

State of New Mexico
Judicial Compensation Commission

2018 Report

To the Legislative Finance Committee
and
Department of Finance and Administration

Introduction

In 2005, the Legislature enacted Senate Bill 263, now NMSA 1978, Section 34-1-10 (2005), creating the Judicial Compensation Commission (“JCC”), an independent six-member commission charged with recommending a compensation and benefits plan for New Mexico judges to the Legislative Finance Committee and the Department of Finance and Administration. 2018 JCC members are:

Sergio Pareja, Dean of the University of New Mexico School of Law, statutorily designated as Chair of the JCC;

Deborah Seligman, appointed by the President Pro Tempore of the New Mexico Senate;

Kathleen “Kay” Marr, appointed by the Speaker of the New Mexico House of Representatives;

Wesley Pool, President of the State Bar of New Mexico, statutorily designated as a member; and

William F. Fulginiti, Executive Director of the New Mexico Municipal League, appointed by the Chief Justice of the New Mexico Supreme Court.

The position reserved for an appointee by the Governor of New Mexico is vacant.

Statutory Requirement

The New Mexico Judicial Compensation Commission must annually “report to the legislative finance committee and the department of finance and administration its findings and recommendations on salaries for judges and justices.” NMSA 1978 § 34-1-10(G). Judicial compensation in New Mexico is set through a statutory formula based on the salary the Legislature sets for the Justices of the Supreme Court. NMSA 1978 § 34-1-9. The Chief Justice salary is set \$2,000 higher than the salary of a Justice. Each judge of the Court of Appeals is paid a salary equal to 95% of the salary of a Supreme Court Justice. Each District Court judge is paid 95% of the salary of a Judge of the Court of Appeals. Each Metropolitan Court judge is paid 95% of the salary of a judge of the District court. Each Magistrate is paid 75% of the salary of a Metropolitan Court judge. Salaries for Chief Judges are set according to the same formula based on the Chief Justice’s salary. Judicial salaries are not adjusted for location. Each judge of the same type of court earns the same amount in any community in the state, regardless of size, docket, cost of living, or judicial experience. In 2015, the New Mexico Supreme Court adopted a policy of endorsing JCC recommendations. The judicial branch supports legislation in the 2019 session to accomplish the recommendations of the legislature’s Judicial Compensation Commission.

Update on the 2018 Legislative Session

During the 2018 Legislative Session, the legislature considered the JCC's recommendations of 2017 and voted a 6.5% salary increase for judges in New Mexico. Governor Martinez approved this increase. While this was not the 9.8% increase recommended by JCC and endorsed by the New Mexico Supreme Court, it represents a step toward offering careers in the Judiciary as a viable option for private attorneys and others considering judicial opportunities. It also demonstrates the gravity with which the Legislature views the JCC's recommendations.

Judicial Retirement

During the 2018 legislative session, judicial retirement requirements did not change. Annual reports for the fiscal year ending June 30, 2018, which will be published in late 2018, will reflect the impact of the 2014 legislation as well as challenges due to investment experience that is averaged over a five-year cycle. Judicial retirement funding continues to rely in part on fees. As of June 30, 2017, the funded ratios were: MRA 61.3% and JRA 61.7%, which represents the actuarial value of assets to the actuarial accrued liability.

JCC Recommendations for FY 2020

- Increase judicial pay 5%
- Increase differential for Chief Justice pay from \$2,000 to 10% of Justice salary
- Amend JCC statute to make JCC salary recommendations effective unless rejected by a majority of the Legislature
- Direct \$3,000,000 in fees to the general fund and replace fees with equivalent appropriations to judiciary retirement funds.

2018 Salary Recommendation

The JCC recommends that the salary of Supreme Court Justices be increased 5%, or \$6,991 from \$139,819 to \$146,810. This increase would bring the district court judges' salaries to \$132,496, an increase of \$6,309 based on the statutorily mandated salary regression steps in 1978 NMSA § 34-1-9. The new salary of New Mexico Supreme Court Justices as increased in July 2018 (\$139,819) ranks 47 out of 51 in the United States based on salaries in other states as of July 2018.¹ The fact that judges are paid less than lawyers with comparable experience as well as local and state employees has significantly reduced the Judiciary's ability to attract and retain judges with proficiency in criminal and civil law.²

The JCC has recognized in the past and continues to see a trend in judicial appointments toward younger attorneys with backgrounds in criminal justice as government employees. There are few candidates with even 15 years of experience. There continue to be few candidates from private practice with experience handling contract, business, or other civil matters such as divorce cases. At the start of 2018, New Mexico paid judges the lowest salaries in the nation. The 6.5% increase effective in July 2018 helps, but leaves New Mexico district court judges, for example, with a salary ranked 49 of 51 and judges of the Court of Appeals ranked 40 of 40. Pay is a significant factor having an impact on the diversity of candidates who seek judicial office. Candidates with only criminal law experience have a steep learning curve when serving in districts where judges are expected to hear a diverse range of cases.

As noted in the 2017 JCC report, the judiciary should reflect a diversity of legal backgrounds, including in the private sector and law firms, as well as government experience.

Our court system should be filled with judges who not only are intelligent, thoughtful, and faithful to the rule of law, but also bring diversity of experience and background....The reality is that all judges bring into the courtroom their unique life experience, tempered by their oath to make decisions based on the law and the constitution. It's the integrity and judgment of those men and women that allow our constitutional democracy to move forward.³

In 2017, the New Mexico Bar Association commissioned a lawyer compensation study, as it did in 2012. As the JCC noted in its 2017 report, survey respondents who identified themselves as a partner/shareholder reported an average salary of \$210,502, with sole practitioners reporting \$184,457.⁴ The report indicates that attorneys charged the highest per-hour billing rate (a median of \$250) for civil litigation, business, contract law, and estate planning, which could explain why fewer of those performing this work are attracted by the salary offered by the judiciary. With the recommendation to increase salaries 5% in 2020, a district judge's pay would equate to \$63.60.

¹ It is expected that the ranking of New Mexico judicial salaries will decline when salaries are updated by NCSC in January 2019.

² NCSC Annual Survey of Judicial Salaries, July 1, 2018, at <https://www.ncsc.org/~media/Microsites/Files/Judicial%20Salaries/2018-Judicial-Salaries.ashx>

³ Yvette McGee Brown, former Ohio Supreme Court Justice, Forward to Building a Diverse Bench: A Guide for Judicial Nominating Commissioners, Brennan Center for Justice, 2016.

⁴ The Economics of Law Practice in New Mexico, *Lawyer Compensation*, May 2017, Research & Polling, Inc.

2018 Salary Recommendation (con't.)

The average partner in a law firm is paid 51% more than a Justice of the Supreme Court based on the current salary of a Justice and the partner salaries reported in 2017. The average solo practitioner is paid 32% more than a Supreme Court Justice.⁵ The average pay of all 569 lawyers in the survey, from partners in law firms to legal aid and government attorneys, was \$142,382, putting the new salary for a Justice of the Supreme Court 2% below the average pay of an attorney in any field of law practice in New Mexico.

The 2016 JCC report reviewed all 309 judicial candidates from 2010 to 2015. The review revealed that 17% were age 39 or younger, although a district court judge must be at least age 35. More striking was that 85% of all applicants had experience in government service. Almost half (44.7%) had ten or more years of government service. Lawyers with experience in the private sector as well as law firms reported that judicial salaries prevent them from applying to be judges. The data also show these lawyers are simply not seeking judicial office. Members of Judicial Nominating Commissions confirm this data; they see younger attorneys with government experience applying often and few applicants with private sector experience in civil law.

Continuing to improve salaries will help address the need to attract a more diverse mix of experience among attorneys seeking to be judges. In the 2019 legislative session, the JCC recommends another step toward improved compensation by raising the salary of a Supreme Court Justice by 5% to \$146,810. This will have the effect, based on statutory requirements, of raising district court judges' salaries to \$132,496. This is the level at which the JCC believes a career on the bench would begin to become more attractive to attorneys in private practice.

An aspect of judicial pay that has not been addressed by the JCC is pay differentials for Chief Judges and the Chief Justice. In recognition of the added duties and responsibilities that attach to the office, the Legislature in 1995 added \$2,000 to the pay of the Chief Justice.⁶ The same statute provides that Chief Judges are paid 95% of the next higher level court, so that the Chief Judge of the Court of Appeals is paid 95% of the \$2,000 salary differential of the Chief Justice, the district court Chief Judges are paid 95% of the Court of Appeals Chief Judge, the Chief Judge of the Bernalillo County Metropolitan Court is paid 95% of the district court Chief Judge, and the five qualifying Magistrate Court Presiding Judges (who oversee three or more magistrates) are paid 80% of the Metropolitan Court Chief Judge.

⁵ The Economics of Law Practice in New Mexico, *supra*, at p. 7.

⁶ NMSA 1978, Section 34-1-9A.

2018 Salary Recommendation (con't.)

At the time the Chief Justice pay differential was set at \$2,000 in 1993, the Justice salary was \$77,250. Although Justice pay has increased several times since 1993, the compensation differential for the Chief has remained at \$2,000 for the Chief Justice and \$1,805 for the Chief Judges of the district courts. If the work of the Chief Justice and Chief Judges were the same as in 1993, a simple inflationary calculation would suggest the compensation for serving in the higher office should be about \$4,000. However, there have been some significant changes in the role of the Chiefs.

The size and scope of the Judiciary is much greater than in 1993. For example, oversight is required of 47% more district court judges (from 65 in 1993 to 94 today) and 127% more district court employee positions (from 436 in 1993 to 989 today). The general fund budget that Chiefs are required to manage increased by 185% from \$59,684,400 in 1996 to \$169,927,100 today. Courts now oversee more than \$10 million in drug court operations that did not exist in 1993. Programs, in addition to drug courts that require judges' oversight, are funded today that did not exist in 1993. These include Alternative Dispute Resolution, Court Appointed Attorneys in abuse and neglect cases, almost 100 court interpreters and independent interpreter contractors, and Information Technology unimaginable in 1993.

While it is difficult to quantify, it is clear that the responsibilities of the Chief Justice and Chief Judges have increased dramatically in size and scope since the Chief compensation was set at \$2,000 more than 25 years ago. The JCC recommends that the compensation differential for the Chief Justice and chief judges be set at 10% above the pay of judges in each court level. Along with the 5% increase recommended by JCC, this would bring the Chief Justice compensation to \$161,491 (or \$153,801 under the current salary structure without any other salary increase).

JCC recommends the 10% approach so that the differential for Chiefs will be indexed to any future salary increases. The 10% salary differential would cost a total of \$334,921 for all Chiefs.

2018 Salary Recommendation (con't.)

FY2019 New Mexico Judicial Compensation Increase including Benefits										
5% Increase for all Judges; additional 10% increase for all Chiefs (proposed effective date 7/1/2019)										
Job Title	FTE		Current Annual Rate	Benefits Cost 25.15% JRA & 24.65% MRA	TOTAL Cost Per Judge/Justice Position incl Benefits	TOTAL Cost for all Judge / Justice positions	Annual Rate - reflecting 5% Increase; 10% Increase for Chiefs	Benefits Cost 25.15% JRA & 24.65% MRA	TOTAL Cost Per Judge/Justice Position incl Benefits	TOTAL Cost for all Judge / Justice positions
Chief Justice	1	AJ + \$2000	\$141,818.70	\$35,667.40	\$177,486.10	\$177,486.10	\$161,490.60	\$40,614.89	\$202,105.48	\$202,105.48
Associate Justice (AJ)	4	Target Pay	\$139,818.70	\$35,164.40	\$174,983.10	\$699,932.41	\$146,809.64	\$36,922.62	\$183,732.26	\$734,929.03
Chief Court of Appeals	1	95% of Chief Justice	\$134,727.77	\$33,884.03	\$168,611.80	\$168,611.80	\$153,416.07	\$38,584.14	\$192,000.21	\$192,000.21
Court of Appeals Judges	9	95% of Associate Justice	\$132,827.77	\$33,406.18	\$166,233.95	\$1,496,105.53	\$139,469.15	\$35,076.49	\$174,545.65	\$1,570,910.81
Chief District Judge	13	95% of Chief Court of Appeals Judge	\$127,991.38	\$32,189.83	\$160,181.21	\$2,082,355.70	\$145,745.27	\$36,654.93	\$182,400.20	\$2,371,202.59
District Judge	81	95% of Court of Appeals Judge	\$126,186.38	\$31,735.87	\$157,922.25	\$12,791,702.29	\$132,495.70	\$33,322.67	\$165,818.36	\$13,431,287.41
Chief Metro Judge	1	95% of Chief District Judge	\$121,591.81	\$30,580.34	\$152,172.15	\$152,172.15	\$138,458.00	\$34,822.19	\$173,280.19	\$173,280.19
Metropolitan Judge	18	95% of District Court Judge	\$119,877.06	\$30,149.08	\$150,026.14	\$2,700,470.48	\$125,870.91	\$31,656.53	\$157,527.44	\$2,835,494.01
Presiding Magistrate Judge	5	75% of Chief Metro Judge	\$91,193.86	\$22,479.29	\$113,673.14	\$568,365.71	\$103,843.50	\$25,597.42	\$129,440.92	\$647,204.62
Magistrate Judge	62	75% of Metropolitan Judge	\$89,907.79	\$22,162.27	\$112,070.06	\$6,948,344.00	\$94,403.18	\$23,270.38	\$117,673.57	\$7,295,761.20
		195			\$27,785,546.18				\$29,454,175.55	
5% increase for all Judges; Add'l										
10% increase for Chiefs Total Cost = \$1,668,629.37										
Total new cost / 26 pay periods										
JRA: 25.15% = 2.5% retiree healthcare, 15% pera, 7.65% FICA						Cost of 5% Increase only (incl benefits) =		Cost of 10% Increase for Chiefs only (incl benefits) =		
MRA: 24.65% = 2% retiree health care, 15% pera, 7.65% FICA						\$1,333,708.53		\$334,920.84		

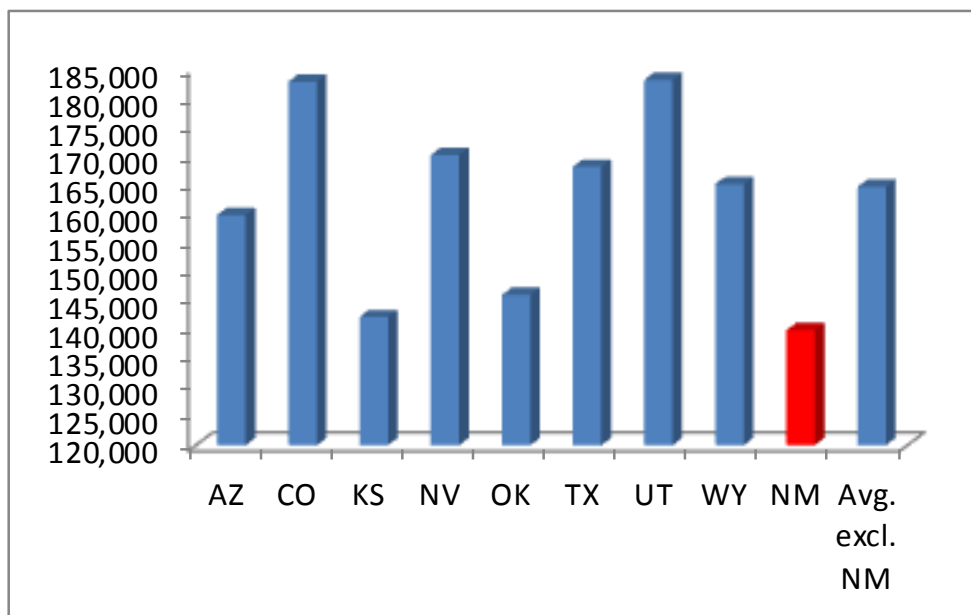
National Salary Comparison 2018

- New Mexico Supreme Court Justice salary ranks 47 of 51 in the U.S. if no other states raise judicial pay.
- New Mexico Intermediate Appellate Court (Court of Appeals) Judge salary is 40 out of 40 even after the 2018 pay increase for judges of the New Mexico Court of Appeals (not all states have an Intermediate Appellate Court).
- New Mexico general jurisdiction district trial court judge salary is now 49 out of 51 if no other states increase judicial pay in 2018.
- The average national salary of a Supreme Court Justice is \$181,343. The salary of a New Mexico Supreme Court Justice is now \$139,819, or \$41,525 below the national average.

Supreme Court Justice Salaries as of July 1, 2018 in Western Comparison States⁷

AZ	159,685
CO	182,671
KS	142,089
NV	170,000
OK	145,914
TX	168,000
UT	182,950
WY	165,000
NM	139,819

- New Mexico Justice salaries continue to lag well behind neighboring and adjacent states in the Mountain West region. States used in the comparison chart report below were selected because they are the designated “Mountain West Region” states by the Hay Group. The Hay Group is a consulting firm whose salary compilation data is used by the Judiciary. The Mountain West Region is used by the Judiciary because of states’ similarities in population concentrations and economics.



⁷ NCSC Annual Survey of Judicial Salaries, July 1, 2018

State and Local Salary Comparison

The salaries of New Mexico Supreme Court Justices, Court of Appeals judges, and judges at all trial court levels (highlighted in yellow) compared to salaries paid in local and state government, as well as in higher education.⁸

University of New Mexico Athletic Coach 4	\$422,690
Senior Investment Officer, State Investment Council	\$260,075
University of New Mexico School of Law Dean	\$242,400
ERB Chief Investment Officer	\$237,543
U.S. Tenth Circuit Judge	\$220,600
U.S. District Judge	\$208,000
University of New Mexico Interim Chief Legal Counsel	\$198,987
Santa Fe County Manager	\$185,098
Bernalillo County Attorney	\$170,000
Albuquerque Metropolitan County Detention Center Chief	\$165,000
PERA Executive Director	\$163,030
Rio Rancho City Manager	\$161,408
Los Alamos County Deputy Attorney	\$161,136
Dona Ana County Manager	\$160,000
Legislative Finance Committee Director	\$159,097
Santa Fe City Manager	\$155,000
New Mexico Spaceport Director	\$150,000
Governor's Chief of Staff	\$146,576
Annual salary of all NM attorneys in 2016 State Bar Salary Survey	\$142,380
New Mexico Supreme Court Chief Justice	\$141,819
New Mexico Supreme Court Justice	\$139,819
San Juan County Attorney	\$129,500
State Auditor's Office Deputy State Auditor	\$126,511
New Mexico District Court Judge	\$126,186
Senate Chief Clerk	\$124,818
Attorney General's Office Chief of Staff	\$122,054
New Mexico Metropolitan Court Judge	\$119,877
House Chief Clerk	\$115,000
Legislative Education Study Committee Director	\$115,000
Santa Fe Municipal Judge	\$100,464
New Mexico Magistrate Judge	\$ 89,908

⁸ Data collected from salaries reported on the New Mexico Sunshine Portal, the University of New Mexico Sunshine Portal, sites published by local governments, and information provided by employees of the institution or government office.

2018 Proposed Change to the Statute Governing The Judicial Compensation Commission

As is the case for judicial salary commissions in 14 other states, the JCC is only advisory to the Legislature. JCC has no statutory authority to enforce its recommendations. However, in nine states (AL, AZ, DE, HI, MD, MO, NY, OK, and WA), the salary recommendations of the commission are binding unless affirmatively rejected by the Legislature (or by the voters in Washington). Three of these states (Alabama, Arizona, and Oklahoma) moved from advisory commissions to binding-unless-rejected commissions since 2015. In addition the Arkansas Constitution provides that its commission's recommendations are binding and cannot be rejected by the Legislature or Executive.⁹

Some states have addressed this by statute; in others, this authority is granted by their constitutions. For example, the Missouri Constitution in Article VIII, Section 3, paragraph 8 provides that the Salary Commission shall file a schedule of compensation by December 1, which "shall become law unless disapproved by concurrent resolution adopted by a two-thirds majority vote of the general assembly before February 1 of the year following the filing of the schedule." While Missouri requires a two-thirds vote of its legislature, most states allow override of the recommendation of their compensation commissions by a simple majority vote.

In the eight states that have commissions whose recommendations take effect unless overridden by their states' legislatures, salaries of judges tend to the middle of the range. Highest court salaries in five of those states (Hawaii, New York, Delaware, Maryland, and Missouri) are in the top 20. General jurisdiction courts in four of those five (Hawaii, New York, Delaware, and Maryland) are in the top 25. Highest court judges in Oklahoma rank 43rd in salary, and its general jurisdiction judges' salaries rank 42nd.

The JCC considered the challenges that frustrate enactment of adequate judicial pay. The current statute makes the Commission's recommendations advisory only. This requires either a stand-alone bill for judicial pay or that the Supreme Court prioritize the JCC's recommendations over other needs of the courts in the Unified Budget the Court approves for submission in September each year. Experience has demonstrated that both approaches are unlikely to result in consistent enactment of the Commission's recommendations. JCC recommends a statutory change to address this issue. The existing Judicial Compensation Commission statute (section 34-1-10) requires salary recommendations but gives them no effect. Elsewhere in the NM Constitution, the "legislature shall provide by law" for compensation of district court judges, Article VI, Section 17, and magistrates shall be paid "as may be provided by law," Article VI, Section 26. A statutory amendment could provide the following in red to Section 34-1-10A:

⁹ NCSC Annual Survey of Judicial Salaries, July 1, 2018, footnote 1 *supra*.

2018 Proposed Change to the Statute Governing The Judicial Compensation Commission

- A. The "judicial compensation commission" is created to recommend salaries for judges of the magistrate courts, metropolitan courts, district courts and courts of appeals and justices of the supreme court. The recommendations shall take effect and have the force of law as of July 1 following submission, unless the legislature shall by joint resolution reject or amend the recommendations during the next regular legislative session following submission of the commission's recommendations. Sufficient appropriations shall be provided for the salaries of all justices, judges and state judicial officers.

The effect of this statutory amendment would be to make the JCC recommendations binding unless affirmatively rejected by the Legislature. Additionally, this would:

- Make the recommendations of the independent judicial compensation commission created by the Legislature effective while retaining the Legislature's power to reject or modify its recommendations;
- Reduce judicial lobbying for pay increases in competition with other critical needs of the courts;
- Establish the Legislative Branch as the authority for Judicial Branch salaries, minimizing political interests in establishing pay for judges; and
- Avoid litigation such as occurred in 2014 over veto or partial veto of appropriations for judicial salaries.

Judicial Retirement Funding

As New Mexico's Judicial Compensation Commission has continued to emphasize over the years, adequate compensation for state court judges is tied directly to judicial retirement benefits. Retirement provisions are of particular importance to judges because judicial careers typically start in early middle age, often a very different scenario from other state employees.

In 2015, NCSC conducted a nationwide survey on judicial retirement and benefits. The resulting report shows that New Mexico judges, whose salaries are among the lowest, contribute at the 4th highest rate, behind judges in California, Rhode Island, and Illinois. The table below shows contribution rates of judges in general jurisdiction courts. Judges in Nevada and Utah contribute nothing.

	Salary*	Salary Rank	Judge's Contribution Rate as a % of salary	Required Years of Service**
California	\$244,179	1	15.25%	65 or older, 20 years 70+, 5-19 years Amount varies based on tier of employment
Rhode Island	\$179,387	19	12%	Under 65, 20 years, 65% 65+, 10 years, 65% 65 and 20 years, 80%
Illinois	\$234,391	2	11%	55 with 10 years, reduced benefits 60 or older, 10 years 63 with 8 years, reduced benefits 67, 8 years
New Mexico	\$139,819	47	10.5%	Magistrate, any age with 24 years of service Judge, 60 with 15 years of service or 65 with 8 years
Idaho	\$151,400	41	10.2%	60 with 10 years of service 65 with 4 years of service Any age with 20 years of service
New Hampshire	\$164,647	32	10%	60 with 15 years, 70% 65 with 10 years, 75% 70 with 7 years, 45%
Pennsylvania	\$207,203	7	10%	Superannuation pension 60 with 3 years or any age with 35 years

*Salary as of July 1, 2018.

**From *A Comparative Analysis of Judicial Compensation in the US and Canada: Facts, Figures and Comparisons*, ICM Fellows Program, 2015-2016 Court Project Phase, May 2016.

Judicial Retirement Funding (con't.)

There has been an erosion of judicial retirement provisions over the last few years through (1) increasing the percentage of employee contribution; (2) decrease of years of service allowances; and (3) suspension of COLA increases. Reducing the take-home salaries of judges through increases in contributions to retirement plans decreases the attractiveness of a judicial career, especially when accompanied by reductions in retirement benefits.

The high retirement contribution rate for New Mexico judges combines with the nation's lowest judicial salaries to aggravate challenges to attracting and retaining judges with a broad range of legal experience. The percentage of contributions toward retirement by judges should not be increased with salary increases.

FEE FUNDING OF JUDICIAL RETIREMENT SHOULD BE ELIMINATED

Fees paid when civil cases are filed provide about \$3 million each year toward funding of judicial retirements in the Magistrate Fund and the Judicial Fund. In 2011, HB58 was introduced to replace \$3,051,000 (the average amount of fees collected for judicial retirement in the previous three years) with a general fund appropriation of like amount. In place of depositing the fees into retirement funds, the bill required the employer's (the state) contribution rate in the Magistrate Fund to rise from 11% to 24.06% because historically the fees contributed 13.06% toward Magistrate retirement. HB72 raised the employer contribution rate in the Judicial Fund from 12% to 30.49% because the fees historically contributed 18.49% to Judicial retirement, and made general fund appropriations in the proportionate amount required to replace the \$3 million in fees collected.

HB72 would have had no general fund impact unless and until judicial salaries were increased. The fees are static, and will on average contribute \$3 million toward judicial retirements. However, as salaries rise, there is a growing gap between the static fees and the dynamic salaries, which is why fees are not a sound funding mechanism for retirement funds. A deficit is built in that grows any time salaries rise.

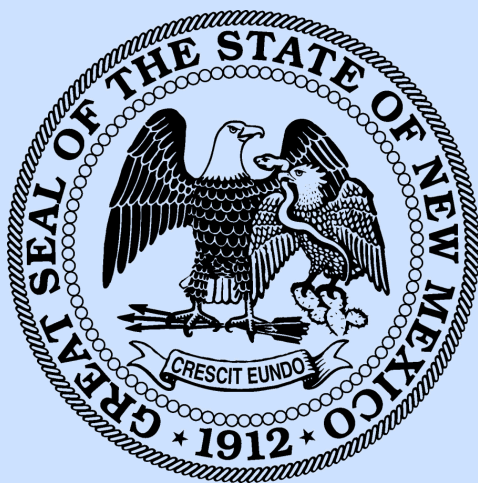
Although the Legislature passed HB72 by combined votes of 98 yes and 0 no, Governor Martinez vetoed it with a message that stated "substantive reform of the State's multiple pension funds is best achieved if they are all reviewed concurrently" and the future gap between fees and general fund appropriations as a percentage of salaries "has the potential to impact the State's general fund adversely."

The 2012 Legislature passed an identical bill, HB 72, by combined votes of 105 yes to 0 no, which Governor Martinez vetoed without a message. The three-year average fee revenue for the general fund "swap" in HB 72 was \$2,996,000.

Judicial Retirement Funding (con't.)

The Retirement Systems Task Force, the Investments and Pensions Oversight Committee, the Courts, Corrections and Justice Committee, PERA, and the Judiciary's Unified Budget all endorsed both HB72 and HB58. It remains as true today as it was in 2011 that funding retirement with a flat fee is unsound actuarial practice and guaranteed to underfund retirement by a gap that widens with any salary increase. Replacing fees with a percentage of salary contribution by the employer is an essential step in promoting the funding stability of judicial retirements. JCC endorses legislation similar to HB58 and HB72 to replace fees with general fund dollar-for-dollar in FY20 with an employer contribution set as a percentage of salary to replace fee funding.

Notes



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