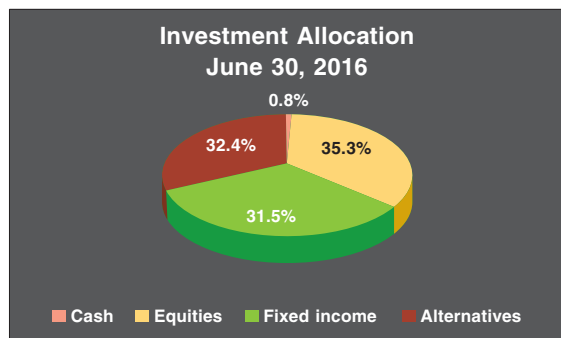
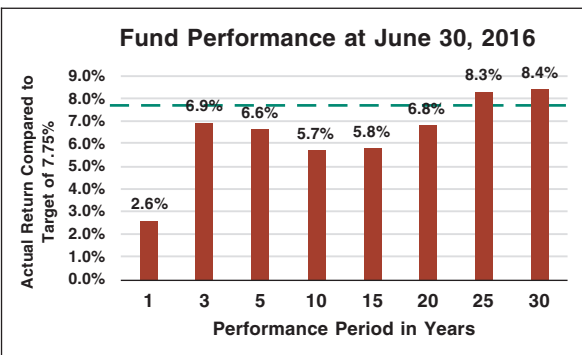


INVESTMENTS

NMERB invests for the long term. Its **well diversified portfolio**, especially in times of investment market volatility, is the best way to insure a secure retirement for NMERB's members



From July 1, 1983 through June 30, 2016, NMERB's investment return, net of fees, was 9%. For the fiscal year ending June 30, 2016, investment return was 2.6% net of fees, **outperforming the policy index by 1.0% and ranking NMERB in the top 6% percentile of its peers.**



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FINANCIAL RESULTS

The *Summary Statements of Fiduciary Net Position* show what NMERB owned (assets) and owed (liabilities) at the end of a fiscal year.

Summary Statements of Fiduciary Net Position (thousands)			
	2016	2015	2014
Assets	\$ 11,755,860	11,642,543	11,442,172
Liabilities	223,022	144,820	96,096
Net Position	<u>\$ 11,532,838</u>	<u>11,497,723</u>	<u>11,346,076</u>

The *Summary Statements of Changes in Net Position* show the financial activity occurring during a fiscal year.

Summary Statements of Changes in Net Position (thousands)			
	2016	2015	2014
Additions			
Contributions	\$ 690,837	687,952	631,157
Net investment income	364,571	423,329	1,444,371
Other income	2,098	8,147	2,681
Total additions	<u>1,057,506</u>	<u>1,119,428</u>	<u>2,078,209</u>
Deductions			
Benefit payments and refunds	1,012,731	957,183	907,214
Administrative expenses	9,660	10,598	16,618
Total deductions	<u>1,022,391</u>	<u>967,781</u>	<u>923,832</u>
Net increase	<u>35,115</u>	<u>151,647</u>	<u>1,154,377</u>
Net position			
Beginning of the year	11,497,723	11,346,076	10,191,699
End of the year	<u>\$ 11,532,838</u>	<u>11,497,723</u>	<u>11,346,076</u>

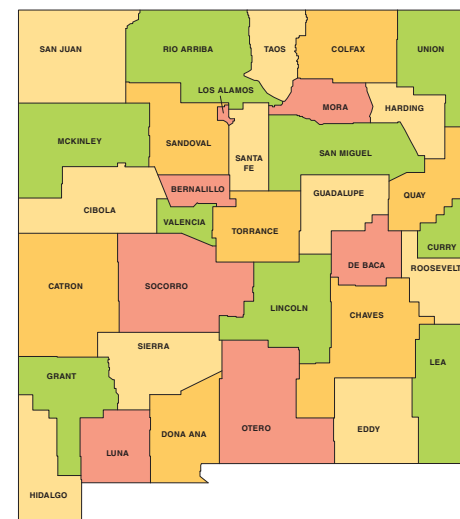
Summary of Actuarial Information:

Unfunded Actuarial Accrued Liability (millions), Funded Ratio, Funding Period			
Year	UAAL	Funded Ratio	Funding Period
2016	\$ 6,631	64.2%	44.9 yrs
2015	\$ 6,542	63.7%	43.2 yrs
2014	\$ 6,256	60.1%	42.1 yrs
2013	\$ 6,534	60.1%	95.1 yrs
2012	\$ 6,231	60.7%	Infinite

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New Mexico Educational Retirement Board

A Component Unit of the State of New Mexico



Popular Annual Financial Report

For the Fiscal Year Ended June 30, 2016

ABOUT THIS REPORT

This report is a summary of NMERB's services, membership, investments, and financial results as reported in its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. This report includes all funds administered by NMERB and presented in the CAFR.

The 2016 CAFR is presented in conformity with generally accepted accounting principles (GAAP) and, therefore, includes more detailed information than this summary, as well as, other information. The CAFR can be viewed online at www.nmerb.org/publications.

NMERB's SERVICES

NMERB provides retirement benefit services to over 150,000 members and 218 educational employers. NMERB was created by the New Mexico Educational Retirement Act to administer the Educational Employees' Retirement Plan and to provide retirement and disability benefits for certified teachers and other employees of the state public schools. NMERB has managed the retirement assets of New Mexico's educational employees since 1957.

Pension benefit payments made by NMERB significantly contribute to New Mexico's economy. In fiscal year 2016, gross benefit payments paid to retirees living in New Mexico's 33 counties were \$833,822,467.



MANAGING THE RETIREMENT ASSETS OF NEW MEXICO'S EDUCATIONAL EMPLOYEES SINCE 1957

Retirement Benefits by New Mexico County

County	Amount (thousands)
Bernalillo	\$ 301,398
Doña Ana	103,786
Santa Fe	44,918
Sandoval	43,407
San Juan	37,788
Valencia	28,151
Chaves	25,351
Eddy	22,790
San Miguel	21,046
Rio Arriba	20,624
Otero	18,637
Curry	17,580
Grant	16,839
McKinley	16,311
Lea	16,208
Taos	14,103
Socorro	13,628
Roosevelt	12,003
Lincoln	9,481
Los Alamos	6,471
Luna	6,100
Cibola	6,070
Colfax	5,729
Torrance	4,625
Sierra	4,008
Quay	3,738
Mora	3,714
Guadalupe	2,531
Union	2,136
Hidalgo	1,662
Catron	1,319
De Baca	987
Harding	683
Total	\$ 833,822

MEMBERS AND EMPLOYEES

Total Membership Status by Year

Status	2016	2015	2014
Retirees and beneficiaries	45,797	44,043	42,246
Active working	60,057	60,998	61,173
Inactive, vested	10,219	9,513	9,113
Inactive, nonvested	34,009	31,535	27,476
Total	150,082	146,089	140,008

Schedule of Contributing Employers by Year

Employer Category	2016	2015
Charter schools	99	97
Public schools	89	89
Universities and colleges	15	15
State agencies	11	11
Special schools	4	4
Total	218	216

Fiscal Year 2016 Contribution Rates

Wages	Member	Employer	Total
Over \$20,000	10.7%	13.9%	64.6%
\$20,000 or less	7.9%	13.9%	21.8%

Board of Trustees

The Board of Trustees provides policy guidance and direction to NMERB. It also appoints NMERB's executive director. In 2008, the board appointed the current executive director, Jan Goodwin. The board is comprised of seven elected, appointed, and ex officio members:

Mary Lou Cameron, Chair, NEA Appointee
 H. Russell Goff, Vice-Chair, NMAER Appointee
 Hipolito Aguilar, Secretary, Designate for Hanna Skandera
 Donald Duszynski, Member, AAUP Appointee
 Larry Magid, Member, Governor Appointee
 Hanna Skandera, Ex Officio Member, PED Secretary
 Tim Eichenberg, Ex Officio Member, State Treasurer

Board membership is established by the New Mexico Educational Retirement Act.