

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

**2.81.11.1 ISSUING AUTHORITY:** New Mexico Retiree HealthCare Authority ("NMRHCA")  
 [2.81.11.1 NMAC - N, 02-14-02]

**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, 2-14-02]

**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, 02-14-02]

**2.81.11.4 DURATION:** Permanent.  
 [2.81.11.4 NMAC - N, 02-14-02]

**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, 02-14-02]

**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.  
 [2.81.11.6 NMAC - N, 02-14-02]

**2.81.11.7 DEFINITIONS:**

- A. "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].
- B. "Board" means, the board of directors of the NMRCHA.
- C. "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.
- D. "Credited service" means the number of full years of employment with a participating employer as verified by the authority.
- E. "Disabled retiree" means an eligible retiree who has been authorized to retire due to disability by the appropriate state retirement agency.
- 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.  
 [2.81.11.7 NMAC - N, 02-14-02; A, 12-30-02]

**2.81.11.8 NMRHCA CONTRIBUTION OF A PERCENTAGE OF A SUBSIDY TO MONTHLY PREMIUMS OF ELIGIBLE RETIREES:** Except as otherwise provided herein, for eligible retirees who become eligible for participation on or after July 1, 2001, 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:

- A. 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 100 percent of the subsidy; half the cost.
- B. 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 25 percent of the 50 percent subsidy: 12.5 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 |

[2.81.11.8 NMAC - N, 02-14-02; A, 4-30-03]

**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 2.81.7.10 NMAC, subsection B, and to the dependents of such a retiree, shall be at the 100 percent level, corresponding to the 20-year level set forth in the foregoing subsection, regardless of such retiree’s period of credited service.

B. The subsidy paid by the NMRHCA for a disabled retiree with a “non-duty disability,” as described in 2.81.7.10 NMAC, subsection C, and to the dependents of such a retiree, shall be as set forth in the foregoing subsection, *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, 02-14-02; A, 12-30-02; A, 4-30-03]

**HISTORY OF 2.81.11 NMAC: [RESERVED]**