

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
MAKING CHANGES TO CERTAIN GROUP HEALTH PREMIUMS; INCLUDING THE
GROUP SELF-INSURANCE FUND AS ONE OF THE FUNDS AMONG WHICH THE
RISK MANAGEMENT DIVISION OF THE GENERAL SERVICES DEPARTMENT
MAY TEMPORARILY TRANSFER; DECLARING AN EMERGENCY.

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 subdivisions.

B. The group insurance contributions of the state
or any of its departments or institutions, including
institutions of higher education and the public schools, 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);

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

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

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

C. Effective July 1, 2004, the group insurance contributions of the state or any of its executive, judicial or legislative departments, including agencies, boards or commissions, shall be made as follows; provided that the contribution percentage shall be the same for all affected public employees in a given salary bracket:

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

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

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

D. Effective July 1, 2005, the group insurance contributions of the state or any of its executive, judicial or legislative departments, including agencies, boards or commissions, shall be made as follows; provided that the contribution percentage shall be the same for all affected public employees in a given salary bracket:

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

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

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

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

F. The state shall not make any group insurance contributions for legislators. A legislator shall be eligible

for group benefits only if the legislator contributes one hundred percent of the cost of the insurance.

G. As used in this section, "cost of the insurance" means the premium required to be paid to provide coverages. Any contributions of the political subdivisions of the state, except the public schools and political subdivisions of the state with twenty-five employees or fewer, shall not exceed sixty percent of the cost of the insurance.

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

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

this subsection.

J. Within available revenue, school districts, charter schools, participating entities pursuant to the Public School Insurance Authority Act and institutions of higher education may contribute up to eighty percent of the cost of the insurance of all employees."

SECTION 2. Section 15-7-11 NMSA 1978 (being Laws 1983, Chapter 292, Section 1, as amended) is amended to read:

"15-7-11. TEMPORARY TRANSFER OF MONEY AMONG FUNDS ADMINISTERED BY RISK MANAGEMENT DIVISION.--

A. The director of the risk management division of the general services department may transfer money in accordance with this section among the following funds:

- (1) the local public body unemployment compensation reserve fund;
- (2) the public liability fund;
- (3) the public property reserve fund;
- (4) the state government unemployment compensation reserve fund;
- (5) the surety bond fund;
- (6) the workers' compensation retention fund; and
- (7) the group self-insurance fund.

B. Money may be transferred among the funds specified in Subsection A of this section only upon the

director's written certification that:

(1) the money is required to maintain the financial stability and liquidity of the fund to which the money is to be transferred;

(2) the money is not required to maintain the financial stability and liquidity of any fund from which the money is to be transferred;

(3) the fund to which the money is to be transferred can reasonably be expected to have sufficient balances within one year of the date of the transfer to repay the amount transferred in full plus interest; and

(4) all other requirements of this section will be fulfilled prior to transfer.

C. The secretary of general services and the state board of finance shall approve in advance any transfer of money pursuant to this section.

D. The total amount of money that may be transferred out of a particular fund shall not at any time exceed thirty percent of the total balance deposited in the fund, including any money owed to the fund pursuant to this section.

E. Amounts of money transferred pursuant to this section shall be repaid to any fund from which transferred within one year from the date of transfer, together with interest. Interest shall be calculated on the basis of the

average interest earned on money remaining in the fund during the duration of the transfer.

F. If amounts owing any fund cannot be repaid in accordance with this section, the director of the risk management division shall so certify to the secretary of general services and to the state board of finance. Repayment shall then be made as soon as money becomes available therefor.

G. Repayment of money to a particular fund shall not be deemed a transfer subject to the requirements of this section."

SECTION 3. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.
