NMERB

- Defined Benefit Plan 401(a)
  - Life time benefit with option of beneficiary

- Vested - 5 years/20 full quarters

- Who qualifies for NMERB benefit?
  - Public K-12 Schools employees
  - Public Charter Schools employees
  - College/University employees
Service Credit

- **Earned Service Credit**
  - Earned quarterly working more than .25FTE and 16+ paid days required
  - Withdrawn Service purchase to restore Earned Service Credit after refund
    - Refund/Rollovers delete your Service Credit - permanently changes your Tier
  - Sick Leave Service Credit - up to one year purchase available 7/1/2020

- **Allowed Service Credit Purchase**
  - In-State Private school/university
  - Out-of-State school/university
  - Military Service/Commissioned Corps of the Public Health Service

- NMERB Service Credit + NMPERA Service Credit = Reciprocity
When can I retire

Tier 1

hired prior to July 1, 2010

- 25 and out
  - 25 years at any age - Earned + Allowed Service (only time Allowed is used for eligibility)

- Rule of 75*
  - Age + Earned Service = 75 or more
    - Permanent reduction in benefit if under age 60 - 2.4% per year of age between age 55 and 60
    - Permanent reduction in benefit if under age 55 - 7.2% per year of age under age 55

- 65 and 5*
  - Age 65 or older and 5 years or more Earned Service (includes NMPERA service credit if applicable)

- COLA - age 65

*Allowed service counts toward benefit calculation only, NOT towards retirement eligibility
When can I retire

Tier 2

hired July 1, 2010 - June 30, 2013

- **30 and out***
  - Thirty years of Earned Service at any age

- **Rule of 80***
  - Age + Earned Service = 80 or more
    - Permanent reduction in benefit if under age 65 - 2.4% per year of age between age 60 and 65
    - Permanent reduction in benefit if under age 60 - 7.2% per year of age under age 60

- **67 and 5***
  - Age 67 or older and 5 years or more Earned Service (includes NMPERA service credit if applicable)

- **COLA - Age 65**

*Allowed service counts toward benefit calculation only, NOT towards retirement eligibility*
When can I retire

hired July 1, 2013 - June 30, 2019

Tier 3

- **30 and out***
  - 30 years of Earned Service
    - Permanent reduction in benefit if under age 55

- **Rule of 80***
  - Age + Earned Service = 80 or more
    - Permanent reduction in benefit if under age 65 - 2.4% per year of age between age 60 and 65
    - Permanent reduction in benefit if under age 60 - 7.2% per year of age under age 60

- **67 and 5***
  - Age 67 or older and 5 years or more Earned Service (includes NMPERA service credit if applicable)

- **COLA - Age 67**

*Allowed service counts toward benefit calculation only, NOT towards retirement eligibility*
Annual Benefit Calculation  Tiers 1,2,3

Final Average Salary (FAS)
(the average of your highest consecutive 5 year gross salaries)

X

Years of Service

X

2.35% (multiplier set by state statute)

= Gross annual benefit

/ by 12

= Gross monthly benefit
When can I retire

Tier 4

hired July 1, 2019 and after

- **30 and out***
  - 30 years of Earned Service
    - Permanent reduction in benefit if under age 58

- **Rule of 80***
  - Age + Earned Service = 80 or more
    - Permanent reduction in benefit if under age 65 - 2.4% per year of age between age 60 and 65
    - Permanent reduction in benefit if under age 60 - 7.2% per year of age under age 60

- **67 and 5***
  - Age 67 or older and 5 years or more Earned Service (includes NMPERA service credit if Applicable)

- **COLA - Age 67**

*Allowed service counts toward benefit calculation only, NOT towards retirement eligibility
The benefit for Tier 4 members will be calculated in the same manner as Tiers 1-3 with the exception of the multiplier. The Tier 4 calculation uses a graduated multiplier. The pension factor changes every ten years up to year 30 and then remains at 2.4% thereafter:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 or less</td>
<td>1.35%</td>
</tr>
<tr>
<td>10.25 to 20</td>
<td>2.35%</td>
</tr>
<tr>
<td>20.25 to 30</td>
<td>3.35%</td>
</tr>
<tr>
<td>30.25 plus</td>
<td>2.4%</td>
</tr>
</tbody>
</table>
Thinking about Retirement?
Important pre-retirement information

- Create an online MyNMERB Account
  - Located on our website homepage - click MyNMERB Account
  - Need help? See Member Login Tutorial step by step instructions
  - In your account you will find:
    - Work History
    - Benefit estimator - run retirement estimates
    - Purchase estimators

- Within one year of eligibility - Request a formal estimate
  - Estimate Request form is located on our website home page - click DOWNLOAD FORMS
  - For informational purposes - this does not tie you to the retirement date you request
  - Benefit payments are taxable income - you paid your contributions with pre-tax money
# Benefit Estimate

**Member Information**

<table>
<thead>
<tr>
<th>Name:</th>
<th>SSN:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DOB:</th>
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</table>

<table>
<thead>
<tr>
<th>Age:</th>
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</table>

<table>
<thead>
<tr>
<th>Retirement Information</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Effective Date:</th>
<th>July 01, 2020</th>
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</table>

<table>
<thead>
<tr>
<th>Final Average Salary:</th>
<th>$62,043.11</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Total Service Credit:</th>
</tr>
</thead>
</table>

| $5,000 |

<table>
<thead>
<tr>
<th>Service Credit Breakdown</th>
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</table>

<table>
<thead>
<tr>
<th>Estimated Add'l Earned Service</th>
<th>$0.00</th>
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<table>
<thead>
<tr>
<th>Estimated Add'l Allowed Service:</th>
<th>0.00</th>
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<table>
<thead>
<tr>
<th>Allowed Service Purchased:</th>
<th>0.00</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Earned Service:</th>
</tr>
</thead>
</table>

| 24.75 |

**Beneficiary Information**

<table>
<thead>
<tr>
<th>Name:</th>
<th>SSN:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
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<table>
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<table>
<thead>
<tr>
<th>Age:</th>
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</thead>
</table>

**Benefit Information**

<table>
<thead>
<tr>
<th>Final Average Salary</th>
<th>$62,043.11</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Total Service Credit</th>
</tr>
</thead>
</table>

| 0.025 |

| $34,450.33 |

<table>
<thead>
<tr>
<th>Gross Annual Benefit</th>
</tr>
</thead>
</table>

| $35,000 |

<table>
<thead>
<tr>
<th>/ 12 = Unadjusted Monthly Benefit</th>
</tr>
</thead>
</table>

| $2,937.53 |

<table>
<thead>
<tr>
<th>Unadjusted Monthly Benefit X Factor = Adjusted Monthly Benefit</th>
</tr>
</thead>
</table>

| $3,037.53 |

<table>
<thead>
<tr>
<th>Option</th>
<th>Member</th>
<th>Beneficiary</th>
<th>OIA</th>
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<tbody>
<tr>
<td>A</td>
<td>$3,037.53</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>B</td>
<td>$2,663.61</td>
<td>$2,663.61</td>
<td>$0.00</td>
</tr>
<tr>
<td>C</td>
<td>$3,838.27</td>
<td>$1,419.13</td>
<td>$0.00</td>
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</tbody>
</table>
Retirement Options

All Tiers

- **Option A**
  - Highest amount monthly
  - Refund beneficiary - NO life time benefit for beneficiary
    - Only option that you can have more than one beneficiary
    - Only option that the beneficiary can be an estate, charity or organization

- **Option B**
  - Reduced benefit - least amount monthly
  - Lifetime benefit for one beneficiary - 100% matching option (after your death)
  - Age provisions for non-spouse

- **Option C**
  - Reduced benefit - less than A, more than B
  - Lifetime benefit for one beneficiary - 50% matching option (after your death)
So you are qualified to retire... Now what?

- I’m qualified to retire...should I retire?
  - Age reductions - consider working longer to lessen or get rid of age reductions
  - Under any Tier - the longer you work, the higher the benefit payment
  - No max out

- Healthcare Options and cost - these are not included in your estimate and are up to you to research, select, and set up with a third party (any of these may apply to you)
  - NMRHCA - monthly premiums (applies to most employers) see the Helpful Information slide for contact info
  - Employer’s Healthcare - check with your HR for your healthcare options
  - Spouse’s healthcare

- Consider personal finances
  - Savings - Property - Assets - Debt

- Contact Social Security
  - Eligibility and payment amounts
I’m ready to retire!

- Application process - submit 60 to 90 days prior to your retirement date
  - Get Retirement Application directly from your employer, from the NMERB website, or by contacting NMERB

- Retirement Application - all pages must be submitted together to NMERB
  - Page 1 Member Completion - you complete - must be original
    - You are requesting to have your Beneficiary Options calculated, option selection comes later
  - Page 2 Employer Certification - your employer completes - must be original
    - Check with your Payroll or Human Resources Benefits office
    - Inactive employees who terminated 90 days or more are not required to submit page 2
  - Proof of Age for you - copy accepted
  - Proof of Age for your beneficiary - copy accepted
    - required when you request Option B and C calculations on Page 1 of Retirement Application
Once your complete Retirement Application is received and processed, you will receive a Retirement Packet in the mail about a month prior to your retirement date. Please read through all the materials, then complete the forms below:

- Final Selection of Benefits form - form is required to be notarized
- Authorization Agreement for Direct Deposit Services form
  - Direct Deposit is required
  - Your bank must complete the bottom portion of the form
- Federal and NM Tax Deduction form
- Permanently Reduced Rate Calculation Notice - if applicable
- Returning to Work after Retirement Notice

Submit completed forms above to NMERB - all forms must be submitted together
Payroll and COLA

- Upon receipt of all correct forms, you will be placed on Payroll

- Benefit payment is direct deposited on the last business day of the month
  - Example: If you retire July 1, 2020, your first pension payment is July 31, 2020
  - If you retire with NMPERA Reciprocity you will receive two separate direct deposits; one from NMERB and one from NMPERA

- Cost of Living Adjustment - COLA is variable and based on the Consumer Price Index (CPI)
  - Automatically begins in July (last business day in July) of the year you turn age:
    - 65 - Tier 1 and 2
    - 67 - Tier 3 and 4
Return To Work (RTW) with NMERB Employer(s)  
As of May 20, 2020

- Formal Return To Work - RTW Application required
  - 12 month layout period after retirement date (not from last date worked)
  - No limit on earnings
  - Contributions required by retiree and employer - nonrefundable

- Working .25 FTE or less - RTW Application required
  - FTE is limited, no limit on earnings
  - No contributions
  - Multiple NMERB employers - all FTE’s combined cannot exceed .25 FTE

- Earning less than $15,000 - RTW Application required
  - 90 day layout period after retirement date (not from last date worked)
  - Gross earnings limit for each fiscal year - July 1 to June 30
  - No contributions
  - Multiple NMERB employers - all gross earnings combined must be less than $15,000

You can work anywhere outside of NMERB employers - no restrictions
Helpful Information

- NMRHCA contact info
  - www.nmrhca.org
  - customerservice@state.nm.us
  - 1-800-233-2576

- NMPERA contact info
  - www.nmpera.org
  - PERA-MemberServices@state.nm.us
  - 1-800-342-3422

- SSN contact info
  - www.ssa.gov
  - 1-800-772-1213

- Federal tax information  www.irs.gov

- New Mexico tax information  www.tax.newmexico.gov
Contact NMERB

- www.nmerb.org

- Member Services: Member.Help@state.nm.us for questions

- 1-866-691-2345 for questions

- Santa Fe Office*
  - 701 Camino De Los Marquez  Santa Fe, NM  87502
  - Main fax 1-505-827-1855

- Albuquerque Office*
  - 8500 Menaul Blvd NE  Suite B-450  Albuquerque, NM 87112
  - Fax 1-505-830-2976

* The offices are presently closed to the public due to the public health emergency, however you can reach us through the email, phone, and faxes above. There will be a notice on the homepage of our website when the offices open again.