of Section 10-11-99 NMSA 1978, the
20 amount of pension under form of payment A is equal to two
21 percent of the final average salary multiplied by credited
22 service. [~~The amount shall not exceed ninety percent of the~~
23 ~~final average salary.~~]"

24 SECTION 64. Section 10-11-102 NMSA 1978 (being Laws 1987,
25 Chapter 253, Section 102, as amended) is amended to read:

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1 "10-11-102. MUNICIPAL FIRE MEMBER COVERAGE PLAN 3--MEMBER
2 CONTRIBUTION RATE.--A member under municipal fire member
3 coverage plan 3 shall contribute eight percent of salary with
4 the first full pay period in the calendar month in which
5 municipal fire member coverage plan 3 becomes applicable to the
6 member, except that a member whose annual salary is greater
7 than [~~twenty thousand dollars (\$20,000)~~] twenty-five thousand
8 dollars (\$25,000) shall contribute [~~nine and one-half percent~~
9 ~~of salary~~]:

10 A. prior to July 1, 2022, nine and one-half percent
11 of salary;

12 B. beginning July 1, 2022 and continuing through
13 June 30, 2023, ten percent of salary;

14 C. beginning July 1, 2023 and continuing through
15 June 30, 2024, ten and one-half percent of salary;

16 D. beginning July 1, 2024 and continuing through
17 June 30, 2025, eleven percent of salary; and

18 E. beginning July 1, 2025 and thereafter, eleven
19 and one-half percent of salary."

20 SECTION 65. Section 10-11-103 NMSA 1978 (being Laws 1987,
21 Chapter 253, Section 103, as amended) is amended to read:

22 "10-11-103. MUNICIPAL FIRE MEMBER COVERAGE PLAN 3--
23 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated
24 public employer shall contribute [~~twenty-one and nine-tenths~~
25 ~~percent~~] the following percentages of the salary of each member

1 it employs and covers under municipal fire member coverage plan
2 3:

3 A. prior to July 1, 2022, twenty-one and nine-
4 tenths percent of salary;

5 B. beginning July 1, 2022 and continuing through
6 June 30, 2023, twenty-two and four-tenths percent of salary;

7 C. beginning July 1, 2023 and continuing through
8 June 30, 2024, twenty-two and nine-tenths percent of salary;

9 D. beginning July 1, 2024 and continuing through
10 June 30, 2025, twenty-three and four-tenths percent of salary;
11 and

12 E. beginning July 1, 2025 and thereafter, twenty-
13 three and nine-tenths percent of salary."

14 SECTION 66. Section 10-11-105 NMSA 1978 (being Laws 1987,
15 Chapter 253, Section 105, as amended) is amended to read:

16 "10-11-105. MUNICIPAL FIRE MEMBER COVERAGE PLAN 4--AGE
17 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
18 municipal fire member coverage plan 4:

19 A. for a member who was a retired member or a
20 member on June 30, 2013, the age and service requirements for
21 normal retirement are:

22 (1) age sixty-five years or older and five or
23 more years of credited service;

24 (2) age sixty-four years and eight or more
25 years of credited service;

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1 (3) age sixty-three years and eleven or more
2 years of credited service;

3 (4) age sixty-two years and fourteen or more
4 years of credited service;

5 (5) age sixty-one years and seventeen or more
6 years of credited service; or

7 (6) any age and twenty or more years of
8 credited service; and

9 B. for a member who was not a retired member or a
10 member on June 30, 2013, the age and service requirements for
11 normal retirement are:

12 (1) age sixty years or older and [~~six~~] five or
13 more years of service credit; or

14 (2) any age and twenty-five or more years of
15 service credit."

16 SECTION 67. Section 10-11-106 NMSA 1978 (being Laws 1987,
17 Chapter 253, Section 106, as amended) is amended to read:

18 "10-11-106. MUNICIPAL FIRE MEMBER COVERAGE PLAN 4--AMOUNT
19 OF PENSION--FORM OF PAYMENT A.--Under municipal fire member
20 coverage plan 4:

21 A. for a member with age and service requirements
22 provided under Subsection A of Section 10-11-105 NMSA 1978, the
23 amount of pension under form of payment A is equal to three
24 percent of the final average salary multiplied by credited
25 service [~~The amount shall not exceed ninety percent of the~~

1 ~~final average salary~~]; and

2 B. for a member with age and service requirements
3 provided under Subsection B of Section 10-11-105 NMSA 1978, the
4 amount of pension under form of payment A is equal to two and
5 one-half percent of the final average salary multiplied by
6 credited service. [~~The amount shall not exceed ninety percent~~
7 ~~of the final average salary.~~]"

8 SECTION 68. Section 10-11-108 NMSA 1978 (being Laws 1987,
9 Chapter 253, Section 108, as amended) is amended to read:

10 "10-11-108. MUNICIPAL FIRE MEMBER COVERAGE PLAN 4--MEMBER
11 CONTRIBUTION RATE.--A member under municipal fire member
12 coverage plan 4 shall contribute twelve and eight-tenths
13 percent of salary with the first full pay period in the
14 calendar month in which municipal fire member coverage plan 4
15 becomes applicable to the member, except that a member whose
16 annual salary is greater than [~~twenty thousand dollars~~
17 ~~(\$20,000)~~] twenty-five thousand dollars (\$25,000) shall
18 contribute [~~fourteen and three-tenths percent of salary~~]:

19 A. prior to July 1, 2022, fourteen and three-tenths
20 percent of salary;

21 B. beginning July 1, 2022 and continuing through
22 June 30, 2023, fourteen and eight-tenths percent of salary;

23 C. beginning July 1, 2023 and continuing through
24 June 30, 2024, fifteen and three-tenths percent of salary;

25 D. beginning July 1, 2024 and continuing through

1 June 30, 2025, fifteen and eight-tenths percent of salary; and

2 E. beginning July 1, 2025 and thereafter, sixteen
3 and three-tenths percent of salary."

4 SECTION 69. Section 10-11-109 NMSA 1978 (being Laws 1987,
5 Chapter 253, Section 109, as amended) is amended to read:

6 "10-11-109. MUNICIPAL FIRE MEMBER COVERAGE PLAN 4--
7 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated
8 public employer shall contribute [~~twenty-one and nine-tenths~~
9 ~~percent~~] the following percentages of the salary of each member
10 it employs and covers under municipal fire member coverage plan
11 4:

12 A. prior to July 1, 2022, twenty-one and nine-
13 tenths percent of salary;

14 B. beginning July 1, 2022 and continuing through
15 June 30, 2023, twenty-two and four-tenths percent of salary;

16 C. beginning July 1, 2023 and continuing through
17 June 30, 2024, twenty-one and nine-tenths percent of salary;

18 D. beginning July 1, 2024 and continuing through
19 June 30, 2025, twenty-three and four-tenths percent of salary;
20 and

21 E. beginning July 1, 2025 and thereafter, twenty-
22 three and nine-tenths percent of salary."

23 SECTION 70. Section 10-11-111 NMSA 1978 (being Laws 1987,
24 Chapter 253, Section 111, as amended) is amended to read:

25 "10-11-111. MUNICIPAL FIRE MEMBER COVERAGE PLAN 5--AGE

1 AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
2 municipal fire member coverage plan 5:

3 A. for a member who was a retired member or a
4 member on June 30, 2013, the age and service requirements for
5 normal retirement are:

6 (1) age sixty-five years or older and five or
7 more years of credited service;

8 (2) age sixty-four years and eight or more
9 years of credited service;

10 (3) age sixty-three years and eleven or more
11 years of credited service;

12 (4) age sixty-two years and fourteen or more
13 years of credited service;

14 (5) age sixty-one years and seventeen or more
15 years of credited service; or

16 (6) any age and twenty or more years of
17 credited service; and

18 B. for a member who was not a retired member or a
19 member on June 30, 2013, the age and service requirements for
20 normal retirement are:

21 (1) age sixty years or older and [~~six~~] five or
22 more years of service credit; or

23 (2) any age and twenty-five or more years of
24 service credit."

25 SECTION 71. Section 10-11-112 NMSA 1978 (being Laws 1987,

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Chapter 253, Section 112, as amended) is amended to read:

"10-11-112. MUNICIPAL FIRE MEMBER COVERAGE PLAN 5--AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal fire member coverage plan 5:

A. for a member with age and service requirements provided under Subsection A of Section 10-11-111 NMSA 1978, the amount of pension under form of payment A is equal to three and one-half percent of the final average salary multiplied by credited service [~~The amount shall not exceed ninety percent of the final average salary~~]; and

B. for a member with age and service requirements provided under Subsection B of Section 10-11-111 NMSA 1978, the amount of pension under form of payment A is equal to three percent of the final average salary multiplied by credited service. [~~The amount shall not exceed ninety percent of the final average salary.~~]"

SECTION 72. Section 10-11-114 NMSA 1978 (being Laws 1987, Chapter 253, Section 114, as amended) is amended to read:

"10-11-114. MUNICIPAL FIRE MEMBER COVERAGE PLAN 5--MEMBER CONTRIBUTION RATE.--A member under municipal fire member coverage plan 5 shall contribute sixteen and two-tenths percent of salary with the first full pay period in the calendar month in which municipal fire member coverage plan 5 becomes applicable to the member, except that a member whose annual salary is greater than [~~twenty thousand dollars (\$20,000)~~]

1 twenty-five thousand dollars (\$25,000) shall contribute

2 ~~[seventeen and seven-tenths percent of salary]:~~

3 A. prior to July 1, 2022, seventeen and seven-
4 tenths percent of salary;

5 B. beginning July 1, 2022 and continuing through
6 June 30, 2023, eighteen and two-tenths percent of salary;

7 C. beginning July 1, 2023 and continuing through
8 June 30, 2024, eighteen and seven-tenths percent of salary;

9 D. beginning July 1, 2024 and continuing through
10 June 30, 2025, nineteen and two-tenths percent of salary; and

11 E. beginning July 1, 2025 and thereafter, nineteen
12 and seven-tenths percent of salary."

13 SECTION 73. Section 10-11-115 NMSA 1978 (being Laws 1987,
14 Chapter 253, Section 115, as amended) is amended to read:

15 "10-11-115. MUNICIPAL FIRE MEMBER COVERAGE PLAN 5--
16 AFFILIATED PUBLIC EMPLOYER CONTRIBUTION RATE.--The affiliated
17 public employer shall contribute ~~[twenty-one and nine-tenths~~
18 ~~percent]~~ the following percentages of the salary of each member
19 it employs and covers under municipal fire member coverage plan
20 5:

21 A. prior to July 1, 2022, twenty-one and nine-
22 tenths percent of salary;

23 B. beginning July 1, 2022 and continuing through
24 June 30, 2023, twenty-two and four-tenths percent of salary;

25 C. beginning July 1, 2023 and continuing through

1 June 30, 2024, twenty-two and nine-tenths percent of salary;

2 D. beginning July 1, 2024 and continuing through
3 June 30, 2025, twenty-three and four-tenths percent of salary;
4 and

5 E. beginning July 1, 2025 and thereafter, twenty-
6 three and nine-tenths percent of salary."

7 SECTION 74. Section 10-11-115.2 NMSA 1978 (being Laws
8 2003, Chapter 268, Section 3, as amended) is amended to read:

9 "10-11-115.2. MUNICIPAL DETENTION OFFICER MEMBER COVERAGE
10 PLAN 1--AGE AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT--
11 CALCULATION OF CREDITED SERVICE.--

12 A. Under municipal detention officer member
13 coverage plan 1, for a member who was a retired member or a
14 member on June 30, 2013, the age and service requirements for
15 normal retirement are:

16 (1) age sixty-five years or older and five or
17 more years of credited service;

18 (2) age sixty-four years and eight or more
19 years of credited service;

20 (3) age sixty-three years and eleven or more
21 years of credited service;

22 (4) age sixty-two years and fourteen or more
23 years of credited service;

24 (5) age sixty-one years and seventeen or more
25 years of credited service;

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1 (6) age sixty years and twenty or more years
2 of credited service; or

3 (7) any age and twenty-five or more years of
4 credited service.

5 B. For a member who was not a retired member or a
6 member on June 30, 2013, the age and service requirements for
7 normal retirement are:

8 (1) age sixty years or older and [~~six~~] five or
9 more years of service credit; or

10 (2) any age and twenty-five or more years of
11 service credit.

12 C. For the purposes of determining retirement
13 eligibility and the amount of pension, the credited service of
14 a municipal detention officer member who was a retired member
15 or a member on June 30, 2013 shall be increased by twenty
16 percent for the purposes of municipal detention officer member
17 coverage plan 1.

18 D. Except as provided in Subsection C of this
19 section, the credited service of a municipal detention officer
20 member shall be credited as provided under Section 10-11-4 NMSA
21 1978."

22 **SECTION 75.** Section 10-11-115.3 NMSA 1978 (being Laws
23 2003, Chapter 268, Section 4, as amended) is amended to read:

24 "10-11-115.3. MUNICIPAL DETENTION OFFICER MEMBER COVERAGE
25 PLAN 1--AMOUNT OF PENSION--FORM OF PAYMENT A.--Under municipal

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1 detention officer member coverage plan 1, the amount of pension
2 under form of payment A is equal to three percent of the final
3 average salary multiplied by credited service. [~~The amount~~
4 ~~shall not exceed ninety percent of the final average salary.~~]"

5 SECTION 76. Section 10-11-115.5 NMSA 1978 (being Laws
6 2003, Chapter 268, Section 6, as amended) is amended to read:

7 "10-11-115.5. MUNICIPAL DETENTION OFFICER MEMBER COVERAGE
8 PLAN 1--MEMBER CONTRIBUTION RATE.--A member under municipal
9 detention officer member coverage plan 1 shall contribute
10 sixteen and sixty-five hundredths percent of salary with the
11 first full pay period in the calendar month in which municipal
12 detention officer member coverage plan 1 becomes applicable to
13 the member, except that a member whose annual salary is greater
14 than [~~twenty thousand dollars (\$20,000)~~] twenty-five thousand
15 dollars (\$25,000) shall contribute [~~eighteen and fifteen-~~
16 ~~hundredths percent of salary~~]:

17 A. prior to July 1, 2022, eighteen and fifteen-
18 hundredths percent of salary;

19 B. beginning July 1, 2022 and continuing through
20 June 30, 2023, eighteen and sixty-five hundredths percent of
21 salary;

22 C. beginning July 1, 2023 and continuing through
23 June 30, 2024, nineteen and fifteen-hundredths percent of
24 salary;

25 D. beginning July 1, 2024 and continuing through

1 June 30, 2025, nineteen and sixty-five hundredths percent of
2 salary; and

3 E. beginning July 1, 2025 and thereafter, twenty
4 and fifteen-hundredths percent of salary."

5 SECTION 77. Section 10-11-115.6 NMSA 1978 (being Laws
6 2003, Chapter 268, Section 7, as amended) is amended to read:

7 "10-11-115.6. MUNICIPAL DETENTION OFFICER MEMBER COVERAGE
8 PLAN 1--EMPLOYER CONTRIBUTION RATE.--The affiliated public
9 employer shall contribute [~~seventeen and three-tenths percent~~]
10 the following percentages of the salary of each member under
11 municipal detention officer member coverage plan 1 starting
12 with the first pay period that ends within the calendar month
13 in which municipal detention officer member coverage plan 1
14 becomes applicable to the member:

15 A. prior to July 1, 2022, seventeen and three-
16 tenths percent of salary;

17 B. beginning July 1, 2022 and continuing through
18 June 30, 2023, seventeen and eight-tenths percent of salary;

19 C. beginning July 1, 2023 and continuing through
20 June 30, 2024, eighteen and three-tenths percent of salary;

21 D. beginning July 1, 2024 and continuing through
22 June 30, 2025, eighteen and eight-tenths percent of salary; and

23 E. beginning July 1, 2025 and thereafter, nineteen
24 and three-tenths percent of salary."

25 SECTION 78. Section 10-11-118 NMSA 1978 (being Laws 1987,

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1 Chapter 253, Section 118, as amended) is repealed and a new
2 Section 10-11-118 NMSA 1978 is enacted to read:

3 "10-11-118. [NEW MATERIAL] COST-OF-LIVING ADJUSTMENTS--
4 QUALIFIED PENSION RECIPIENT--DECLINING INCREASE.--

5 A. As used in this section:

6 (1) "cost-of-living adjustment hurdle rate"
7 means the investment rate of return required to fund a cost-of-
8 living adjustment in excess of one-half percent, as determined
9 by the association's actuaries;

10 (2) "funded ratio" means the ratio of the
11 actuarial value of the assets of the fund to the actuarial
12 accrued liability of the association for payments from the
13 fund, as determined by the association's actuaries;

14 (3) "preceding calendar year" means the full
15 calendar year preceding the July 1 on which pensions are being
16 adjusted; and

17 (4) "smoothed investment rate of return" means
18 a calculation made by spreading the difference between the
19 expected actuarial value in investment income and the actual
20 market value investment income over a smoothing period, as
21 determined by the association's actuaries.

22 B. A qualified pension recipient is eligible for a
23 cost-of-living pension adjustment. A qualified pension
24 recipient is:

25 (1) a normal retired member who has been

1 retired for at least two full calendar years from the effective
2 date of the latest retirement prior to July 1 of the year in
3 which the pension is being adjusted;

4 (2) a normal retired member who has attained
5 the age of sixty-five years and has been retired for at least
6 one full calendar year from the effective date of the member's
7 latest retirement prior to July 1 of the year in which the
8 pension is being adjusted;

9 (3) a disability retired member who has been
10 retired for at least one full calendar year from the effective
11 date of the latest retirement prior to July 1 of the year in
12 which the pension is being adjusted;

13 (4) a survivor beneficiary who has received a
14 survivor pension for at least two full calendar years; or

15 (5) a survivor beneficiary of a deceased
16 retired member who otherwise would have been retired at least
17 two full calendar years from the effective date of the latest
18 retirement prior to July 1 of the year in which the pension is
19 being adjusted.

20 C. Except as provided in Subsections F, G and H of
21 this section, during fiscal years 2021, 2022 and 2023, a
22 qualified pension recipient shall receive an annual, non-
23 compounding, additional payment. The amount of the payment
24 shall be determined by multiplying the amount of annual pension
25 payments, inclusive of all cost-of-living adjustments prior to

1 fiscal year 2021, by two percent.

2 D. Beginning May 1, 2023 and no later than each May
3 1 thereafter, the retirement board shall certify to the
4 association the:

5 (1) funded ratio as of June 30 of the
6 preceding calendar year; and

7 (2) smoothed investment rate of return as of
8 June 30 of the preceding calendar year.

9 E. Except as provided in Subsections F, G and H of
10 this section, beginning July 1, 2023 and each July 1
11 thereafter, immediately following the retirement board's
12 certification of the funded ratio and smoothed investment rate
13 of return, the cost-of-living adjustment to a qualified pension
14 recipient payable pursuant to the Public Employees Retirement
15 Act shall be determined as an amount equal to the smoothed
16 investment rate of return on the actuarial value of assets on
17 June 30 of the preceding calendar year less the cost-of-living
18 adjustment hurdle rate, as determined by the association's
19 actuaries, multiplied by the funded ratio on June 30 of the
20 preceding calendar year or five-tenths percent, whichever is
21 greater, and subject to the following conditions:

22 (1) if the funded ratio of the fund is less
23 than one hundred percent on June 30 of the preceding calendar
24 year, the amount of the adjustment made pursuant to this
25 subsection shall not exceed three percent;

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1 (2) if the funded ratio of the fund is equal
2 to or greater than one hundred percent on June 30 of the
3 preceding calendar year, the adjustment made pursuant to this
4 subsection shall not exceed five percent; and

5 (3) notwithstanding the provisions of this
6 subsection, a qualified pension recipient shall receive a
7 minimum annual cost-of-living adjustment of five-tenths
8 percent.

9 F. For a normal retired member who worked for at
10 least twenty-five years under one or more applicable coverage
11 plans and whose annual pension benefit, after all previous
12 annual cost-of-living adjustments, is equal to an amount not
13 greater than twenty-five thousand dollars (\$25,000), the
14 pension benefit shall be increased by two and one-half percent
15 each July 1. The amount of the increase shall be determined by
16 multiplying the amount of pension, inclusive of all prior
17 adjustments, by two and one-half percent.

18 G. For a disability retired member whose annual
19 pension benefit, after all previous annual cost-of-living
20 adjustments, is equal to an amount not greater than twenty-five
21 thousand dollars (\$25,000), the pension benefit shall be
22 increased by two and one-half percent each July 1. The amount
23 of the increase shall be determined by multiplying the amount
24 of pension, inclusive of all prior adjustments, by two and
25 one-half percent.

1 H. For a normal retired member who has attained the
2 age of seventy-five years prior to July 1, 2020, the pension
3 benefit shall be increased by two and one-half percent each
4 July 1. The amount of the increase shall be determined by
5 multiplying the amount of pension, inclusive of all prior
6 adjustments, by two and one-half percent.

7 I. A qualified pension recipient may decline an
8 increase in a pension by giving the association written notice
9 of the decision to decline the increase at least thirty days
10 prior to the date the increase would take effect."

11 **SECTION 79.** A new section of the Public Employees
12 Retirement Act is enacted to read:

13 "[NEW MATERIAL] CONTRIBUTION RATE REDUCTIONS--COVERAGE
14 PLAN FUNDED RATIO.--

15 A. Prior to May 1 of each year, the retirement
16 board shall certify to the association the coverage plan funded
17 ratio for each coverage plan as of June 30 of the preceding
18 calendar year.

19 B. If a certified coverage plan funded ratio is
20 greater than or equal to ninety percent pursuant to Subsection
21 A of this section, the retirement board shall certify to the
22 association the projected funded ratio of the coverage plan,
23 including any potential contribution rate reductions, for July
24 1 of the next succeeding fiscal year.

25 C. If the projected coverage plan funded ratio,

1 calculated pursuant to Subsection B of this section, is equal
2 to or greater than:

3 (1) ninety percent and less than one hundred
4 percent, the employer contribution rate for the coverage plan
5 shall be reduced by five-tenths percent in the next fiscal
6 year;

7 (2) one hundred percent and less than one
8 hundred ten percent, the employer contribution rate for the
9 coverage plan shall be reduced by one percent in the next
10 fiscal year; or

11 (3) one hundred ten percent, the employer
12 contribution rate for the coverage plan shall be reduced by two
13 percent in the next fiscal year.

14 D. The percentage of the employer contribution
15 shall not be reduced to less than the employer contribution
16 rate in effect on June 30, 2020."

17 **SECTION 80. TEMPORARY PROVISION--STATE POLICE MEMBER,**
18 **CORRECTIONAL OFFICER MEMBER AND PROBATION AND PAROLE OFFICER**
19 **MEMBER COVERAGE PLAN 1--JUVENILE CORRECTIONAL OFFICER MEMBER**
20 **COVERAGE PLAN 1--ELECTIONS.--**On or before May 1, 2021, the
21 retirement board shall conduct an election to submit to
22 juvenile correctional officer members currently contributing
23 under juvenile correctional officer member coverage plan 1 the
24 question of adopting state police member, correctional officer
25 member and probation and parole officer member coverage plan 1.

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1 The election shall be conducted in accordance with procedures
2 adopted by the retirement board, and the retirement board shall
3 certify the results of the election to the secretary of state
4 on or before July 1, 2021.

5 SECTION 81. TEMPORARY PROVISION--STATE POLICE MEMBER,
6 CORRECTIONAL OFFICER MEMBER AND PROBATION AND PAROLE OFFICER
7 MEMBER COVERAGE PLAN 1--JUVENILE CORRECTIONAL OFFICER MEMBER
8 COVERAGE PLAN 2--ELECTIONS.--On or before May 1, 2021, the
9 retirement board shall conduct an election to submit to
10 juvenile correctional officer members currently contributing
11 under juvenile correctional officer member coverage plan 2 the
12 question of adopting state police member, correctional officer
13 member and probation and parole officer member coverage plan 1.
14 The election shall be conducted in accordance with procedures
15 adopted by the retirement board, and the retirement board shall
16 certify the results of the election to the secretary of state
17 on or before July 1, 2021.

18 SECTION 82. TEMPORARY PROVISION--STATE POLICE MEMBER,
19 CORRECTIONAL OFFICER MEMBER AND PROBATION AND PAROLE OFFICER
20 MEMBER COVERAGE PLAN 1--ADULT PROBATION AND PAROLE OFFICER
21 MEMBERS--ELECTIONS.--On or before May 1, 2021, the retirement
22 board shall conduct an election to submit to adult probation
23 and parole officer members currently contributing under state
24 general member coverage plan 3 the question of adopting state
25 police member, correctional officer member and probation and

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1 parole officer member coverage plan 1. The election shall be
2 conducted in accordance with procedures adopted by the
3 retirement board, and the retirement board shall certify the
4 results of the election to the secretary of state on or before
5 July 1, 2021.

6 **SECTION 83. TEMPORARY PROVISION--STATE POLICE MEMBER,**
7 **CORRECTIONAL OFFICER MEMBER AND PROBATION AND PAROLE OFFICER**
8 **MEMBER COVERAGE PLAN 1--JUVENILE PROBATION AND PAROLE OFFICER**
9 **MEMBERS--ELECTIONS.--**On or before May 1, 2021, the retirement
10 board shall conduct an election to submit to juvenile probation
11 and parole officer members currently contributing under state
12 general member coverage plan 3 the question of adopting state
13 police member, correctional officer member and probation and
14 parole officer member coverage plan 1. The election shall be
15 conducted in accordance with procedures adopted by the
16 retirement board, and the retirement board shall certify the
17 results of the election to the secretary of state on or before
18 July 1, 2021.

19 **SECTION 84. APPROPRIATION.--**Seventy-six million dollars
20 (\$76,000,000) is appropriated from the general fund to the
21 public employees retirement association for expenditure in
22 fiscal year 2021 and subsequent fiscal years for annual, non-
23 compounding, additional payments to qualified pension
24 recipients. Any unexpended or unencumbered balance remaining
25 at the end of a fiscal year shall not revert to the general

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1 fund.

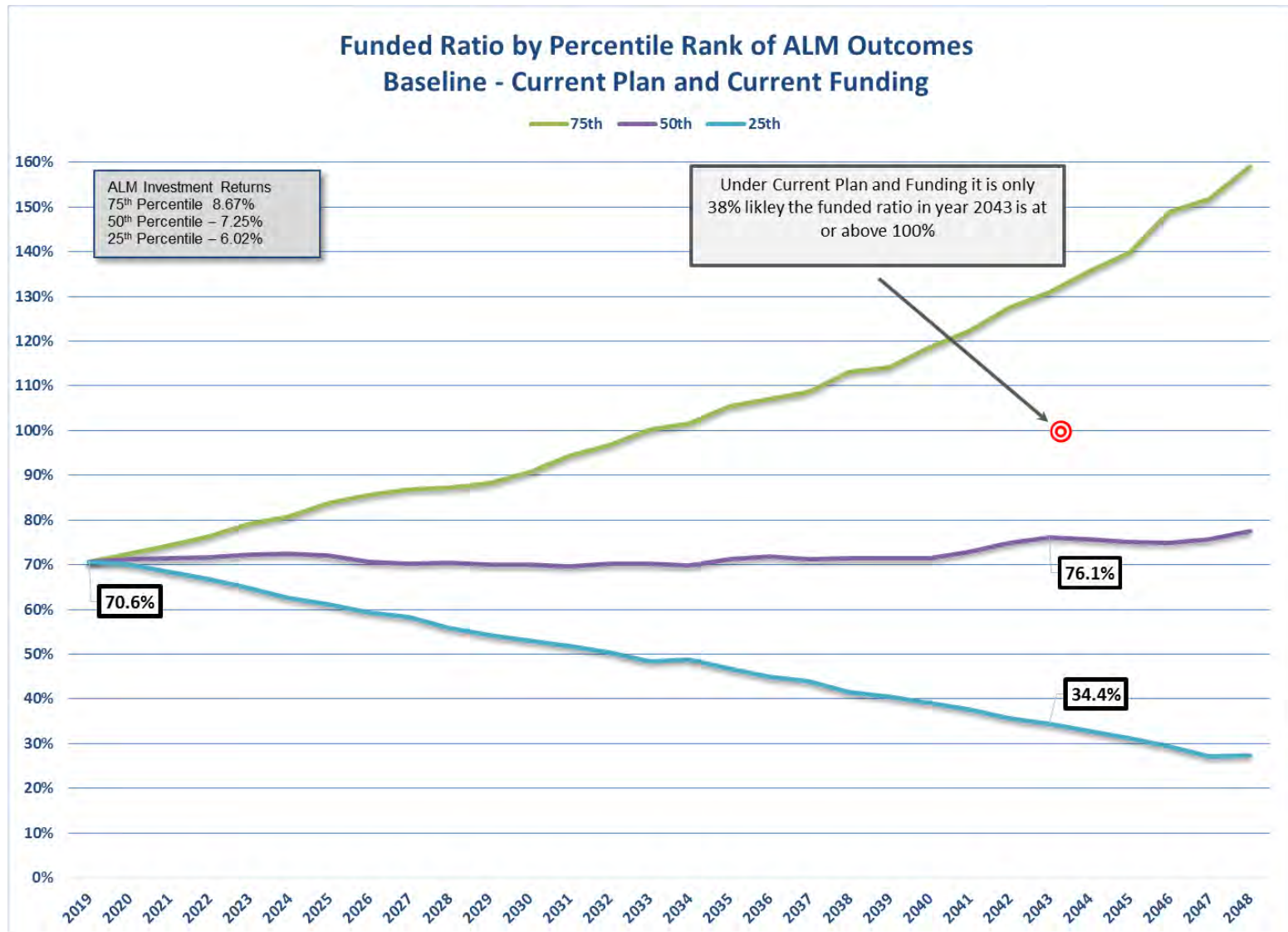
2 SECTION 85. EFFECTIVE DATE.--

3 A. The effective date of the provisions of Section
4 79 of this act is July 1, 2022.

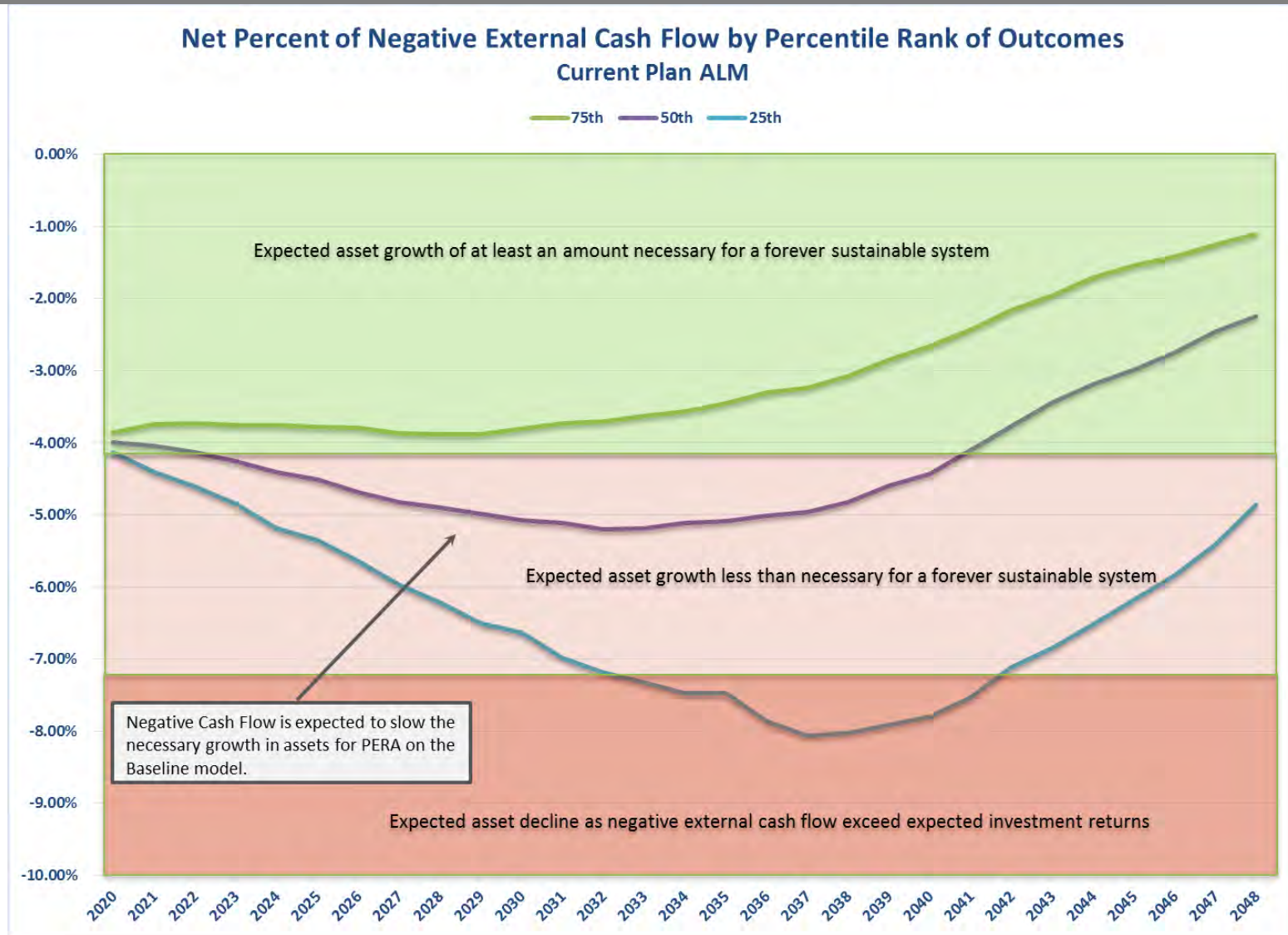
5 B. The effective date of the provisions of Sections
6 1 through 78 and 80 through 84 of this act is July 1, 2020.

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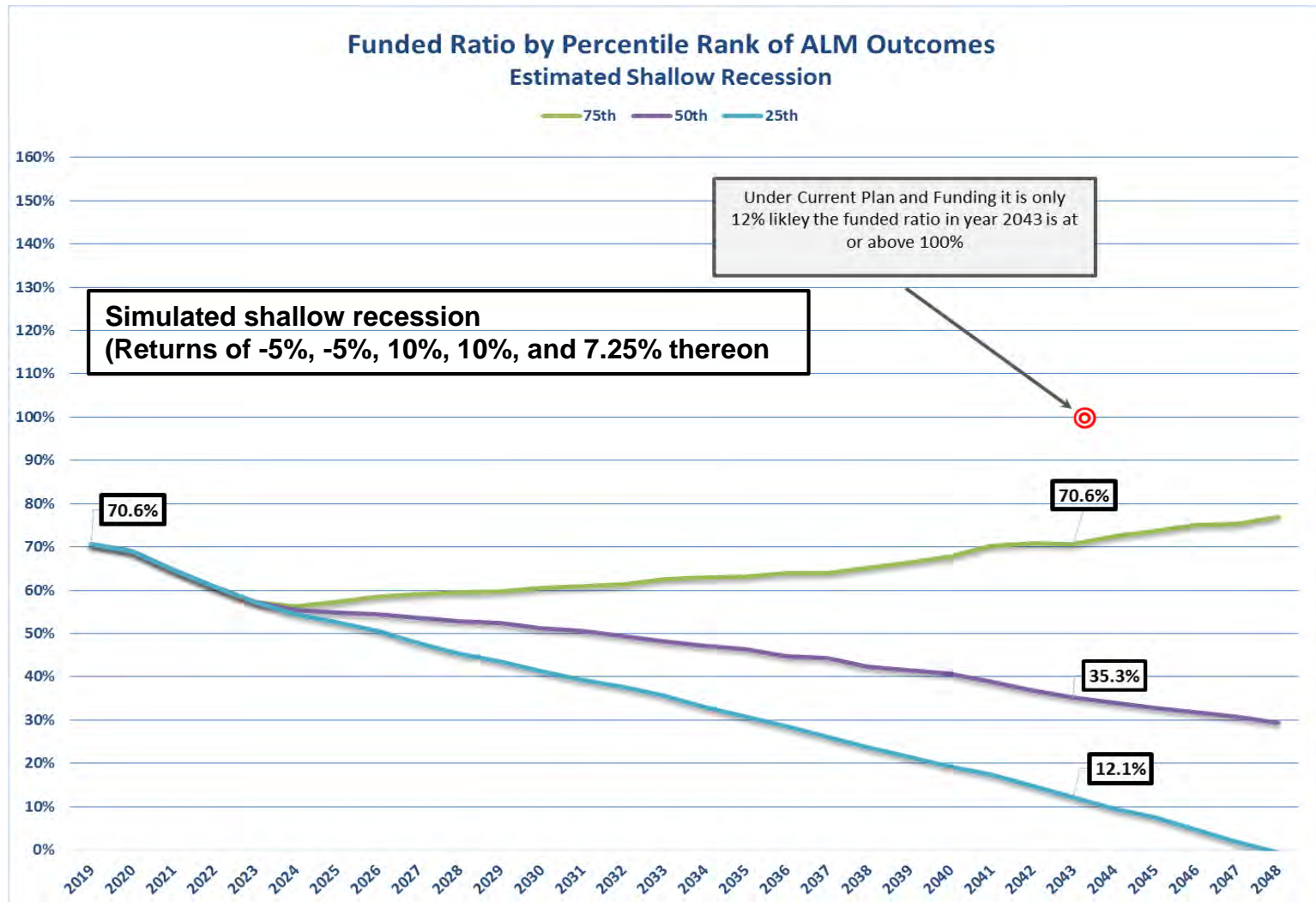
Current ALM Projection



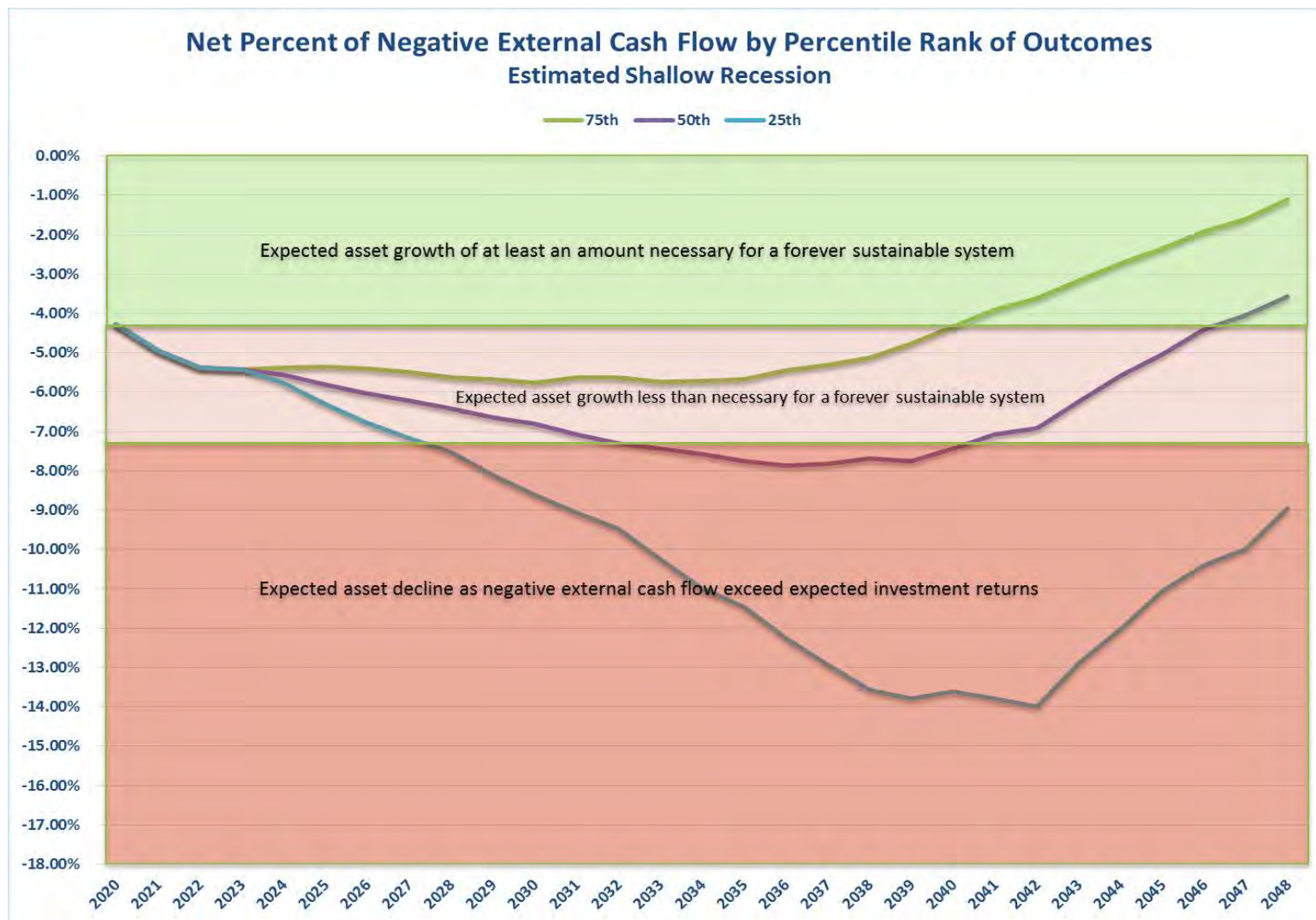
Current ALM Cash Flow Projection



Impact of a Shallow Recession

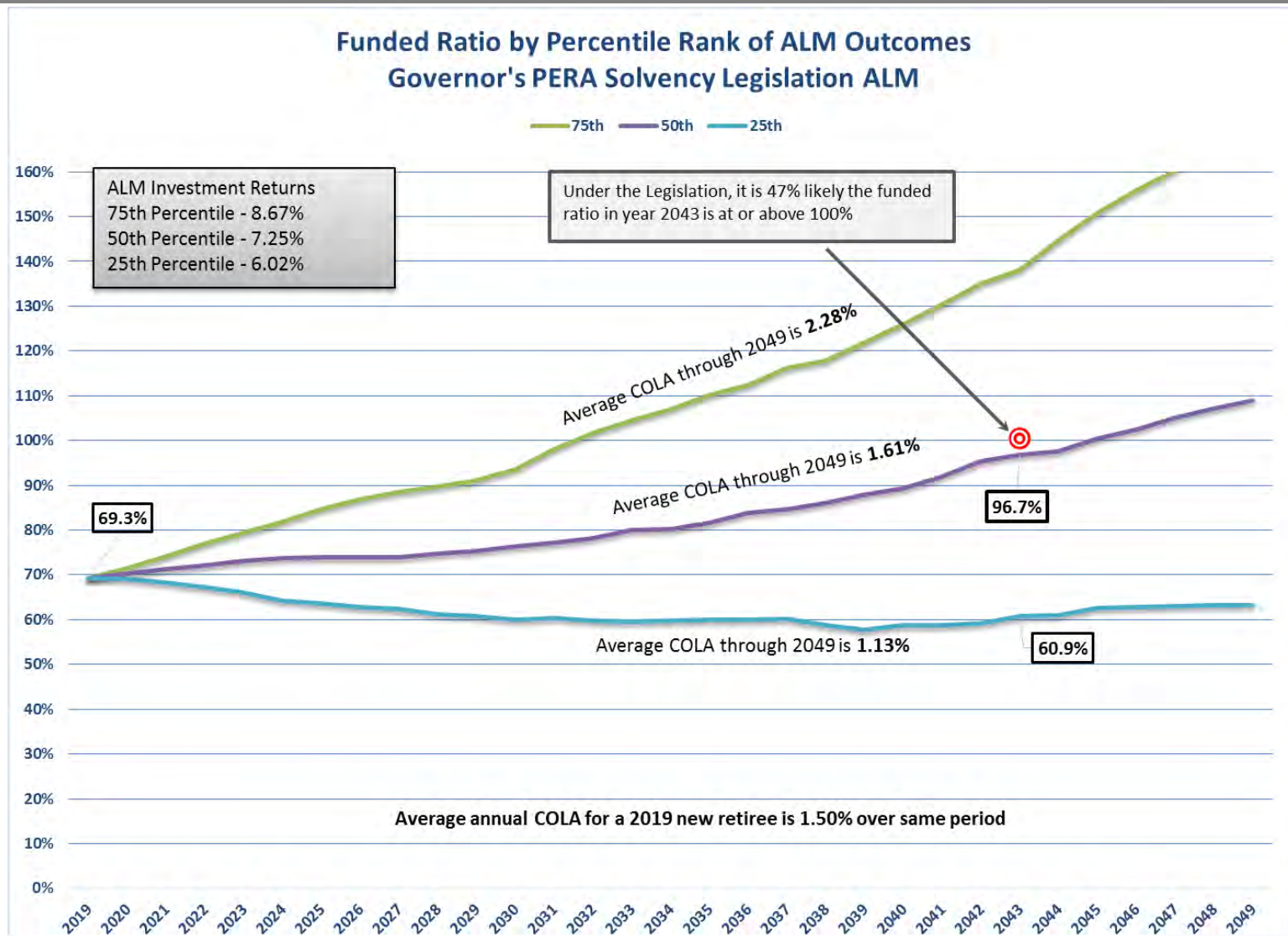


Impact of a Shallow Recession on Cash Flow



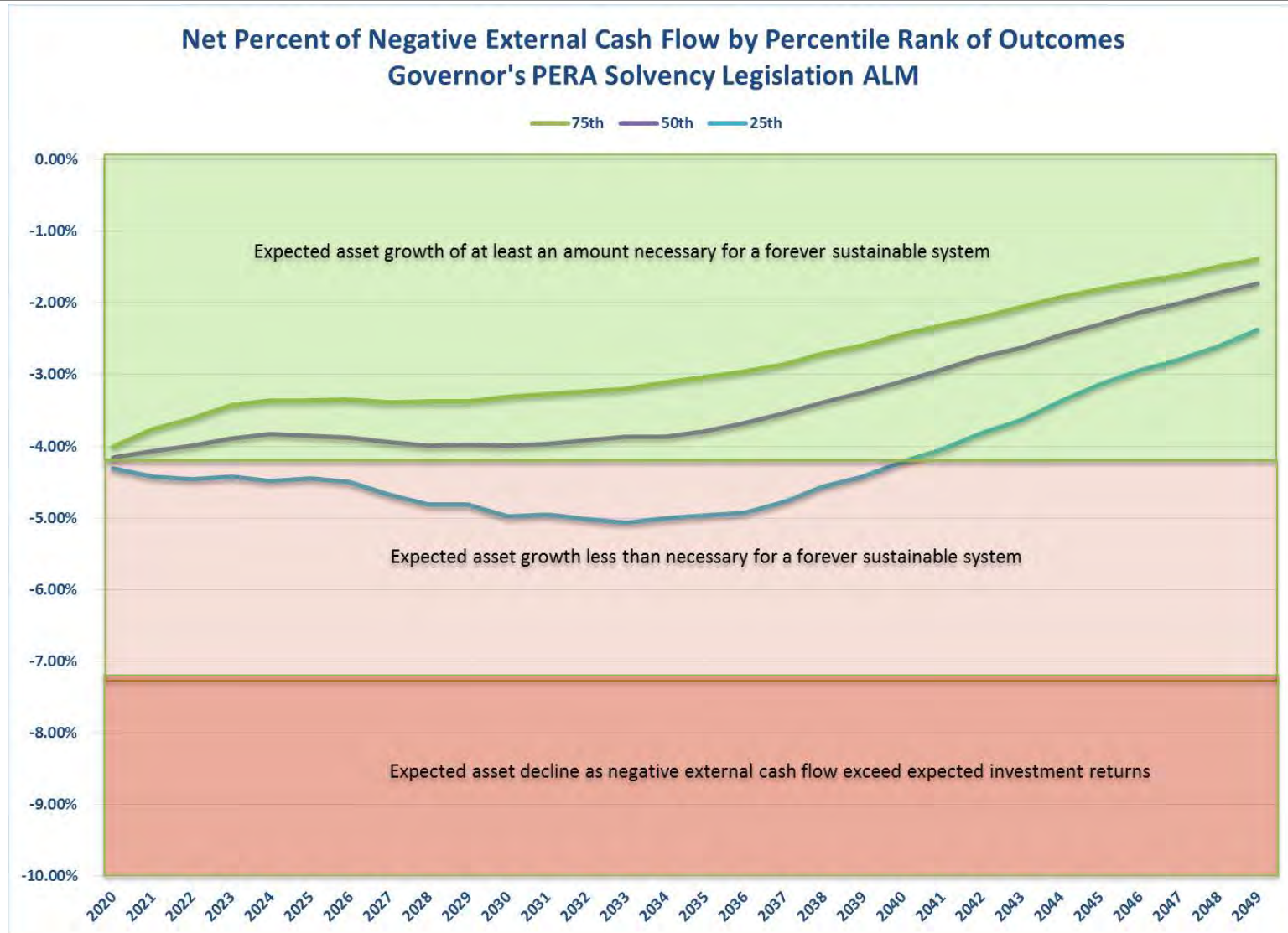
Governor's PERA Solvency Legislation

ALM Results



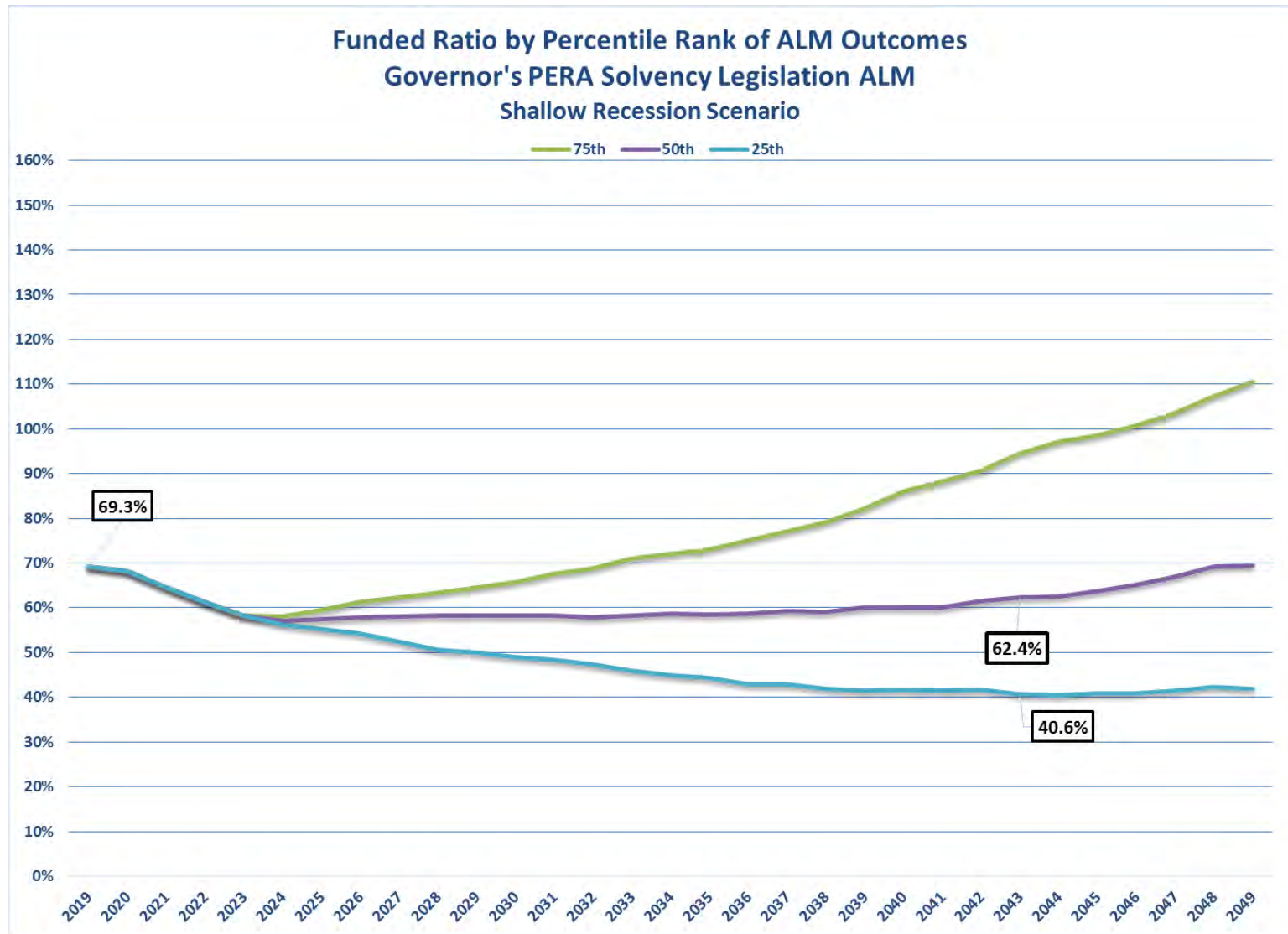
Governor's PERA Solvency Legislation

Cash Flow Results



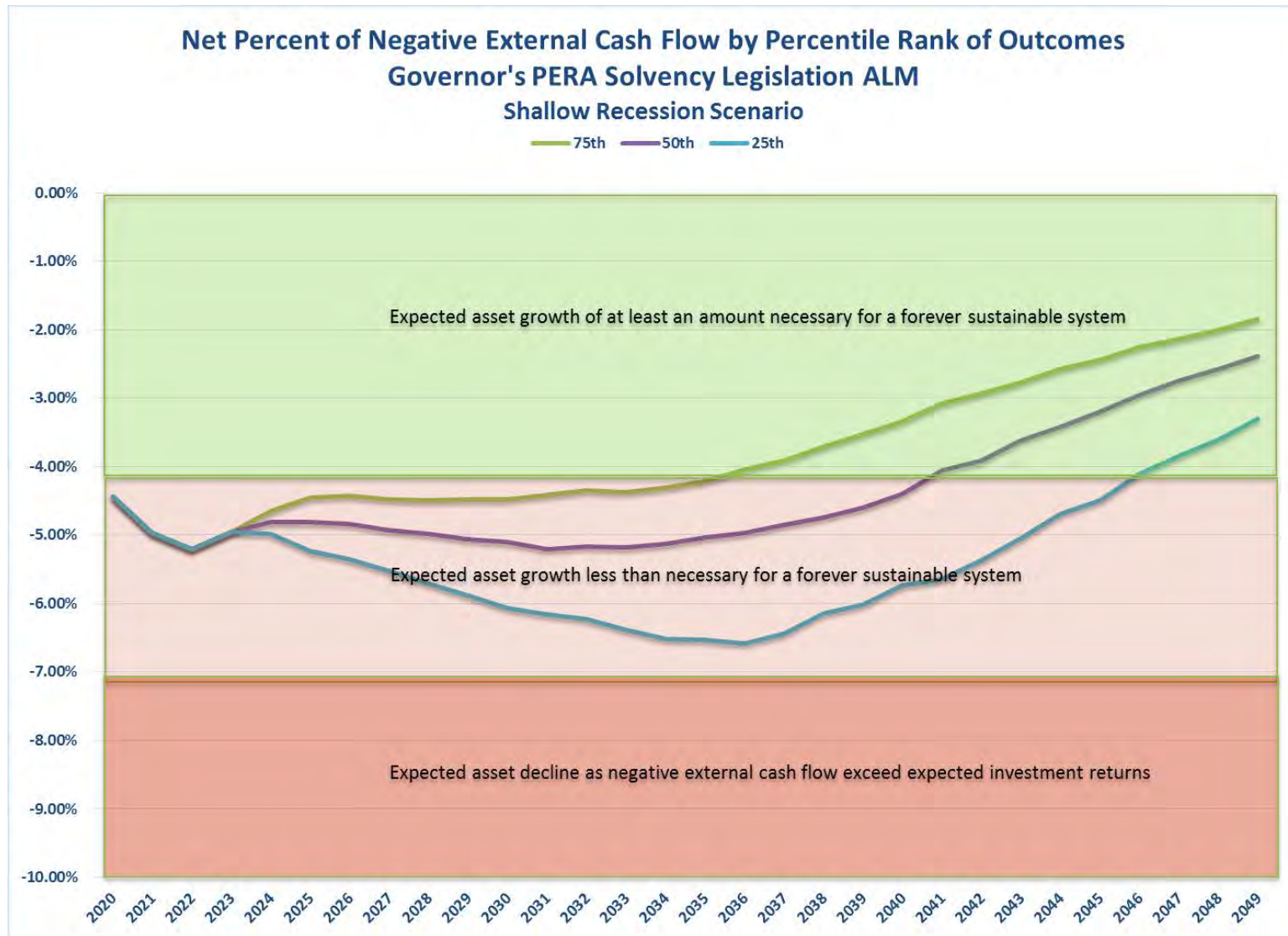
Governor's PERA Solvency Legislation

Stress Testing in a Shallow Recession Scenario



Governor's PERA Solvency Legislation

Stress Testing in a Shallow Recession Scenario



Governor's PERA Solvency Legislation

COLA Impact

Retirees as of June 30, 2019	40,550
Retirees age 75 and older as of July 1, 2020	11,229
Retirees with 25 years of service earning less than \$25k and Disability retirees earning less than \$25k	1,344
Total Retirees excluded from the proposal	12,573
Percentage of retirees excluded from the proposal	31.01%
Retirees who will receive a COLA sooner under the proposal	3,271
Percentage of retirees who will receive a COLA sooner under the proposal	8.07%
\$76 Million Appropriation to fund a 2% "13th" Check for all other COLA eligible Retirees	

CURRENT LAW	SUMMARY REVIEW SB 72 PERA SOLVENCY
Increases Contributions for Active Employees	
Current rates in effect	<p>State General Plan 3 Increases employer and employee contributions effective July 1, 2020</p> <ul style="list-style-type: none"> • .5% increase over 4 fiscal year • Employee 10.92% (from 8.92%) • Employer 19.24% (from 17.24%) <p>No Increase for State Police and Adult Correction Officers in Plan 1 <i>(will include JCOs and Adult/Juvenile Probation and Parole)</i></p> <p>All Municipal (City and County) Coverage Plans <i>Delays Increases for Two Fiscal Years</i> Delays increases until July 1, 2022 to allow time for municipalities and counties to budget increases</p> <p>After two year delay, employer and employee contributions increase by 2% (phased in .5% over 4 fiscal years)</p> <p><i>Allows Municipal Employers to opt-out of “pick-up” of contribution increases</i> Municipalities and counties allowed to negotiate “pick-up” proposed contribution rate hikes</p> <p><i>Exempts lowest income employees from contribution increases</i> Contributions for employees earning less than \$25,000 will not increase</p>
Provides for Reductions to Contributions as Funding Levels Improve	
	<p>As funding status improves, employer contribution rates will decline:</p> <ul style="list-style-type: none"> • PERA required to certify each plan’s funded ratio on the preceding June 30: <ol style="list-style-type: none"> 1. If projected coverage plan ratio at least 90%, the employer contribution rate reduce by .5% 2. If projected coverage plan ratio at least 100%, the employer contribution rate reduced by an additional .5% 3. If projected coverage plan ratio at least 110%, the employer contribution rated reduced by 1.0%

CURRENT LAW	SUMMARY REVIEW SB 72 PERA SOLVENCY
Provides Cost of Living Adjustments	
7 year wait period for first COLA	<p>1. Reduces Eligibility Period Restores 2 calendar year waiting period (from 7) for first COLA</p> <p>2. Provides for Three 2% 13th Checks: Effective July 1, 2020 provides 2% non-compounding 13th additional payment to qualified retirees for three years (FYs21, 22 and 23)</p> <p>3. Establishes Profit Sharing COLA in 2023 Effective July 1, 2023, implements a profit-share, compounding COLA based on funded status and investment returns available to finance the COLA:</p> <ul style="list-style-type: none"> • PERA funded ratio less than 100%, COLAs up to 3% • PERA funded ratio over 100%, COLAs up to 5% • Ensures minimum COLA of .5% <p>4. Increases COLA for Low Income and Elderly Retirees:</p> <ul style="list-style-type: none"> • Disability retirees under \$25,000 receive a 2.5%, compounding COLA • Retirees with 25 years of service and pensions under \$25,000 receive 2.5%, compounding COLA • Retirees age 75 years as of July 1, 2020 receive 2.5%, compounding COLA • These member would also be exempted from three year 13th check period and instead receive a 2.5% compounding COLA during that period
2% annual, compounding COLA	
2.5% annual, compounding COLA	
<ul style="list-style-type: none"> • disability retirees under \$20,000 • normal retirees with 25-year service credit under \$20,000 	
Appropriates Funds to Pay For 2% 13th Checks	
	\$76 million General Fund appropriation to cover the cost of the 13 th check payments to eligible retirees FY21, 22, 23 (as previously noted, expected to reduce PERA's unfunded liability by \$700 million)

CURRENT LAW	SUMMARY REVIEW SB 72 PERA SOLVENCY
Enhances Maximum Pension Benefit	
90% of final average salary under all plans	Eliminates pension maximum under all plans
Reduces Vesting Period for Tier 2 Employees (Hired after 7/1/13)	
General Members	Reduces vesting period for Tier 2 employees General Members
Tier 2 8 years	Tier 2 5 years (matches vesting period for Tier 1 employees)
Public Safety Members	Public Safety Members
Tier 2 6 years	Tier 2 5 years (matches vesting period for Tier 1 employees)
Eliminates COLA Suspension for Return to Work Employees	
Effective July 1, 2013, COLAs for PERA retirees who return to work with ERB-covered employers are suspended during reemployment	Restores COLA to those PERA retirees who return to work with ERB-covered employers (e.g. Retired Police Officers who return to work as School Resource Officers)
Effective July 1, 2013, COLAs for grandfathered PERA retirees who returned to work pre-2010 with PERA-covered employers are suspended during reemployment	Restores COLA to those PERA retirees who returned to work with PERA-covered employers before July 1, 2010

CURRENT LAW	SUMMARY REVIEW SB 72 PERA SOLVENCY
Equalizes Juvenile Correctional, Adult & Juvenile Probation & Parole Officers	
<p>Juvenile Correction Officers</p> <p><i>Covered by Juvenile Correctional Plan 2</i></p> <p>Contribution Rates Employee 6.28% Employer 26.37%</p> <p><i>Retirement Eligibility</i> Tier 1 25 years Tier 2 25 years</p> <p>Probation and Parole Officers</p> <p><i>Covered by State General Plan 3</i></p> <p>Contribution Rates Employee 8.92% Employer 17.24%</p> <p><i>Retirement Eligibility</i> Tier 1 25 years Tier 2 Rule of 85</p>	<p><i>Juvenile Correctional, Adult and Juvenile Probation and Parole Officers moved into State Police and Adult Correctional Officer Plan 1</i></p> <p>Contribution Rates Employee 9.10% Employer 25.50%</p> <p>Retirement Eligibility Tier 1 25 years, 20 % service credit enhancement Tier 2 25 years actual service credit</p>

SENATE BILL 94

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

Clemente Sanchez

AN ACT

RELATING TO PUBLIC EMPLOYEE RETIREMENT; ALLOWING RETIRED LAW
ENFORCEMENT OFFICERS TO RETURN TO EMPLOYMENT AS LAW ENFORCEMENT
PATROL OFFICERS UNDER CERTAIN CONDITIONS.

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

SECTION 1. Section 10-11-8 NMSA 1978 (being Laws 1987,
Chapter 253, Section 8, as amended by Laws 2014, Chapter 35,
Section 1 and by Laws 2014, Chapter 39, Section 1 and also by
Laws 2014, Chapter 43, Section 1) is amended to read:

"10-11-8. NORMAL RETIREMENT--RETURN TO EMPLOYMENT--
BENEFITS CONTINUED--CONTRIBUTIONS.--

A. A member may retire upon fulfilling the
following requirements prior to the selected date of
retirement:

(1) a written application for normal

1 retirement, in the form prescribed by the association, is filed
2 with the association;

3 (2) employment is terminated with all
4 employers covered by any state system or the educational
5 retirement system;

6 (3) the member selects an effective date of
7 retirement that is the first day of a calendar month; and

8 (4) the member meets the age and service
9 credit requirement for normal retirement specified in the
10 coverage plan applicable to the member.

11 B. The amount of normal retirement pension is
12 determined in accordance with the coverage plan applicable to
13 the member.

14 C. Except as provided in [~~Subsection~~] Subsections E
15 and K of this section, on or after July 1, 2010, a retired
16 member may be subsequently employed by an affiliated public
17 employer only pursuant to the following provisions:

18 (1) the retired member has not been employed
19 as an employee of an affiliated public employer or retained as
20 an independent contractor by the affiliated public employer
21 from which the retired member retired for at least twelve
22 consecutive months from the date of retirement to the
23 commencement of subsequent employment or reemployment with an
24 affiliated public employer;

25 (2) the retired member's pension shall be

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1 suspended upon commencement of the subsequent employment;

2 (3) except as provided in Subsection G of this
3 section, the retired member shall not become a member and shall
4 not accrue service credit, and the retired member and that
5 person's subsequent affiliated public employer shall not make
6 contributions under any coverage plan pursuant to the Public
7 Employees Retirement Act; and

8 (4) upon termination of the subsequent
9 employment, the retired member's pension shall resume in
10 accordance with the provisions of Subsection A of this section.

11 D. Notwithstanding the provisions of Subsection B
12 of Section 10-11-118 NMSA 1978, on and after July 1, 2013, if a
13 retired member becomes employed with an employer pursuant to
14 the Educational Retirement Act, and effective July 1, 2014, if
15 a retired member who, subsequent to retirement, is employed and
16 covered pursuant to the Judicial Retirement Act, and, effective
17 July 1, 2014, if a retired member who, subsequent to
18 retirement, is employed and covered pursuant to the Magistrate
19 Retirement Act:

20 (1) the retired member's cost-of-living
21 pension adjustment shall be suspended upon commencement of the
22 employment; and

23 (2) upon termination of the employment, the
24 retired member's suspended cost-of-living pension adjustment
25 shall be reinstated as provided under Subsection B of Section

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1 10-11-118 NMSA 1978.

2 E. The provisions of Subsections C, H and I of this
3 section do not apply to:

4 (1) a retired member employed by the
5 legislature for legislative session work;

6 (2) a retired member employed temporarily as a
7 precinct board member for a municipal election or an election
8 covered by the Election Code; or

9 (3) a retired member who is elected to serve a
10 term as an elected official in an office covered pursuant to
11 the Public Employees Retirement Act; provided that:

12 (a) the retired member files an
13 irrevocable exemption from membership with the association
14 within thirty days of taking office; and

15 (b) the irrevocable exemption shall be
16 for the elected official's term of office.

17 F. A retired member who returns to employment
18 during retirement pursuant to Subsection E of this section is
19 entitled to receive retirement benefits but is not entitled to
20 accrue service credit or to acquire or purchase service credit
21 in the future for the period of the retired member's subsequent
22 employment with an affiliated public employer.

23 G. At any time during a retired member's subsequent
24 employment pursuant to Subsection C of this section, the
25 retired member may elect to become a member and the following

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1 conditions shall apply:

2 (1) the previously retired member and the
3 subsequent affiliated public employer shall make the required
4 employee and employer contributions, and the previously retired
5 member shall accrue service credit for the period of subsequent
6 employment; and

7 (2) when the previously retired member
8 terminates the subsequent employment with an affiliated public
9 employer, the previously retired member shall retire according
10 to the provisions of the Public Employees Retirement Act,
11 subject to the following conditions:

12 (a) payment of the pension shall resume
13 in accordance with the provisions of Subsection A of this
14 section;

15 (b) unless the previously retired member
16 accrued at least three years of service credit on account of
17 the subsequent employment, the recalculation of pension shall:
18 1) employ the form of payment selected by the previously
19 retired member at the time of the first retirement; and 2) use
20 the provisions of the coverage plan applicable to the member on
21 the date of the first retirement; and

22 (c) the recalculated pension shall not
23 be less than the amount of the suspended pension.

24 H. A retired member who returned to work with an
25 affiliated public employer prior to July 1, 2010 shall be

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1 subject to the provisions of this section in effect on the date
2 the retired member returned to work; provided that:

3 (1) on and after July 1, 2010, the retired
4 member shall pay the employee contribution in an amount
5 specified in the Public Employees Retirement Act for the
6 position in which the retired member is subsequently employed;

7 (2) notwithstanding the provisions of
8 Subsection B of Section 10-11-118 NMSA 1978, on and after July
9 1, 2013, the retired member's cost-of-living pension adjustment
10 shall be suspended; and

11 (3) upon termination of the subsequent
12 employment with the affiliated public employer, the retired
13 member's cost-of-living pension adjustment shall be reinstated
14 as provided in Subsection B of Section 10-11-118 NMSA 1978.

15 I. Effective July 1, 2014, if a retired member who,
16 subsequent to retirement, is employed and covered pursuant to
17 the provisions of the Magistrate Retirement Act or Judicial
18 Retirement Act, during the period of subsequent employment:

19 (1) the member shall be entitled to receive
20 retirement benefits;

21 (2) the retired member's cost-of-living
22 pension adjustment shall be suspended upon commencement of the
23 employment; and

24 (3) upon termination of the employment, the
25 retired member's suspended cost-of-living pension adjustment

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1 shall be reinstated as provided under Subsection B of Section
2 10-11-118 NMSA 1978.

3 J. The pension of a member who has earned service
4 credit under more than one coverage plan shall be determined as
5 follows:

6 (1) the pension of a member who has three or
7 more years of service credit earned on or before June 30, 2013
8 under each of two or more coverage plans shall be determined in
9 accordance with the coverage plan that produces the highest
10 pension;

11 (2) the pension of a member who has service
12 credit earned on or before June 30, 2013 under two or more
13 coverage plans but who has three or more years of service
14 credit under only one of those coverage plans shall be
15 determined in accordance with the coverage plan in which the
16 member has three or more years of service credit. If the
17 service credit is acquired under two different coverage plans
18 applied to the same affiliated public employer as a consequence
19 of an election by the members, adoption by the affiliated
20 public employer or a change in the law that results in the
21 application of a coverage plan with a greater pension, the
22 greater pension shall be paid a member retiring from the
23 affiliated public employer under which the change in coverage
24 plan took place regardless of the amount of service credit
25 under the coverage plan producing the greater pension; provided

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1 that the member has three or more years of continuous
2 employment with that affiliated public employer immediately
3 preceding or immediately preceding and immediately following
4 the date the coverage plan changed;

5 (3) the pension of a member who has service
6 credit earned on or before June 30, 2013 under each of two or
7 more coverage plans and who has service credit earned under any
8 coverage plan on or after July 1, 2013 shall be equal to the
9 sum of:

10 (a) the pension attributable to the
11 service credit earned on or before June 30, 2013 determined
12 pursuant to Paragraph (1) or (2) of this subsection; and

13 (b) the pension attributable to the
14 service credit earned under each coverage plan on or after July
15 1, 2013;

16 (4) the pension of a member who has service
17 credit earned only on and after July 1, 2013 shall be equal to
18 the sum of the pension attributable to the service credit the
19 member has accrued under each coverage plan; and

20 (5) the provisions of each coverage plan for
21 the purpose of this subsection shall be those in effect at the
22 time the member ceased to be covered by the coverage plan.

23 "Service credit", for the purposes of this subsection, shall be
24 only personal service rendered an affiliated public employer
25 and credited to the member under the provisions of Subsection A

1 of Section 10-11-4 NMSA 1978. Service credited under any other
2 provision of the Public Employees Retirement Act shall not be
3 used to satisfy the three-year service credit requirement of
4 this subsection.

5 K. Notwithstanding the provisions of any other
6 subsection of this section, certified law enforcement officers
7 who have retired under any municipal police member coverage
8 plan or as a certified law enforcement officer covered under
9 state police member and adult correctional officer member
10 coverage plan 1 may be subsequently employed as certified law
11 enforcement patrol officers by an affiliated public employer if
12 the retired member has not been employed as an employee of an
13 affiliated public employer or retained as an independent
14 contractor by the affiliated public employer from which the
15 retired member retired for at least ninety consecutive days
16 from the date of retirement to the commencement of subsequent
17 employment or reemployment with an affiliated public employer;
18 provided that:

19 (1) the retired member may only return to
20 employment in the capacity of a patrol officer;

21 (2) the retired member's pension shall
22 continue to be paid during the period of subsequent employment;
23 however, the retired member's cost-of-living adjustments shall
24 be suspended during the period of subsequent employment;

25 (3) the retired member shall not become a

1 member during the period of subsequent employment;

2 (4) the retired member shall not accrue
3 service credit for any portion of the period of subsequent
4 employment;

5 (5) the retired member and the retired
6 member's subsequent affiliated public employer shall make the
7 contributions that would be required for members and employers
8 under the applicable coverage plan during the entire period of
9 subsequent employment; and

10 (6) the contributions paid by or on behalf of
11 the retired member during the term of subsequent employment
12 shall not be refundable at the termination of the subsequent
13 employment."

14 SECTION 2. EFFECTIVE DATE.--The effective date of the
15 provisions of this act is July 1, 2020.

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