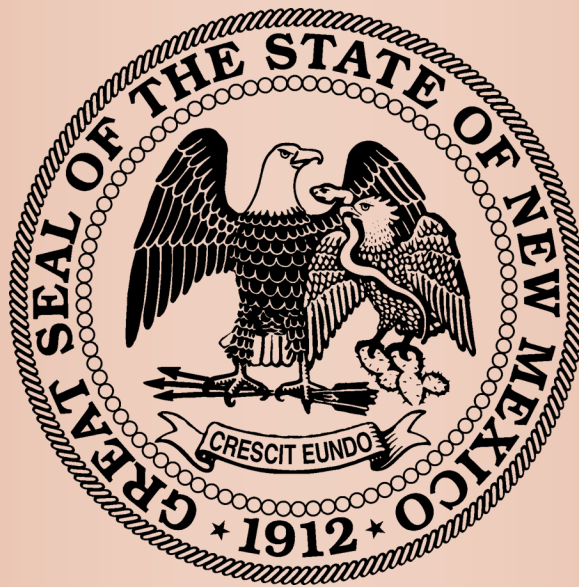




STATE OF NEW MEXICO

JUDICIAL COMPENSATION COMMISSION

2025 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 (“Commission” or “JCC”), an independent six-member commission charged with recommending a compensation and benefits plan for New Mexico judges to the Legislative Finance Committee (LFC) and the Department of Finance and Administration (DFA). The JCC members for 2025 are:

Camille Carey, Dean of the University of New Mexico School of Law, statutorily designated as Chair of the JCC;

Kathryn Brack Morrow, appointed by the President Pro Tempore of the New Mexico Senate;

Daymon B. Ely, appointed by the Speaker of the New Mexico House of Representatives;

Aja Brooks, President of the State Bar of New Mexico, statutorily designated as a member;

Patrick Ortiz, appointed by the Chief Justice of the New Mexico Supreme Court; and

Adam Flores, appointed by the Governor of the State of New Mexico.

Statutory Requirement

The JCC 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 receives 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. Magistrate salaries are set by an appropriation act. Salaries for chief judges are set according to the same formula based on the chief justice’s salary. Judicial salaries are uniform across the state, and are not adjusted for location. A judge of the same rank earns the same amount in any community in the state, regardless of size, docket, cost of living, or judicial experience.

2025 Legislative Session

The Commission recommended in its 2023 report that the salary of Supreme Court Justices be increased to \$232,600. The resulting statutory progression increased the salary of New Mexico district court judges to \$209,921.50. During the 2024 Legislative Session, the Legislature adopted the recommendation by passing House Bill 141. This bill passed the House without any dissenting vote, 52-0. It then passed the Senate 33-6, and was signed by Governor Lujan Grisham on February 10, 2024. The salary increases were effective July 1, 2024. The JCC expresses its sincere thanks to the Legislature and Governor for this accomplishment. It has been the sense of the JCC for many years that judicial salaries in New Mexico needed a significant increase to attract and retain top talent on the bench. The JCC expects these higher salaries to positively impact the quality of judges in New Mexico for many years to come.

In the 2025 Legislative Session, the Legislature provided for a 4% increase for all state employees, including judges. As a result, judicial salaries in New Mexico remain competitive. This was the approach recommended by the JCC and the Committee again expresses its thanks to the Legislature and Governor for their continued support for appropriate judicial compensation.

An additional recommendation of the JCC for the 2025 Legislative Session was to address solvency issues in both the Judges Retirement Act (JRA) pension plan, and the Magistrate Retirement Act (MRA) plan. The proposed bills were unanimously endorsed by the PERA board and overwhelmingly passed both chambers of the Legislature. However, the Governor took no action on the bills, and they were pocket vetoed.

Recommendations for the 2026 Legislative Session

PRESERVE ADEQUACY OF JUDGE PAY WITH COST OF LIVING INCREASE

With the Legislature passing and the Governor signing HB141 in 2024, and judges receiving the same cost of living increases as other state employees in 2025, judge pay in New Mexico remains competitive. The Legislature and Governor should continue to support the wisdom of this policy by providing judges with the same cost of living increase as other state employees during the 2026 Legislative Session. Without a cost of living increase, judges' salaries will begin to erode, and the gains made by past action will erode.

THE LEGISLATURE SHOULD ADOPT PENSION SOLVENCY MEASURES FOR JUDGES

The JCC views judges' total compensation package as including salary and benefits. A significant portion of the benefits package for judges is their pension. Currently, both judicial pension plans face solvency concerns. The two pensions are: (1) the JRA, whose members include justices of the Supreme Court, judges of the Court of Appeals, District Courts, and Metropolitan Court; and (2) the MRA whose membership is comprised of all magistrate judges. The JCC recommends addressing the solvency of both funds.

JRA PROPOSAL

The FY24 PERA annual report shows JRA at 56.1% funded (down from 60.5% in FY23) with the amortization period falling from 107 years to "N/A." PERA actuaries projected in 2024 that the proposal below will have a slight near-term reduction in the funded ratio by 0.8%, but will greatly improve the period to solvency in the long term from "never" to 59 years. The JCC recommends:

1. For JRA judges, increase service credit for service earned on and after July 1, 2026 from 3.25% to 4% per year for 10 years of service, and 3.5% for any year after the 10 years;
2. Reduce the vesting period from 8 years to 5 years;
3. Increase the maximum pension that can be earned from 85% to 100%;
4. Increase member contribution rate from 10.50% to 14.74% of pay;
5. Increase employer contribution rate from 15.00% of pay to 19.24% of pay.

Recommendations for the 2026 Legislative Session

(continued)

JRA PROPOSAL

(continued)

Increasing the service credit in JRA is an important tool to assist in recruitment and retention of judges. The state Constitution requires the judges covered by JRA to be at least 35 years old before beginning their career on the bench. This places judges behind the curve of other state employees in order to earn a pension at normal retirement age. Current statute requires a judge to be at least 60 years old before drawing a pension, and this limit remains unchanged under this proposal. Increasing the service credit, however, will help recruit more accomplished attorneys who are later in their careers to the bench. They will have the opportunity to earn a meaningful pension amount before achieving retirement age.

Reducing the vesting period in this plan from 8 to 5 years will match the rest of employees in state government. Increasing the employer pension contribution from 15.00% to 19.24% matches what the state pays for all other state employees. In addition, requiring JRA judges to increase their own contributions from 10.50% to 14.74% exceeds the contribution rate of other state employees, and is a fitting measure to address the solvency of this pension plan.

MRA PROPOSAL

The FY24 PERA annual report shows the MRA at 52.4% funded (down from 53.1% in FY23). PERA actuaries projected in 2024 that the proposal will immediately reduce the funded ratio in MRA by 0.8% while increasing the unfunded liability slightly from \$30.6 million to \$30.8 million but will reduce the period to solvency in MRA from 53 years to 25 years. The JCC recommends:

1. Reduce the vesting period from 8 years to 5 years;
2. Increase the maximum pension a member would be permitted to earn from 85% to 100%;
3. Increase member contribution rate from 10.50% to 14.74% of pay;
4. Increase employer contribution rates from 15.00% of pay to 19.24% of pay;
5. Service credit for magistrates would remain 3.0% per year.

Recommendations for the 2025 Legislative Session

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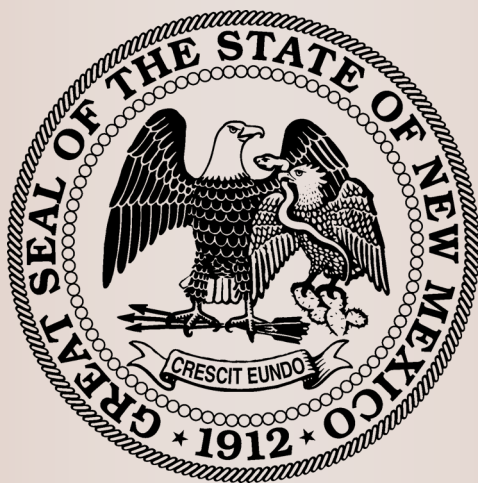
MRA PROPOSAL

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Reducing the vesting period in this plan from 8 to 5 years will match the rest of employees in state government. Increasing the employer pension contribution from 15.00% to 19.24% matches what the state pays for all other state employees. In addition, requiring MRA judges to increase their own contributions from 10.50% to 14.74% exceeds the contribution rate of other state employees, and is a fitting measure to address the solvency of this pension plan.

SUMMARY

The JCC recommends to the Legislature that it provide a cost of living increase the same as other state employees, along with the pension reforms outlined above to adequately compensate our judges.



JUDICIAL COMPENSATION COMMISSION

c/o Administrative Office of the Courts

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