



N M EDUCATIONAL RETIREMENT BOARD

The ERB Connection



Fall - Winter 2012

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2013 Legislative Proposal

The New Mexico Educational Retirement Board, during its September 19 Special Board meeting, adopted a fund solvency proposal that will be presented at the upcoming 2013 NM Legislative session.

The proposal will include a change in the employee contribution rate to 10.7% effective FY 2015 for all employees. (The FY 14 employee contribution rate will be 10.1%.) The proposal will also introduce a new tier of retirement eligibility requirements for new hires only. This tier will have the Tier 2 retirement eligibility requirements and will include a minimum retirement age of 55 and COLA at age 67. ERB actuaries project that the proposed changes will bring ERB's fund solvency to 90.2% by year 2043.

Over the last couple of years, the ERB Board reviewed a variety of plan design changes and their effect on solvency. After a number of meetings that took place during this past spring and summer, member stakeholder groups that were made up of representatives from pre K-12, higher education and ERB retirees developed this proposal.

You can find detailed information about the proposal on the ERB website, www.nmerb.org. Please keep in mind that this proposal requires changes to ERB statutes; it must go through the legislative process by being passed by both the Senate and House of Representatives, and signed into law by the governor. All updates during the legislative session will be posted on ERB's website as information becomes available.

For more information about the proposal, you may contact ERB at 1-866-691-2345 or email ERB-memberhelp@state.nm.us.

*Opening day of the
2013 NM Legislative Session is
scheduled for
Tuesday, January 15.*

2013 will be a 60 day session.

*For more information on the
upcoming legislative session,
visit www.nmlegis.gov.*





Member Annual Statements

For Active Members:

ERB sends active member annual statements around March of each year. These statements list the member's employment history, service credit, wages and ERB contributions. Member annual statements are sent to the member's employer and the employer distributes them to the employee. The information listed is based on a fiscal year—July 1 to June 30. If the member is eligible to retire, the statement will show an estimated monthly retirement benefit as well as a disability retirement benefit. These statements are important because it gives members the opportunity to keep track of their service credit and earnings history.

For Retired Members:

ERB sends retired member annual statements in August of each year. These statements are sent in August because if there is a COLA increase in retiree benefit, it becomes effective in July—the start of the new fiscal year. Retiree annual statements are mailed to the address stored in the member's ERB record. These statements list the gross monthly benefit and all deductions. These statements offer the retiree a convenient way to keep track of changes in deductions such as taxes and health care premiums.

To request a copy of your most recent annual statement, send an email to ERB-memberhelp@state.nm.us or call 1-866-691-2345.

Year	School	Credit	Salary	Contributions
1987	LAS CRUCES SCHOOL DISTRICT	1.00	22,989.92	1,747.24
1988	LAS CRUCES SCHOOL DISTRICT	1.00	24,253.92	1,843.30
1989	LAS CRUCES SCHOOL DISTRICT	1.00	24,827.10	1,886.84
1990	LAS CRUCES SCHOOL DISTRICT	1.00	24,519.66	1,863.54
1991	LAS CRUCES SCHOOL DISTRICT	1.00	27,322.44	2,076.46
1992	LAS CRUCES SCHOOL DISTRICT	1.00	26,492.61	2,013.47
1993	LAS CRUCES SCHOOL DISTRICT	1.00	24,712.93	1,878.22
1994	LAS CRUCES SCHOOL DISTRICT	1.00	29,769.02	2,262.48
1995	LAS CRUCES SCHOOL DISTRICT	1.00	30,292.48	2,302.18
1996	LAS CRUCES SCHOOL DISTRICT	1.00	32,709.67	2,485.96
1997	LAS CRUCES SCHOOL DISTRICT	1.00	34,074.31	2,589.71
1998	LAS CRUCES SCHOOL DISTRICT	1.00	35,675.78	2,711.40
1999	LAS CRUCES SCHOOL DISTRICT	1.00	37,888.45	2,879.47
2000	LAS CRUCES SCHOOL DISTRICT	1.00	40,071.14	3,045.41
2001	LAS CRUCES SCHOOL DISTRICT	1.00	43,042.42	3,271.24
2002	LAS CRUCES SCHOOL DISTRICT	1.00	47,534.12	3,612.55
2003	LAS CRUCES SCHOOL DISTRICT	1.00	48,228.12	3,665.40
2004	LAS CRUCES SCHOOL DISTRICT	1.00	50,176.02	3,813.39
2005	LAS CRUCES SCHOOL DISTRICT	1.00	52,036.45	3,954.69
2006	LAS CRUCES SCHOOL DISTRICT	1.00	52,613.63	4,038.05
2007	LAS CRUCES SCHOOL DISTRICT	1.00	54,737.89	4,242.18
2008	LAS CRUCES SCHOOL DISTRICT	1.00	59,600.98	4,663.71
2009	LAS CRUCES SCHOOL DISTRICT	1.00	58,784.96	4,643.99
2010	LAS CRUCES SCHOOL DISTRICT	1.00	58,824.94	5,529.49
2011	LAS CRUCES SCHOOL DISTRICT	1.00	59,115.00	5,556.75
2012	LAS CRUCES SCHOOL DISTRICT	0.50	22,779.69	2,539.95
Total:		25.50	1,023,073.65	81,117.07
Allowed Credits:		0.00		
** Retirement Benefit (if eligible):			2,907.00	
Disability Benefit (if eligible):			2,474.04	

** Retirement benefit may vary, salaries listed above are based on a fiscal year.

The following is an annual statement of your monthly benefit and deductions as of July 1, 2012.

	May 2012	July 2012
Gross Amount:	\$1,805.60	\$1,805.60
Federal Withholding:	\$183.00	\$183.00
NM State Withholding:	\$36.00	\$36.00
NMRHCA:	\$0.00	\$0.00
NMAER Dues:	\$0.00	\$0.00
NEA Dues:	\$0.00	\$0.00
Child Support:	\$0.00	\$0.00
IRS Levy Deduction:	\$0.00	\$0.00
Other:	\$0.00	\$0.00
Net Monthly Amount:	\$1,586.60	\$1,586.60

The Cost of Living Adjustment (COLA) is 2.0 percent and effective on 7/1/2012. If you are eligible for the COLA it will be reflected in your monthly benefit.

ERB Call Center Modifications

To better serve its members, ERB recently modified its call center to route incoming calls more effectively.

When a member calls the ERB, he or she will be asked to select either the Santa Fe or Albuquerque Office. The member will then select a department—member services, payroll, or refunds—and will be routed directly to one of the staff in that department. If no department is

selected, the member will be able to leave a message in a general mailbox.

ERB staff does its best to return messages by the next business day. If it's taking too long to get an ERB operator by phone, members are always welcome to send questions by email to ERB-memberhelp@state.nm.us. These emails are answered by the next business day if not sooner.

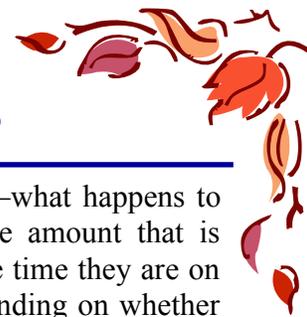
ERB phone contact information:

Santa Fe (505) 827-8030

Albuquerque (505) 888-1560

Toll free 1-866-691-2345

ERB-memberhelp@state.nm.us



What happens to my ERB contributions if I pass away?

It's not something that anyone ever thinks about until something tragic happens—what happens to my ERB contributions if I should pass away unexpectedly? Your “contribution” is the amount that is deducted from your paycheck each pay period. These contributions earn interest during the time they are on deposit at ERB. In the event of a death, there are different options that are available depending on whether the member's ERB status—active, inactive or retired.

For active or inactive members:

When you began your career at an ERB employer, you may have completed a Form 42 Beneficiary Designation which your employer sends to ERB. ERB stores electronic copies of this form in the member's records.

If the member is *not yet vested* (member does not have five years of earned service credit), then whoever is named on the Form 42 will receive a one time lump sum payment of the member's total contributions plus the interest earned.

If the member is *is vested* (member has five years or more of earned service credit) but not yet eligible to retire, then whoever is named on the Form 42 will have two options:

1. Beneficiary can choose to receive a one-time lump sum payment of the member's total contributions plus the interest the member has earned on contributions;
2. Beneficiary can defer the benefit until the member would have been eligible to retire and then begin to receive the monthly, lifetime survivor's benefit.

If you don't remember who you currently have listed as your beneficiary, you may verify that information by contacting ERB as listed below. If you need to update your beneficiary, you'll need to complete a new Form 42 Beneficiary Designation, which can be downloaded from the ERB website, www.nmerb.org, under the “download forms” box. Please note that if there are multiple beneficiaries listed, then ERB will only divide the total amount of member contributions evenly among those listed on the form and there is no option of a lifetime survivor's benefit.

For retired members:

When you completed your final retirement documents, you chose a benefit payment option—Option A, Option B or Option C, and you named a beneficiary. If you chose:

Benefit Option A: you chose to receive your full benefit amount and leave no lifetime survivor's benefit to your named beneficiary; your beneficiary will only receive a one time lump sum payment if there is still a balance of member contributions plus interest on account at the time of the member's death.

Benefit Option B: you chose to have a reduction in your monthly retirement benefit in order to provide your beneficiary with a monthly, lifetime survivor's benefit of the exact same amount you receive each month. The benefit ends upon the beneficiary's death.

Benefit Option C: you chose to have a reduction in your monthly retirement benefit in order to provide your beneficiary with a monthly, lifetime survivor's benefit of half the amount you receive each month. The benefit ends upon the beneficiary's death.

If you have chosen benefit Option B or C and your beneficiary pre-deceases you, then your benefit amount pops up to Option A lifetime benefit, at which point you may choose to designate a new beneficiary.

For more information on beneficiary options or to verify your beneficiary, you may call 1-866-691-2345 or email ERB-memberhelp@state.nm.us.

