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Memorandum

Date: September 9, 2021

To: Employer Groups

From: NMRHCA Staff

Re: Wages and Earning Subject to NMRHCA Contribution

This memorandum clarifies the rules for determining employee NMRHCA contribution amounts under the New Mexico Administrative Code. NMRHCA contribution amounts are determined based on an employee's salary. The term "salary" is defined in 2.81.5.7.B NMAC and is different for employees in PERA and employees in ERB.

PERA Employees

For PERA employees, lump sum payouts, including lump sum annual and sick leave payouts, are not part of an employee's "salary" and are therefore not considered when calculating NMRHCA contribution amounts.

ERB Employees

For ERB employees, "salary" excludes lump sum payments for unused sick leave and these payments are not used to calculate NMRHCA contribution amounts.

An ERB employee's "salary" includes lump sum payouts for up to 30 days of annual leave or vacation leave but not lump sum payouts for annual leave or vacation leave for periods over 30 days. Therefore, lump sum payouts for up to 30 days of annual leave or sick leave are used to calculate NMRHCA contribution amounts but lump sum payouts for periods over 30 days are not.

If you have any questions or concerns, please contact our office by dialing 800-233-2576 or email your inquiry to customerservice@state.nm.us.