



STATE OF NEW MEXICO
Educational Retirement Board

701 CAMINO DE LOS MARQUEZ
P.O. Box 26129
SANTA FE, NEW MEXICO 87502-0129
PHONE: (505) 827-8030
FAX: (505) 827-1855

ARP Optional Switch To Defined Benefit Forms Available

Recently the Legislature enacted a number of changes to the Alternative Retirement Plan ("ARP"), which is available to qualifying participants. Among the changes to the ARP, participants who have made contributions to the ARP for 7 years or more will have a one-time opportunity to become members of ERB's regular defined benefit retirement plan. ARP participants will have 120 days after becoming eligible to elect to switch to the regular defined benefit plan. Additional materials explaining this option will not be available until later this summer. In the meantime, due to requests by ARP participants, the ERB has provided a guide and a form to the Human Resource Departments at the colleges and universities for use by those eligible participants who are considering switching to the regular defined benefit plan. ARP participants should contact their employer's Human Resources Department for information about the option to change to the regular defined benefit plan.

- ARP participants should consider the following when deciding whether to change to the defined benefit plan:
- The option to switch to the regular defined benefit plan is a *one-time* option. Participants will not have a second option.
- The option is only available for 120 days after the participant has contributed to the ARP for 7 years. The 120 day period is absolute; extensions are not available.
- Participants will *not* be able to buy credited service in the defined benefit plan for the time they were in the ARP. Balances in the ARP will remain in that plan until the participant retires.
- Participants who elect to switch to the defined benefit plan will be new members in that plan. They *must* have five (5) years of contributory employment after switching to become vested members in the defined benefit plan. They will not receive credit for time in the ARP plan.
- Switching to the defined benefit plan is not the best choice for every eligible participant. Age, years in the ARP, number of years remaining to planned retirement, salary expectations, and other retirement resources are a few of the factors that should be considered when deciding whether to make the switch. Participants should estimate what they expect to receive as a pension from the defined benefit plan before making a decision.
- Participants should consult with a financial advisor of their choice before making a decision. The ERB cannot provide advice to the participant.

The ARP Election Form must be submitted through your employer, who must verify your eligibility for your option to switch.

[ARP Information Brochure](#)

[ARP Election Form](#)