

# ERB Update



NEW MEXICO  
EDUCATIONAL  
RETIREMENT  
BOARD

Fall of 2008 Newsletter  
Volume 15, Issue 1

A message from Executive Director Jan Goodwin

## ERB Pensions Guaranteed Through Troubled Times

By any measure the US and world economies are not doing well. The S&P 500 index was down 13.3% for the fiscal year ended June 30, 2008. This compares to the ERB Fiscal 2008 results of negative 6.1%. Frequent headlines include financial markets opening decidedly lower as investors remain worried about the soundness of major institutions such

as AIG, Lehman Brothers Holdings Inc. and other



financial companies. The federal government steps in to take control of Fannie Mae and Freddie Mac. These are worrisome times for our economy and many ERB members. We have received phone calls from some of our most concerned pensioners. Their question is, 'What does this mean for my pension?' The answer; nothing, ERB pensions are guaranteed.

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## Many Americans Postponing Retirement

≡ New Mexico's educators are following national trend to work longer ≡

Recent news articles suggest that Americans are putting off retirement for another day. Trends had slowly been moving towards earlier retirements for most of the 20th century. But in around 2000 retirement rates began moving towards a later retirement age. The recent economic downturn may have a significant effect on when a person decides to retire.



There are several reasons for the leveling off and then increase in retirement age. Social Security changes that allowed workers to receive a higher earned income without decreasing benefits rewarded those who worked from ages 62 to Social Security's full retirement age. Other changes at Social Security provided for smaller benefits for those who retired at the earlier ages.

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## Quote

Half our life is spent trying to find something to do with the time we have tried to save rushing through life.

~Will Rogers, Autobiography, 1949



## Good-bye Pauline Turner

# Helping Children Succeed is Her Passion

You probably won't find her photo in your family album, but there's a good chance that ERB Board member Pauline (Polly) Turner, Ph.D., has played an important role in your or your children's education.



*Pauline Turner, Ph.D. She has been a leader in the development of learning materials for young children.*

Graduates of Albuquerque schools for the past several decades have likely benefited, at least indirectly, from Polly's expertise in early childhood education where she has been a leader in the development of teaching materials for young children.

Through her collaborative work with state agencies as a professor in the University of New Mexico's Family Studies

program for the past 28 years, and as director of the Center for Family and Community Partnerships, she played a leading role in developing a set of early learning outcomes for pre-kindergarten children.

**“These are the things that kids should know and be able to do by the time they enter kindergarten: math, science, literature, social studies, health and nutrition,” she says.**

Those learning outcomes provide a clear, step-by-step resource for pre-K teachers to improve their understanding of what children should be learning to help them be successful in school.

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## Welcome Beulah Woodfin

# Retiree Benefits a Key Issue

Beulah Woodfin comes to the NMERB board with energy and a clear vision: to improve retirement benefits for actively working and retired faculty members at all public universities in New Mexico. She replaces Pauline Turner, Ph.D., who is resigning from the board after 14 years of service.

Woodfin has been hard at work on retirement issues for some considerable time on the University of New Mexico (UNM) campus in Albuquerque, and is a respected voice in the UNM Retiree Association, following her leadership role as president of the UNM Faculty Senate. With 34 years as a biochemistry professor in the UNM medical school, she knows firsthand the concerns and issues of university employees through shared conversations with fellow faculty members, as well as through her active work with the UNM Retiree Association.



*Beulah Woodfin, Ph.D. Dr. Woodfin has been hard at work on retirement issues for some considerable time.*

**“There are two major issues that I particularly hear about,” she says. “Faculty salary and benefits and retiree benefits and healthcare.”**

“COLA (cost-of-living adjustment) for retirees is important. One of our members who retired in the mid-‘90s figured that since his retirement, the cost of living had gone up 46 percent and COLA had gone up 23 percent.

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# Turner is Proudest of Her Books on Parenting & Child Development

Fine contributions during 14 years of service to the NMERB Board of Trustees

As rewarding as that work was, writing two books with her sister, Tommie Hamner, is her proudest career accomplishment. Together they wrote the college textbook, 'Parenting in Contemporary Society,' currently in its fifth edition, and a second college textbook, 'Child Development & Early Education; Infancy Through Preschool.'

It was Tommie who got her interested in child development at a turning point earlier in her life. Recently divorced with two small children, Polly had to choose whether to go to grad school or return to the work world. At the urging of her sister, she decided to get her master's degree at the University of Alabama, with Child Development and Family Relations as her field. She then headed West, obtaining her Ph.D. from the University of Texas at Austin, after teaching there for three years, with another three years post-Ph.d at Southwest Texas State University before coming to New Mexico.

**It had been a full and challenging 28 years with the UNM Family Studies Program in the College of Education when she left to co-found and direct the UNM Center for Family and Community Partnerships.**

"It was a home for grants focusing on early childhood education," she relates of her work there. "I wrote quite a number of grants, some of them collaborative, which helped the state move forward in its early childhood initiatives.

Polly's role as an agent for collaboration among higher education, state agencies and the practitioners in the classroom is another accomplishment she is proud of.

In 1992, she proposed a conference of all two- and four-year colleges in New Mexico so that they could collaborate on curriculum development.

**"Now curriculum has been standardized across institutions, with identical coursework at all two-year colleges and all four-year institutions, so that students can transfer to any college or university in the state without losing any credits."**

Life in a word is full, both at a professional and personal level, and shows few signs of slowing.

In July, Dr. Turner resigned from the NMERB Board after 14 years of active participation. So many thanks go to her for all her fine contributions. Fellow UNM colleague, Beulah Woodfin, Ph.D., will represent the New Mexico Conference of the American Association of University Professors on the NMERB board.

*Dr. Turner is Professor Emerita at UNM.*

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## ERB Saw Drop in Numbers of New Retirees Last Year

The availability of Defined Benefit retirement plans decreased from a high of 36% of the American workforce aged 51 to 56 in 1992 to 19% in 2004. ERB employees, along with most public sector employees, still have the dependable lifetime retirement benefits of a Defined Benefit retirement. Defined Benefit pensions provide a benefit based on years of service and a 3 -5 year average highest salary. Most private sector employees have the self- and employer-funded defined contribution plan that depends on investment earnings to provide a nest egg that may or may not provide a lifetime of retirement income. The smaller number of Americans with the Defined Benefit plan might result in more people postponing retirement.

The last major incentive to work longer is the lack of health insurance for retirees until Medicare kicks in at age 65. We in New Mexico are fortunate that the New Mexico Retiree Health Care Authority offers health care to ERB retirees and their family

members and to the Public Employees Retirement Association (PERA). However, the premiums have been steadily rising and rose substantially for non-Medicare participants this summer. The premiums for the Gold plan rose 70% for retirees with 20 or more years of service.

Meanwhile, back at the New Mexico Educational Retirement Board, the average retirement age of members has remained at age 59 for the past 16 years even as the number of retirees has increased every year. We saw an unusual drop in the number of new retirees this year from 2,033 the previous year to 1,801 for the 2007-2008 school year. The drop may be due to the poor economy or the large increase in retiree health care premiums. At least for this year ERB members seem to be following suit and considering working longer.

*Future articles will focus on the realities of retirement financial needs and how you can either; 1) save more now, 2) work longer, or 3) plan to work in retirement in order to be financially comfortable in retirement.*

# A Professional Life Full of Challenges

Woodfin prevailed in gaining a foothold in the male-dominated field of medicine

So that's a point of concern. "The intent of the Legislature when they set up the NMERB was that the membership not be entirely investment experts, and they wanted the concerns of the beneficiaries and participants to be reflected," Woodfin relates. Additionally,

**"I've been asked by colleagues to look into the possibility of an ad hoc COLA that would address the needs of those in the program the longest, some of whom are dealing with serious financial issues."**

She reports that the UNM Retiree Association is keen to begin raising awareness of the New Mexico Legislature through a publicity campaign of the urgent need for improved retiree benefits. She intends to play an active role in achieving what may be a challenging goal.

She may be better equipped to deal with

hurdles than some - her professional life has scarcely been absent challenges. Early on, she prevailed in gaining a foothold in the male-dominated field of medicine several decades ago at a time when faculty positions weren't necessarily advertised.

"I entered the profession at a time when women weren't particularly welcome in the sciences," she says. But she prevailed, and found satisfaction working on curriculum, and especially enjoyed the one-to-one interaction with students.

**"My interests have always been in faculty rights and faculty security in the form of tenure. Most importantly, academic freedom, so faculty can teach their subject matter as they see it."**

But, as committed as she remains to improving retiree benefits for university faculty and retirees, there is still a little room for personal pursuits.

"I read a lot; I try to play golf at various courses; Santa Ana and the municipal ones" she says.

**"I read mystery novels, history and biography, and I'm interested in the philosophy of science."**

She has been traveling quite a lot; her last major trip was aboard a National Geographic ship in the Antarctic. It was a small ship carrying just 110 passengers, and she was able to enjoy the sights of penguins, seals and whales. With 23 hours of sunlight every day, "It was fairly exhausting because there was so much to look at and to do all the time." She'd like to return there one day.

She's presently recuperating from knee surgery but has set her sights on a trip to the Danube either this year or next. Hers will continue to be an active life, combining the freedom of choice with involvement in issues that are important to her.

## Moving? Please Let Us Know

Retirees: If you have moved this year, please remember to send us change of address information. Your 1099-R goes to the address we have on file, so NMERB needs your current mailing address. Change of addresses must be written, signed, dated, and also be sure to include your Social Security number on the document. The document can be mailed or faxed to 1 (505) 827-1855.

If you are changing banks, we need our "Authorization Agreement for Direct Deposit Services" form which is available on our web site, [www.nmerb.org](http://www.nmerb.org). When changing banks, your first check will be mailed to your mailing address.

## Las Cruces Office Moves

The Las Cruces ERB office, managed by Nora Marrujo, has moved to new digs. The new address for the ERB office is: 2355 South Avenida de Mesilla, located in the San Andres High School building.

The office is located in the north end of the school just across the hall from the cafeteria. Phone numbers remain the same; (575) 647-3313, fax number: (575) 647-3315. The mailing address remains the same at 505 S. Main, Suite 249, Las Cruces, NM 88001.

TIDBITS

TIDBITS

# Q & A: Sunsetting of Return to Work (RTW)

**Q: I have heard that Return to Work will not last forever?**

**A:** The Return to Work program is still alive and well. It is scheduled to sunset on December 31, 2011.

What does sunsetting mean? It is not unusual for legislation to have an ending or sunset date. That means that the laws set forth in the legislation are no longer in effect after the sunset date. It is not clear from the bill's wording what the sunset means to individuals who are participating in the program. Since the bill does not specifically say that



participants will be able to continue after the program ends it probably means that if you were in the RTW program on December 31 that you would not be in the program on January 1. If you were participating you could continue to work under the .25 FTE or \$15,000 option for retirees.

December 31, 2011 is just around the corner and it is very likely that bills will be introduced in 2010 or 2011 that would continue or change the program after 2011.

If you have any questions about coming back to work for an ERB employer after retirement, please call ERB's toll free number, 1-(866)-691-2345, to make sure you are not jeopardizing your retirement income.

## Message from the Director

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Your pension and COLA provisions will continue as promised. Now having said that, it is the ERB Board's and staff's duty to insure long term financial stability of the Fund. While negative returns are always disappointing, they are expected from time to time. Our long-term goal is to earn the actuarial rate of return of 8% annually.

Our current five-year average rate of return is well above the actuarial rate at 9.5%. Additionally, our Unfunded Accrued Actuarial Liability continues to decrease due to contribution changes implemented

by the Legislature and Governor several years ago.

The Board and our Investment Division continues to maximize return and minimize risk through diversifying our portfolio. As a large institutional investor, we have the luxury of always investing long-term. We strive to continue to diversify with the goal of protecting and increasing the value of the portfolio.

If you have questions, please feel free to contact Deputy Director Jeff Riggs either by phone, 505-827-8030, or by email, Jeff.Riggs@state.nm.us

## Help Yourself by Signing Up for E-zine

ERB has been busy sending out e-zines to about 2,500 ERB members who signed up to receive them. We want YOU on our list as well because we don't want you to miss out on useful articles and interesting features.

The ERB e-zine is a one-page monthly electronic (e-mailed) newsletter that summarizes articles that retirees find

helpful, such as, "Taking the Mystery out of Retirement Planning", and other useful topics each month. Every issue also features a retiree with an interesting story to tell, or an ERB employee, plus much more. It's quick, it's easy, it's free. To sign up to receive the ERB e-zine, go to our web site at [www.nmerb.org](http://www.nmerb.org) and click on the button below 'Sign Up for E-News.'

## Member and Retiree Statements Mailed

By the time you receive this newsletter you should have received your member or retiree annual statement. For members, this is the earliest you have received your statement. We plan to have statements out by September every year. Please look over your statements to be sure they reflect what you believe to be true about your contributions or benefits.

The annual statement is a new document for retirees. We hope that providing you your gross pension and deductions will help you to track changes in Cost-of-Living Allowances (if you qualify) and Retiree Health Care benefit premiums (if you have those premiums deducted from your ERB pension).

We are very interested in your opinions about the statements. Please let us know if you would like more or different information for next year's statement. There is an e-mail address and a physical address on your statement for these communications.

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# Retirement Seminars for 2008/2009

ERB presents two seminars that help guide members to informed choices concerning their educational retirement options.

<b>Getting Your Ducks in a Row</b>	<b>Introduction to Educational Retirement</b>
Saturday seminars, 8:30 a.m.-12:30 p.m.	Weeknight seminars, 4:30 p.m.- 7 p.m.
<i>Financial and Estate Planning, Aging Well, ERB Benefits, Retiree Health Care Benefits, and Social Security.</i>	<i>Same coverage of ERB benefits and NM Retiree Health Care as the longer version. Do not attend both seminars.</i>

	Oct 7	Nov 18	Jan.10	February 24	March 18
<b>Albuquerque Area</b>	Albuquerque	Albuquerque*	Albuquerque	Albuquerque	Los Lunas*
	April 21	May 2			
	Albuquerque	Albuquerque			
<b>Northeast NM</b>	Oct 20	Oct 21	Oct 22	January 22	March 10
	Tucumcari	Raton	Las Vegas	Taos	Santa Fe
<b>Northwest NM</b>	Oct 14	Oct 15	Nov 13	April 7	February 7
	Gallup	Farmington	Los Alamos	Grants	Farmington
<b>Southeast NM</b>		Feb 27	April 15	April 16	April 18
		Roswell	Carlsbad	Hobbs	Clovis
<b>Southwest NM</b>	Nov 4	Nov 5	Nov 6	March 4	March 5
	Alamogordo	Silver City	Las Cruces	Socorro	Deming
				March 7	Las Cruces

To register, visit the ERB web site ([www.nmerb.org/seminars.php](http://www.nmerb.org/seminars.php)) and fill out the registration form to get information on the location. We'll notify you of any seminar schedule changes.

\* This is a Question & Answer presentation. Register by calling AFT at 262-2657



2355 South Avenida de Mesilla  
Las Cruces, NM 88001  
Phone (575) 647-3313  
Fax (755) 647-3315

6201 Uptown Blvd. NE, Suite 204  
Albuquerque, NM 87110  
Phone (505) 888-1560  
Fax (505) 830-2976

701 Camino de Los Marquez  
Santa Fe, NM 87502  
Phone (505) 827-8030  
Fax (505) 827-1855

NMERB

## How to Reach Us

NM Educational Retirement Board  
701 Camino de los Marquez  
Santa Fe, NM 87502

[www.nmerb.org](http://www.nmerb.org)

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