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**LEGISLATIVE EDUCATION STUDY COMMITTEE**  
**BILL ANALYSIS**  
**57th Legislature, 1st Session, 2025**

<b>Bill Number</b>	<u>HB254/aHLVMC</u>	<b>Sponsor</b>	<u>Mirabal Moya/Garratt/Baca/Gonzales</u>
<b>Tracking Number</b>	<u>.229348.3</u>	<b>Committee Referrals</b>	<u>HLVMC/HAFC</u>
<b>Short Title</b>	<u>Ed. Retirees Returning to Work Time Period</u>		
<b>Analyst</b>	<u>Montoya</u>	<b>Original Date</b>	<u>3/3/2025</u>
		<b>Last Updated</b>	<u></u>

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**BILL SUMMARY**

Synopsis of HLVMC Amendment

The House Labor, Veterans' and Military Affairs Committee (HLVMC) amendment for House Bill 254 (HB254/aHLVMC) would amend the Education Retirement Act (Section 22-11-25.1 NMSA 1978) to extend the amount of time a retired Education Retirement Board (ERB) member may return to work for a local administrative unit without having their retirement benefits suspended. HB254/aHLVMC would extend the current statutory employment period of 36 months (consecutive or nonconsecutive) to 60 months (consecutive or nonconsecutive).

Synopsis of Original Bill

House Bill 254 (HB254) would amend the Education Retirement Act (Section 22-11-25.1 NMSA 1978) to extend the amount of time a retired Education Retirement Board (ERB) member may return to work for a local administrative unit without having their retirement benefits suspended. HB254 would extend the current statutory employment period of 36 months (consecutive or nonconsecutive) to 84 months (consecutive or nonconsecutive).

**FISCAL IMPACT**

HB254/aHLVMC does not carry an appropriation.

**SUBSTANTIVE ISSUES**

**Impact on School Districts.** HB254/aHLVMC could allow school districts and charter schools to further leverage the expertise of retired personnel to provide additional staffing support on a part-time and short-term basis. The proposed extension would allow retirees to supplement their income without affecting their ERB benefits while also giving school districts greater access to their expertise. This change could help address staffing shortages, particularly for substitute teachers and other support roles. By extending the employment period, school districts and charter schools could retain these experienced professionals longer, potentially improving stability and continuity in schools.

**Local Administrative Unit.** The term local administrative unit (LAU) refers to an employer that participates in the ERB retirement system. This includes public schools, charter schools, universities, and other educational institutions that employ staff who contribute to the educational retirement fund. Each LAU is responsible for enrolling eligible employees in ERB, reporting wages, and remitting employer and employee contributions to the retirement system.

## **ADMINISTRATIVE IMPLICATIONS**

HB254/aHLVMC would require ERB to update policies and procedures to account for the proposed increase in the employment period limitations for RTW members.

## **RELATED BILLS**

Relates to Senate Bill 75, Educational Retirement Changes, which proposes changes to the ERB system, including investing unclaimed member contributions, ensuring annuity adjustments for disabled members over 60, extending the service credit payment deadline to 90 days, and allowing information sharing with the Public Employees Retirement Board for administration.

Relates to Senate Bill 133, Educational Retirees Returning to Work, which would raise the maximum salary a retired member can earn without suspending retirement benefits when returning to work, increasing the threshold from \$15 thousand to \$25 thousand. It would also extend the current 36 month return-to-work (RTW) period to 60 months.

Relates to House Bill 251, Ed. Retirement Beneficiary Changes, which proposes additional beneficiary designation options for retired ERB members.

Relates to Senate Bill 421, Educational Retirement Board Changes, which would amend the Education Retirement Board Act by allowing ERB to purchase, acquire, or hold real property, and build or own a building and make related improvements on said property.

Relates to House Bill 454, Educational Retirement Changes, which would propose annual, non-compounding payments to retired members in FY26 and FY27 and make a \$60 million appropriation to fund the proposed distributions.

## **SOURCES OF INFORMATION**

- LESC Files
- Education Retirement Board (ERB)

**MAM/clh/mca/jkh**