



Duplicates, Relates to, Conflicts with, Companion to: Unknown

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

**SECTION III: NARRATIVE**

This analysis is neither a formal Attorney General’s Opinion nor an Attorney General’s Advisory Opinion Letter. This is a staff analysis in response to the agency’s, committee’s or legislator’s request.

**BILL SUMMARY**

Summary Synopsis:

House Bill 216 amends the Magistrate Retirement Act, NMSA 1978, Sections 10-12C-1 through -18, generally in the following ways: (1) the minimum retirement age for magistrates who are serving on June 30, 2014, is raised from age sixty-four to age sixty-five; (2) the minimum retirement age for magistrates who become magistrates after June 30, 2014, is set at sixty-five years old and has eight years of service credit, or sixty years old and has fifteen years of service credit, or any age and twenty-four years of service credit; (3) increases contributions to PERA by magistrates to ten and one half percent of salary; (4) increases contributions to PERA by the State to fifteen percent of salary for each magistrate in office; (5) magistrates may elect to have pension payments made under any one of several forms of payment provided for in SB 160; (6) cost of living adjustments (COLA) are suspended from July 1, 2014, through June 30, 2016; (7) requiring that non-members and their employers make contributions; (8) decreases the pension multiplier for serviced credit earned after June 30, 2014.

**FISCAL IMPLICATIONS WITH ENACTING THIS BILL**

N/A

**SIGNIFICANT LEGAL ISSUES**

No significant legal issues noted. Because no private contractual rights were created by the Magistrate Retirement Act, no contractual legal issues are present. See Pierce v. State, 1996-NMSC-001, ¶ 16 (discussing the rights that the Magistrate Retirement Act, among other statutes created for the purpose of managing retirement funds of public employees, did and did not create). Furthermore, the New Mexico Supreme Court recently stated that retirees do not have a right to annual COLA to their retirement benefit for the entirety of their retirement. See Bartlett v. Cameron, 2014-NMSC-002. Lastly, HB 216 changes the pension multiplier for credit earned, but does not do so retroactively. As such, no legal issues are noted.

**PERFORMANCE IMPLICATIONS WITH ENACTING THIS BILL**

N/A

**ADMINISTRATIVE IMPLICATIONS WITH ENACTING THIS BILL**

PERA will modify its pension administration system to administer the new benefit structure.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP WITH BILLS INTRODUCED THIS SESSION**

Companion to SB 160 (while a companion to SB 160, the Bill is not a duplicate); Relates to HB 33.

**TECHNICAL ISSUES OR DRAFTING ERROR**

N/A

**OTHER SUBSTANTIVE LEGAL ISSUES**

None.

**ALTERNATIVES TO ENACTING THIS BILL**

N/A

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The solvency of the Judicial Retirement Funds will continue to be at risk. Status quo.

**AMENDMENTS NEEDED TO IMPROVE THIS BILL**

N/A