



The Legislature  
of the  
State of New Mexico

49th Legislature, 2nd Session

LAWS 2010

CHAPTER 81

HOUSE BILL 239

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Introduced by

REPRESENTATIVE RICK MIERA

REPRESENTATIVE MIMI STEWART



# Chapter 81

## AN ACT

RELATING TO EDUCATIONAL RETIREMENT; PREVENTING A NEGATIVE  
CONSUMER PRICE INDEX ADJUSTMENT FROM REDUCING A MEMBER'S  
CURRENT BENEFIT.

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

Section 1. Section 22-11-31 NMSA 1978 (being Laws 1979,  
Chapter 333, Section 2, as amended) is amended to read:

"22-11-31. COST-OF-LIVING ADJUSTMENT--ADDITIONAL  
CONTRIBUTIONS.--

A. For the purposes of this section:

(1) "adjustment factor" means a  
multiplicative factor computed to provide an annuity  
adjustment pursuant to the provisions of Subsection B of this  
section;

(2) "annuity" means any benefit payable  
under the Educational Retirement Act or the Public Employees  
Retirement Reciprocity Act as a retirement benefit, disability  
benefit or survivor benefit;

(3) "calendar year" means the full twelve  
months beginning January 1 and ending December 31;

(4) "consumer price index" means the average  
of the monthly consumer price indexes for a calendar year for  
the entire United States for all items as published by the  
United States department of labor;

1 (5) "next preceding calendar year" means the  
2 full calendar year immediately prior to the preceding calendar  
3 year; and

4 (6) "preceding calendar year" means the full  
5 calendar year preceding the July 1 on which a benefit is to be  
6 adjusted.

7 B. On or after July 1, 1984, each annuity shall be  
8 adjusted annually and cumulatively commencing on July 1 of the  
9 year in which a member attains the age of sixty-five or on  
10 July 1 following the year a member retires, whichever is  
11 later. The annuity shall be adjusted by applying an  
12 adjustment factor that results in an adjustment equal to one-  
13 half of the percentage increase of the consumer price index  
14 between the next preceding calendar year and the preceding  
15 calendar year, except that the adjustment shall not exceed  
16 four percent, in absolute value, nor be less than two percent,  
17 in absolute value. In the event that the percentage increase  
18 of the consumer price index is less than two percent, in  
19 absolute value, the adjustment factor shall be the same as the  
20 percentage increase of the consumer price index. Annuities  
21 shall not be decreased in the event that there is a decrease  
22 in the consumer price index between the next preceding  
23 calendar year and the preceding calendar year.

24 C. A retired member whose benefit is subject to  
25 adjustment under the provisions of the Educational Retirement

1 Act in effect prior to July 1, 1984 shall have the member's  
2 annuity readjusted annually and cumulatively under the  
3 provisions of that act in effect prior to July 1, 1984 until  
4 July 1 of the year in which the member attains the age of  
5 sixty-five, when the member shall have the annuity readjusted  
6 annually and cumulatively under the provisions of this  
7 section. A member who retires after attaining the age of  
8 sixty-five shall have the member's annuity adjusted annually  
9 and cumulatively commencing on July 1 of the year following  
10 the member's retirement.

11 D. A retired member who returns to work shall be  
12 subject to the provisions of this section as they exist at the  
13 time of the member's final retirement.

14 E. Benefits of a member who is on a disability  
15 status in accordance with Section 22-11-35 NMSA 1978 or a  
16 member who the board certifies was disabled at regular  
17 retirement shall be adjusted in accordance with Subsections B  
18 and C of this section, except that the benefits shall be  
19 adjusted annually and cumulatively commencing on July 1 of the  
20 third full year following the year in which the member was  
21 approved by the board for disability or retirement.

22 F. The board shall adjust the benefits of each  
23 person receiving an annuity as of June 30, 1999. The  
24 adjustment shall be made on July 1, 1999 on the basis of an  
25 increase of two dollars (\$2.00) per month for each year since

1 the member's last retirement plus an increase of one dollar  
2 (\$1.00) per month for each year of credited service at the  
3 time of the last retirement."

4 Section 2. EFFECTIVE DATE.--The effective date of the  
5 provisions of this act is July 1, 2010.

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LEGISLATIVE SERVICES DIVISION  
STATE OF MICHIGAN



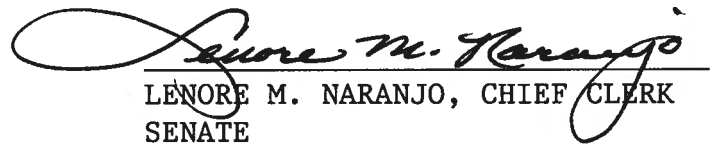
BEN LUJAN, SPEAKER  
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HOUSE OF REPRESENTATIVES



DIANE D. DENISH, PRESIDENT  
SENATE



LENORE M. NARANJO, CHIEF CLERK  
SENATE

Approved by me this 8<sup>th</sup> day of March, 2010



BILL RICHARDSON, GOVERNOR  
STATE OF NEW MEXICO

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