



NEW MEXICO
EDUCATIONAL
RETIREMENT
BOARD

701 Camino de los Marquez Santa Fe, NM 87505 (505) 827-8030 (505) 827-1855 fax
6201 Uptown Blvd. NE Ste. 204 Albuquerque, NM 87110 (505) 888-1560 (505) 830-2976 fax

Five Simple Steps To NMERB Retirement

NMERB members who are approaching retirement eligibility requirements should submit their retirement application 60 to 90 days prior to their effective date of retirement.

Effective dates of retirement are the first day of the month following the last day of employment or whenever NMERB is in receipt of the retirement application, whichever is later. *Those employees on a 9 or 10 month contract who terminate employment in May will automatically be considered a July 1 retiree.*

ERB members should follow the step by step instructions to help the retirement process run as smoothly as possible and to ensure an initial benefit payment without any lapse in income.

Step 1:

Member completes the *NMERB Application for Retirement—Member Completion* (page 1) then gives page 1 and an NMERB acceptable proof of age document to the member's employer. Currently employed members may get the application from their Human Resources Office; those not currently employed may access the application at www.nmerb.org under the *Download Forms* link.

Step 2:

Employer completes the *Employer Certification* (page 2) then mails both forms, along with the member's (and if applicable, beneficiary's) proof of age documents, to the NMERB.

Step 3:

NMERB's Member Services Department audits the member's retirement application; about 30 days prior to the member's retirement date, the member will receive the *Final Retirement Documents*:

- Post-Retirement Information and Instruction Sheet
- Final Selection of Benefit Form
- Estimate of Retirement Benefit
- Authorization Agreement for Direct Deposit Services
- State and Federal Tax Deduction Form
- Post-Retirement Employment Notice--Permanently Reduced Rate Calculation Notice

Step 4:

Member completes the following documents and returns them to the NMERB Office:

- Final Selection of Benefit Form, notarized*
- Authorization for Direct Deposit Services*
- State and Federal Tax Deduction Form*
- Post-Retirement Employment Notice
- Permanently Reduced Rate Calculation Notice (if applicable)

Step 5:

Upon receipt of all correct final retirement documents, NMERB places member on payroll. Benefit payment dates are the last business day of the month. The first benefit payment is directly deposited to the member's bank account.

These forms must be completed and processed before the member's effective date of retirement. If they are not, the member will receive two benefit payments the following month.



Final Selection of Benefit:

The Final Selection of Benefit form must be notarized. If you are currently married, the Final Selection of Benefit Form must be signed by both you and your spouse regardless of which option you select and both of your signatures must be notarized at the same time. NMERB offices have notaries on staff and you may turn in your documents to an NMERB office in person. Please note that both you and your spouse must be present in order for your Final Selection of Benefit document to be notarized.

Direct Deposit:

Direct deposit is mandatory. The Authorization for Direct Deposit Services form that is included in your retirement packet has a space for completion and signature from your bank. Your first payment will be directly deposited to your bank on the last business day of the month, and all other subsequent months thereafter. If you later wish to change the bank to which your payments are sent, you will need to complete a new Direct Deposit form, which can be accessed at www.nmerb.org under the *Download Forms* link.

State and Federal Tax Deduction:

NMERB retirement benefits are taxable and it is your responsibility to advise the NMERB on how much, if any, should be withheld from the your monthly benefit payment for tax purposes. The State and Federal Tax Deduction Form has spaces for you to use the regular deduction from the current tax tables or a space for you to note the amount you'd like withheld from each benefit payment. If you later wish to change the amount of your tax withholding you must complete a new State and Federal Tax Deduction Form, which can be accessed at www.nmerb.org under the *Download Forms* link.



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Retirement Application Instructions

Member Information

Include your work and home telephone numbers so we can contact you if we have questions. List your most recent NMERB employer even if you have been in an inactive status and indicate if you have had previous employment with city, county or state government under the New Mexico Public Employees Retirement Association (PERA). If you wish to receive the quarterly ERB newsletter and other updates via email, please enter your email address in the space provided.

The beneficiary information must be completed if you wish an estimate based on the optional forms of payment. You will make a final, irrevocable beneficiary determination when you receive your final retirement documents.

Inactive members only need to complete page 1 of the application.

Verification of Date of Birth

Verification of the member's date of birth must accompany the retirement application. This verification may be a copy of one of the following documents: birth certificate, delayed birth certificate, baptismal certificate, passport, driver's license, certificate of Degree of Indian or Alaskan Native Blood (CDIB). If you are requesting Option B and Option C calculations you must also include verification of date of birth for your beneficiary.

Effective Date of Retirement

The effective date of retirement of members completing the academic school year is July 1; otherwise, the effective date of retirement may be the first day of the month following termination of employment or following receipt of the retirement application by the ERB, whichever is later.

The original application should be filed 60 to 90 days prior to the effective date of retirement. Faxed applications are not accepted.

Optional Forms of Benefit Payment

There are three optional forms of benefit payment; *Option A*, *Option B*, and *Option C*.

- If the member selects *Option A*, there is no reduction to the monthly benefit and there is no continuing benefit due a beneficiary or estate, except the balance, if any, of the contributions less benefits paid. The retirement benefit ceases upon the member's death.
- If the member selects *Option B*, the monthly benefit is reduced to provide for a 100% survivor benefit. *The IRS prohibits the selection of Option B for a non-spouse beneficiary more than 10 years younger than the member.*
- If the member selects *Option C*, the monthly benefit is reduced to provide for a 50% survivor benefit.

The benefit reduction with an Option B or C form of payment is based on the age of the member and the age of the beneficiary at the time of retirement. The decision is made in the Final Selection of Benefit form, which will be included in your retirement documents packet.

Monthly Benefit Payments

For your convenience, the NMERB will electronically transfer your retirement benefit into your bank account or other financial institution. This method has proven to be a safe and fast way of conducting this type of financial transaction. ***Please note that your first benefit payment will be electronically sent to your selected financial institution on the last business day of each month.***

If the applicant is employed at the time the application is filed, the initial benefit payment will be an estimate based on the salary information provided by the your employer before the final payment has been made to the member. After final salary information has been reported to the NMERB, the benefit will be recalculated and retroactively adjusted if necessary.

Community Property and Retirement Benefits

The retired member is not subject to execution, levy, attachment, garnishment, or other legal process, except that any portion awarded to a former spouse in a court decree is paid directly to the former spouse when directed by the courts.



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Application For Retirement—Checklist

In order to prevent a delay in processing your retirement, please check your application for any missing or incomplete information. Missing information will require that the application be returned to your employer. Use this checklist to confirm that all information is provided.

Section I: Member and Beneficiary Information

Member Information

- member name
- member address, city, state, zip, email
- member gender
- member's effective date of retirement
- date of application
- member SSN
- member date of birth
- member last employer
- member home telephone number
- signature of member
- Copy of either birth certificate, baptismal record, passport, or Driver's License.

Beneficiary Information

(ONLY if requesting information about Option B and C forms of payment)

- Beneficiary name
- Beneficiary date of birth
- Beneficiary relationship
- Beneficiary SSN
- Beneficiary gender
- Copy of either birth certificate, baptismal record, passport, or Driver's License.

Section II: Employer Information

- last date of employment
- signature of authorized official
- title of authorized official
- estimated final wages (must include all summer pay)
- employer name
- date signed



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Application For Retirement—Member Completion page 1 of 2

Section I: Member Information (To be completed by the member)

Name: [] Active Employee [] Inactive Employee

Address: [] City [] State [] Zip

Social Security Number: [] Male [] Female Marital Status: []

Date of Birth: [] Contact: [] home/cell number [] work number

Most recent employer covered under NMERB: []

Do you have PERA Service? (city, county and/or state government in NM) [] Yes [] No

[] (Optional) I wish to receive the ERB newsletter and other updates at my personal email address below:

Personal email address []

The NM Educational Retirement Board will provide you with a calculation of your retirement benefit under Options A, B, or C forms of payment. Please see below the descriptions of the optional forms of payment. If you are interested in Options B or C please complete the following information along with proof of beneficiary's age. If you are not interested in Options B or C calculations, please leave this section blank. You will provide beneficiary information with your Final Selection of Benefit form which NMERB will send you. The IRS prohibits the selection of Option B for a non-spouse beneficiary more than 10 years younger than the member.

Beneficiary Name: [] Beneficiary SSN: []

Beneficiary Date of Birth: [] Male [] Female Relation: []

I hereby apply for retirement as provided by the New Mexico Educational Retirement Act to become effective []. I understand that if I am employed by more than one NMERB employer I must submit a separate application from each employer.

Signature: [] Date: []

Optional Forms of Payment

Option A
This option provides you with the largest monthly sum upon retirement.
The benefit ends upon the member's death.
A beneficiary will only receive any balance left of the member's contributions plus interest.

Option B
The member's benefit is reduced.
Your beneficiary receives the same benefit amount upon your death.
The member will receive payment Option A if the beneficiary pre-deceases the member.

Option C
The member's benefit is reduced, but by a lesser amount than Option B.
Your beneficiary receives half of the benefit amount upon your death.
The member will receive payment Option A if the beneficiary pre-deceases the member.



Employer Certification

(For active members only)

For: _____ SSN: _____ Receipt/Postmark Date: _____

Section II: Employer Certification *(To be completed by the employer only if member is in an active status)*

Member's last date of employment: _____ Position Held: _____

Was this employment for 218 days or more per academic year? Yes No

- Nine month employees completing the academic year must have an effective retirement date of July 1.
- Members who are employed 218 or more days in an academic year may retire the first day of the month following termination or following ERB's receipt of the retirement application, whichever is later.

All estimated salaries applicable to the member's final calendar quarter of employment must be reported. Payments made for *unused sick leave, unused annual leave, or early retirement incentives* are not reported for retirement purposes.

Please report estimated salaries paid in the last two quarters of the member's employment.

September \$ _____ March \$ _____

December \$ _____ June \$ _____

Contact Person: _____ Telephone Number: _____

I hereby certify to the New Mexico Educational Retirement Board that the information provided in Section II is accurate.

Employer

Signature of Authorized Official

Date

Title of Authorized Official

If the member's application is received after the effective date desired by the member, the NMERB may only change the effective date if the delay in filing was due to a delay in processing by the employer and not due to the fault of member. A written statement from the employer to the NMERB director is required.

Mail the completed application to the mailing address below:

New Mexico Educational Retirement Board
PO Box 26129
Santa Fe, NM 87502-0129

toll free: 1-866-691-2345
phone: 505-827-8030
fax: 505-827-1855
website: www.nmerb.org