

02-10-12

Friday, February 10, 2012

Senate Finance Committee Places Burden on Employees

Senate Bill 150, introduced by Senator Stuart Ingle, was amended in the Finance Committee last night. This measure as originally written would have enacted the Educational Retirement Board (ERB) plan, to which we are opposed. However, the Senate Education Committee amendment sponsored by Senator Nava and supported by NEA-NM moved the retirement plan toward solvency through an increase in contributions by employees and employers. The employee contribution would maintain the 1.5% retirement swap and add .125% increases for four years, the effect of this would be to reduce employee contributions from the current temporary (with the 1.5% and the 1.75% swaps) 11.15% to a permanent 9.9%. The employer contribution would increase from the current temporary 10.9% (with the swaps) to a final 15.3%. New employees (after July 1, 2012) would have a mandatory retirement age of 55 and a vesting period of eight years. This would meet the ERB developed funding goals of 80% by 2030 and 95% by 2040 for our educator retirement plan.

Last night, Senate Finance Committee chair John Arthur Smith stripped the Education Committee Amendments and changed the bill to increase the employee contribution rate by a full 3.4%. We and AFT NM had already agreed to increase employees share as in the Education Committee amendments, but that wasn't enough for Smith and the committee majority. Smith along with Democrats Ortiz y Pino and Papen and all Committee Republicans voted to give you the full contribution rate increase over 4 years and to change the retirement age for new employees to 67 or a rule of 80.

Please let all Senators, especially members of the Senate Finance Committee know that forcing employees to shoulder the entire burden of bailing out an under-funded retirement is unfair. The state should pay its fair share of the 3.4% increase

Call their office or the Capitol Switchboard NOW! (505) 986-4300 and ask for them by name with this message:

Oppose Senate Bill 150 unless it is amended to have the state share in the 3.4% Contribution increase.

It is critical to call senators now.

Teacher Evaluation and Student Retention Bills

Teacher evaluation bills and student retention bills are currently tabled in Committees of the House and Senate. Work continues behind the scenes to come up with compromises that everyone can support. We continue to participate. We will have a more complete update in our weekend edition.
