

HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR
HOUSE BILL 216

51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014

AN ACT

RELATING TO PENSIONS; AMENDING MAGISTRATE RETIREMENT ACT
PROVISIONS APPLICABLE TO CERTAIN MEMBERS BY CHANGING THE AGE
AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT, DECREASING THE
PENSION MULTIPLIER FOR SERVICE CREDIT EARNED AFTER JUNE 30,
2014 AND INCREASING THE NUMBER OF YEARS USED TO CALCULATE THE
FINAL AVERAGE SALARY; PROVIDING A TEMPORARY SUSPENSION OF AND
DECREASE AND DELAY OF THE COST-OF-LIVING ADJUSTMENT; INCREASING
THE MAXIMUM PENSION BENEFIT; INCREASING CONTRIBUTION RATES;
REQUIRING MEMBERSHIP; CHANGING THE PENSION FORM OF PAYMENT AND
SURVIVOR BENEFICIARY PROVISIONS FOR NEW MAGISTRATES AND
MAGISTRATES WHOSE TERMS OF OFFICE BEGIN ON OR AFTER JULY 1,
2014; PROVIDING FOR THE SUSPENSION OF THE COST-OF-LIVING
ADJUSTMENT FOR RETURN-TO-WORK JUDGES, JUSTICES AND MAGISTRATES.

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

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1 SECTION 1. Section 10-11-8 NMSA 1978 (being Laws 1987,
2 Chapter 253, Section 8, as amended) is amended to read:

3 "10-11-8. NORMAL RETIREMENT--RETURN TO EMPLOYMENT--
4 BENEFITS CONTINUED--CONTRIBUTIONS.--

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

8 (1) a written application for normal
9 retirement, in the form prescribed by the association, is filed
10 with the association;

11 (2) employment is terminated with all
12 employers covered by any state system or the educational
13 retirement system;

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

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

19 B. The amount of normal retirement pension is
20 determined in accordance with the coverage plan applicable to
21 the member.

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

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1 (1) the retired member has not been employed
2 as an employee of an affiliated public employer or retained as
3 an independent contractor by the affiliated public employer
4 from which the retired member retired for at least twelve
5 consecutive months from the date of retirement to the
6 commencement of subsequent employment or reemployment with an
7 affiliated public employer;

8 (2) the [~~previously~~] retired member's pension
9 shall be suspended upon commencement of the subsequent
10 employment;

11 (3) except as provided in Subsection G of this
12 section, the [~~previously~~] retired member shall not become a
13 member and [~~thus the previously retired member~~] shall not
14 accrue service credit, and the [~~previously~~] retired member and
15 that person's subsequent affiliated public employer shall not
16 make contributions under any coverage plan pursuant to the
17 Public Employees Retirement Act; and

18 (4) upon termination of the subsequent
19 employment, the [~~previously~~] retired member's pension shall
20 resume in accordance with the provisions of Subsection A of
21 this section.

22 D. Notwithstanding the provisions of Subsection B
23 of Section 10-11-118 NMSA 1978, on and after July 1, 2013, if a
24 retired member becomes employed with an employer pursuant to
25 the Educational Retirement Act, and effective July 1, 2014, if

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1 a retired member who, subsequent to retirement, is employed and
2 covered pursuant to the Judicial Retirement Act:

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

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

10 E. The provisions of Subsections C, [~~and~~] H and I
11 of this section do not apply to:

12 (1) a retired member employed by the
13 legislature for legislative session work;

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

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

20 (a) the retired member files an
21 irrevocable exemption from membership with the association
22 within thirty days of taking office; and

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

25 F. A retired member who returns to employment

1 during retirement pursuant to Subsection E of this section is
2 entitled to receive retirement benefits but is not entitled to
3 accrue service credit or to acquire or purchase service credit
4 in the future for the period of the [~~previously~~] retired
5 member's [~~reemployment~~] subsequent employment with an
6 affiliated public employer.

7 G. At any time during a [~~previously~~] retired
8 member's subsequent employment pursuant to Subsection C of this
9 section, the [~~previously~~] retired member may elect to become a
10 member and the following conditions shall apply:

11 (1) the previously retired member and the
12 subsequent affiliated public employer shall make the required
13 employee and employer contributions, and the previously retired
14 member shall accrue service credit for the period of subsequent
15 employment; and

16 (2) when the previously retired member
17 terminates the subsequent employment with an affiliated public
18 employer, the previously retired member shall retire according
19 to the provisions of the Public Employees Retirement Act,
20 subject to the following conditions:

21 (a) payment of the pension shall resume
22 in accordance with the provisions of Subsection A of this
23 section;

24 (b) unless the previously retired member
25 accrued at least three years of service credit on account of

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1 the subsequent employment, the recalculation of pension shall:
2 1) employ the form of payment selected by the previously
3 retired member at the time of the first retirement; and 2) use
4 the provisions of the coverage plan applicable to the member on
5 the date of the first retirement; and

6 (c) the recalculated pension shall not
7 be less than the amount of the suspended pension.

8 H. A [~~previously~~] retired member who returned to
9 work with an affiliated public employer prior to July 1, 2010
10 shall be subject to the provisions of this section in effect on
11 the date the [~~previously~~] retired member returned to work;
12 provided that:

13 (1) on and after July 1, 2010, the
14 [~~previously~~] retired member shall pay the employee contribution
15 in an amount specified in the Public Employees Retirement Act
16 for the position in which the [~~previously~~] retired member is
17 subsequently employed;

18 (2) notwithstanding the provisions of
19 Subsection B of Section 10-11-118 NMSA 1978, on and after July
20 1, 2013, the [~~previously~~] retired member's cost-of-living
21 pension adjustment shall be suspended; and

22 (3) upon termination of the subsequent
23 employment with [~~an~~] the affiliated public employer, the
24 [~~previously~~] retired member's cost-of-living pension adjustment
25 shall be reinstated as provided in Subsection B of Section

1 10-11-118 NMSA 1978.

2 I. Effective July 1, 2014, if a retired member who,
3 subsequent to retirement, is employed and covered pursuant to
4 the provisions of the Magistrate Retirement Act, during the
5 period of subsequent employment:

6 (1) the member shall be entitled to receive
7 retirement benefits;

8 (2) the retired member's cost-of-living
9 pension adjustment shall be suspended upon commencement of the
10 employment; and

11 (3) upon termination of the employment, the
12 retired member's suspended cost-of-living pension adjustment
13 shall be reinstated as provided under Subsection B of Section
14 10-11-118 NMSA 1978.

15 [~~I.~~] J. The pension of a member who has earned
16 service credit under more than one coverage plan shall be
17 determined as follows:

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

23 (2) the pension of a member who has service
24 credit earned on or before June 30, 2013 under two or more
25 coverage plans but who has three or more years of service

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

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

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

25 (b) the pension attributable to the

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1 service credit earned under each coverage plan on or after July
2 1, 2013;

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

7 (5) the provisions of each coverage plan for
8 the purpose of this subsection shall be those in effect at the
9 time the member ceased to be covered by the coverage plan.

10 "Service credit", for the purposes of this subsection, shall be
11 only personal service rendered an affiliated public employer
12 and credited to the member under the provisions of Subsection A
13 of Section 10-11-4 NMSA 1978. Service credited under any other
14 provision of the Public Employees Retirement Act shall not be
15 used to satisfy the three-year service credit requirement of
16 this subsection."

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

19 "10-12C-2. DEFINITIONS.--As used in the Magistrate
20 Retirement Act:

21 A. "association" means the public employees
22 retirement association provided for in the Public Employees
23 Retirement Act;

24 B. "board" means the retirement board provided for
25 in the Public Employees Retirement Act;

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1 C. "dependent child" means a natural or adopted
2 child who is physically or mentally incapable of financial
3 self-support, regardless of age;

4 D. "educational retirement system" means the
5 retirement system provided for in the Educational Retirement
6 Act;

7 E. "effective date of retirement" means the first
8 day of the month following the month in which the member met
9 all requirements for retirement;

10 F. "final average salary" means the amount that is
11 one-sixtieth of the greatest aggregate amount of salary paid a
12 member for sixty consecutive, but not necessarily continuous,
13 months of service credit;

14 [~~F.~~] G. "former member" means a person no longer in
15 office who was previously covered pursuant to the provisions of
16 Sections 10-12A-1 through 10-12A-13 NMSA 1978, but who has not
17 retired pursuant to the provisions of the Magistrate Retirement
18 Act and who has received a refund of member contributions
19 pursuant to the provisions of Sections 10-12C-1 through
20 10-12C-18 NMSA 1978;

21 [~~G.~~] H. "fund" means the magistrate retirement
22 fund;

23 [~~H.~~] I. "magistrate" means a magistrate judge;

24 [~~I.~~] J. "member" means any magistrate who is in
25 office and covered pursuant to the provisions of the Magistrate

1 Retirement Act, or any person no longer in office who was
 2 previously a magistrate covered pursuant to the provisions of
 3 the Magistrate Retirement Act, who has not retired and who has
 4 not received a refund of member contributions from the fund;

5 ~~[J.]~~ K. "member contributions" means the amounts
 6 deducted from the salary of a member and credited to the
 7 member's individual account, together with interest, if any,
 8 credited thereto;

9 ~~[K.]~~ L. "minor child" means a natural or adopted
 10 child who has not reached his eighteenth birthday and who has
 11 not been emancipated by marriage or otherwise;

12 ~~[L.]~~ M. "pension" means a series of monthly
 13 payments to a retired member or survivor beneficiary pursuant
 14 to the provisions of the Magistrate Retirement Act;

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

24 ~~[N.]~~ O. "retire" means to:

- 25 (1) terminate employment with all employers

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1 covered by any state system or the educational retirement
2 system; and

3 (2) receive a pension from one state system or
4 the educational retirement system;

5 [~~Q.~~] P. "retired member" means a person who has met
6 all requirements for retirement and who is receiving a pension
7 from the fund;

8 [~~P.~~] Q. "salary" means the base salary or wages
9 paid a member, including longevity pay, for personal services
10 rendered; provided that salary does not include overtime pay;
11 allowances for housing, clothing, equipment or travel; payments
12 for unused sick leave, unless the unused sick leave payment is
13 made through continuation of the member on the regular payroll
14 for the period represented by that payment; and any other form
15 of remuneration not specifically designated by law as included
16 in salary pursuant to the provisions of the Magistrate
17 Retirement Act;

18 [~~Q.~~] R. "state system" means the retirement
19 programs provided pursuant to the provisions of the Public
20 Employees Retirement Act, the Magistrate Retirement Act and the
21 Judicial Retirement Act;

22 [~~R.~~] S. "surviving spouse" means the spouse to whom
23 the member was married at the time of the member's death;

24 [~~S.~~] T. "survivor beneficiary" means a person who
25 receives a pension or who has been designated to be paid a

1 pension as a result of the death of a member or retired member;
2 and

3 ~~[F.]~~ U. "years of service" means a period of time
4 beginning on the date a person commences to hold office as a
5 magistrate because of appointment or election and ending on the
6 date a person ceases to hold office as a magistrate because of
7 expiration of the magistrate's term, voluntary resignation,
8 death or disability and shall include any fractions of years of
9 service."

10 SECTION 3. Section 10-12C-4 NMSA 1978 (being Laws 1992,
11 Chapter 118, Section 4) is amended to read:

12 "10-12C-4. MEMBERSHIP.--~~[Except for those magistrates who~~
13 ~~elected pursuant to the provisions of prior law to continue to~~
14 ~~be covered pursuant to the provisions of the Public Employees~~
15 ~~Retirement Act and any magistrate who has previously retired~~
16 ~~pursuant to the provisions of any state system or the~~
17 ~~educational retirement system]~~ Every magistrate while in office
18 ~~[on or after the effective date of the Magistrate Retirement~~
19 ~~Act]~~ shall become a member ~~[upon appointment or election to~~
20 ~~that office]~~ and shall be subject to the provisions of the
21 Magistrate Retirement Act; ~~[upon taking office; unless a~~
22 ~~written application for exemption from membership is filed with~~
23 ~~the association within ninety days of taking office. The~~
24 ~~application for exemption from membership may be revoked by~~
25 ~~filing with the association a written application for~~

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1 membership in the form prescribed by the association. If
2 exemption from membership is revoked, membership shall commence
3 on the first day of the first pay period following the date the
4 application for membership was received by the association.]
5 provided, however, that a magistrate who, prior to July 1,
6 2014, applied for and received an exemption from membership
7 shall not become a member until such exemption ends. A
8 magistrate who is retired under any state system or the
9 educational retirement system shall:

10 A. pay the applicable member contributions and the
11 state, through the administrative office of the courts, shall
12 pay the applicable employer contributions as provided pursuant
13 to the Magistrate Retirement Act; and

14 B. not accrue service credit and shall not be
15 eligible to purchase service credit nor to retire pursuant to
16 the Magistrate Retirement Act."

17 SECTION 4. Section 10-12C-5 NMSA 1978 (being Laws 1992,
18 Chapter 118, Section 5, as amended) is amended to read:

19 "10-12C-5. SERVICE CREDIT--REINSTATEMENT OF FORFEITED
20 SERVICE--PRIOR SERVICE--MILITARY SERVICE.--

21 A. Personal service rendered by a member shall be
22 credited to the member's service credit account in accordance
23 with board rules and regulations. Service shall be credited to
24 the nearest month. In no case shall any member be credited
25 with a year of service for less than twelve months of service

1 in any calendar year or more than a month of service for all
2 service in any calendar month or more than a year of service
3 for all service in any calendar year.

4 B. Service credit shall be forfeited if a member
5 leaves office and withdraws the member's accumulated member
6 contributions. A member or former member who is a member of
7 another state system or the educational retirement system who
8 has forfeited service credit by withdrawal of member
9 contributions may reinstate the forfeited service credit by
10 repaying the amount withdrawn plus compound interest from the
11 date of withdrawal to the date of repayment at a rate set by
12 the board. Withdrawn member contributions may be repaid in
13 increments of one year in accordance with procedures
14 established by the board. Full payment of each one-year
15 increment shall be made in a single lump-sum amount in
16 accordance with procedures established by the board.

17 C. Service credit that a member would have earned
18 if the member had not elected to be excluded from membership
19 may be purchased if the member pays the purchase cost
20 determined pursuant to the provisions of Subsection F of this
21 section.

22 D. A member who during a term of office enters a
23 uniformed service of the United States shall be given service
24 credit for periods of service in the uniformed services subject
25 to the following conditions:

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1 (1) the member returns to office within ninety
2 days following termination of the period of intervening service
3 in the uniformed services or the affiliated employer certifies
4 in writing to the association that the member is entitled to
5 reemployment rights under the federal Uniformed Services
6 Employment and Reemployment Rights Act of 1994;

7 (2) the member retains membership in the
8 association during the period of service in the uniformed
9 services;

10 (3) free service credit shall not be given for
11 periods of intervening service in the uniformed services
12 following voluntary reenlistment. Service credit for such
13 periods shall only be given after the member pays the
14 association the sum of the contributions that the person would
15 have been required to contribute had the person remained
16 continuously employed throughout the period of intervening
17 service following voluntary reenlistment, which payment shall
18 be made during the period beginning with the date of
19 reemployment and whose duration is three times the period of
20 the person's intervening service in the uniformed services
21 following voluntary reenlistment, not to exceed five years;

22 (4) service credit shall not be given for
23 periods of intervening service in the uniformed services that
24 are used to obtain or increase a benefit from another state
25 system or the retirement program provided under the Educational

1 Retirement Act; and

2 (5) the member must not have received a
3 discharge or separation from uniformed service under other than
4 honorable conditions.

5 Notwithstanding any provision of this plan to the
6 contrary, contributions, benefits and service credit with
7 respect to qualified military service will be provided in
8 accordance with Section 414(u) of the Internal Revenue Code of
9 1986, as amended.

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

14 (1) the member pays the purchase cost
15 determined pursuant to the provisions of Subsection F of this
16 section;

17 (2) the member has [~~five or more~~] the
18 applicable minimum number of years of service credit accrued
19 according to the provisions of the Magistrate Retirement Act;

20 (3) the aggregate amount of service credit
21 purchased pursuant to the provisions of this subsection does
22 not exceed five years, reduced by any period of service credit
23 acquired for military service under any other provision of the
24 Magistrate Retirement Act;

25 (4) service credit may not be purchased for

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1 periods of service in the uniformed services that are used to
2 obtain or increase a benefit from another retirement program;
3 and

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

7 F. The purchase cost for each year of service
8 credit purchased pursuant to the provisions of this section
9 shall be the increase in the actuarial present value of the
10 pension of the member under the Magistrate Retirement Act as a
11 consequence of the purchase, as determined by the association.
12 Full payment shall be made in a single lump-sum amount in
13 accordance with procedures established by the board. Except as
14 provided in Subsection G of this section, seventy-five percent
15 of the purchase cost shall be considered to be employer
16 contributions and shall not be refunded to the member in the
17 event of cessation of membership.

18 G. A member shall be refunded, after retirement and
19 upon written request filed with the association, the portion of
20 the purchase cost of service credit purchased pursuant to the
21 provisions of this section that the association determines to
22 have been unnecessary to provide the member with the maximum
23 pension applicable to the member. The association shall not
24 pay interest on the portion of the purchase cost refunded to
25 the member.

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1 H. At any time prior to retirement, a member may
2 purchase service credit in monthly increments, subject to the
3 following conditions:

4 (1) the member has [~~at least five~~] the
5 applicable minimum number of years of service credit acquired
6 as a result of personal service rendered under the Magistrate
7 Retirement Act;

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

10 (3) the member pays full actuarial present
11 value of the amount of the increase in the member's pension as
12 a consequence of the purchase, as determined by the
13 association;

14 (4) the member pays the full cost of the
15 purchase within sixty days of the date the member is informed
16 of the amount of the payment; and

17 (5) the purchase of service credit under this
18 subsection cannot be used to exceed the pension maximum."

19 **SECTION 5.** Section 10-12C-8 NMSA 1978 (being Laws 1992,
20 Chapter 118, Section 8) is amended to read:

21 "10-12C-8. AGE AND SERVICE CREDIT REQUIREMENTS FOR NORMAL
22 RETIREMENT.--

23 A. For a magistrate who was a member on June 30,
24 2014, the age and service credit requirements for retirement
25 provided for in the Magistrate Retirement Act are:

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

3 (2) age sixty years or older and fifteen or
4 more years of service credit; or

5 (3) any age and twenty-four or more years of
6 service credit.

7 B. For a magistrate who initially became a member
8 on or after July 1, 2014, the age and service requirements for
9 normal retirement provided for in the Magistrate Retirement Act
10 are:

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

13 (2) age sixty years or older and fifteen or
14 more years of service credit; or

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

17 [~~B.~~] C. Except for a member who is retired under
18 any state system or the educational retirement system, if a
19 member leaves office for any reason, other than removal
20 pursuant to Article 6, Section 32 of the constitution of New
21 Mexico before meeting the age and service credit requirements
22 for retirement pursuant to the provisions of this section and
23 if that member leaves [~~his~~] the member contributions on deposit
24 in the fund, that member may apply for retirement when that
25 member meets the age and service credit requirements for

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1 retirement pursuant to the provisions of the Magistrate
 2 Retirement Act or provisions of the Public Employees Retirement
 3 Reciprocity Act. [~~if enacted by the second session of the~~
 4 ~~fortieth legislature of the state of New Mexico.~~

5 ~~G.]~~ D. No member shall be eligible to receive a
 6 pension pursuant to the provisions of the Magistrate Retirement
 7 Act while still in office."

8 SECTION 6. Section 10-12C-9 NMSA 1978 (being Laws 1992,
 9 Chapter 118, Section 9) is amended to read:

10 "10-12C-9. AMOUNT OF PENSION.--

11 A. For a magistrate who was a member on June 30,
 12 2014, the monthly pension is an amount equal to the sum of:

13 (1) for service credit earned on or before
 14 June 30, 2014, the amount [~~of pension~~] is equal to one-twelfth
 15 of:

16 seventy-five percent

17 of salary received (number of years of
 18 during last year in X .05 X service, not exceeding
 19 office prior to fifteen years, [+]
 20 retirement plus five years); and

21 (2) for service credit earned on and after
 22 July 1, 2014, an amount equal to one-sixtieth of the greatest
 23 aggregate amount of salary received for sixty consecutive, but
 24 not necessarily continuous, months in office multiplied by the
 25 product of three and one-half percent times the sum of the

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1 number of years of service.

2 B. For a magistrate who initially became a member
3 on or after July 1, 2014, the amount of monthly pension is
4 equal to one-sixtieth of the greatest aggregate amount of
5 salary received for sixty consecutive, but not necessarily
6 continuous, months in office multiplied by the product of three
7 percent times the sum of the number of years of service.

8 C. The amount of monthly pension under form of
9 payment A for a pension calculated pursuant to Subsection B of
10 this section shall not exceed eighty-five percent of one-
11 sixtieth of the greatest aggregate amount of salary received
12 for sixty consecutive, but not necessarily continuous, months
13 prior to the member leaving office.

14 D. The amount of monthly pension payable for a
15 pension calculated pursuant to Subsection A of this section
16 shall not exceed eighty-five percent of one-sixtieth of the
17 greatest aggregate amount of salary received for sixty
18 consecutive, but not necessarily continuous, months prior to
19 the member leaving office. A pension benefit determined
20 pursuant to this subsection shall not be less than the benefit
21 earned as of June 30, 2014."

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

24 "10-12C-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

25 A. On and after July 1, 2014, members, while in

1 office, shall contribute [~~the following amounts~~] ten and one-
 2 half percent of salary to the member contribution fund.

3 [~~(1) through June 30, 2006, six and one-half~~
 4 ~~percent of salary; and~~

5 [~~(2) on and after July 1, 2006, seven and one-~~
 6 ~~half percent of salary, except that for members whose annual~~
 7 ~~salary is greater than twenty thousand dollars (\$20,000):~~

8 [~~(a) from July 1, 2009 through June 30,~~
 9 ~~2011, the member contribution rate shall be nine percent of~~
 10 ~~salary;~~

11 [~~(b) from July 1, 2011 through June 30,~~
 12 ~~2012, the member contribution rate shall be ten and three-~~
 13 ~~fourths percent of salary; and~~

14 [~~(c) from July 1, 2012 through June 30,~~
 15 ~~2013, the member contribution rate shall be nine percent of~~
 16 ~~salary]~~

17 B. Upon implementation, the state, acting as
 18 employer of members covered pursuant to the provisions of the
 19 Magistrate Retirement Act, shall, solely for the purpose of
 20 compliance with Section 414(h) of the Internal Revenue Code of
 21 1986, pick up, for the purposes specified in that section,
 22 member contributions required by this section for all annual
 23 salary earned by the member. Member contributions picked up
 24 pursuant to the provisions of this section shall be treated as
 25 employer contributions for purposes of determining income tax

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1 obligations under the Internal Revenue Code of 1986; however,
2 such picked-up member contributions shall be included in the
3 determination of the member's gross annual salary for all other
4 purposes under federal and state laws. Member contributions
5 picked up pursuant to the provisions of this section shall
6 continue to be designated member contributions for all purposes
7 of the Magistrate Retirement Act and shall be considered as
8 part of the member's annual salary for purposes of determining
9 the amount of the member's contribution. The provisions of
10 this section are mandatory, and the member shall have no option
11 concerning the pick up or concerning the receipt of the
12 contributed amounts directly instead of having the amounts paid
13 by the employer to the retirement system. Implementation
14 occurs upon authorization by the board. In no event may
15 implementation occur other than at the beginning of a pay
16 period applicable to the member."

17 SECTION 8. Section 10-12C-11 NMSA 1978 (being Laws 1992,
18 Chapter 118, Section 11, as amended) is amended to read:

19 "10-12C-11. EMPLOYER CONTRIBUTIONS.--

20 A. The state, through the administrative office of
21 the courts, shall contribute ~~[the following amounts]~~ to the
22 fund fifteen percent of salary for each member in office,
23 except that,

24 [~~(1) through June 30, 2006, ten percent of~~
25 ~~salary for each member in office; and~~

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1 ~~(2) on and after July 1, 2006, eleven percent~~
 2 ~~of salary for each member in office, except that for members~~
 3 ~~whose annual salary is greater than twenty thousand dollars~~
 4 ~~(\$20,000):~~

5 ~~(a) from July 1, 2009 through June 30,~~
 6 ~~2011, the state contribution rate shall be nine and one-half~~
 7 ~~percent of salary for each member in office;~~

8 ~~(b) from July 1, 2011 through June 30,~~
 9 ~~2012, the state contribution rate shall be seven and three-~~
 10 ~~fourths percent of salary for each member in office; and~~

11 ~~(c)]~~ from July 1, [2012] 2014 through
 12 June 30, [2013] 2015, the state contribution rate shall be
 13 [~~nine and one-half~~] eleven percent of salary for each member in
 14 office.

15 B. Twenty-five dollars (\$25.00) from each civil
 16 case docket fee paid in magistrate court and ten dollars
 17 (\$10.00) from each civil jury fee paid in magistrate court
 18 shall be paid by the court clerk to the employer's accumulation
 19 fund."

20 SECTION 9. Section 10-12C-12 NMSA 1978 (being Laws 1992,
 21 Chapter 118, Section 12) is amended to read:

22 "10-12C-12. DISABILITY RETIREMENT PENSION.--

23 A. A magistrate with [~~five~~] the applicable minimum
 24 number of years [~~or more~~] of service credit accrued pursuant to
 25 the provisions of the Magistrate Retirement Act who becomes

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1 unable to carry out the duties of that office due to physical
2 or mental disability shall, upon determination of the
3 disability and relinquishment of office, receive a pension from
4 the fund so long as the disability continues. Determination of
5 disability shall be made by the board in accordance with the
6 provisions of the Public Employees Retirement Act and rules
7 promulgated [~~thereunder~~] pursuant to that act.

8 B. The amount of the pension shall be calculated
9 using the formula for normal retirement set out in Section [9
10 ~~of the Magistrate Retirement Act~~] 10-12C-9 NMSA 1978.

11 C. The [~~five-year~~] applicable service credit
12 requirement shall be waived if the board finds the disability
13 to have been the natural and proximate result of causes arising
14 solely and exclusively out of and in the course of the member's
15 performance of duty as a magistrate, and the amount of pension
16 shall be computed as if the member had [~~five~~] the applicable
17 minimum number of years of service credit as a magistrate."

18 SECTION 10. Section 10-12C-13 NMSA 1978 (being Laws 1992,
19 Chapter 118, Section 13) is amended to read:

20 "10-12C-13. SURVIVOR'S PENSION.--For a member whose
21 initial term in office began prior to July 1, 2014:

22 A. unless [a] the member has designated a survivor
23 beneficiary in accordance with Subsection B of this section, a
24 survivor pension shall be paid for life to a member's or
25 retired member's surviving spouse;

1 B. [A] the member may designate, in writing in a
2 form prescribed by the association, a survivor beneficiary to
3 receive the survivor's pension described in this section. If
4 the member is married, a designation of survivor beneficiary
5 other than the member's spouse may only be made with the
6 written consent of the member's spouse. Marriage subsequent to
7 a designation of survivor beneficiary shall automatically
8 revoke the designation of survivor beneficiary. A designation
9 of survivor beneficiary made pursuant to a court order issued
10 under Section [~~7 of the Magistrate Retirement Act~~] 10-12C-7
11 NMSA 1978 shall not require the consent of the member's spouse,
12 if any, and shall not be revoked by the subsequent remarriage
13 of the member. A designation of survivor beneficiary may be
14 revoked by the member at any time prior to the member's
15 retirement. If the member is married, a revocation of
16 designation of survivor beneficiary may only be made with the
17 written consent of the member's spouse;

18 C. if there is no surviving spouse and no
19 designated survivor beneficiary or if the surviving spouse dies
20 while there are still minor and dependent children of the
21 member, the survivor's pension shall be paid to all minor and
22 dependent children, if any, of the member, in equal shares, so
23 long as each child remains a minor or dependent child. As each
24 child ceases to be a minor or dependent child, the number of
25 shares shall be reduced and the amount payable to each

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1 remaining child increased proportionately so that the total
2 survivor's pension remains unchanged as long as there is any
3 such child;

4 D. the survivor's pension is equal to seventy-five
5 percent of the member's pension;

6 E. survivor beneficiaries shall be eligible for
7 other benefits provided pursuant to the provisions of the
8 Magistrate Retirement Act, including cost-of-living adjustments
9 and continuation of group insurance benefits; and

10 F. if a member dies while receiving a disability
11 retirement pension, the survivor beneficiary shall receive the
12 survivor pension provided pursuant to the provisions of the
13 Magistrate Retirement Act."

14 SECTION 11. A new section of the Magistrate Retirement
15 Act, Section 10-12C-13.1 NMSA 1978, is enacted to read:

16 "10-12C-13.1. [NEW MATERIAL] ELECTION FORM OF PENSION.--
17 For a member whose initial term in office begins on or after
18 July 1, 2014, except as otherwise provided in Section 10-12C-7
19 NMSA 1978:

20 A. the member may elect to have pension payments
21 made under any one of the forms of payment provided in Section
22 10-12C-13.2 NMSA 1978. The election of form of payment and
23 naming of survivor pension beneficiary shall be made on a form
24 furnished by and filed with the association prior to the date
25 the first pension payment is made. An election of form of

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1 payment may not be changed after the date the first pension
2 payment is made. If the member is married, the association
3 shall require the consent of the member's spouse to the
4 election of the form of payment and any designation of survivor
5 pension beneficiary before the election or designation is
6 effective. Except as provided in Subsection C, D or E of this
7 section, a named survivor pension beneficiary may not be
8 changed after the date the first pension payment is made if
9 form of payment B or C is elected. Except as otherwise
10 provided in Section 10-12C-7 NMSA 1978, payment shall be made:

11 (1) under form of payment A if the member is
12 not married at the time of retirement and if there is not a
13 timely election of another form of payment; or

14 (2) under form of payment C with the member's
15 spouse as survivor pension beneficiary if the member is married
16 at the time of retirement and there is not a timely election of
17 another form of payment;

18 B. the amount of pension under forms of payment B,
19 C and D shall have the same actuarial present value, computed
20 as of the effective date of the pension, as the amount of
21 pension under form of payment A;

22 C. if the member is a retired member who is being
23 paid a pension under form of payment B or C with the member's
24 spouse as the designated survivor pension beneficiary, the
25 retired member may, upon becoming divorced from the named

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1 spouse and subject to an order of a court as provided for in
2 Section 10-12C-7 NMSA 1978, elect to have future payments made
3 under form of payment A;

4 D. if the member is retired and was previously
5 being paid a pension under form of payment B or C but, because
6 of the death of the designated survivor pension beneficiary, is
7 currently receiving a pension under form of payment A, the
8 retired member may exercise a one-time irrevocable option to
9 designate another individual as the survivor pension
10 beneficiary and may select either form of payment B or form of
11 payment C; provided that:

12 (1) the amount of the pension under the form
13 of payment selected shall be recalculated and have the same
14 actuarial present value, computed on the effective date of the
15 designation, as the amount of pension under form of payment A;

16 (2) the designation and the amount of the
17 pension shall be subject to a court order as provided for in
18 Section 10-12C-7 NMSA 1978; and

19 (3) the retired member shall pay one hundred
20 dollars (\$100) to the board to defray the cost of determining
21 the new pension amount; and

22 E. if the member is a retired member who is being
23 paid a pension under form of payment B or C with a living
24 designated survivor pension beneficiary other than the retired
25 member's spouse or former spouse, the retired member may

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1 exercise a one-time irrevocable option to deselect the
2 designated beneficiary and elect to:

3 (1) designate another survivor pension
4 beneficiary; provided that:

5 (a) the retired member shall not have an
6 option to change from the current form of payment;

7 (b) the amount of the pension under the
8 form of payment shall be recalculated and shall have the same
9 actuarial present value, computed as of the effective date of
10 the designation, as the amount of pension under form of payment
11 A; and

12 (c) the retired member shall pay one
13 hundred dollars (\$100) to the board to defray the cost of
14 determining the new pension amount; or

15 (2) have future payments made under form of
16 payment A."

17 **SECTION 12.** A new section of the Magistrate Retirement
18 Act, Section 10-12C-13.2 NMSA 1978, is enacted to read:

19 "10-12C-13.2. [NEW MATERIAL] FORM OF PENSION PAYMENT.--

20 A. Straight life pension is form of payment A. The
21 retired member is paid the pension for life under form of
22 payment A. All payments stop upon the death of the retired
23 member, except as provided by Subsection E of this section.
24 The amount of pension is determined in accordance with the
25 coverage plan applicable to the retired member.

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1 B. Life payments with full continuation to one
2 survivor beneficiary is form of payment B. The retired member
3 is paid a reduced pension for life under form of payment B.
4 When the retired member dies, the designated survivor
5 beneficiary is paid the full amount of the reduced pension
6 until death. If the designated survivor beneficiary
7 predeceases the retired member, the amount of pension shall be
8 changed to the amount that would have been payable had the
9 retired member elected form of payment A.

10 C. Life payment with one-half continuation to one
11 survivor beneficiary is form of payment C. The retired member
12 is paid a reduced pension for life under form of payment C.
13 When the retired member dies, the designated survivor
14 beneficiary is paid one-half the amount of the reduced pension
15 until death. If the designated survivor beneficiary
16 predeceases the retired member, the amount of pension shall be
17 changed to the amount that would have been payable had the
18 retired member elected form of payment A.

19 D. Life payments with temporary survivor benefits
20 for children is form of payment D. The retired member is paid
21 a reduced pension for life under form of payment D. When the
22 retired member dies, each declared eligible child is paid a
23 share of the reduced pension until death or age twenty-five
24 years, whichever occurs first. The share is the share
25 specified in writing and filed with the association by the

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1 retired member. If shares are not specified in writing and
 2 filed with the association, each declared eligible child is
 3 paid an equal share of the reduced pension. A redetermination
 4 of shares shall be made when the pension of any child
 5 terminates. An eligible child is a natural or adopted child of
 6 the retired member who is under age twenty-five years. A
 7 declared eligible child is an eligible child whose name has
 8 been declared in writing and filed with the association by the
 9 retired member at the time of election of form of payment D.
 10 The amount of pension shall be changed to the amount of pension
 11 that would have been payable had the retired member elected
 12 form of payment A upon there ceasing to be a declared eligible
 13 child during the lifetime of the retired member.

14 E. If all pension payments permanently terminate
 15 before there is paid an aggregate amount equal to the retired
 16 member's accumulated member contributions at the time of
 17 retirement, the difference between the amount of accumulated
 18 member contributions and the aggregate amount of pension paid
 19 shall be paid to the retired member's refund beneficiary. If
 20 no refund beneficiary survives the retired member, the
 21 difference shall be paid to the estate of the retired member."

22 **SECTION 13.** A new section of the Magistrate Retirement
 23 Act, Section 10-12C-13.3 NMSA 1978, is enacted to read:

24 "10-12C-13.3. [NEW MATERIAL] DEATH BEFORE RETIREMENT--
 25 SURVIVOR PENSION.--For a member whose initial term in office

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1 begins on or after July 1, 2014:

2 A. a survivor pension may be paid to certain
3 persons related to or designated by a member who dies before
4 normal or disability retirement if a written application for
5 the pension, in the form prescribed by the association, is
6 filed with the association by the potential survivor
7 beneficiary or beneficiaries within one year of the death of
8 the member. Applications may be filed on behalf of the
9 potential survivor beneficiary or beneficiaries or by a person
10 legally authorized to represent them;

11 B. if there is no designated survivor beneficiary
12 and the board finds the death to have been the natural and
13 proximate result of causes arising solely and exclusively out
14 of and in the course of the member's performance of duty while
15 in office, a survivor pension shall be payable to the eligible
16 surviving spouse. The amount of the survivor pension shall be
17 the greater of:

18 (1) the amount as calculated pursuant to the
19 Magistrate Retirement Act and applicable to the deceased member
20 at the time of death as though the deceased member had retired
21 the day preceding death under form of payment B using the
22 actual amount of service credit attributable to the deceased
23 member at the time of death; or

24 (2) fifty percent of the deceased member's
25 final average salary;

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1 C. a survivor pension shall also be payable to
2 eligible surviving children if there is no designated survivor
3 beneficiary and the board finds the death to have been the
4 natural and proximate result of causes arising solely and
5 exclusively out of and in the course of the member's
6 performance of duty while in office. The total amount of
7 survivor pension payable for all eligible surviving children
8 shall be either:

9 (1) fifty percent of the deceased member's
10 final average salary if an eligible surviving spouse is not
11 paid a pension; or

12 (2) twenty-five percent of the deceased
13 member's final average salary if an eligible surviving spouse
14 is paid a pension.

15 The total amount of survivor pension shall be divided
16 equally among all eligible surviving children. If there is
17 only one eligible child, the amount of pension shall be
18 twenty-five percent of the deceased member's final average
19 salary;

20 D. if the member had the applicable minimum number
21 of years of service credit required for normal retirement but
22 the board did not find the death to have been the natural and
23 proximate result of causes arising solely and exclusively out
24 of and in the course of the member's performance of duty while
25 in office and there is no designated survivor beneficiary, a

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1 survivor pension shall be payable to the eligible surviving
2 spouse. The amount of the survivor pension shall be the
3 greater of:

4 (1) the amount as calculated under the
5 coverage plan applicable to the deceased member at the time of
6 death as though the deceased member had retired the day
7 preceding death under form of payment B using the total amount
8 of actual service credit attributable to the deceased member at
9 the time of death; or

10 (2) thirty percent of the deceased member's
11 final average salary;

12 E. if the member had the applicable minimum number
13 of years of service credit required for normal retirement but
14 the board did not find the death to have been the natural and
15 proximate result of causes arising solely and exclusively out
16 of and in the course of the member's performance of duty while
17 in office and there is no designated survivor beneficiary, and
18 if there is no eligible surviving spouse at the time of death,
19 a survivor pension shall be payable to and divided equally
20 among all eligible surviving children, if any. The total
21 amount of survivor pension payable for all eligible surviving
22 children shall be the greater of:

23 (1) the amount as calculated under the
24 coverage plan applicable to the deceased member at the time of
25 death as though the deceased member had retired the day

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1 preceding death under form of payment B with the oldest
2 eligible surviving child as the survivor beneficiary using the
3 total amount of actual service credit attributable to the
4 deceased member at the time of death; or

5 (2) thirty percent of the deceased member's
6 final average salary;

7 F. an eligible surviving spouse is the spouse to
8 whom the deceased member was married at the time of death. An
9 eligible surviving child is a child under the age of eighteen
10 years and who is an unmarried, natural or adopted child of the
11 deceased member;

12 G. an eligible surviving spouse's pension shall
13 terminate upon death. An eligible surviving child's pension
14 shall terminate upon death or marriage or reaching age eighteen
15 years, whichever comes first;

16 H. if there is no designated survivor beneficiary
17 and there is no eligible surviving child, the eligible
18 surviving spouse may elect to be refunded the deceased member's
19 accumulated member contributions instead of receiving a
20 survivor pension;

21 I. a member may designate a survivor beneficiary to
22 receive a pre-retirement survivor pension, subject to the
23 following conditions:

24 (1) a written designation, in the form
25 prescribed by the association, is filed by the member with the

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1 association;

2 (2) if the member is married at the time of
3 designation, the designation shall only be made with the
4 consent of the member's spouse, in the form prescribed by the
5 association;

6 (3) if the member is married subsequent to the
7 time of designation, any prior designations shall automatically
8 be revoked upon the date of the marriage;

9 (4) if the member is divorced subsequent to
10 the time of designation, any prior designation of the former
11 spouse as survivor beneficiary shall automatically be revoked
12 upon the date of divorce; and

13 (5) a designation of survivor beneficiary may
14 be changed, with the member's spouse's consent if the member is
15 married, by the member at any time prior to the member's death;

16 J. if there is a designated survivor beneficiary
17 and the board finds the death to have been the natural and
18 proximate result of causes arising solely and exclusively out
19 of and in the course of the member's performance of duty while
20 in office, a survivor pension shall be payable to the
21 designated survivor beneficiary. The amount of the survivor
22 pension shall be the greater of:

23 (1) the amount as calculated under the
24 coverage plan applicable to the deceased member at the time of
25 death as though the deceased member had retired the day

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1 preceding death under form of payment B using the actual amount
2 of service credit attributable to the member at the time of
3 death; or

4 (2) fifty percent of the deceased member's
5 final average salary;

6 K. if there is a designated survivor beneficiary,
7 if the member had the applicable minimum number of years of
8 service credit required for normal retirement and if the board
9 did not find the death to have been the natural and proximate
10 result of causes arising solely and exclusively out of and in
11 the course of the member's performance of duty while in office,
12 a survivor pension shall be payable to the designated survivor
13 beneficiary. The amount of the survivor pension shall be the
14 greater of:

15 (1) the amount as calculated under the
16 coverage plan applicable to the deceased member at the time of
17 death as though the deceased member had retired the day
18 preceding death under form of payment B using the actual amount
19 of service credit attributable to the member at the time of
20 death; or

21 (2) thirty percent of the deceased member's
22 final average salary;

23 L. if all pension payments permanently terminate
24 before there is paid an aggregate amount equal to the deceased
25 member's accumulated member contributions at time of death, the

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underscored material = new
[bracketed material] = delete

1 difference between the amount of accumulated member
2 contributions and the aggregate amount of pension paid shall be
3 paid to the deceased member's refund beneficiary. If no refund
4 beneficiary survives the survivor beneficiary, the difference
5 shall be paid to the estate of the deceased member; and

6 M. and for purposes of this section, "service
7 credit" means only the service credit earned by a member during
8 periods in office as a magistrate."

9 SECTION 14. Section 10-12C-14 NMSA 1978 (being Laws 1992,
10 Chapter 118, Section 14) is amended to read:

11 "10-12C-14. COST-OF-LIVING ADJUSTMENT.--A [~~yearly~~]
12 qualified pension recipient is eligible for a cost-of-living
13 adjustment [~~shall be made to each pension~~] payable pursuant to
14 the provisions of the Magistrate Retirement Act [~~as provided in~~
15 ~~the Public Employees Retirement Act]~~ as follows:

16 A. beginning July 1, 2014 and continuing through
17 June 30, 2016, there shall not be a cost-of-living adjustment
18 applied to a pension payable pursuant to the Magistrate
19 Retirement Act; and

20 B. beginning on May 1, 2016 and no later than each
21 May 1 thereafter:

22 (1) the board shall certify to the association
23 the actuarial funded ratio of the fund as of June 30 of the
24 preceding calendar year;

25 (2) if, pursuant to Paragraph (1) of this

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1 subsection, the certified funded ratio is greater than or equal
2 to one hundred percent, the board shall next certify the
3 projected funded ratio of the fund on July 1 of the next
4 succeeding calendar year if, effective July 1 of the current
5 calendar year, a cost-of-living increase of two percent is
6 applied to all payable pensions; and

7 (3) on each July 1 following the board's
8 certification of the funded ratio, the cost-of-living
9 adjustment, if any, applied to a pension payable pursuant to
10 the Magistrate Retirement Act shall be determined as follows:

11 (a) if, pursuant to Paragraph (1) of
12 this subsection, the funded ratio of the fund is greater than
13 or equal to one hundred percent, and if, pursuant to Paragraph
14 (2) of this subsection, the projected funded ratio is greater
15 than or equal to one hundred percent, the amount of pension
16 payable beginning July 1 of the next fiscal year shall be
17 increased two percent. The amount of the increase shall be
18 determined by multiplying the amount of the pension inclusive
19 of all prior adjustments by two percent; and

20 (b) if the funded ratio of the fund, as
21 certified pursuant to Paragraph (1) or (2) of this subsection,
22 is less than one hundred percent, the amount of pension payable
23 shall not include a cost-of-living increase; provided, however,
24 that, if, pursuant to the provisions of this subparagraph, the
25 cost-of-living adjustment is suspended for the two consecutive

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1 fiscal years immediately prior to the most recent certification
2 by the board of the funded ratio: 1) the amount of pension
3 payable in the fiscal year immediately following the two-year
4 suspension shall be increased two percent regardless of the
5 certified funded ratio; and 2) thereafter, if, pursuant to the
6 provisions of Paragraph (1) of this subsection, the certified
7 funded ratio is less than one hundred percent, the provisions
8 of this subsection shall apply without exception in the next
9 succeeding fiscal year."

10 SECTION 15. A new section of the Magistrate Retirement
11 Act, Section 10-12C-14.1 NMSA 1978, is enacted to read:

12 "10-12C-14.1. [NEW MATERIAL] QUALIFIED PENSION
13 RECIPIENT--COST-OF-LIVING ADJUSTMENT WAIT PERIOD--DECLINING
14 INCREASE.--

15 A. Pursuant to the Magistrate Retirement Act, a
16 qualified pension recipient is a:

17 (1) normal retired member who retires:

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

22 (b) between July 1, 2014 and June 30,
23 2015 and has been retired for at least three full calendar
24 years from the effective date of the latest retirement prior to
25 July 1 of the year in which the pension is being adjusted;

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1 (c) between July 1, 2015 and June 30,
2 2016 and has been retired for at least four full calendar years
3 from the effective date of the latest retirement prior to July
4 1 of the year in which the pension is being adjusted; or

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

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

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

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

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

25 B. A qualified pension recipient may decline an

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1 increase in a pension by giving the association written notice
2 of the decision to decline the increase at least thirty days
3 prior to the date the increase would take effect."

4 SECTION 16. SEVERABILITY.--If any part or application of
5 this act is held invalid, the remainder or its application to
6 other situations or persons shall not be affected.

7 SECTION 17. EFFECTIVE DATE.--The effective date of the
8 provisions of this act is July 1, 2014.

underscored material = new
[bracketed material] = delete

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