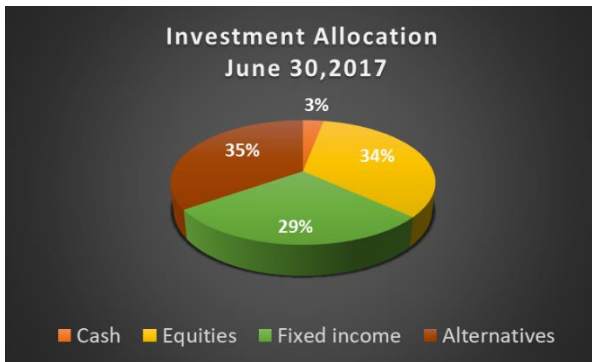
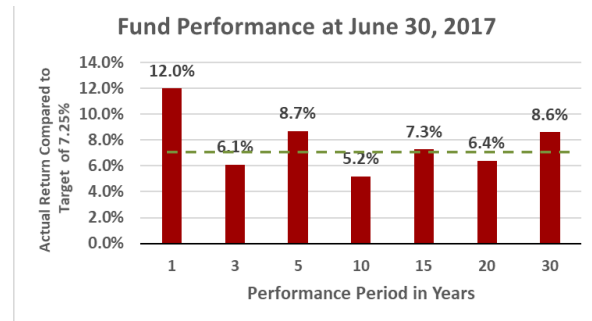


INVESTMENTS

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



From July 1, 1983 through June 30, 2017, NMERB's investment return, net of fees, was 9.1%. For fiscal year 2017, return net of fees was 12.0%, ranking NMERB in the 69th percentile of its peers, for an annual investment gain of approximately \$1.36 billion. The results for the year exceeded the Fund's long-term actuarial annual return assumption of 7.25%.



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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)			
	2017	2016	2015
Assets	12,646,682	11,755,860	11,642,543
Liabilities	137,326	223,022	144,820
Net Position	<u>\$ 12,509,356</u>	<u>11,532,838</u>	<u>11,497,723</u>

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

Summary Statements of Changes in Net Position (thousands)			
	2017	2016	2015
Additions:			
Contributions	\$ 688,652	690,837	687,952
Net investment income	1,346,747	364,571	423,329
Other income	3,642	2,098	8,147
Total additions	<u>2,039,041</u>	<u>1,057,506</u>	<u>1,119,428</u>
Deductions:			
Benefit payments and refunds	1,052,675	1,012,731	957,183
Administrative expenses	9,848	9,660	10,598
Total deductions	<u>1,062,523</u>	<u>1,022,391</u>	<u>967,781</u>
Net increase	<u>976,518</u>	<u>35,115</u>	<u>151,647</u>
Net position			
Beginning of the year	11,532,838	11,497,723	11,346,076
End of the year	<u>\$ 12,509,356</u>	<u>11,532,838</u>	<u>11,497,723</u>

Summary of Actuarial Information:

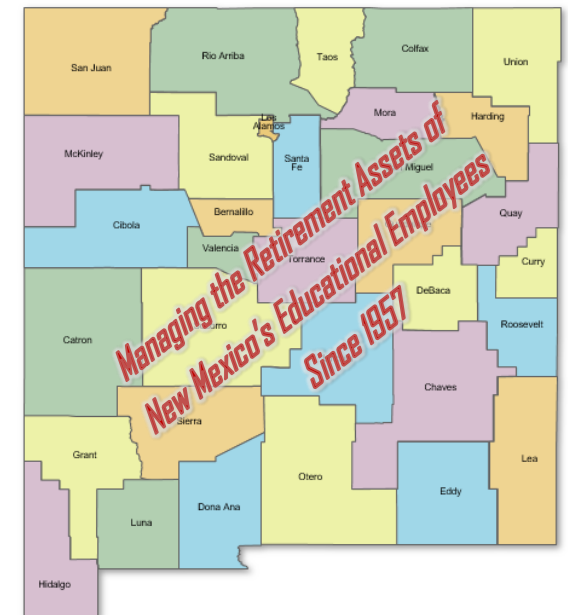
Year	Unfunded Actuarial Accrued Liability (millions), Funded Ratio, Funding Period		
	UAAL	Funded Ratio	Funding Period
2017	\$ 7,363	62.9%	61 yrs
2016	\$ 6,631	64.2%	46 yrs
2015	\$ 6,542	63.7%	37 yrs
2014	\$ 6,256	60.1%	26 yrs
2013	\$ 6,534	60.1%	32 yrs

The unfunded actuarial accrued liability (UAAL) is the excess of the actuarial accrued liability over the actuarial value of assets. The funding period is a theoretical calculation of the length of time required for the UAAL to be completely paid off.

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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, 2017

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, 2017. This report includes all funds administered by NMERB and presented in the CAFR.

The 2017 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 153,000 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 public schools, institutions of higher learning, and state agencies providing educational programs. 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 2017, gross benefit payments paid to retirees living in New Mexico's 33 counties were \$835,713.



Retirement Benefits by New Mexico County

County	Amount (thousands)
Bernalillo	\$ 302,487
Dona Ana	105,252
Santa Fe	44,290
Sandoval	43,835
San Juan	37,884
Valencia	28,493
Chaves	25,081
Eddy	22,714
Rio Arriba	20,588
San Miguel	20,459
Otero	18,781
Curry	17,046
Grant	16,888
Lea	16,044
Mckinley	15,336
Taos	14,020
Socorro	13,655
Roosevelt	12,169
Lincoln	9,600
Cibola	6,882
Los Alamos	6,551
Luna	6,132
Colfax	5,740
Torrance	4,578
Quay	3,986
Mora	3,976
Sierra	3,815
Guadalupe	2,571
Union	2,155
Hidalgo	1,719
Catron	1,308
De Baca	1,008
Harding	672
Total	\$ 835,713

MEMBERS AND EMPLOYERS

Status	Total Membership Status by Year		
	2017	2016	2015
Retirees and beneficiaries	47,340	45,797	44,043
Active working	59,495	60,057	60,998
Inactive, vested	10,581	10,219	9,513
Inactive, nonvested	36,098	34,009	31,535
Total	153,514	150,082	146,089

Employer Category	Schedule of Contributing Employers by Year	
	2017	2016
Charter schools	99	99
Public schools	89	89
Special schools	4	4
State agencies	11	11
Universities and colleges	15	15
Total	218	218

Wages	Fiscal Year 2017 Contribution Rates		
	Member	Employer	Total
Over \$20,000	10.7%	13.9%	24.6%
\$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, Designate for Secretary of PED
Donald Duszynski, Member, AAUP Appointee
Larry Magid, Member, Governor Appointee
Hanna Skandera*, Ex Officio Member, PED
 Secretary (resigned effective June 20, 2017)
Tim Eichenberg, Ex Officio Member, State Treasurer

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

*Mr. Christopher Ruskowski succeeded Ms. Skandera effective August 24, 2017.