

# NMERB CONNECTION

## NMERB's responsibility to you

Often, people hear the term “fiduciary” when we talk and write about the New Mexico Educational Retirement Board.

A fiduciary by definition is responsible for someone (usually a beneficiary, such as the people in the retirement system, either working in education now or retired,) or something (often a trust fund). Fiduciaries are required to place the interest of the fund and its beneficiaries above the fiduciary's own interests.

Those who administer and manage the NMERB retirement trust fund—board members, directors, managers, and investment staff are considered fiduciaries of the fund. Your Defined Benefit (DB) plan is protected by the fiduciary standard. This means that NMERB's primary responsibility is to the strength of the fund for members past, present, and future. The fiduciary's duty is considered to be among the highest standards in law.



**NMERB's primary responsibility is to you—our members.**

According to NMERB's Board policies, “As Trustees, Board Members are fiduciaries to the educational retirement system and the Fund, and must prudently administer the fund for the sole and exclusive benefits of members, retired

members and beneficiaries of the educational retirement system.”

The duty of a fiduciary is clearly for the benefit of the beneficiary. According to Supreme Court Justice Benjamin Cardozo: “A trustee bears an unwavering duty of complete loyalty to the beneficiary of the trust, to the exclusion of the interests of all other parties.”

This is an exacting standard. We're honored to provide this level of support to you, our members, and to ensure the strength of the NMERB Defined Benefit plan. Learn more about NMERB's Board Governance and Funding Policy at [www.nmerb.org](http://www.nmerb.org) in the Board of Trustees portion of the Board and Management tab.

You can also see our investment policies in the Investment Information tab of our website.

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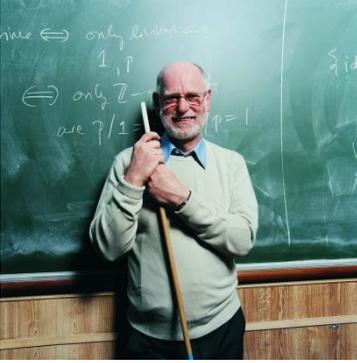
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*“Planning for  
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**NMERB  
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## Pensions improve quality of US Public Education System and Reduce Teacher Turnover



A new research brief analyzing the effectiveness of defined benefit (DB) pensions on teacher retention and productivity finds that pensions play a critical role in recruiting and retaining highly productive teachers. As a result, pensions help increase schools' effectiveness, which benefits students. Additionally, DB pensions save school districts money by reducing expensive teacher turnover costs. These findings are contained in a new research brief from the National Institute on Retirement Security (NIRS), ***Revisiting the Three Rs of Teacher Retirement Systems: Recruitment, Retention and Retirement.***

The reality we face is that the nation's schools continue to struggle with a growing shortage of teachers, and that teachers are paid on average as much as 60 percent less than similarly educated professionals across the globe," says Diane Oakley, NIRS executive director. "Pensions play an essential role in recruiting and retaining our best and most experienced teachers. It's critical that states continue to leverage the magnetic effect of pensions to help students achieve at their highest potential."

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### The New Research brief finds that:

- Teacher effectiveness increases with experience. Thus, the more retention that we see among midcareer teachers, the more that the average productivity within a school will increase.
- The cost of teacher turnover is quite high, both in terms of financial cost and loss of productivity to the school district.
- Defined benefit pension plans help to recruit high quality teachers, and to retain highly productive teachers longer, as compared with defined contribution (DC) accounts.
- In 2009, DB pensions helped to retain an additional 30,000 teachers nationwide. Because longer tenured teachers are more effective teachers, the increased retention that DB pensions bring increases the overall quality of public education. Because the cost of teacher turnover is substantial, the retention effects of DB pensions plans also save school districts money. In 2009, DB pensions saved school districts between \$131 million \$284 million nationally in teacher turnover costs.

***In order to review the entire study, please visit: [www.nirsonline.org](http://www.nirsonline.org).***

## NMERB Improving Sustainability State Tour

Executive Director Jan Goodwin and Deputy Director Rick Scroggins are visiting 13 cities across the state of New Mexico in order to discuss "Improving Sustainability."

The New Mexico Educational Retirement Board (NMERB) is the pension plan for all New Mexico educational employees PreK-12 and Higher Education. NMERB has 153,514 members including: 59,945 active, 47,340 retired, and 46,679 inactive members.

The purpose of this tour is to help members understand how NMERB is doing and what kind of changes should be done to make it stronger. Recent changes in actuarial assumptions have changed the estimated time it will take to achieve 100 percent funding to 61 years. To improve the plan's sustainability, the NMERB board members want to shorten that time.

NMERB's assets, as of June 30, 2017 are \$12.3 Billion. Our retirees continue to have an important economic impact for New Mexico, \$218.7 million in federal, state and local taxes paid and creating 7,796 jobs in New Mexico.

A very special thank you to all the cities who hosted the event and for those members who attended.

*In order to review the presentation and see the upcoming state tour dates visit: [www.nmerb.org](http://www.nmerb.org).*

## General Ledger Manager promotes growth mindset and teamwork

If you walked into Sandra Alva's office at the New Mexico Educational Retirement Board (NMERB), you might not know from the slight smile on her face that she is doing work as exacting as that of a General Ledger manager.

You will hear her listening to some of her favorite Christian music bands while working with challenging data and spreadsheets. She's been with NMERB since August and hit the ground running.

**"It feels great to share my knowledge," Sandra said. "I love learning the ins and outs of NMERB."**

**Sandra has more than 19 years of experience in state government and in general ledger accounting. The married mother of four, three boys and her "baby girl", values education for herself, her family, and her staff. She encourages her team to "grow, grow, grow."**

While raising two teenagers at home (the other two are out of the house and planning careers), one of her top goals is pursuing a bachelor's degree in accounting. She's five and a half years from her first eligible retirement date and she'd like to fulfill her dream of achieving her bachelor's degree before then.

"I count time by babies," Sandra said. "But, I'm ready to pursue my bachelor's."

Sandra's extensive experience in state government includes working at the Taxation and Revenue Department, Human Services Department, Department of Finance and Administration, and 15 years with the Department of Vocational Rehabilitation.

"I love to share information," she said. "Nothing is beneath me because I like to understand all of it."

**Even though accounting is behind the scenes, Sandra's experience at Vocational Rehabilitation taught her the value of learning the ins and outs of every department. She's doing the same at NMERB and wants to learn as much as she can from Member Services, Investments and Information Technology.**

"You can't beat that institutional knowledge," she said. "It's impressive when someone knows everything about their job and the agency."

In this way, Sandra says you can add value and learn about the entire system. Learning about the inner workings of your place of business ensures you add value for yourself and the agency.

**"It's so much more beneficial to learn as much as you can," she said. "This helps you and the agency rather than just filling a chair."**

Sandra demonstrates that every department of NMERB is important to the teachers and educational employees in New Mexico. Sandra's shining personality ensures a growth mindset, and she'll likely meet all her goals.

**"We are part of a team," she said. "It's possible to love your job."**



## NMERB retiree survey tracks members' needs

NMERB is committed to providing quality service to our members. Providing them with resources to better understand their retirement benefit is imperative for their financial well being.

In May 2017, NMERB began mailing a 10 question survey to our newly retired members. AS of October 2017, NMERB sent out 1,769 surveys and we've received 481 responses.

### Two primary questions asked:

1. How influential was the promise of having a NMERB defined benefit in retirement on the amount of time you devoted to employment in New Mexico?
2. How would you rate your overall experience with NMERB staff throughout your retirement process?

So far...

***"I feel extremely fortunate for having ERB as my retirement plan. Many thanks to all those who continue to make it possible."***

*NMERB July Retiree*

**NMERB has an overall member satisfaction rating of 86 percent.**

We will continue to take your comments seriously.

**Thank you for your feedback.**

**Board of Trustees**  
**Mary Lou Cameron**  
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#### NMERB Staff

**Jan Goodwin**  
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**Rick Scroggins**  
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**Bob Jacksha**  
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**Roderick Ventura**  
General Counsel

**Lawrence Esquibel**  
Chief Information Officer

**Monica Lujan**  
Member Services Director

**Norma Henderson**  
Chief Financial Officer

## Annual P2F2 Conference held in Albuquerque

On October 22-25, the Public Pension Financial Forum (P2F2) Fall Conference, “Soaring to New Heights”, was held in Albuquerque.

This conference featured presentations on topics relevant to pension accounting, networking opportunities for public pension plan finance professionals and social events that included a visit to the Anderson Abruzzo International Balloon Museum and the Albuquerque Museum. As one of the local pension plans for New Mexico, NMERB was asked to assist with preparation and logistics for the conference. Some of the NMERB staff served on committees and some of our retired members from New Mexico Association of Educational Retirees (NMAER) volunteered to help.

On behalf of The New Mexico Educational Retirement Board and P2F2, we would like to thank the volunteers from NMAER for dedicating their time to this event. Without volunteer assistance with registration, scanning badges and all of the other things that you helped with the conference would not have been the great success that it was.

- **Virginia Conway**
- **Leslie Carpenter**
- **Bill & Cheri Dotson**
- **Debbie Garrison**
- **Roger & Terry Greer**
- **Patricia Nordstrom**
- **Mary Ann Martinez**
- **Alice Pegues**
- **Pauline Rindone**
- **Alan Templeton**
- **Janice Sells**
- **Russell Goff**

[Visit: www.p2f2.org](http://www.p2f2.org)

Public Pension Financial Forum		October 16 – Volume 13	
	<h1>Albu-Courier</h1>		
	<b>Conference Newsletter</b> <b>Sunday, October 22<sup>nd</sup></b> <ul style="list-style-type: none"><li>• <b>Registration Open</b><ul style="list-style-type: none"><li>o 7:30 am</li></ul></li><li>• <b>Pre-Conference</b><ul style="list-style-type: none"><li>o 9:00 am</li></ul></li><li>• <b>Main Conference</b><ul style="list-style-type: none"><li>o 12:30 pm</li></ul></li><li>• <b>Welcome Reception</b><ul style="list-style-type: none"><li>o 5:00 pm depart</li><li>o 5:30 pm start</li></ul></li></ul> <p><u><a href="#">Conference questions?</a></u></p>		
<b>2017 P2F2 Conference</b> Embassy Suites Albuquerque Albuquerque, NM October 22-25		<b>Conference Offerings: Two great group events:</b>	
<b>Conference Theme:</b> Soaring to New Heights  Conference attendees can take advantage of free tethered balloon rides as part of the Sunday night event at the Balloon Museum. Each flight holds 4-5 individuals and lasts about 5 minutes.		<b>Sunday Welcome Reception -</b> <u><a href="#">Anderson-Abruzzo Albuquerque International Balloon Museum</a></u> <ul style="list-style-type: none"><li>• Tethered balloon rides available</li></ul> <b>Tuesday Evening Event -</b> <u><a href="#">Albuquerque Museum</a></u> <ul style="list-style-type: none"><li>• Flamenco performances</li></ul> 	

