



# NEW MEXICO STATE ETHICS COMMISSION

800 Bradbury Dr. SE, Suite 217, Albuquerque, New Mexico 87106

505.827.7800 | [ethics.commission@state.nm.us](mailto:ethics.commission@state.nm.us)

Hon. William F. Lang (Chair)

Jeff Baker

Stuart M. Bluestone

Hon. Garrey Carruthers

Ron Solimon

Dr. Judy Villanueva

Frances F. Williams

## COMPLAINT FORM

By my signature below, I verify that the allegations contained in this complaint, along with the attachments and exhibits hereto, are true and correct to the best of my knowledge and belief, and that I believe the allegations herein violate New Mexico law.

### COMPLAINANT'S INFORMATION (Person or Organization filling out this complaint)

Name: Claudia Armijo (Tim Eichenberg, State Treasurer & Patricia J French)

Address: 12427 Crested Moss Rd NE

City: Albuquerque

State: NM

Zip: 87122

Phone: 505-681-1455

Email: Claudia.Armijo@state.nm.us or Lawgirl505@aol.com

### RESPONDENT INFORMATION (Person or Organization this complaint is filed against)

*Include information for additional Respondents (if any) on a separate sheet. Complaints submitted without the Respondent's address or email will not be accepted.*

Name & Position: Wayne Propst, PERA Executive Director

Address: 33 Plaza La Prensa, Santa Fe, NM 87507

City: Santa Fe

State: NM

Zip:

Phone: 505-476-9300

Email: wayne.prost@state.nm.us

Have you submitted or will you submit this or a substantially similar complaint against the Respondent with another governmental agency? ☐ Yes ☒ No If yes, which agency

Is there any pending legal action against the Respondent for the conduct alleged in the complaint? ☐ Yes ☒ No ☐ Unsure

The State Ethics Commission has jurisdiction to investigate and adjudicate alleged violations of the following laws. Please indicate the law(s) you believe have been violated and, if known, include specific provisions in the Complaint Description. (Check all that apply):

- ☐ Campaign Reporting Act
- ☐ Financial Disclosure Act
- ☐ Gift Act
- ☐ Lobbyist Regulation Act
- ☐ Voter Action Act
- ☒ Governmental Conduct Act

- ☐ Procurement Code
- ☐ State Ethics Commission Act
- ☐ Article 9, Section 14 of the Constitution of New Mexico (Anti-Donation Clause)
- ☐ Unsure

Do you believe any of the conduct alleged in this complaint constitutes a violation of criminal law?  
☐ Yes ☒ No ☐ Unsure

Attached hereto are 11 additional pages which reasonably describe the Respondent's actions or inactions which I believe violate the selected laws as indicated above.

### HOW TO SUBMIT THIS COMPLAINT TO THE STATE ETHICS COMMISSION

After notarizing, you may submit this complaint through the SEC's online Proceedings Portal at: [proceedings.state.nm.us](http://proceedings.state.nm.us), or via US post to 800 Bradbury Drive SE, Suite 215, Albuquerque, NM 87106. If you have questions or need assistance with submitting your complaint, please contact [ethics.commission@state.nm.us](mailto:ethics.commission@state.nm.us).

Please use the following format for your description of each alleged violation: 1) Law(s) violated and relevant section(s) or provision(s) of the law; 2) Description of alleged violation; 3) Facts that substantiate the alleged violations including the date, place, and time of the Respondent's conduct; 4) Names and contact information of any witnesses; 5) What action(s) or relief you seek from the Commission; and 6) Description of supporting document(s) included with this complaint, if any. Form must be notarized prior to submission.

---

11-page Complaint with Notarized signatures is submitted separately with this form

Also submitted separately are six Attachments "A" through "F"

If more space is needed, please include extra pages using the same format as above. NOTARY PUBLIC To be completed before a notary public FULL NAME

(Print): \_\_\_\_\_

DATE: \_\_\_\_/\_\_\_\_/\_\_\_\_. SIGNATURE: \_\_\_\_\_ Scribed and

sworn to me on this \_\_\_\_ day of \_\_\_\_, \_\_\_\_\_, County, New Mexico.

Signed \_\_\_\_\_, Notary Public. My commission

expires: \_\_\_\_\_. For official use only. NMSEC# \_\_\_\_\_ OF 2 2

## Complaint to New Mexico State Ethics Commission

### **1) Complainants Names & Contact Information**

Claudia Armijo, Trustee NM PERA Board: 505-681-1455, [Lawgirl505@aol.com](mailto:Lawgirl505@aol.com)

Tim Eichenberg, NM State Treasurer and Trustee NM PERA Board: 505-91-99196.

[Tim.Eichneberg@state.nm.us](mailto:Tim.Eichneberg@state.nm.us)

Patricia J. French, Trustee NM PERA Board: 505-480-1335, [patriciajfrench@yahoo.com](mailto:patriciajfrench@yahoo.com)

### **2) Respondent's Name & Contact Information**

Wayne Propst, Executive Director for the Public Employees Retirement Association of NM: 505-690-3314, [Wayne.Propst@state.nm.us](mailto:Wayne.Propst@state.nm.us)

### **3) Pending and Parallel Complaints**

Complainants are not aware of any other Complaints or pending action against Respondent related to the specific facts of this complaint.

### **4) Laws Alleged to be Violated by Respondent**

Wayne Propst violated the Governmental Conduct Act, Section 10-16-3(A)(B) and (C), See Governmental Conduct Act at NMSA 1978, Section 10-16-3. Ethical principles of public service; certain official acts prohibited; penalty.

A. A legislator or public officer or employee shall treat the legislator's or public officer's or employee's government position as a public trust. The legislator or public officer or employee shall use the powers and resources of public office only to advance the public interest and not to obtain personal benefits or pursue private interests.

B. Legislators and public officers and employees shall conduct themselves in a manner that justifies the confidence placed in them by the people, at all times maintaining the integrity and discharging ethically the high responsibilities of public service.

C. Full disclosure of real or potential conflicts of interest shall be a guiding principle for determining appropriate conduct. At all times, reasonable efforts shall be made to avoid undue influence and abuse of office in public service.

### **5) Description of Respondent's Conduct:**

#### **Introduction and Respondent's Actions in Violation of Governmental Conduct Act**

#### **Complaint Introduction and PERA Board Constitutional and Statutory Authority**

After careful deliberation and consideration, we determine it is in the best interest of the Public Employees Retirement Association ("PERA") Trust fund, its members, retirees and beneficiaries and all New Mexicans affording power and privilege to the State's public servants, that this complaint be submitted against Wayne Propst (Propst), the PERA Executive Director, for violation of the Governmental Conduct Act, and specifically for violating Section 10-16-3 (A) (B) and (C) regarding ethical principles of public service.

The PERA Board is the Trustee for New Mexico's Public Employees Retirement System and has the sole and exclusive fiduciary duty and responsibility for administration and investment of the trust fund. (See New Mexico Constitution, Article XX, Section 22).

In addition to the fiduciary duties imposed in the NM Constitution, the PERA Board derives its duties and authority from the New Mexico Legislature to act in the best interest of the PERA fund, its members, retirees



and beneficiaries under the acts governing the retirement system including the PERA Act at NMSA 1978, Sections 1 through 143; the Volunteer Firefighters Act at NMSA 1978, Section 10-11A-1 through 8; the Judicial Retirement Act at NMSA 1978, Sections 10-12B-1 through 19; the Magistrate Retirement Act at NMSA 1978, Sections 10-12C-1 through 18; and the Public Employees Retirement Reciprocity Act at NMSA 1978 Sections 10-13A-1 through 5.

### **Respondent's Actions in Violation of Governmental Conduct Act**

On January 14, 2020, during his presentation to the PERA Board ("PERA Board" or "the Board") at a Special Board Meeting, Propst, in violation of the Governmental Conduct Act, Section 10-16-3(A)(B) and (C), intentionally and willfully misused his position of trust and influence as PERA's Executive Director and Administrative Head of the PERA, a state agency, to deliberately mislead the Board when he presented a document identified as "Senate Bill 72", "215849.5GLG". (See "Attachment A", Senate Bill 72, "215849.5GLG").

Propst represented the bill as the Governor's PERA Solvency bill and that it contained a compounding profit-share COLA provision. However, the bill did not contain a compounding profit-share COLA and Propst knew it did not contain such a provision. NOTE: The compounding profit-share COLA purported to be in the bill would have replaced the automatic two-percent compounding COLA in effect on January 14, 2020, compiled at NMSA 1978 Section 10-11-118. (See "Attachment B", COLA Provision PERA Act at NMSA 1978 Section 10-11-118 in effect on January 14, 2020 (before passage of SB 72))

### **Facts & Evidence**

#### **1) The PERA Executive Director is a Fiduciary and Holds a Position of Trust**

Pursuant to New Mexico law, Executive Director Propst, like members of the PERA Board, is a fiduciary to the PERA Trust Fund, its members, retirees and beneficiaries. As a fiduciary, the highest level of honesty and integrity is required and expected in the carrying out of the PERA Executive Director's duties.

When formulating policy and making important policy decisions and recommendations, elected and appointed public officials, like the PERA Board, rely heavily on the advice and guidance of the public servants employed at the highest levels of government as heads of New Mexico's state agencies. Propst is appointed by the Board and employed as the Administrative Head of the PERA and PERA Executive Director; serving at the pleasure of the Board. Such heads of state agencies are required to carry out their duties with integrity and respect for the power and responsibility vested in their positions.

Pursuant to the PERA Act and rules promulgated under that Act, Propst is charged with acting at all times as a fiduciary and in compliance with the Act, the Rules, PERA Policies and Procedures and applicable State and Federal laws, including the Governmental Conduct Act. Propst is required to act with integrity, honesty and in the best interest of the PERA Trust, the Board that appointed him, and PERA members, retirees and beneficiaries.

The New Mexico Constitution delegates the fiduciary duty of oversight of the retirement systems of the more than 90,000 current and past New Mexico public employees. As PERA Executive Director, Propst is the "face" and "voice" of the PERA Board and the Association. The Board must be assured that Propst will represent the highest-level of competence and transparency required of such a powerful position in this state.

## 2) **Legislative Proposal Document Identification & LCS Tracking Number System**

On January 14, 2020, at the Special Board Meeting regarding the Board's endorsement of, or opposition to, proposed legislation, Propst presented a bill for endorsement that he referenced as the Governor's PERA Solvency bill. The bill was a 91-page legislative proposal produced by the Legislative Council Service ("LCS") and identified on each page of the bill in the lower left-hand corner as bill number "215849.5GLG" (hereafter "215849.5GLG" or "the Bill"). The number "215849" is the tracking number assigned by the LCS to that specific 91-page document. The ".5" indicates to the reader that they are looking at the fifth version of the bill and also indicates that the version they are reading is different than all previous versions of the bill and any versions that may come later. The "GLG" indicates the document is a Governor Lujan Grisham legislative proposal.

The meaning of the LCS tracking numbers assigned to proposed legislation is commonly understood and relied upon by policy makers, lobbyists, state agencies and stakeholders as the means to identify a specific version of a bill and to ensure that, when discussing the bill's merits or issues, all parties are referencing and discussing the exact same version of the bill. This universal understanding makes the LCS tracking system critically important because prior to introduction by the sponsor, proposed bills are circulated to various interested parties for review, comment and recommended revisions. The circulation process often results in bills being revised several times before introduction. The circulation process and LCS tracking system are clearly illustrated in the example at hand of bill number "215849.5GLG". By referring to its LCS assigned bill number, the reader knows they are looking at the fifth version of the bill. In the case at hand, "215849.5GLG" is also the version of the Bill that was introduced in the 2020 regular legislative session by the sponsor, Senator George Munoz and is the same version that Propst presented to the Board for endorsement on January 14, 2020. It is the version of the Bill that Propst repeatedly told the Board would provide a compounding profit-share COLA, but it did not contain a compounding profit-share COLA.

## 3) **Significance of Board Endorsement of PERA-Related Proposed Legislation**

Proposed legislation that is presented to the PERA Board for endorsement is done so by the legislation's sponsor for a specific purpose, the hopes of receiving Board endorsement for the legislation. And, legislation that dramatically or fundamentally changes PERA benefits structure is always high-profile because it involves the State's largest public retirement trust fund and impacts the benefits of nearly 49,000 active members (current public employees) and 42,000 retirees (former public employees). (See "Attachment C", **PERA Summary of Membership Data as of June 30, 2020**).

Governors, Legislators, Agency Heads and others hoping to make changes to the PERA benefits structure seek the endorsement of the Board as a means of indicating to the entire voting legislative body and PERA stakeholders that the Board, which sits as the retirement system's subject matter authority, has thoroughly reviewed the proposal. Even if the legislation contains a difficult political pill to swallow, by endorsing it, the Board is indicating that the proposed legislation is actuarially sound and in the best interest of the Trust Fund, its members, retirees and beneficiaries. Such endorsements send a powerful message and provide a level of confidence for lawmakers that voting in favor of the legislation is warranted and well-advised.

The PERA Board has **never** endorsed legislation that, if enacted would remove the compounding feature of the COLA.

#### **4) The PERA Board's Reliance on the Integrity and Guidance of the Executive Director**

The PERA Board is regularly called upon to report and make recommendations to high-level legislative committees such as the Investments and Pension Oversight Committee (IPOC) and the Legislative Finance Committee (LFC), as well as individual legislators, the media and PERA members, retirees and beneficiaries. In response to those requests, the Board typically tasks the PERA Executive Director to brief the Board and then present the requested information to the requesting person or body. The information requested ranges from Board and Association activities, fund solvency and soundness, fund investment returns, actuarial studies and other key matters of oversight, governance and all PERA-Related legislative proposals. In carrying out tasks delegated to him, the Board relies on the Executive Director to clearly advise the Board of the presentation requests and then represent the will of the Board when making the presentations on behalf of the Board. Representation of the Board at such a high-level is predicated on the Board's confidence in the Executive Director's commitment to honor the trust placed in him by carrying out his duties with integrity and transparency.

The Executive Director regularly reports to the Board regarding matters of significance, including, particularly PERA-related proposed legislation. Again, the Board relies on the integrity and transparency of the Executive Director when he reports and presents information to the Board. On January 14, 2020, Propst, knowing he was misleading the Board, presented version 215849.5GLG of the Bill and indicated it contained a compounding profit-share COLA; but, it did not.

It should be noted that in the months prior to Propst presenting "215849.5GLG" to the Board for endorsement, Propst frequently provided the Board with updates and information about the structure of the Governor's PERA Solvency proposal. At all such times, the Board was advised by Propst that the profit-share COLA would be compounding. Based on those assurances, on January 14, 2020, the Board had a high degree of confidence in its understanding of the compounding profit-share COLA allegedly contained in "215849.5GLG". With that confidence, on January 14, 2020, before Propst even began his presentation of "215849.5GLG", a motion was made for the Board to endorse the Bill. With that motion on the table, but before the final vote on the motion was taken, Propst began his presentation. During his presentation, Propst knew that the Board had a motion on the table to endorse the Bill, "215849.5GLG", and at all times, relevant thereto, Propst knew that "215849.5GLG" did not contain a compounding profit-share COLA.

Propst's presentation included an explanation to the Board of the various provisions of the Bill, including the most significant provisions, like the major changes to the COLA. Again, this is important to note because Propst was aware that the motion before the Board was to endorse the Bill he was presenting, and he was presenting version "215849.5GLG" which he knew did not actually contain a compounding profit-share COLA. Throughout the entirety of his presentation, Propst knew that the provision necessary to make the profit-share COLA a compounding COLA was not contained in the Bill, but Propst did not tell this to the Board, instead he continually and intentionally misled the Board into believing the provision was in the Bill.

#### **5) The Significance of the PERA COLA**

To understand the impact of Propst's misrepresentations and false statements regarding 215849.5GLG, it is essential to understand the history and significance of the specific subject matter. Nothing is more important to that understanding than the significance of the PERA Cost of Living Adjustment ("COLA"). Other than the calculated base retirement benefit (monthly lifetime benefit payment), a PERA retiree will receive throughout their retirement years, no factor of their benefit structure is more important to that retiree and their beneficiaries than the COLA and the formula used in its calculation. Once a PERA member retires, the COLA is the single mechanism relied upon to positively influence the increased amount of the retiree's base benefit in

an effort to keep pace with inflation and retain the retiree's spending power. The importance of the COLA and its compounding provisions provided in the PERA Act cannot be overstated. The importance is easily illustrated by the numerous court challenges that have been launched after the New Mexico Legislature has revised the PERA Act statutorily making changes in the COLA and how it is calculated.

The annual adjustment of the PERA COLA is determined by using two factors and applying those factors to a retiree's monthly base benefit. The two factors are:

1. The Amount or Rate of the COLA. This factor is represented as a numerical percentage. For example, prior to the enactment of the Governor's Solvency bill, the amount of the COLA was fixed at 2%); and
2. The Manner in Which the COLA is Calculated. This factor specifies whether the COLA will be a "simple" COLA (one-time adjustment to the retiree's monthly base benefit that will never increase the base-benefit) or a "compounding" COLA (an annual adjustment to the retirees' base-benefit that will gradually and continually increase the retiree's monthly base-benefit- this is the portion of the COLA calculation designed to help the retiree retain their spending power during their retirement years).

NOTE: The compounding language necessary but not included in the Bill presented by Propst is as follows: "the amount of increase shall be determined by multiplying the amount of pension, ***inclusive of all prior adjustments***, by the cost-of-living adjustment as determined by this subsection." (emphasis added, See "Attachment D", COLA Provision PERA Act at NMSA 1978, Section 10-11-118(E)(4) in effective July 1, 2020)

The PERA Board and its actuaries are called upon by the State's political leaders to opine on all aspects of the PERA retirement benefits structure are instrumental in analyzing the long-term impact of changes to that structure, including the COLA calculation and any proposals to change it. Moreover, the PERA Board has consistently and on record, advocated for a compounding COLA as the equitable means of preserving the base benefit of PERA retirees. The compounding factor used in the COLA calculation is the only mechanism that can continually increase a retiree's base benefit to help them retain the monetary value or spending power of their lifetime monthly benefit; it is a retiree's hedge against inflation, increasing medical expenses and the like.

The Board's commitment to the compounding COLA is steadfast. The Board has always advocated for a compounding COLA, even in situations like in 2013 when the Board endorsed SB 27 which reduced the COLA amount from 3% to 2%. SB 27 did not remove the COLA's compounding feature. Propst, who was the PERA Executive Director in 2013 is aware of the Board's commitment to a compounding COLA.

#### **6) Propst's Willful and Intentional Violations of the Governmental Conduct Act at the January 14, 2020 PERA Special Board Meeting**

It is undisputed that on January 14, 2020, at multiple times, Propst, knowingly, willfully and deliberately misled the PERA Board regarding the Bill's, inclusion of a compounding profit-share COLA. And it is undisputed that the Bill, as presented by Propst, did NOT contain a compounding profit-share COLA. In fact, the Bill's profit-share COLA provision not only reduced the amount of the COLA, but it also removed the compounding feature, meaning that, if enacted as presented to the Board, the Bill would result in a retiree's base benefit never increasing, thus causing the retiree to lose spending power each year as they progress through their retirement.

In addition to verbally misleading the Board by stating and affirming that the Bill would provide a compounding profit-share COLA, Propst provided the Board with a written power-point handout containing a



summary which stated that the bill would "...implement a profit-share, compounding COLA..." (See "Attachment E", **Governor's PERA Solvency Legislation COLA Impact** page 9, with four-page **Summary Review SB 72 PERA Solvency Dated 1/10/2020**) provided to the Board in its 234 pages of meeting materials.

On January 14th, when Propst told the Board that the Bill would provide a compounding profit-share COLA, Propst knew his assertion was false. We know he knew it was false because later in the meeting, when questioned about the missing compounding provision, Propst admitted that he had actually already taken care of it by asking the LCS to prepare an amendment that would add the compounding provision to the Bill. Propst also admitted that he had already told the Bill Sponsor and the Governor's legislative liaison that the Bill needed an amendment to add the compounding provision.

(See [http://s3.amazonaws.com/boardaudio/SB\\_1-14-20.mp4](http://s3.amazonaws.com/boardaudio/SB_1-14-20.mp4) - January 14, 2020 Special PERA Board Meeting video recording at 3:22:00 (three hours and twenty-two minutes)).

When Propst admitted that he had already asked the LCS to prepare an amendment to add the compounding language to the Bill, he was then also admitting that he contacted the LCS because he knew that, without the compounding language, the Bill would not provide a compounding profit-share COLA. And when Propst admitted that he had already told the Sponsor the Bill needed an amendment and that he told the Governor's Legislative Liaison the Bill needed an amendment, why then did Propst choose NOT to tell the Board? The only reasonable conclusion is that Propst knowingly and willfully deceived the Board.

Once a bill has been introduced, there can be no guarantee that an amendment to that bill will be passed by legislative votes in committees or on the floor. Before endorsing the Bill, the Board needed to know that, in order for the Bill to contain a compounding profit-share COLA, an amendment would be necessary. But instead of providing proper guidance on that issue, Propst chose the path of least resistance in order to more easily secure the Board's endorsement, and he did so willfully and knowingly with the intention to mislead.

## **7) Facts Specific to Propst's Presentation & Evidenced by the Meeting Video**

(See [http://s3.amazonaws.com/boardaudio/SB\\_1-14-20.mp4](http://s3.amazonaws.com/boardaudio/SB_1-14-20.mp4)

Propst began his presentation of "215849.5GLG" at about 2:43:00 (two hours and forty-three minutes) in the meeting video recording. After explaining many other provisions of the Bill, Propst made statements regarding the compounding profit-share COLA as follows:

- At 2:46:15 (two hours and 46 minutes) into the recording – "Uh, with respect to cost of living adjustments there are a number of provisions related to the cost of living adjustments some of which were not considered originally by the task force but have been included by the Governor, uh, in her solvency legislation. Uh, the uh bill would reduce the current seven-year period, uh, to wait for a first cost of living adjustment. It would restore that to the, previous two-year wait that was in effect prior to passage of Senate Bill 27 in 2013. It would provide for three 2% non-compounding, uh, uh, cost of living adjustments paid, paid to eligible retirees for fiscal years 21, 22 and 23. Uh, that's what's commonly called and you've heard it many times referred to as a thirteenth check. Thereafter it establishes a profit-share Cola for eligible retirees. Uh, it would be tied to our funded ratio, uh as well as our investment returns. Again, this is somewhat similar uh to the bill that the Board developed last year and endorsed. Last year's bill the major difference was that it was tied to CPI as opposed to investment returns..."

Of note, the bill the Board endorsed the previous year had a compounding COLA tied to the Consumer Price Index instead of to PERA investment return profits. By telling the Board that "215849.5GLG" was similar to the previous Board endorsed bill except that "215849.5GLG" is not tied to CPI, Propst knew the Board would naturally conclude that the compounding feature from last year's bill was also in "215849.5GLG", and he did



nothing to dissuade the Board of that notion. He could have, and should have, explained to the Board that an amendment would be necessary and that he had already asked the LCS to prepare such an amendment; but he did not do that.

- At approximately 2:48:00 (2 hours and 48 minutes) – Propst said “I want to back up to the profit- share COLA. I want to make clear that it is expected to be a compounding COLA”. Again, here, Propst could have and should have explained to the Board that in order to achieve this expectation, the Bill would need an amendment; but, Propst did not do that.
- Also, at about 2:48:00 Propst stated: “The three year, the thirteenth check is not compounded but the profit-share COLA would be a compounding COLA”. Propst could have and should have explained to the Board that in order to achieve this expectation, the Bill would need an amendment; but, Propst did not do that.
- As if to drive home his point, at about 3:04:11 Propst emphatically stated “Also, I want to just be very clear, the profit-share portion of the COLA recommendation is compounding...it’s only those first three years of the thirteenth checks which are not compounding.” Again, knowing the importance of the compounding feature as a pre-requisite for Board endorsement, Propst could have and should have told the Board an amendment would be necessary and was already being prepared. However, he did not do that.
- At about 3:22:00 (three hours and twenty-two minutes) in the recording, after Propst’s presentation had ended and he was answering Board member questions, Board Member Armijo asked the PERA Chief of Staff and General Counsel, Susan Pittard (“Pittard”), to direct Armijo to the compounding profit-share provision in the Bill because Armijo stated that she could not locate any such compounding language. Pittard readily admitted that the compounding provision was not in the Bill. Pittard explained that PERA had already talked to the Legislative Council Service and let them know the Bill needed an amendment to include the compounding language and so the LCS was going to prepare such an amendment for the Bill.
- At about 3:27:00 (three hours and twenty-seven minutes) in the recording, and only after a Board member Armijo pointed out that the Bill did not provide for a compounding profit-share COLA, the Chair asked to amend the original Motion so as to endorse the Bill contingent upon the compounding provision being added to the Bill.
- At about 3:30:00 (three hours and thirty minutes) in the recording, when Propst was asked by the State Treasurer, Tim Eichenberg, if Propst was aware of any other provisions in the Bill that needed to be amended, Propst stated “Mr. Chair and Mr. Treasurer, no, I am not, and just for the record, this has been discussed with the sponsor, he is aware of it Mr. Arencon is aware, Leg Council feels that they drafted it in such a way as to incorporate this but other people disagree....and so I think this is a good amendment to make clear the intent of the Board, I have no doubt that this language will be included in the first committee and then we can move forward.”

#### **8) Why it Matters; Propst’s Motives are Irrelevant & the Outcome is Irrelevant**

It is clear that had the question about the missing compounding profit-share COLA provision not been asked by a PERA Board Member, Propst would have let the Board remain ignorant as to the missing provision. Then, the Board, relying on Propst’s numerous assurances, would have finalized its vote on the original motion and ended up endorsing a bill that would have left out the compounding feature of the COLA.

Propst knowingly and willfully deceived the Board thereby placing the Board in the vulnerable position of endorsing a bill that did NOT protect the dollar value of retirees' COLA. Had his misrepresentations not been exposed, at best, the Board would have been criticized for incompetence in failing to ensure the Bill actually did what Propst professed it did, and at worst, the Board would have been harshly attacked for failing to protect the compounding features of the PERA COLA, and for endorsing a Bill that actually took away the compounding COLA.

#### **A. Propst's Motives Are Irrelevant**

Propst's motives are unknown, but are also irrelevant, as they cannot and should not justify his deceit. Alarmingly, in his response to questions about the missing compounding provision, he made no apologies for deceiving the Board and made no effort to explain nor provide a basis for the deception. Just as Propst's motives are irrelevant, so too is the outcome. Fortunately, the Board was able to act to amend the original endorsement motion and therefore faithfully endorse the Bill contingent on the passage of an amendment adding the compounding language. However, this was not facilitated by Propst, it was facilitated in spite of Propst.

#### **B. Propst Could Not Guarantee the Amendment Adding the Required Compounding Language Would Pass**

Once a bill is introduced into the legislative process, there is never a guarantee that amendments with changes can successfully be made. Sponsors and others can introduce amendments to bills, but those amendments must be voted on and accepted by the legislature in committees or on the floor. Propst knew there was no way to guarantee the amendment would be added to "215849.5GLG"; all the more reason he had a duty to tell the Board the amendment was necessary and in the process of being prepared for committee introduction. But instead, Propst withheld this critical information. Despite numerous opportunities to let the Board know that the amendment was needed, Propst put his personal desire to expedite obtaining the Board's endorsement, before his duty to act with integrity and honesty. Propst was willing to place the Board in a vulnerable position in order to further his desire to obtain that endorsement. These are not the actions expected from the head of a state agency. Nor are they actions that should be tolerated by PERA's Executive Director; a fiduciary to the PERA Trust. Propst's unwillingness to present the Bill in a transparent manner also shows a lack of respect for the thousands of PERA retirees who depend on a compounding COLA during their retirement years. (See "Attachment F" Proposed Amendment to SB 72 introduced in Senate Public Affairs Committee on January 31, 2020 by Senator Ortiz u Pino)

#### **C. Ultimately, the Amendment and then the Bill Passed**

Ultimately, the Governor's Solvency Bill passed with the insertion of the critical amendment that included the compounding feature for the profit-share COLA. However, passage of the Bill and the amendment was never the issue. The issue was then, and remains still, Propst's knowing, willful and deliberate misrepresentations to the Board on January 14, 2020.

#### **Conclusion**

Although we cannot assume to know Propst's motives, we can logically conclude that Propst's misrepresentations and omissions were intentional. Intentionally misleading the Board shows flagrant disregard for upholding the public trust. And, we can logically conclude that Propst's disregard of his duty to uphold the public trust was deliberate because when confronted about the missing compounding language, he admitted there would be an attempt to add it in Committee, but at no time did Propst bother to provide an explanation for why he chose not to inform the Board.

In the course of violating his fiduciary duties, Propst also violated Section 10-16-3(A)(B) and (C) of the Governmental Conduct Act regarding ethical principles of public service when, he knowingly misrepresented the Bill. Propst used his position of trust and influence to deliberately mislead the very public body that appointed him. Propst's actions violate the very heart of the Governmental Conduct Act and the norms and expectations of high-level public service.

### **Relief Sought - Proposed Findings**

The Complainants are seeking a finding that on January 14, 2020, at the Special Board Meeting of the NM PERA Board, Executive Director, Wayne Propst, violated the Governmental Conduct Act, Section 10-16-3 (A) (B) and (C) regarding ethical principles of public service when he knowingly and deliberately misled the Board regarding the compounding profit-share COLA; that Propst's deceptive actions were intended to mislead the PERA Board and any PERA members, retirees, beneficiaries, and interested members of the public or media that were listening to the live audio of the Special Board Meeting; Propst's motives, although unknown are irrelevant and do not justify his unethical actions; and Propst's should be held accountable for knowingly misusing his position of trust and influence as the PERA Executive Director and for deliberately carrying out his duties in a manner violative of the public trust.

The Complainants submit the following proposed Findings for the Commission's consideration. as well as any other findings the Ethics Commission deems appropriate.

Propst violated the Governmental Conduct Act, Section 10-16-3 (A)(B) and (C) requiring him to at all times conduct himself in a manner maintaining integrity and discharging his duties ethically when:

- 1) acting in his capacity as the PERA Executive Director, Propst knowingly and deliberately made false statements to the PERA Board on January 14, 2020 at the Special Board Meeting, when he told the Board that the Bill ("215849.5GLG") contained a compounding profit-share COLA;
- 2) he knowingly and willfully misled the Board by omission when he chose not to tell the Board that, not only was the compounding language missing from the Bill under consideration for endorsement, but that he had already told the Bill Sponsor, Senator George Munoz, and the Governor's Legislative Liaison, Diego Arencon, that the LCS had been contacted and asked to prepare an amendment for the Bill to include the necessary compounding language; and for introduction in the first legislative committee hearing;
- 3) he knowingly and willfully withheld important facts regarding the missing compounding language provision of the Bill even though he knew that knowledge of those facts would be required in order for the PERA Board to amend its endorsement motion to avoid unknowingly endorsing a bill that would permanently remove the compounding provision of the PERA COLA; and
- 4) he knowingly, intentionally, and in a manner abusing his position of trust and influence, tried to secure the PERA Board's endorsement of the Bill by misleading the PERA Board as well as the interested members of the public that were listening to the January 14, 2020 Special Board Meeting via live webcast.

### **Description of Supporting Documents Included with this Complainant**

Attachment A: Copy of Senate Bill 72 Presented to PERA Board by Wayne Propst on January 14, 2020

Attachment B: COLA Provision PERA Act at NMSA 1978 Section 10-11-118 in effect on January 14, 2020 (before passage of SB 72)

Attachment C: PERA Summary of Membership Data as of June 30, 2020

Attachment D: COLA Provision PERA Act at NMSA 1978, Section 10-11-118(E)(4) in effective July 1, 2020

Attachment E: Governor's PERA Solvency Legislation COLA Impact page 9, with four-page Summary Review SB 72 PERA Solvency Dated 1/10/2020)

Attachment F: Amendment to SB 72 introduced in Senate Public Affairs Committee on January 31, 2020



**NOTARY PUBLIC**

To be completed before a notary public

FULL NAME (Print): Claudia Armijo  
Claudia Armijo

DATE: 12 / 11 / 2020. SIGNATURE: [Signature]

Scribed and sworn to me on this 11<sup>th</sup> day of Dec, Bernalillo, County, New Mexico.

Signed Carmen Spratley, Notary Public.

My commission expires: 12-06-2022.

Notary Seal:



For official use only. NMSEC# \_\_\_\_\_

**NOTARY PUBLIC**

To be completed before a notary public

FULL NAME (Print): Tim Eichenberg  
Tim Eichenberg

DATE: 12 / 11 / 20. SIGNATURE: [Signature]

Scribed and sworn to me on this 11<sup>th</sup> day of Dec, Bernalillo, County, New Mexico.

Signed Carmen Spratley, Notary Public.

My commission expires: 12-06-2022.

Notary Seal:



For official use only. NMSEC# \_\_\_\_\_

**NOTARY PUBLIC**

To be completed before a notary public

FULL NAME (Print):

Patricia J. French

DATE:

12 / 11 / 20

SIGNATURE:

Scribed and sworn to me on this 11<sup>th</sup> day of Dec, 2020, Bernalillo, County, New Mexico.

Signed

Carmen Spratley

Notary Public.

My commission expires:

12-06-2022

Notary Seal:



For official use only. NMSEC#

underscored material = new  
[bracketed material] = delete

SENATE BILL 72

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

INTRODUCED BY

George K. Munoz and Phelps Anderson

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

.215849.5GLG



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  
26 .215849.5GLG

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

7           ~~[H.]~~ 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

.215849.5GLG

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

.215849.5GLG



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

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;

.215849.5GLG

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

.215849.5GLG

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

.215849.5GLG



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

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

1 member and probation and parole officer member coverage plan 1:

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

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

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

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

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

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

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

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

19 B. for a member who was not 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 years or older and [~~six~~] five or  
23 more years of service credit; or

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

.215849.5GLG



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;

.215849.5GLG

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

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

.215849.5GLG



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:

.215849.5GLG

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

.215849.5GLG

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

.215849.5GLG

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:

.215849.5GLG

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

.215849.5GLG

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.~~]"

.215849.5GLG



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:

.215849.5GLG

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

.215849.5GLG

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:

.215849.5GLG

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

.215849.5GLG



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

.215849.5GLG

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

.215849.5GLG

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;

.215849.5GLG



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:

.215849.5GLG

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

.215849.5GLG

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:

.215849.5GLG



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;

.215849.5GLG

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,

.215849.5GLG

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;

.215849.5GLG

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

.215849.5GLG

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,

.215849.5GLG

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;

.215849.5GLG

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.

.215849.5GLG

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

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

.215849.5GLG

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.

7 - 91 -  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

## **10-11-118. Cost-of-living adjustments; qualified pension recipient.**

A. For the purposes of this section:

(1) "preceding calendar year" means the twelve-month period ending on the December 31 preceding the July 1 in which pensions are being adjusted; and

(2) "second preceding calendar year" means the full calendar year prior to the preceding calendar year.

B. A qualified pension recipient is eligible for a cost-of-living pension adjustment. The amount of pension payable to a qualified pension recipient who:

(1) retires pursuant to normal retirement after working for at least twenty-five years under one or more applicable coverage plans and whose annual pension benefit, after all previous annual cost-of-living adjustments, is equal to an amount not greater than twenty thousand dollars (\$20,000), shall be increased by two and one-half percent each July 1. The amount of the increase shall be determined by multiplying the amount of pension, inclusive of all prior adjustments, by two and one-half percent;

(2) is a disability retired member whose annual pension benefit, after all previous annual cost-of-living adjustments, is equal to an amount not greater than twenty thousand dollars (\$20,000), shall be increased by two and one-half percent each July 1. The amount of the increase shall be determined by multiplying the amount of pension, inclusive of all prior adjustments, by two and one-half percent; and

(3) does not meet the requirements provided in Paragraph (1) or (2) of this subsection shall be increased by two percent each July 1. The amount of the increase shall be determined by multiplying the amount of pension, inclusive of all prior adjustments, by two percent.

C. A qualified pension recipient is:

(1) a normal retired member who:

(a) retires on or before June 30, 2014 and has been retired for at least two full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(b) retires between July 1, 2014 and June 30, 2015 and has been retired for at least three full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(c) retires between July 1, 2015 and June 30, 2016 and has been retired for at least four full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted; or

(d) retires on or after July 1, 2016 and has been retired for at least seven full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(2) a normal retired member who has attained age sixty-five years and has been retired for at least one full calendar year from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(3) a disability retired member who has been retired for at least one full calendar year from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(4) a survivor beneficiary who has received a survivor pension for at least two full calendar years; or

(5) a survivor beneficiary of a deceased retired member who otherwise would have been retired at least two full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted.

D. A qualified pension recipient may decline an increase in a pension by giving the association written notice of the decision to decline the increase at least thirty days prior to the date the increase would take effect.

**History:** Laws 1987, ch. 253, § 118; 1992, ch. 116, § 8; 2013, ch. 225, § 91.

#### ANNOTATIONS

**The 2013 amendment**, effective July 1, 2013, reduced the cost-of-living adjustments for all retirees; delays the cost-of-living adjustment for certain future retirees; in the title, added "qualified pension recipient"; in Subsection B, deleted former language which provided for a three percent cost-of-living adjustment and added the current language of Subsection B; added Paragraphs (1) through (3) of Subsection B; in Subparagraph (a) of Paragraph (1) of Subsection C, at the beginning of the sentence, added "retires on or before June 30, 2014"; and added Subparagraphs (b) through (d) of Paragraph (1) of Subsection C.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1992 amendment**, effective July 1, 1992, rewrote this section to the extent that a detailed comparison would be impracticable.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 247; 81A C.J.S. States §§ 46, 112 to 119.

#### ANNOTATIONS

**The 1997 amendment**, effective June 20, 1997, in Subsection D, deleted "retirement" preceding "board" in two places and substituted "director" for "secretary".

**The 1993 amendment**, effective June 18, 1993, rewrote this section to the extent that a detailed comparison would be impracticable.





Total PERA:

**Table II-1: Summary of Membership Data as of June 30, 2020**

Group	Count					
	State General	State Police/Corrections	Municipal General	Municipal Police	Municipal Fire	Totals
<b>Total Active Members</b>	19,065	2,294	21,137	3,773	2,431	<b>48,700</b>
<b>Inactive Members</b>						
Deferred Vested	3,205	115	2,170	224	124	<b>5,838</b>
Other	5,711	475	8,110	570	226	<b>15,092</b>
<b>Total Inactive Members</b>	8,916	590	10,280	794	350	<b>20,930</b>
<b>Retirees</b>						
Service*	16,985	1,326	11,794	3,298	1,790	<b>35,193</b>
Disabled	742	48	598	66	19	<b>1,473</b>
Beneficiaries	2,260	216	1,983	360	211	<b>5,030</b>
<b>Total Retirees</b>	19,987	1,590	14,375	3,724	2,020	<b>41,696</b>
<b>Totals</b>	<b>47,968</b>	<b>4,474</b>	<b>45,792</b>	<b>8,291</b>	<b>4,801</b>	<b>111,326</b>

Total Judicial:

Group	June 30, 2020
<b>Total Active Members</b>	<b>123</b>
<b>Inactive Members</b>	
Deferred Vested	25
Other	<u>2</u>
<b>Total Inactive Members</b>	<b>27</b>
<b>Retirees</b>	
Service*	146
Disabled	2
Beneficiaries	<u>45</u>
<b>Total Retirees</b>	<b>193</b>
<b>Totals</b>	<b>343</b>

Total Magistrate:

Group	June 30, 2020
<b>Total Active Members</b>	<b>62</b>
<b>Inactive Members</b>	
Deferred Vested	19
Other	<u>0</u>
<b>Total Inactive Members</b>	<b>19</b>
<b>Retirees</b>	
Service*	85
Disabled	2
Beneficiaries	<u>21</u>
<b>Total Retirees</b>	<b>108</b>
<b>Totals</b>	<b>189</b>

Total Legislative:

Group	June 30, 2020
<b>Total Active Members</b>	118
<b>Inactive Members*</b>	25
<b>Retirees</b>	
Service*	155
Disabled	0
Beneficiaries	<u>40</u>
<b>Total Retirees</b>	195
<b>Totals</b>	<b>338</b>

Total VFF:

Group	June 30, 2020
<b>Total Active Members</b>	<b>8,014</b>
<b>Deferred Vested Members</b>	<b>309</b>
<b>Non-Vested Inactive Members</b>	<b>58</b>
<b>Retirees</b>	
Service*	1,424
Disabled	0
Beneficiaries	<u>113</u>
<b>Total Retirees</b>	<b>1,537</b>
<b>Total</b>	<b>9,918</b>

## **10-11-118. Cost-of-living adjustments; qualified pension recipient; declining increase.**

A. As used in this section:

(1) "cost-of-living adjustment hurdle rate" means the investment rate of return required to fund a cost-of-living adjustment in excess of one-half percent, as determined by the association's actuaries;

(2) "funded ratio" means the ratio of the actuarial value of the assets of the fund to the actuarial accrued liability of the association for payments from the fund, as determined by the association's actuaries;

(3) "preceding calendar year" means the full calendar year preceding the July 1 on which pensions are being adjusted; and

(4) "smoothed investment rate of return" means a calculation made by spreading the difference between the expected actuarial value in investment income and the actual market value investment income over a smoothing period, as determined by the association's actuaries.

B. A qualified pension recipient is eligible for a cost-of-living pension adjustment. A qualified pension recipient is:

(1) a normal retired member who has been retired for at least two full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(2) a normal retired member who has attained the age of sixty-five years and has been retired for at least one full calendar year from the effective date of the member's latest retirement prior to July 1 of the year in which the pension is being adjusted;

(3) a disability retired member who has been retired for at least one full calendar year from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(4) a survivor beneficiary who has received a survivor pension for at least two full calendar years; or

(5) a survivor beneficiary of a deceased retired member who otherwise would have been retired at least two full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted.

C. Except as provided in Subsections F, G and H of this section, during fiscal years 2021, 2022 and 2023, a qualified pension recipient shall receive an annual, non-

compounding, additional payment. The amount of the payment shall be determined by multiplying the amount of annual pension payments, inclusive of all cost-of-living adjustments prior to fiscal year 2021, by two percent.

D. Beginning May 1, 2023 and no later than each May 1 thereafter, the retirement board shall certify to the association the:

- (1) funded ratio as of June 30 of the preceding calendar year; and
- (2) smoothed investment rate of return as of June 30 of the preceding calendar year.

**E. Except as provided in Subsections F, G and H of this section, beginning July 1, 2023 and each July 1 thereafter, immediately following the retirement board's certification of the funded ratio and smoothed investment rate of return, the cost-of-living adjustment to a qualified pension recipient payable pursuant to the Public Employees Retirement Act shall be determined as an amount equal to the smoothed investment rate of return on the actuarial value of assets on June 30 of the preceding calendar year less the cost-of-living adjustment hurdle rate, as determined by the association's actuaries, multiplied by the funded ratio on June 30 of the preceding calendar year or five-tenths percent, whichever is greater, and subject to the following conditions:**

- (1) if the funded ratio of the fund is less than one hundred percent on June 30 of the preceding calendar year, the amount of the adjustment made pursuant to this subsection shall not exceed three percent;**
- (2) if the funded ratio of the fund is equal to or greater than one hundred percent on June 30 of the preceding calendar year, the adjustment made pursuant to this subsection shall not exceed five percent;**
- (3) notwithstanding the provisions of this subsection, a qualified pension recipient shall receive a minimum annual cost-of-living adjustment of five-tenths percent; and**
- (4) the amount of increase shall be determined by multiplying the amount of pension, inclusive of all prior adjustments, by the cost-of-living adjustment as determined by this subsection.**

F. For a normal retired member who worked for at least twenty-five years under one or more applicable coverage plans and whose annual pension benefit, after all previous annual cost-of-living adjustments, is equal to an amount not greater than twenty-five thousand dollars (\$25,000), the pension benefit shall be increased by two and one-half percent each July 1. The amount of the increase shall be determined by multiplying the amount of pension, inclusive of all prior adjustments, by two and one-half percent.

G. For a disability retired member whose annual pension benefit, after all previous annual cost-of-living adjustments, is equal to an amount not greater than twenty-five thousand dollars (\$25,000), the pension benefit shall be increased by two and one-half percent each July 1. The amount of the increase shall be determined by multiplying the amount of pension, inclusive of all prior adjustments, by two and one-half percent.

H. For a normal retired member who has attained the age of seventy-five years prior to July 1, 2020, the pension benefit shall be increased by two and one-half percent each July 1. The amount of the increase shall be determined by multiplying the amount of pension, inclusive of all prior adjustments, by two and one-half percent.

I. A qualified pension recipient may decline an increase in a pension by giving the association written notice of the decision to decline the increase at least thirty days prior to the date the increase would take effect.

**History:** Laws 1987, ch. 253, § 118; 1992, ch. 116, § 8; 2013, ch. 225, § 91; repealed and reenacted by Laws 2020, ch. 11, § 61.

#### ANNOTATIONS

**Repeals and reenactments.** — Laws 2020, ch. 11, § 61 repealed 10-11-118 NMSA 1978 and enacted a new section effective July 1, 2020.

**The 2013 amendment,** effective July 1, 2013, reduced the cost-of-living adjustments for all retirees; delays the cost-of-living adjustment for certain future retirees; in the title, added "qualified pension recipient"; in Subsection B, deleted former language which provided for a three percent cost-of-living adjustment and added the current language of Subsection B; added Paragraphs (1) through (3) of Subsection B; in Subparagraph (a) of Paragraph (1) of Subsection C, at the beginning of the sentence, added "retires on or before June 30, 2014"; and added Subparagraphs (b) through (d) of Paragraph (1) of Subsection C.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1992 amendment,** effective July 1, 1992, rewrote this section to the extent that a detailed comparison would be impracticable.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 247; 81A C.J.S. States §§ 46, 112 to 119.

# 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		
Retirees with 25 years of service earning less than \$25k and Disability retirees earning less than \$25k		11,229
Total Retirees excluded from the proposal		1,344
Percentage of retirees excluded from the proposal		12,573
Retirees who will receive a COLA sooner under the proposal		31.01%
Percentage of retirees who will receive a COLA sooner under the proposal		3,271
\$76 Million Appropriation to fund a 2% "13 <sup>th</sup> " Check for all other COLA eligible Retirees		8.07%



## Increases Contributions for Active Employees

Current rates in effect	<p><b>State General Plan 3</b></p> <p>Increases employer and employee contributions effective July 1, 2020</p> <ul style="list-style-type: none"> <li>.5% increase over 4 fiscal year</li> <li>Employee 10.92% (from 8.92%)</li> <li>Employer 19.24% (from 17.24%)</li> </ul> <p><b>No Increase for State Police and Adult Correction Officers in Plan 1 (will include JCOs and Adult/Juvenile Probation and Parole)</b></p> <p><b>All Municipal (City and County) Coverage Plans</b></p> <p><i>Delays Increases for Two Fiscal Years</i></p> <p>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></p> <p>Municipalities and counties allowed to negotiate "pick-up" proposed contribution rate hikes</p> <p><i>Exempts lowest income employees from contribution increases</i></p> <p>Contributions for employees earning less than \$25,000 will not increase</p>
	<p><b>Provides for Reductions to Contributions as Funding Levels Improve</b></p> <p>As funding status improves, employer contribution rates will decline:</p> <ul style="list-style-type: none"> <li>PERA required to certify each plan's funded ratio on the preceding June 30:             <ol style="list-style-type: none"> <li>If projected coverage plan ratio at least 90%, the employer contribution rate reduce by .5%</li> <li>If projected coverage plan ratio at least 100%, the employer contribution rate reduced by an additional .5%</li> <li>If projected coverage plan ratio at least 110%, the employer contribution rated reduced by 1.0%</li> </ol> </li> </ul>

## Provides Cost of Living Adjustments

7 year wait period for first COLA	<ol style="list-style-type: none"> <li><b>1. Reduces Eligibility Period</b> Restores 2 calendar year waiting period (from 7) for first COLA</li> <li><b>2. Provides for Three 2% 13<sup>th</sup> Checks:</b> Effective July 1, 2020 provides 2% non-compounding 13<sup>th</sup> additional payment to qualified retirees for three years (FYs 21, 22 and 23)</li> <li><b>3. Establishes Profit Sharing COLA in 2023</b> Effective July 1, 2023, implements a profit-share, compounding COLA based on funded status and investment returns available to finance the COLA: <ul style="list-style-type: none"> <li>• PERA funded ratio less than 100%, COLAs up to 3%</li> <li>• PERA funded ratio over 100%, COLAs up to 5%</li> <li>• Ensures minimum COLA of .5%</li> </ul> </li> <li><b>4. Increases COLA for Low Income and Elderly Retirees:</b> <ul style="list-style-type: none"> <li>• Disability retirees under \$25,000 receive a 2.5%, compounding COLA</li> <li>• Retirees with 25 years of service and pensions under \$25,000 receive 2.5%, compounding COLA</li> <li>• Retirees age 75 years as of July 1, 2020 receive 2.5%, compounding COLA</li> <li>• These member would also be exempted from three year 13<sup>th</sup> check period and instead receive a 2.5% compounding COLA during that period</li> </ul> </li> </ol>
2% annual, compounding COLA	2.5% annual, compounding COLA <ul style="list-style-type: none"> <li>• disability retirees under \$20,000</li> <li>• normal retirees with 25-year service credit under \$20,000</li> </ul>
	<p><b>Appropriates Funds to Pay For 2% 13<sup>th</sup> Checks</b></p> <p>\$76 million General Fund appropriation to cover the cost of the 13<sup>th</sup> check payments to eligible retirees FY21, 22, 23 (as previously noted, expected to reduce PERA's unfunded liability by \$700 million)</p>



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 <b>General Members</b>	
Tier 2 8 years	Tier 2 5 years (matches vesting period for Tier 1 employees)	
Public Safety Members	<b>Public Safety Members</b>	
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	

## Equalizes Juvenile Correctional, Adult &amp; Juvenile Probation &amp; Parole Officers

Juvenile Correction Officers	
<p><i>Covered by Juvenile Correctional Plan 2</i></p> <p><b>Contribution Rates</b></p> <p>Employee 6.28%</p> <p>Employer 26.37%</p> <p><b>Retirement Eligibility</b></p> <p>Tier 1 25 years</p> <p>Tier 2 25 years</p> <p><b>Probation and Parole Officers</b></p> <p><i>Covered by State General Plan 3</i></p> <p><b>Contribution Rates</b></p> <p>Employee 8.92%</p> <p>Employer 17.24%</p> <p><b>Retirement Eligibility</b></p> <p>Tier 1 25 years</p> <p>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><b>Contribution Rates</b></p> <p>Employee 9.10%</p> <p>Employer 25.50%</p> <p><b>Retirement Eligibility</b></p> <p>Tier 1 25 years, 20 % service credit enhancement</p> <p>Tier 2 25 years actual service credit</p>

**FIFTY-FOURTH LEGISLATURE  
SECOND SESSION, 2020**

**SB 72**

January 31, 2020

Mr. President:

Your **PUBLIC AFFAIRS COMMITTEE**, to whom has been referred

**SENATE BILL 72**

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

1. On page 86, line 4, strike "and".
2. On page 86, line 8, strike the period and insert in lieu thereof "; and".
3. On page 86, between lines 8 and 9, insert the following new paragraph:

"(4) the amount of increase shall be determined by multiplying the amount of pension, inclusive of all prior adjustments, by the cost-of-living adjustment as determined by this subsection.".,

**FIFTY-FOURTH LEGISLATURE  
SECOND SESSION, 2020**

SPAC/SB 72

Page 2

and thence referred to the **FINANCE COMMITTEE.**

Respectfully submitted,

\_\_\_\_\_  
Gerald Ortiz y Pino, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 5 For 2 Against

Yes: 5

No: Sedillo Lopez, Stefanics

Excused: None

Absent: None

SB0072PA1.wpd

.216597.1