



STATE OF NEW MEXICO
Educational Retirement Board

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New Mexico ERB Addresses Software Error

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On July 1, 2010, the New Mexico Educational Retirement Board (NMERB) implemented a change in the process used to calculate interest on contributions refunded to members who have terminated employment and on the contributions that are paid to the beneficiaries of members and retirees. Within a few weeks of implementing the new process, NMERB staff determined that there was an error in the interest calculation. Refunds were temporarily stopped while staff corrected the error. After NMERB staff corrected the error, refund payments were resumed. Members and beneficiaries who received payments after August 2010 received the correct interest amount.

Unfortunately, approximately 765 refunds were paid during July and August, 2010 that included incorrect interest amounts. NMERB staff are auditing these payments. After determining the extent of any errors, staff will report to the NMERB Board of Trustees and request the Board's direction on recovery of overpayments. Additional payments will be made where interest was underpaid.

During the course of this process, neither pension benefits of any current or future NMERB retirees nor upcoming refunds of contributions will be affected. Also, this interest calculation error does not have any relation to the increase in member contribution rates or the new non-refundable contribution rule for Return To Work Retirees, both to be effective July 1, 2011.

If you have any questions regarding this overpayment, please contact the NMERB.