

TITLE 2 PUBLIC FINANCE
CHAPTER 81 RETIREE HEALTH CARE FUNDS
PART 11 ESTABLISHING SUBSIDY LEVELS ON THE BASIS OF YEARS OF AGE AND CREDITABLE SERVICE

2.81.11.1 ISSUING AUTHORITY: New Mexico Retiree HealthCare Authority ("NMRHCA").
[2.81.11.1 NMAC - N, 2/14/2002]

2.81.11.2 SCOPE: This rule applies to eligible retirees of NMRHCA-participating employers who become eligible on or after July 1, 2001, and to the dependents of such retirees.
[2.81.11.2 NMAC - N, 2/14/2002]

2.81.11.3 STATUTORY AUTHORITY: This rule is promulgated pursuant to the Retiree Health Care Act ("Act"), Sections 10-7C-1 *et seq.*, NMSA 1978, as amended.
[2.81.11.3 NMAC - N, 2/14/2002]

2.81.11.4 DURATION: Permanent.
[2.81.11.4 NMAC - N, 2/14/2002]

2.81.11.5 EFFECTIVE DATE: February 14, 2002 unless a later date is cited at the end of a section.
[2.81.11.5 NMAC - N, 2/14/2002]

2.81.11.6 OBJECTIVE: The objective of this rule is to establish subsidy levels commensurate with a retiree's years of credited service with a participating employer for employees who become eligible for enrollment into the NMRHCA health care program on or after July 1, 2001, and their dependents, and subject to a minimum retiree age for employees who become eligible for enrollment into the NMRHCA health care program on or after July 31, 2021.
[2.81.11.6 NMAC - N, 2/14/2002; A, 1/1/2021; A, 7/31/2021]

2.81.11.7 DEFINITIONS:

- A. "Board"** means, the board of directors of the NMRCHA.
 - B. "Credited service"** means the number of full years of employment with a participating employer as verified by the authority.
 - C. "Disabled retiree"** means an eligible retiree who has been authorized to retire due to disability by the appropriate state retirement agency.
 - D. "Member of an enhanced retirement plan"** means a member of a retirement plan as defined by Section 10-7C-15 NMSA 1978.
 - E. "Retiree health care authority" or "authority" or "NMRHCA"** means, the retiree health care authority established by chapter 6 laws of New Mexico, 1990 (Sections 10-7C-1 *et seq.*, NMSA 1978).
 - F. "State retirement agency"** means each of the agencies created and authorized by law to administer the educational retirement act, the public employees retirement act, the judicial retirement act, the magistrate retirement act, the public employees retirement reciprocity act, or the retirement program of an independent public employer on or before July 1, 1990.
 - G. "Subsidy"** means a set portion of the cost of an eligible retiree's monthly coverage, a varying percentage of which is borne by the authority as determined by the board.
- [2.81.11.7 NMAC - N, 2/14/2002; A, 12/30/2002; A, 1/1/2021; A, 7/31/2021]

2.81.11.8 NMRHCA CONTRIBUTION OF A PERCENTAGE OF A SUBSIDY TO MONTHLY PREMIUMS OF ELIGIBLE RETIREES:

- A.** Except as otherwise provided in 2.81.11.9 NMAC, for eligible retirees who are members of an enhanced retirement plan and become eligible for participation on or after July 1, 2001, or are not members of an enhanced retirement plan and become eligible for participation on or after July 1, 2001 but before July 31, 2021, and the eligible dependents of such retirees, the NMRHCA will contribute the following percentages of the subsidy to the monthly premiums according to the corresponding numbers of years of credited service with an NMRHCA-participating employer:

(1) Example: If the subsidy for a particular plan is one half the premium cost, then for a retiree with 20 years of credited service the NMRHCA would provide one hundred percent of the subsidy; half the cost.

(2) Example: For the same subsidy of one half the premium cost, the percent of subsidy for a retiree with eight years of credited service would be twenty-five percent of the fifty percent subsidy: twelve and one-half percent of the cost.

Years of credited service	Percentage of subsidy
5	6.25
6	12.50
7	18.75
8	25.00
9	31.25
10	37.50
11	43.75
12	50.00
13	56.25
14	62.50
15	68.75
16	75.00
17	81.25
18	87.50
19	93.75
20	100.00

B. Subject to 2.81.11.10 NMAC and except as otherwise provided in 2.81.11.9 NMAC, for eligible retirees who are not members of an enhanced retirement plan and become eligible for participation on or after January 1, 2021, and the eligible dependents of such retirees, the NMRCHA will contribute the following percentages of the subsidy to the monthly premiums according to the corresponding numbers of years of credited service with an NMRHCA-participating employer:

(1) Example: If the subsidy for a particular plan is one half the premium cost, then for a retiree with 25 years of credited service the NMRHCA would provide one hundred percent of the subsidy; half the cost.

(2) Example: For the same subsidy of one half the premium cost, the percent of subsidy for a retiree with twelve years of credited service would be thirty-eight and one-tenth percent of the fifty percent subsidy: nineteen and five-hundredths percent of the cost.

Years of credited service	Percentage of subsidy
5	4.76
6	9.52
7	14.29
8	19.05
9	23.81
10	28.57
11	33.33
12	38.10
13	42.86
14	47.62
15	52.38
16	57.14
17	61.90
18	66.67
19	71.43
20	76.19
21	80.95

22	85.71
23	90.48
24	95.24
25	100.00

[2.81.11.8 NMAC - N, 2/14/2002; A, 4/30/2003; A, 1/1/2021; A, 7/31/2021]

2.81.11.9 SUBSIDIES FOR DISABLED RETIREES: Notwithstanding any other provision of this rule:

A. The subsidy paid by the NMRHCA for a disabled retiree with a “duty disability,” as described in Subsection B of 2.81.7.10 NMAC, and to the dependents of such a retiree, shall be at the one hundred percent level, corresponding to the applicable maximum year level set forth in 2.81.11.8 NMAC, regardless of such retiree’s period of credited service and age.

B. The subsidy paid by the NMRHCA for a disabled retiree with a “non-duty disability,” as described in Subsection C of 2.81.7.10 NMAC, and to the dependents of such a retiree, shall be as set forth in Subsection A of 2.81.11.9 NMAC, *provided*, that, as a condition of eligibility for benefits, such retiree has five or more years of credited service.

[2.81.11.9 NMAC - N, 2/14/2002; A, 12/30/2002; A, 4/30/2003; A, 1/1/2021; A, 7/31/2021]

2.81.11.10 AGE REQUIREMENT FOR SUBSIDIES: Except as otherwise provided in 2.81.11.9 NMAC, for eligible retirees who are not members of an enhanced retirement plan and become eligible for participation on or after July 31, 2021, the minimum retiree age requirement to be eligible for subsidies is 55.

[2.81.11.10 NMAC - N, 1/1/2021 A; 7/31/2021]

HISTORY OF 2.81.11 NMAC: [RESERVED]