

HOUSE GOVERNMENT, ELECTIONS AND INDIAN AFFAIRS
COMMITTEE SUBSTITUTE FOR
HOUSE BILL 78

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

AN ACT

RELATING TO PUBLIC EMPLOYEES; AMENDING THE PUBLIC EMPLOYEES
RETIREMENT ACT AND PUBLIC EMPLOYER GROUP INSURANCE PROVISIONS;
REQUIRING THAT AN AFFILIATED PUBLIC EMPLOYER PAY CERTAIN
EMPLOYEES' MEMBER CONTRIBUTIONS AND GROUP INSURANCE
CONTRIBUTIONS IF THE EMPLOYEE SUSTAINS A NON-ADMINISTRATIVE
WORK-RELATED INJURY RENDERING THE EMPLOYEE ABSENT FROM WORK ON
APPROVED WORKERS' COMPENSATION LEAVE.

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,

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underscored material = new
[bracketed material] = delete

1 counties and political subdivisions of the state with twenty-
2 five employees or fewer, shall cooperate in providing group
3 term life, medical or disability income insurance for the
4 benefit of eligible employees or salaried officers of the
5 respective departments, institutions and political
6 subdivisions.

7 B. The group insurance contributions of the state
8 or any of its departments or institutions, including
9 institutions of higher education and the public schools, shall
10 be made as follows:

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

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

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

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

25 C. Effective July 1, 2004, the group insurance

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

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

9 (2) up to seventy percent of the cost of the
 10 insurance of an employee whose annual salary is thirty thousand
 11 dollars (\$30,000) or more but less than forty thousand dollars
 12 (\$40,000); and

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

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

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

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1 (2) up to seventy percent of the cost of the
2 insurance of an employee whose annual salary is fifty thousand
3 dollars (\$50,000) or more but less than sixty thousand dollars
4 (\$60,000); and

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

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

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

16 G. An employer shall pay one hundred percent of the
17 employee group insurance contributions due and payable on or
18 after July 1, 2015 for an employee who is injured while
19 performing a public safety function or duty and, as a result of
20 the injury, is placed on approved workers' compensation leave.

21 [~~G.~~] H. 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 of
24 the state, except the public schools and political subdivisions
25 of the state with twenty-five employees or fewer, shall not

1 exceed sixty percent of the cost of the insurance.

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

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

20 ~~[J.]~~ K. Within available revenue, school districts,
21 charter schools, participating entities pursuant to the Public
22 School Insurance Authority Act and institutions of higher
23 education may contribute up to eighty percent of the cost of
24 the insurance of all employees."

25 **SECTION 2.** A new section of the Public Employees

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1 Retirement Act is enacted to read:

2 "[NEW MATERIAL] SERVICE CREDIT FOR CERTAIN INJURED MEMBERS
3 ON APPROVED WORKERS' COMPENSATION LEAVE.--

4 A. A member whose affiliated public employer has
5 provided written certification to the association, in the form
6 and manner prescribed by the association, that the employee was
7 injured while performing a work-related function or duty in an
8 inherently dangerous location or under inherently dangerous
9 circumstances and that the member is absent from work and has
10 been placed on approved workers' compensation leave as a result
11 of the injury shall accrue service credit for the period of
12 absence from work while on workers' compensation leave;
13 provided:

14 (1) the member is a peace officer covered
15 pursuant to state general member coverage plan 3; a state
16 police member; an adult correctional officer member; a
17 municipal fire member; a municipal police member; or a
18 municipal detention officer member;

19 (2) the member retains membership in the
20 association during the period of absence from work on approved
21 workers' compensation leave; and

22 (3) the member's affiliated public employer
23 pays the injured employee's member contributions as well as the
24 employer contributions and remits to the association the total
25 amount of employee and employer contributions that would be

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1 paid if the member was not absent from work while on approved
2 workers' compensation leave. The contribution amounts shall be
3 calculated based upon a salary equal to the member's salary at
4 the time of the injury.

5 B. The affiliated public employer shall provide an
6 appeal process for an injured employee on approved workers'
7 compensation leave who is determined by the affiliated public
8 employer not to meet the criteria in Subsection A of this
9 section."

10 SECTION 3. EFFECTIVE DATE.--The effective date of the
11 provisions of this act is July 1, 2015.

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