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AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
AMENDING THE GROUP INSURANCE CONTRIBUTIONS FOR SCHOOL
DISTRICTS, CHARTER SCHOOLS AND PARTICIPATING ENTITIES IN THE
PUBLIC SCHOOL INSURANCE AUTHORITY.

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

SECTION 1. Section 10-7-4 NMSA 1978 (being Laws 1941,
Chapter 188, Section 1, as amended) is amended to read:

"10-7-4. GROUP INSURANCE--CAFETERIA PLAN--CONTRIBUTIONS
FROM PUBLIC FUNDS.--

A. All state departments and institutions and all
political subdivisions of the state, excluding
municipalities, counties and political subdivisions of the
state with twenty-five employees or fewer, shall cooperate in
providing group term life, medical or disability income
insurance for the benefit of eligible employees or salaried
officers of the respective departments, institutions and
political subdivisions.

B. The group insurance contributions of the state
or any of its departments or institutions, including
institutions of higher education, shall be made as follows:

(1) at least seventy-five percent of the
cost of the insurance of an employee whose annual salary is
less than fifteen thousand dollars (\$15,000);

1 (2) at least seventy percent of the cost of
2 the insurance of an employee whose annual salary is fifteen
3 thousand dollars (\$15,000) or more but less than twenty
4 thousand dollars (\$20,000);

5 (3) at least sixty-five percent of the cost
6 of the insurance of an employee whose annual salary is twenty
7 thousand dollars (\$20,000) or more but less than twenty-five
8 thousand dollars (\$25,000); and

9 (4) at least sixty percent of the cost of
10 the insurance of an employee whose annual salary is twenty-
11 five thousand dollars (\$25,000) or more.

12 C. The group insurance contributions of school
13 districts and charter schools shall be made as follows:

14 (1) at least eighty percent of the cost of
15 the insurance of an employee whose annual salary is less than
16 fifty thousand dollars (\$50,000);

17 (2) at least seventy percent of the cost of
18 the insurance of an employee whose annual salary is fifty
19 thousand dollars (\$50,000) or more but less than sixty
20 thousand dollars (\$60,000); and

21 (3) at least sixty percent of the cost of
22 the insurance of an employee whose annual salary is sixty
23 thousand dollars (\$60,000) or more.

24 D. Effective July 1, 2004, the group insurance
25 contributions of the state or any of its executive, judicial

1 or legislative departments, including agencies, boards or
2 commissions, shall be made as follows; provided that the
3 contribution percentage shall be the same for all affected
4 public employees in a given salary bracket:

5 (1) up to eighty percent of the cost of the
6 insurance of an employee whose annual salary is less than
7 thirty thousand dollars (\$30,000);

8 (2) up to seventy percent of the cost of the
9 insurance of an employee whose annual salary is thirty
10 thousand dollars (\$30,000) or more but less than forty
11 thousand dollars (\$40,000); and

12 (3) up to sixty percent of the cost of the
13 insurance of an employee whose annual salary is forty
14 thousand dollars (\$40,000) or more.

15 E. Except as provided in Subsection H of this
16 section, effective July 1, 2005, the group insurance
17 contributions of the state or any of its executive, judicial
18 or legislative departments, including agencies, boards or
19 commissions, shall be made as follows; provided that the
20 contribution percentage shall be the same for all affected
21 public employees in a given salary bracket:

22 (1) up to eighty percent of the cost of the
23 insurance of an employee whose annual salary is less than
24 fifty thousand dollars (\$50,000);

25 (2) up to seventy percent of the cost of the

1 insurance of an employee whose annual salary is fifty
2 thousand dollars (\$50,000) or more but less than sixty
3 thousand dollars (\$60,000); and

4 (3) up to sixty percent of the cost of the
5 insurance of an employee whose annual salary is sixty
6 thousand dollars (\$60,000) or more.

7 F. Effective July 1, 2013, the employer shall pay
8 one hundred percent of basic life insurance premiums for
9 employees, and employees who choose to carry disability
10 insurance shall pay one hundred percent of the premium.

11 G. The state shall not make any group insurance
12 contributions for legislators. A legislator shall be
13 eligible for group benefits only if the legislator
14 contributes one hundred percent of the cost of the insurance.

15 H. An employer shall pay one hundred percent of
16 the employee group insurance contributions due and payable on
17 or after July 1, 2016 for an employee who is injured while
18 performing a public safety function or duty and, as a result
19 of the injury, is placed on approved workers' compensation
20 leave.

21 I. As used in this section, "cost of the
22 insurance" means the premium required to be paid to provide
23 coverages. Any contributions of the political subdivisions
24 of the state, except the public schools and political
25 subdivisions of the state with twenty-five employees or

1 fewer, shall not exceed sixty percent of the cost of the
2 insurance.

3 J. When a public employee elects to participate in
4 a cafeteria plan as authorized by the Cafeteria Plan Act and
5 enters into a salary reduction agreement with the
6 governmental employer, the provisions of Subsections B
7 through G of this section with respect to the maximum
8 contributions that can be made by the employer are not
9 violated and will still apply. The employer percentage or
10 dollar contributions as provided in Subsections B through E
11 of this section shall be determined by the employee's gross
12 salary prior to any salary reduction agreement.

13 K. Any group medical insurance plan offered
14 pursuant to this section shall include effective cost-
15 containment measures to control the growth of health care
16 costs. The responsible public body that administers a plan
17 offered pursuant to this section shall report annually by
18 September 1 to appropriate interim legislative committees on
19 the effectiveness of the cost-containment measures required
20 by this subsection.

21 L. Within available revenue, school districts,
22 charter schools and participating entities pursuant to the
23 Public School Insurance Authority Act may contribute up to
24 one hundred percent of the cost of the insurance of all
25 employees and institutions of higher education may contribute

1 up to eighty percent of the cost of the insurance of all
2 employees."

3 SECTION 2. Section 22-29-10 NMSA 1978 (being Laws 1989,
4 Chapter 373, Section 5, as amended) is amended to read:

5 "22-29-10. GROUP INSURANCE CONTRIBUTIONS.--

6 A. Group insurance contributions for school
7 districts, charter schools and participating entities in the
8 authority shall be made as follows:

9 (1) at least eighty percent of the cost of
10 the insurance of an employee whose annual salary is less than
11 fifty thousand dollars (\$50,000);

12 (2) at least seventy percent of the cost of
13 the insurance of an employee whose annual salary is fifty
14 thousand dollars (\$50,000) or more but less than sixty
15 thousand dollars (\$60,000); and

16 (3) at least sixty percent of the cost of
17 the insurance of an employee whose annual salary is sixty
18 thousand dollars (\$60,000) or more.

19 B. Within available revenue, school districts,
20 charter schools and participating entities in the authority
21 may contribute up to one hundred percent of the cost of the
22 insurance of all employees.

23 C. Whenever a school district, charter school or
24 participating entity in the authority offers to its employees
25 alternative health plan benefit options, including health

1 maintenance organizations, preferred provider organizations
2 or panel doctor plans, the school district, charter school or
3 participating entity may pay an amount on behalf of the
4 employee and family member for the indemnity health insurance
5 plan sufficient to result in equal employee monthly costs to
6 the cost of the health maintenance organization plans,
7 preferred provider organization plans or panel doctor plans,
8 regardless of the percentage limitations in the Public School
9 Insurance Authority Act. School districts, charter schools
10 and participating entities in the authority may pay up to one
11 hundred percent of the first fifty thousand dollars (\$50,000)
12 of term life insurance."

13 SECTION 3. EFFECTIVE DATE.--The effective date of the
14 provisions of this act is July 1, 2023. _____

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