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SENATE BILL 124

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

Craig W. Brandt and Mark Moores

AN ACT

RELATING TO PUBLIC EMPLOYEES RETIREMENT; AMENDING THE PUBLIC
EMPLOYEES RETIREMENT ACT TO ALLOW MEMBERS WHO WERE EMPLOYED AS
CERTIFIED OR OTHERWISE QUALIFIED LAW ENFORCEMENT OFFICERS IN
ANOTHER STATE OR OF THE FEDERAL GOVERNMENT AND WHO ARE
SUBSEQUENTLY EMPLOYED BY AN AFFILIATED PUBLIC EMPLOYER TO
PURCHASE UP TO FIVE YEARS OF SERVICE CREDIT.

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

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

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

A. A member who entered a uniformed service of the
United States may purchase service credit for periods of active
duty in the uniformed services subject to the following
conditions:

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1 (1) the member pays the association the
2 purchase cost determined according to Subsection ~~[E]~~ F of this
3 section;

4 (2) the member has the applicable minimum
5 number of years of service credit required for normal
6 retirement. As used in this paragraph, "service credit" means
7 only the service credit earned by the member during periods of
8 employment with an affiliated public employer;

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

14 (4) service credit may not be purchased for
15 periods of service in the uniformed services that are used to
16 obtain or increase a benefit from another retirement program;
17 and

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

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

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1 that:

2 (1) the member provides proof of employment
3 with the federal government or as a contractor to the federal
4 government in a form acceptable to the association;

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

7 (3) the member has the applicable minimum
8 number of years of service credit required for normal
9 retirement. As used in this paragraph, "service credit" means
10 only the service credit earned by the member during periods of
11 employment with an affiliated public employer;

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

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

21 (6) the member pays the association the
22 purchase cost determined according to Subsection [E] F of this
23 section.

24 C. A member who was a certified or otherwise
25 qualified law enforcement officer in another state or of the

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1 federal government, who was a full-time employee with a duty to
2 maintain public order and to make arrests for crime, whether
3 that duty extended to all crimes or was limited to specific
4 crimes, may purchase service credit for that period of
5 employment subject to the following conditions:

6 (1) the member pays the association the
7 purchase cost determined according to Subsection F of this
8 section;

9 (2) the member has the applicable minimum
10 number of years of service credit required for normal
11 retirement. As used in this paragraph, "service credit" means
12 only the service credit earned by the member during periods of
13 employment with an affiliated public employer;

14 (3) the aggregate amount of service credit
15 purchased pursuant to this subsection does not exceed five
16 years; and

17 (4) the member provides proof of the period of
18 relevant employment in a form acceptable to the association.

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

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

9 (1) the member pays the association the
10 purchase cost determined according to Subsection ~~[E]~~ F of this
11 section;

12 (2) the member has the applicable minimum
13 number of years of service credit required for normal
14 retirement. As used in this paragraph, "service credit" means
15 only the service credit earned by the member during periods of
16 employment with an affiliated public employer; and

17 (3) the aggregate amount of service credit
18 purchased pursuant to this subsection does not exceed five
19 years.

20 ~~[D.]~~ E. A member who was appointed to participate
21 in a cooperative work study training program established
22 jointly by a state agency and a state post-secondary
23 educational institution may purchase service credit for the
24 period of participation subject to the following conditions:

25 (1) the member pays the association the full

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1 actuarial present value of the amount of the increase in the
2 employee's pension as a consequence of the purchase as
3 determined by the association;

4 (2) the member pays the full cost of the
5 purchase within sixty days of the date the member is informed
6 of the amount of the payment;

7 (3) the member has the applicable minimum
8 number of years of service credit required for normal
9 retirement. As used in this paragraph, "service credit" means
10 only the service credit earned by the member during periods of
11 employment with an affiliated public employer; and

12 (4) the aggregate amount of service credit
13 purchased pursuant to this subsection does not exceed five
14 years.

15 ~~[E.]~~ F. Except for service to be used under a state
16 legislator coverage plan, the purchase cost for each month of
17 service credit purchased pursuant to the provisions of this
18 section is equal to the member's final average salary
19 multiplied by the sum of the member contribution rate and
20 employer contribution rate, determined in accordance with the
21 coverage plan applicable to the member at the time of the
22 written election to purchase. The purchase cost for each year
23 of service credit to be used under a state legislator coverage
24 plan is equal to three times the normal member contribution per
25 year of service credit under the state legislator coverage plan

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1 applicable to the member. Full payment shall be made in a
2 single lump sum within sixty days of the date the member is
3 informed of the amount of the payment. The portion of the
4 purchase cost derived from the employer contribution rate shall
5 be credited to the employer's accumulation fund and shall not
6 be paid out of the association in the event of cessation of
7 membership. In no case shall a member be credited with a month
8 of service for less than the purchase cost as defined in this
9 section.

10 ~~[F-]~~ G. A member shall be refunded, upon written
11 request filed with the association, the portion of the purchase
12 cost of service credit purchased pursuant to this section that
13 the association determines to have been unnecessary to provide
14 the member with the maximum pension applicable to the member.
15 The association shall not pay interest on the portion of the
16 purchase cost refunded to the member.

17 ~~[G-]~~ H. A member of the magistrate retirement
18 system who during the member's service as a magistrate was
19 eligible to become a member of the public employees retirement
20 system and elected not to become a member of that system may
21 purchase service credit pursuant to the public employees
22 retirement system for the period for which the magistrate
23 elected not to become a public employees retirement system
24 member by paying the amount of the increase in the actuarial
25 present value of the magistrate pension as a consequence of the

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1 purchase as determined by the association. Full payment shall
2 be made in a single lump-sum amount in accordance with
3 procedures established by the retirement board. Except as
4 provided in Subsection [F] G of this section, seventy-five
5 percent of the purchase cost shall be considered to be employer
6 contributions and shall not be refunded to the member in the
7 event of cessation of membership.

8 ~~[H.]~~ I. At any time prior to retirement, any member
9 may purchase service credit in monthly increments, subject to
10 the following conditions:

11 (1) the member has the applicable minimum
12 number of years of service credit required for normal
13 retirement. As used in this paragraph, "service credit" means
14 only the service credit earned by the member during periods of
15 employment with an affiliated public employer;

16 (2) the aggregate amount of service credit
17 purchased pursuant to this subsection does not exceed one
18 year;

19 (3) the member pays full actuarial present
20 value of the amount of the increase in the employee's pension
21 as a consequence of the purchase as determined by the
22 association;

23 (4) the member pays the full cost of the
24 purchase within sixty days of the date the member is informed
25 of the amount of the payment; and

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(5) the purchase of service credit under this subsection cannot be used to determine the final average salary or the pension factor or be used to exceed the pension maximum.

~~[F.]~~ J. A member receiving service credit under this section who enrolls in the retiree health care authority shall make contributions pursuant to Subsection C of Section 10-7C-15 NMSA 1978."