

TITLE 2 PUBLIC FINANCE
CHAPTER 81 RETIREE HEALTH CARE FUNDS
PART 5 CONTRIBUTIONS

2.81.5.1 ISSUING AGENCY: NM Retiree Health Care Authority ("NMRHCA").
[6/15/1998; 2.81.5.1 NMAC - Rn, 2 NMAC 81.5.1, 1/1/2010]

2.81.5.2 SCOPE: This rule applies to:
A. eligible retirees, spouses, domestic partners, and their dependents;
B. participating employers; and
C. pension administrators.
[6/15/1998; 2.81.5.2 NMAC - Rn & A, 2 NMAC 81.5.2, 1/1/2010]

2.81.5.3 STATUTORY AUTHORITY: This rule is promulgated pursuant to the Retiree Health Care Act ("Act"), Sections 10-7C-1 et seq. NMSA 1978.
[6/15/1998; 2.81.5.3 NMAC - Rn, 2 NMAC 81.5.3, 1/1/2010]

2.81.5.4 DURATION: Permanent.
[6/15/1998; 2.81.5.4 NMAC - Rn, 2 NMAC 81.5.4, 1/1/2010]

2.81.5.5 EFFECTIVE DATE: June 15, 1998, unless a later date is cited at the end of a section.
[6/15/1998; 2.81.5.5 NMAC - Rn & A, 2 NMAC 81.5.5, 1/1/2010]

2.81.5.6 OBJECTIVE: The objective of this rule is to establish procedures governing the determination of amounts of monthly contributions by eligible retirees, spouses, domestic partners, and dependents for the basic medical plan and optional coverages and to establish procedures for collection of contributions and participation fees. The objective of this rule is to identify the payroll date beginning from which employer/employee contributions shall begin under Section 15 of the act and to define "salary" and "annual salary" for the purpose of calculating the participating employer, employee contributions.
[6/15/1998; 2.81.5.6 NMAC - Rn & A, 2 NMAC 81.5.6, 1/1/2010]

2.81.5.7 DEFINITIONS:
A. "Act" means the Retiree Health Care Act (Sections 10-7C-1 et seq. NMSA 1978)
B. "Salary"
(1) For those independent public employers and participating employers affiliated with the Public Employees Retirement Act (PERA), "salary" has the meaning ascribed to it as set forth in the Public Employees Retirement Act, Section 10-11-2 NMSA 1978, and as amended from time to time.
(2) For those participating employers affiliated with the Educational Retirement Act (ERA) "salary" means the total remuneration paid for personal services rendered to the employer by the employee for services rendered during each of the four calendar quarters of a fiscal year, beginning July 1 and ending June 30. This includes payment made directly to the employee of a third party on behalf of or for the benefit of the employee except that lump sum payment to the employee for accrued sick leave shall not be included. Bonuses or incentive pay for early retirement during the four quarters preceding the member's retirement shall not be included. Lump sum payment for up to thirty days of accrued annual or vacation leave shall be included. Sixty percent of the amount paid to an employee under a school bus owner/driver contract shall be included. Lump sum or payments over time made to an employee where services are not rendered are not included in the definition of annual salary such as where the employer "buys-out" the employee's contract. Included is any sums due the employee but withheld and paid for benefits of a voluntary "cafeteria" plan.
[6/15/1998; 2.81.5.7 NMAC - Rn, 2 NMAC 81.5.7, 1/1/2010; A, 01/01/2022]

2.81.5.8 ELIGIBILITY AND CONTRIBUTIONS OF EMPLOYEES OF INDEPENDENT SCHOOL BUS CONTRACTORS:

A. There are also persons employed by independent school bus contractors. They are not owner/drivers. They are employees of bus contractors providing bus services to public school districts and other educational entities. They are eligible to participate in the insurance coverages of the New Mexico public school insurance authority. On approval of the executive director of the retiree health care authority, the public school

district or other educational entity may at their option irrevocably contract with the NMRHCA to: withhold the employer/employee contributions from the payments due the school bus contractor; and pay on behalf of the school bus contractor the employer and employee contributions provided for in Section 15. A. and B. of the act.

B. This option may only be exercised prior to January 1, 1991 and if exercised after July 1, 1990, the contributions required shall be retroactive to July 1, 1990 but without interest. Those retirees, their spouses, domestic partners, and dependents who are current retirees, their spouses, domestic partners, and dependents retired from service in the employment of a school bus contractor contracting with a public school district or other educational entity which does not enter into an irrevocable agreement shall not be eligible for the benefits of the act and shall not be allowed to purchase coverages offered under the act.

C. Those retirees, their spouses, domestic partners, and dependents who are current retirees, their spouses, domestic partners, and dependents retired from service in the employment of a school bus contractor contracting with a public school district or other educational entity which does enter into an irrevocable agreement shall be eligible for the benefits of the act and shall be allowed to purchase coverages offered under the act at such time as they have complied with the provisions of Subsection B of 2.81.7.7 NMAC, and 2.81.7.8 NMAC, 2.81.7.9 NMAC and 2.81.7.10 NMAC.

[6/15/1998; 2.81.5.8 NMAC - Rn & A, 2 NMAC 81.5.8, 1/1/2010]

2.81.5.9 BASIC PLAN OF MEDICAL BENEFITS/ DETERMINATION OF THE LEVEL OF CONTRIBUTIONS: Pursuant to the provisions of Section 8 B. of the act, the board of the NMRHCA shall provide for the collection of contributions from eligible retirees, spouses, domestic partners, and dependents which money when combined with other money appropriated to the fund, shall be sufficient to provide the required insurance coverage and to pay the expenses of the NMRHCA. The board shall in the month of February of each year review and make a determination with regard to contribution levels for all lines of coverages offered by the NMRHCA. Such contributing levels shall be effective the following first day of July of the subsequent year. [6/15/1998; 2.81.5.9 NMAC - Rn & A, 2 NMAC 81.5.9, 1/1/2010]

2.81.5.10 OPTIONAL PLANS/DETERMINATION OF CONTRIBUTION/PARTICIPATION FEE COLLECTION:

A. Pursuant to Section 13 B. of the act, for those eligible retirees, spouses, domestic partners, and dependents who desire to participate in the optional plans or list of coverage, collection of additional contributions to pay the cost to the authority of such plans shall be accomplished by the NMRHCA third party administrator. The monthly contribution to cover the NMRHCA cost of providing the optional plans or lines of coverage shall be established by the board. Any eligible retiree, spouse, domestic partner or dependent must pay the contributions required for optional coverages at least thirty days in advance of the first day of the month of coverage. Provided, however, these time requirements may be altered if payment for such optional plan is authorized by payroll deduction by the retirees pension system under a payment schedule approved in writing by the NMRHCA executive director.

B. Failure to make timely payments shall result in termination of coverage. Those former employers of retirees who enter into an arrangement with their retirees and desire to pay some or all of the retiree contribution required under Section 13 A. of the act, may make such payments monthly pursuant to an arrangement approved in writing by the executive director of the NMRHCA. Provided, however, the \$5.00 monthly participation fee required of current retirees and non-salaried eligible participating entity governing authority members who become eligible retirees must be paid by the retiree or eligible governing authority member. Payments agreed to be made or required to be made by former employers of retirees shall be made at least thirty days in advance of the first day of the month of coverage. If with regard to an individual retiree, either the payment agreed to be made by the former employer or the fee required to be paid by the retiree is not timely paid, coverage is terminated. In all other situations, payment shall be made in advance for the first month of coverage and for subsequent months by the tenth day of the month preceding the month of coverage.

[6/15/1998; 2.81.5.10 NMAC - Rn & A, 2 NMAC 81.5.10, 1/1/2010]

2.81.5.11 EMPLOYER/EMPLOYEE CONTRIBUTIONS - BEGINNING DATE: Any eligible employer that chooses to become a participating employer after December 31, 1997 shall begin making the employer and employee contributions to the fund in the amount determined appropriate by the board on the July 1 immediately following the employer's official choice to become a NMRHCA participating employer. On the following January 1, eligible retirees of those participating employers and their eligible dependents shall be eligible to receive group health insurance coverage pursuant to the provisions of the Retiree Health Care Act.

[6/15/1998; 2.81.5.11 NMAC - Rn, 2 NMAC 81.5.11, 1/1/2010]

HISTORY OF 2.81.5 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the state records center and archives under:

RHCA Rule 90-5, Determination of The Pay Period For Beginning Employer/Employee Contributions Defining "Annual Salary" Or "Salary" for Purposes of Calculation of the Participating Employer/Employee Contribution; Determination of The Amounts of Monthly Contributions By Eligible Retirees, Spouses and Dependents for the Basic Medical Plan and Optional Coverages; Providing for Collection of Contributions and for Collection of the Monthly Participation Fee Required of Current Retirees and Eligible Participating Entity Governing Authority Members, filed 6/5/1990.

History of Repealed Material: [RESERVED]

Other History:

RHCA Rule 90-5, Determination of The Pay Period For Beginning Employer/Employee Contributions Defining "Annual Salary" Or "Salary" for Purposes of Calculation of the Participating Employer/Employee Contribution; Determination of The Amounts of Monthly Contributions By Eligible Retirees, Spouses and Dependents for the Basic Medical Plan and Optional Coverages; Providing for Collection of Contributions and for Collection of the Monthly Participation Fee Required of Current Retirees and Eligible Participating Entity Governing Authority Members (filed 6/5/1990) was renumbered, reformatted, amended and replaced by 2 NMAC 81.5, Contributions, effective 6/15/1998.

2 NMAC 81.5, Contributions (filed 6/02/1998) was renumbered, reformatted, amended, and replaced by 2.81.5 NMAC, Contributions, effective 1/1/2010.