



PERA

Investments and Pensions Oversight Committee (IPOC)

*Representative Cynthia Borrego, Chair
Senator Roberto “Bobby” J. Gonzales, Vice-Chair*

July 1, 2026

**Valerie Barela, Board Chair
Greg Trujillo, Executive Director**

PERA – Overview

- Established in 1947, PERA is a 401(a) qualified government plan governed by the New Mexico Public Employees Retirement Act.
- As a PERA member, contributions are deducted each pay period from the employee's wages, and those contributions are paid into the PERA member contribution fund. The employer must also pay contributions into the PERA employers accumulation fund each pay period.
- PERA is a defined benefit plan and as such guarantees a life-long monthly benefit after retirement. A lifetime benefit is also available to a beneficiary if one is chosen.
- Benefits are paid when certain age and service credit eligibility requirements are met, regardless of the amount of member contributions are paid into the plan.
- Members are eligible for a Cost-of-Living Adjustment (COLA).
- PERA also provides a disability benefit, a benefit rarely offered in the private sector.



PERA Governing Authority

Public Employees Retirement Act	Sections 10-11-1 through 143, NMSA 1978 Sections 11A & 11B Volunteer Firefighters Retirement & Firefighters' Survivor Supplemental Benefits Act
Judicial Retirement Act	Sections 10-11-12B-1 through 19, NMSA 1978
Magistrate Retirement Act	Sections 10-11-12C-1 through 18, NMSA 1978
Public Employees Retirement Reciprocity Act	Sections 10-13A - 1 through 5, NMSA 1978
New Mexico's Uniform Prudent Investor Act	Article 7 Part 6 Sections 45-7-601 through 612
Deferred Compensation Act	Article 7A Sections 10-7A-1 through 12 Internal Revenue Code 457B, PERA Plan Document, www.nmpera.org
PERA Rules – NM Administrative Code	Rules 2.80.100.1 through .2300.10 NMAC
PERA Policies	Board Policies & Procedures, Investment Policy, Investment Procurement Policy, Proxy Voting Policy, DC Policies, www.nmpera.org

PERA administers 31 retirement plans and 2 Tiers of benefits

NM PERA Board of Trustees

PERA is governed by a 12-member Board of Trustees. The Board is composed of:

State Members

Four Members under a state plan elected by state members;

- Paula Fisher, Vice Chair – Children Youth & Families Department
- Nick Koluncich – NM State Land Office
- Tony Garcia – NM Office of the Public Defender
- Christina Perea – NM State Treasurer's Office

Municipal Members

Three Members under a municipal plan elected by municipal members;

- Valerie Barela, Chair – City of Albuquerque
- Augustine Romero – City of Albuquerque
- Roberto Ramirez – Albuquerque Bernalillo County Water Authority

County Members

One Municipal Member employed by a county elected by municipal members;

- Shirley Ragin, Bernalillo County

Retired Members

Two Retired Members elected by PERA retirees

- Roberta Salazar Henry
- Stephen Astorga

Ex-Officio Members

The State Treasurer and Secretary of State

- Laura Montoya, NM State Treasurer
- Maggie Toulouse Oliver, NM Secretary of State

** The PERA Board is responsible for the oversight and administration of the organization; they do not have authority over funding or benefit structure. These variables are set by statute.*

NM PERA Board of Trustees

Internal Audit
CLA

Greg Trujillo
Executive Director

Anthony Montoya
General Counsel

Michael Shackelford
Chief Investment Officer

Anna Williams
Deputy Director

Joe Vigil
Chief Information Officer

Patricia Winter
Executive Assistant

Legal
6 FTE

Investments
14 FTE

Member Services
Melinda Marquez
30 FTE

ASD
Lynette Sanders
16 FTE

HR/Building
Jessica Trujillo
3 FTE

Outreach
Christina Gauthier
3 FTE

IT
8 FTE

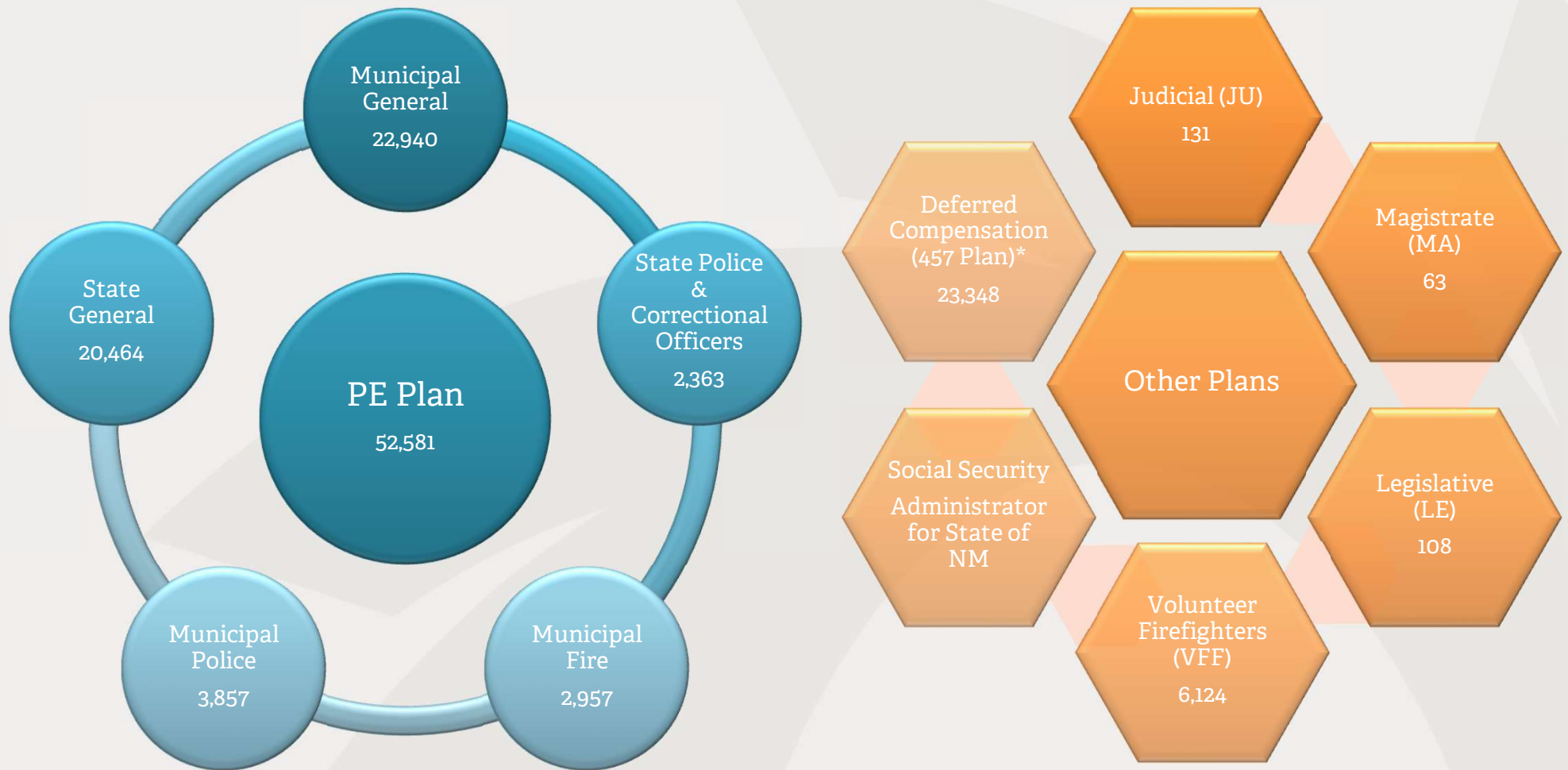
QA/User Admin
Jessica Perea
4 FTE

Records
Miranda Montoya
5 FTE

*PERA is budgeted for 88 FTE's
with no current vacancies*



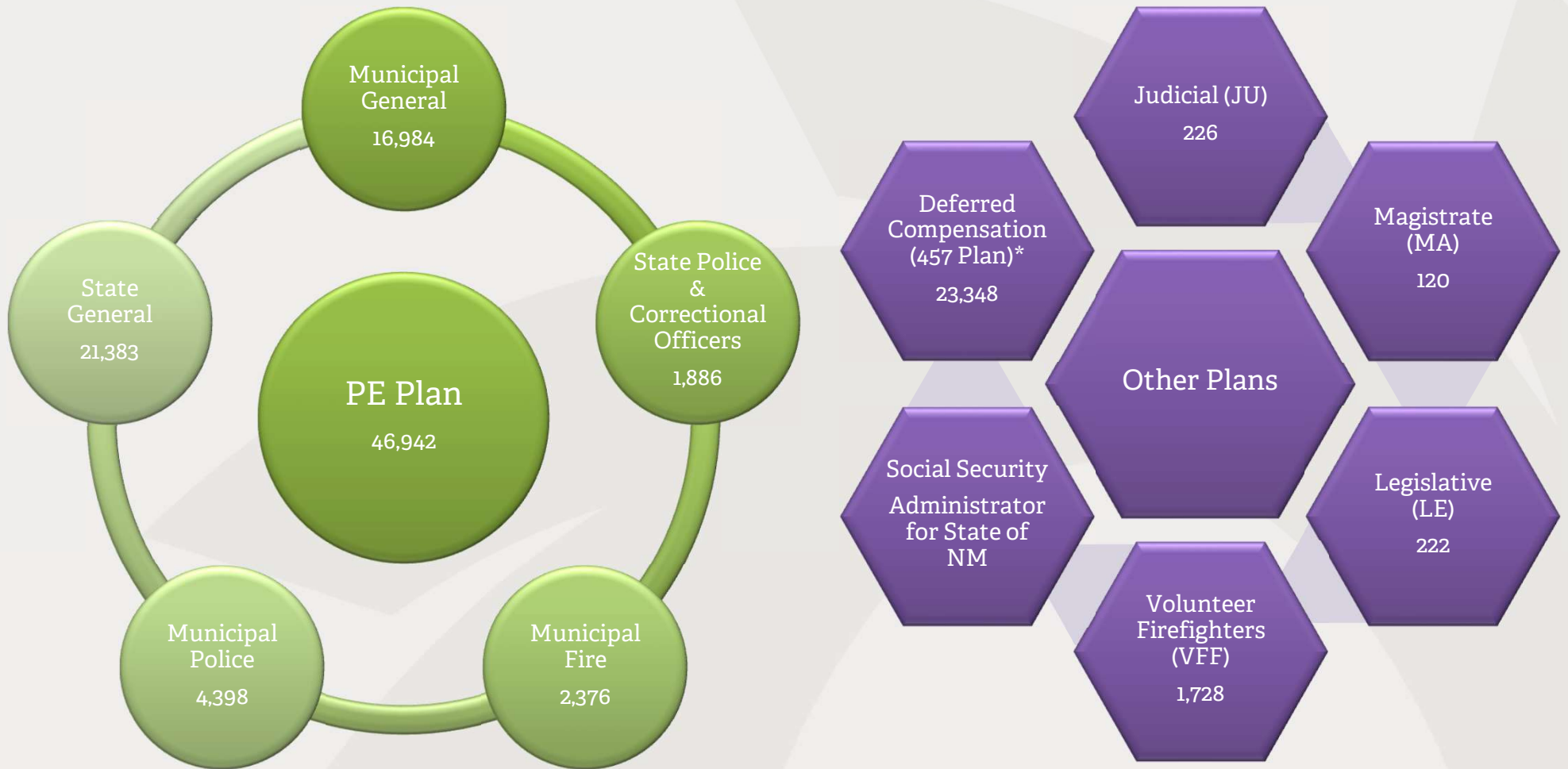
PERA – Active Membership



Membership as of 6/30/2025

Slide 6

PERA – Retired Membership



Fiscal Year 2025 In Review



Total Fund Value
\$18.5 Billion



Rate of Return (net of fees)
9.68%



Active Members
52,581



Participating Employers
335



Retirees and Benefit Recipients
46,942



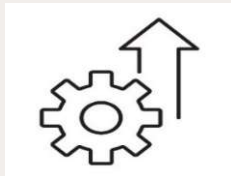
Retirement Benefits Paid
\$1.5 Billion



Funded Ratio
65.20%



Amortization Period
50 Years

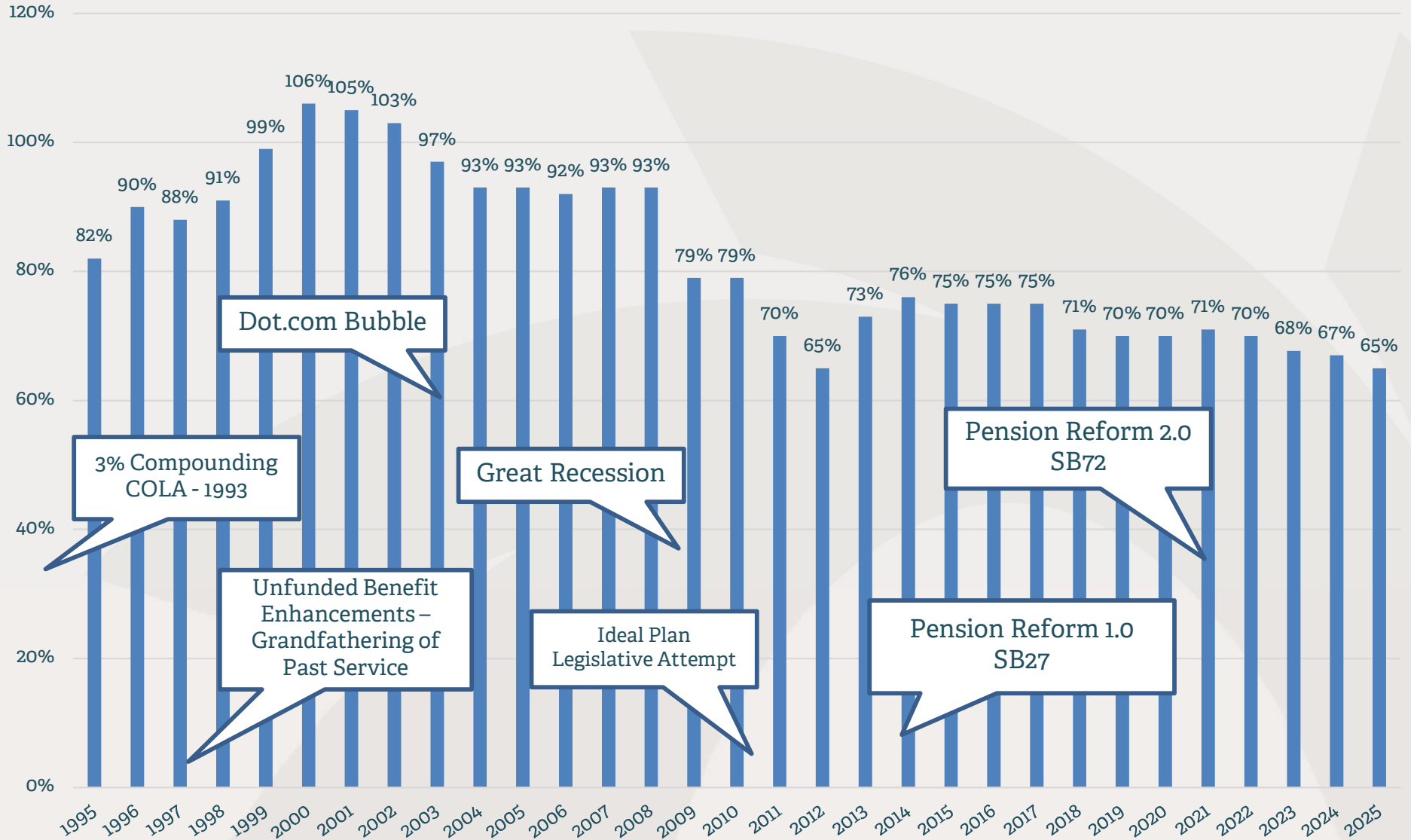


Actuarial Accrued Liability
\$27.9 Billion



Unfunded Actuarial Accrued Liability (UAAL)
\$9.7 Billion

PERA Fund – Funded Ratio

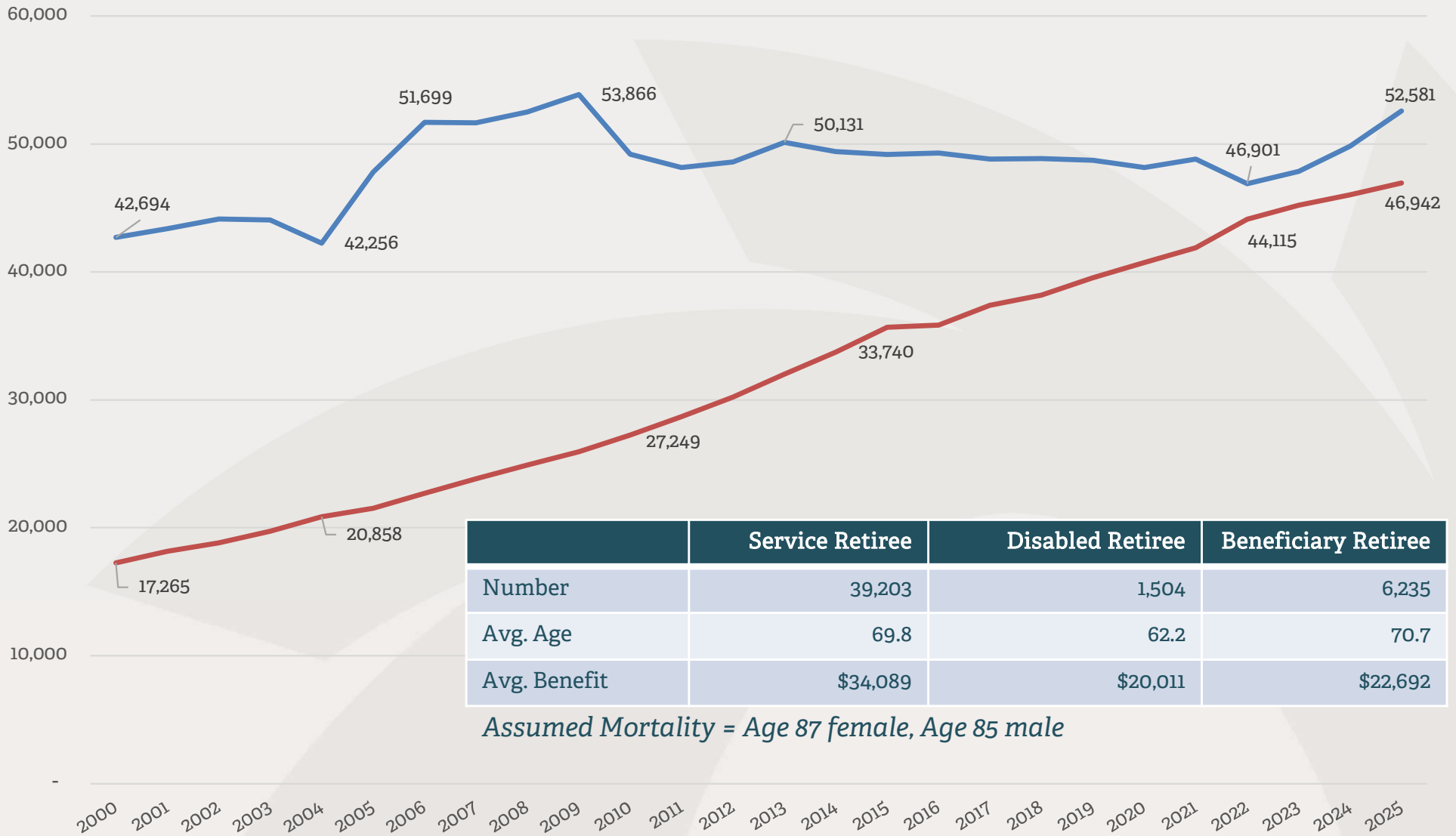


Pension Reform – PERA Fund

	SB27 (2013)	SB72 (2020)
COLA	Reduced from 3% to 2%, 7-year deferral period rather than 2	Variable rate model 0.5% to 3.0%, back to 2-year deferral period, 2.5% for members age 75 or older as of 6/30/2020, disability retirees earning < \$25k, retirees with 25 years earning < \$25k
Contribution Increase	Employee 1.5%, Employer 0.4% + pension swap reversal of 1.5%	Employee 2.0%, Employer 2.0%
Benefit Changes	Tier 2 created, General members hired 7/1/2013 or later subject to 0.5% pension factor reduction, rule of 85, 8-year vesting, 60-month FAS. Public Safety members subject to 0.5% pension factor reduction, 25-year retirement, 6-year vesting, 60-month FAS	All vesting periods reduced to 5 years.
Pension Maximum	Increased from 80% to 90%	Increased from 90% to 100%

Tier 1 = 31% of active population
Tier 2 = 69% of active population

Active Members vs: Retired Members



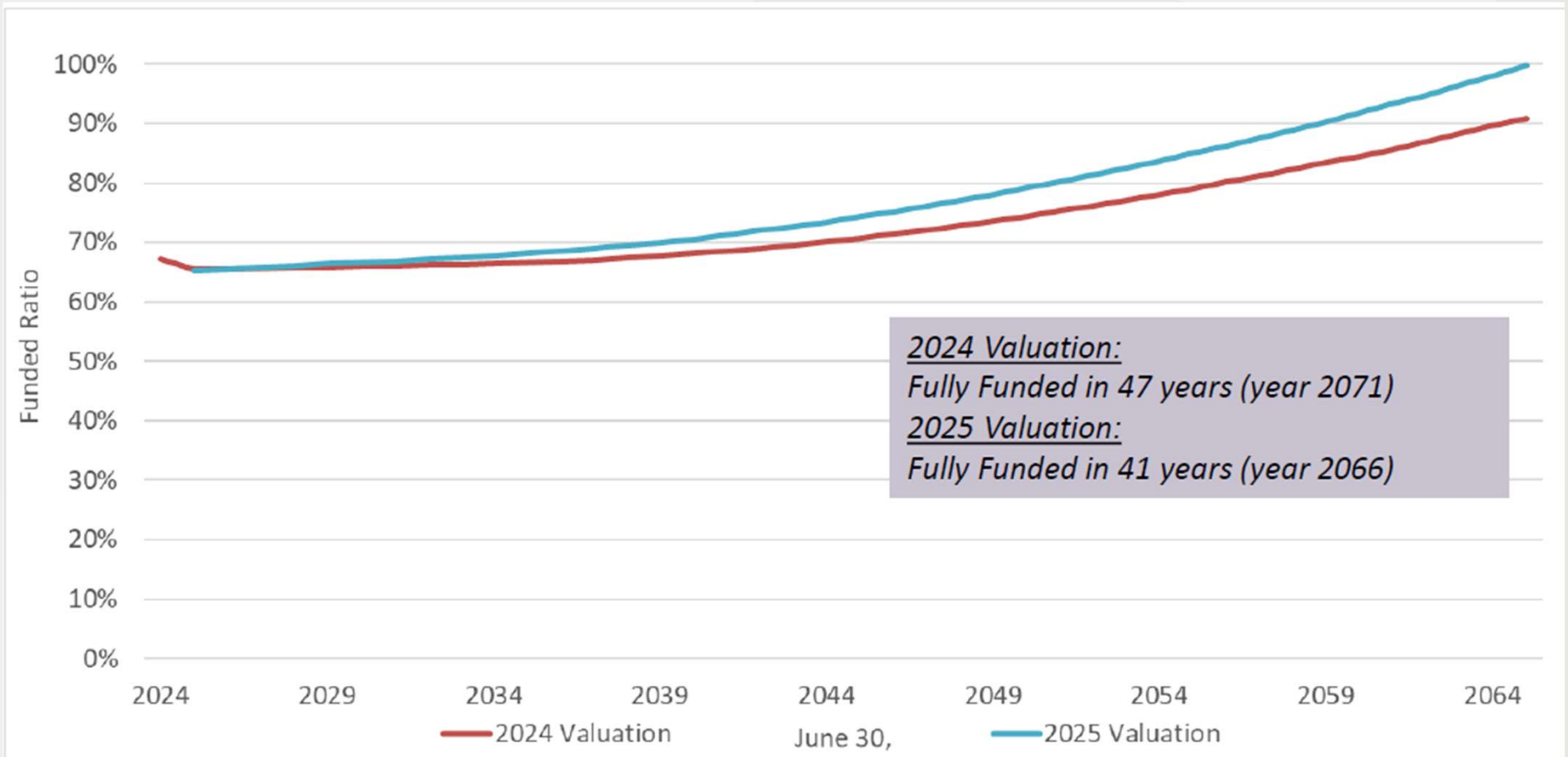
Data as of 6/30/2025 Valuation

— Active Members — Retired Members



Funded Ratio* For PERA Fund

- As the number of Tier 2 members grows, PERA amortization period should improve over time (absent unfavorable experience).
- Higher projected payroll equates to higher projected contributions, which improved the funding period since the prior valuation.



* Projected funded ratio assumes 7.25% annual investment returns and COLAs equal valuation assumption

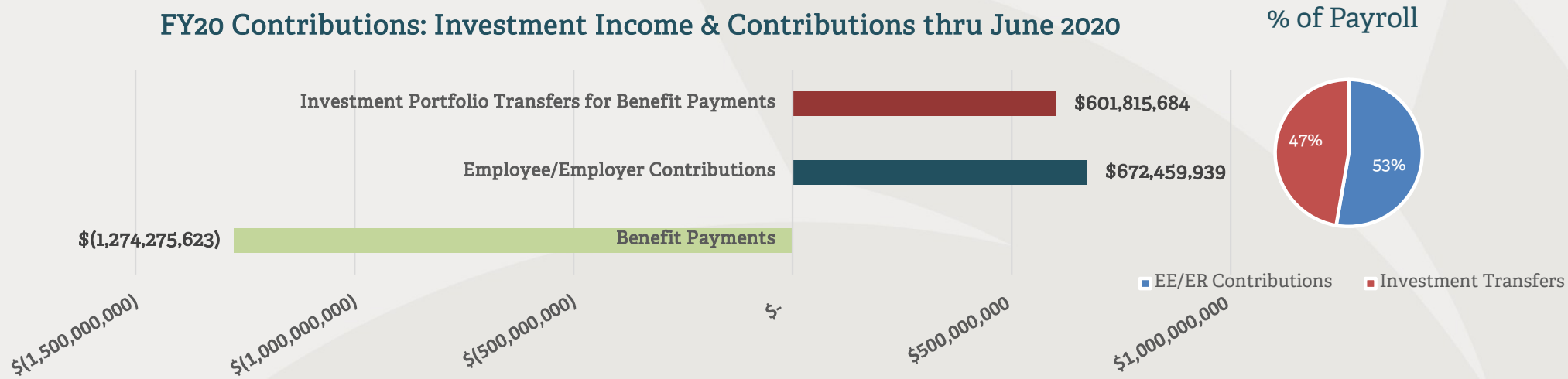
Contribution Increases

	PE	State General	State Public Safety	Municipal General	Municipal Police	Municipal Fire
Payroll	\$ 3,458,970,832	\$ 1,459,100,858	\$170,947,151	\$ 1,304,103,698	\$ 302,858,353	\$ 221,960,772
Deficiency in Contribution Rate	4.65%	9.96%	-21.75	0.21%	7.69%	11.03%
Dollar Amount Deficiency	\$ 160,842,144	\$ 145,326,445	N/A	\$ 2,738,618	\$ 23,289,807	\$ 24,482,273
Employer Increase 0.50%	\$ 17,294,854	\$ 7,295,504	N/A	\$ 6,650,518	\$ 1,514,292	\$ 1,109,804
Employer Increase 1.0%	\$ 34,589,708	\$ 14,591,009	N/A	N/A	\$ 3,028,584	\$ 2,219,608
Employer Increase 4.0%	\$ 138,358,833	\$ 58,364,034	N/A	N/A	\$ 12,114,334	\$ 8,878,431
Employer/Employee Rate	17.29%/13.97%	19.24%/10.92%	25.65%/9.07%	12.04%/15.57%	21.00%/19.36%	23.83%/20.95%
Funded Ratio	65.2%	54.1%	120.6%	71.8%	69.0%	54.8%
Amortization Period	50	N/A	0	26 Years	71 Years	N/A

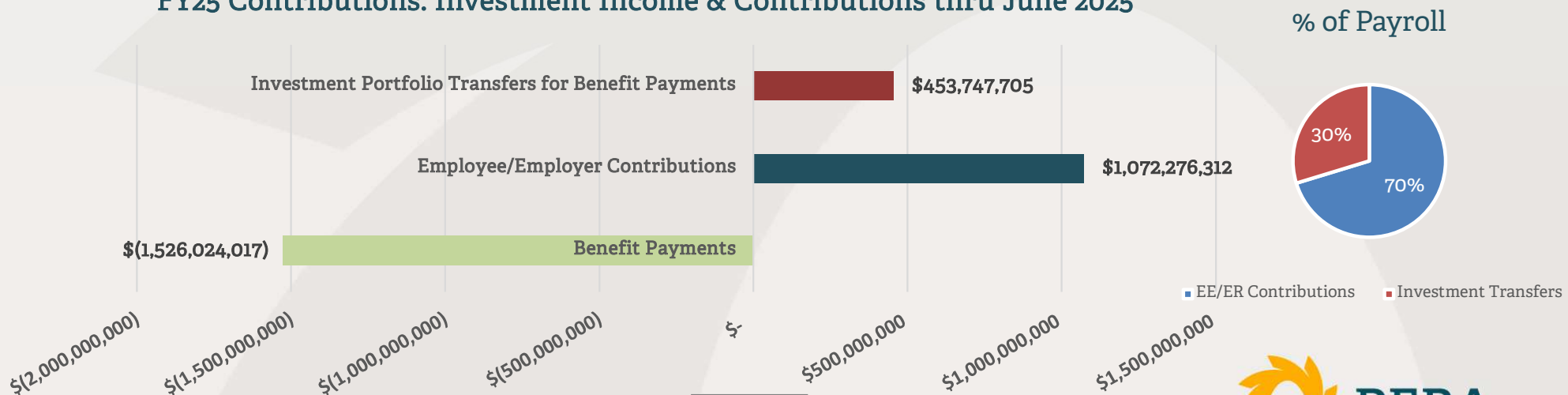
Benefit Payments

- The main driver of SB72 was the Investment Trust fund was subsidizing payroll at a rate that was unsustainable for the long term.

FY20 Contributions: Investment Income & Contributions thru June 2020



FY25 Contributions: Investment Income & Contributions thru June 2025



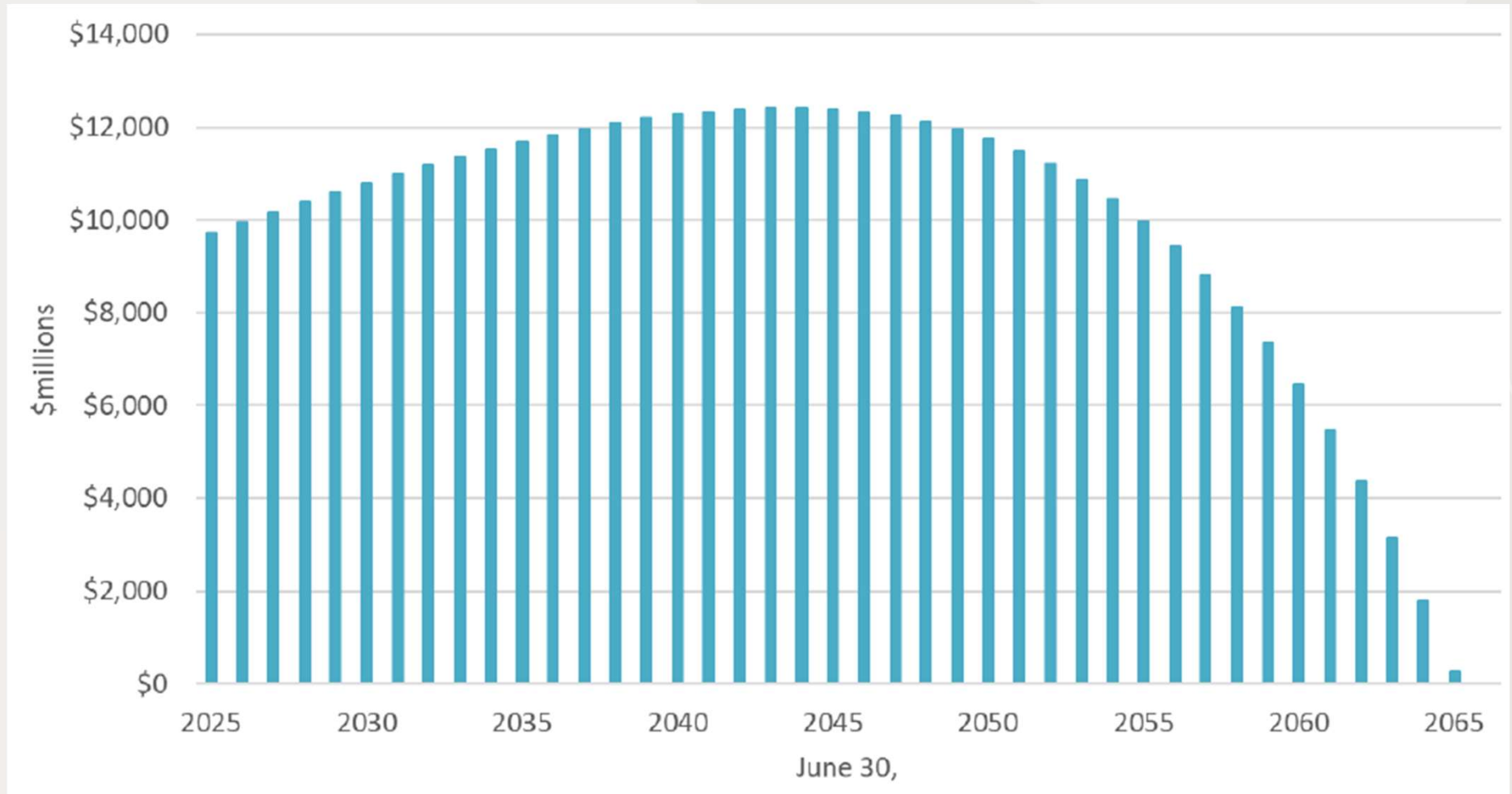
Historical Cash Flow

- Increases in payroll and contribution rates have increased contributions significantly over the past five years.
- Increased contributions have led to a reduction in PERA's negative cashflow to the lowest level since at least 2013.

Fiscal Year Ending	Change in Contributions	Contributions	Benefits & Expenses	Cash Flow	Cash Flow (% of Assets)
2021		\$689	\$1,368	-\$679	-3.8%
2022	↑ 5.2%	\$725	\$1,441	-\$716	-4.4%
2023	↑ 14.2%	\$828	\$1,484	-\$656	-4.0%
2024	↑ 14.7%	\$950	\$1,514	-\$564	-3.2%
2025	↑ 11.8%	\$1,062	\$1,571	-\$509	-2.7%

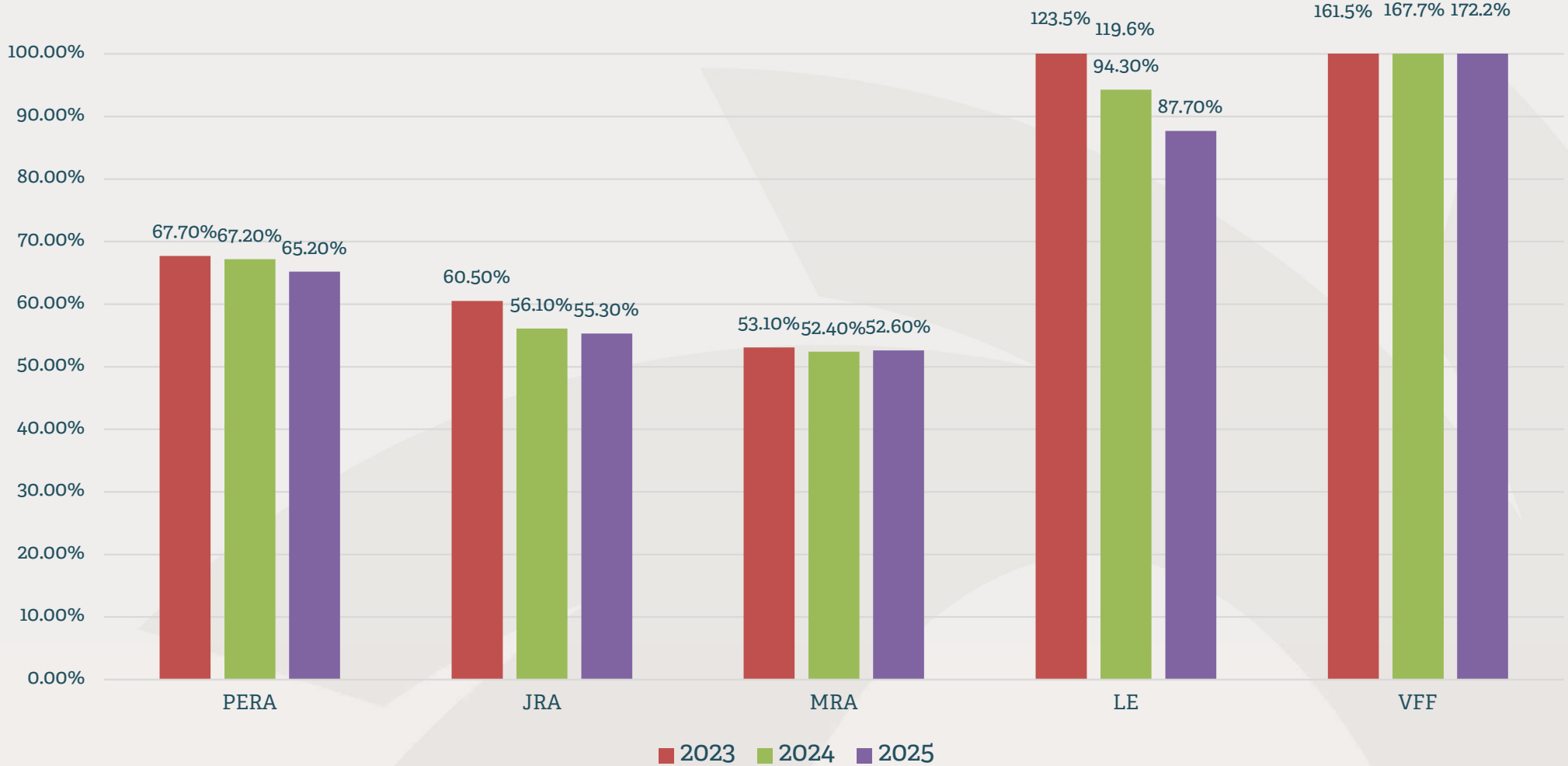
Funded Ratio* For PERA Fund

- However, without additional funding to PERA, the unfunded liability is expected to continue to increase.



* Projected funded ratio assumes 7.25% annual investment returns and COLAs equal valuation assumption

Funded Ratio By Fund

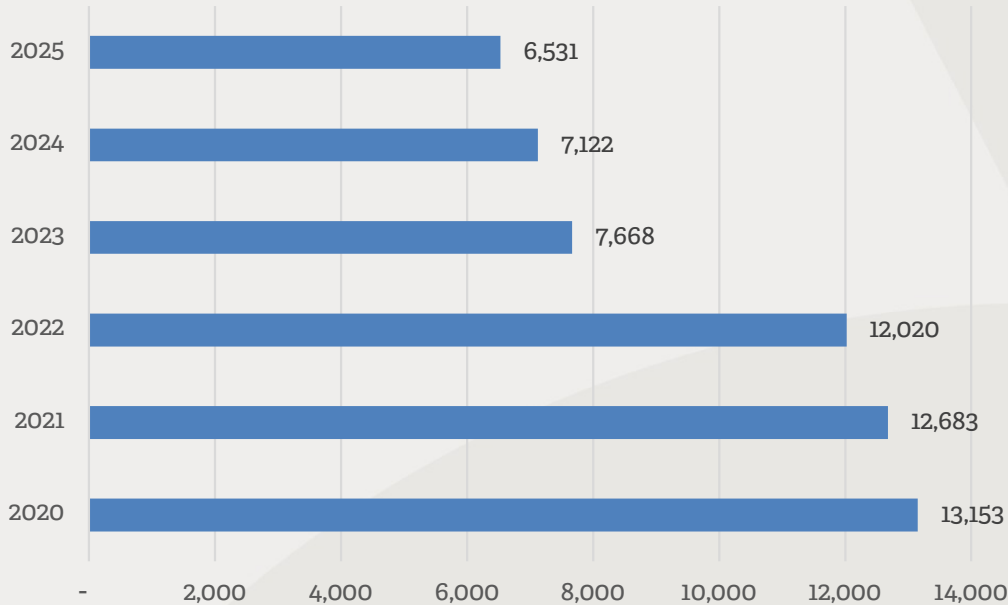


Amortization Period

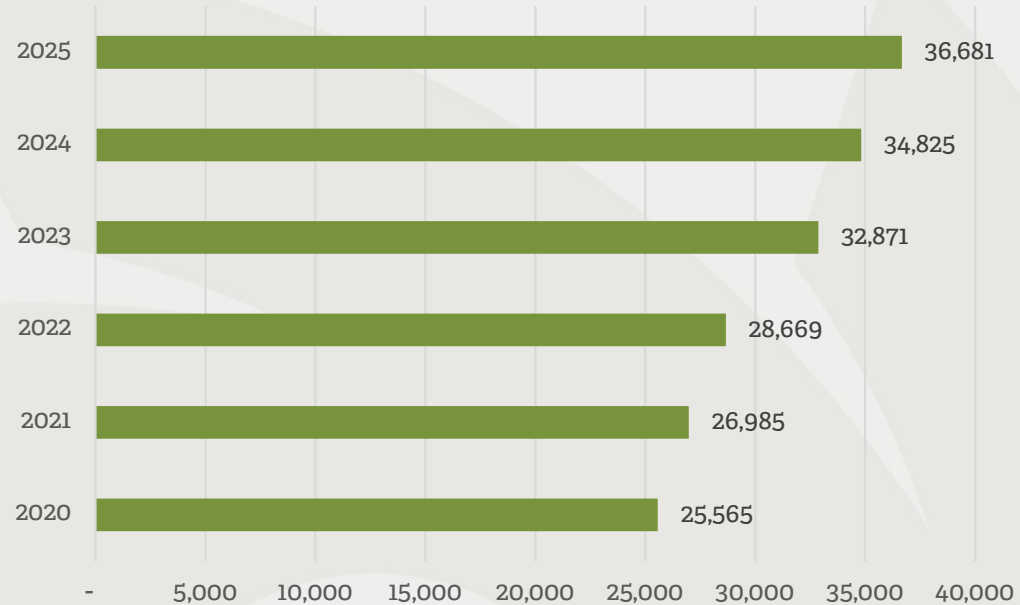
53	52	50	107	N/A	N/A	46	53	42	0	0	0	0	0	0
----	----	----	-----	-----	-----	----	----	----	---	---	---	---	---	---

Cost of Living Adjustment: 2020 - 2025

2.50% COLA



COLA/13th Check



43,212 PE Fund Retirees received a COLA in 2025, approximately 91.63% of eligible Retirees.

182 JRA Fund Retirees received a COLA in 2024
 100 MRA Fund Retirees Received a COLA in 2024
JRA/MRA Retirees receive a 2% COLA every 3rd year
VFF Retirees are not eligible for a COLA

SB 72 Contribution Increases

Contribution Increases (State General)		
Year	Increase %	Total Increased Contributions (Combined)
FY2021	0.50%	\$ 10,846,176
FY2022	1.00%	\$ 21,591,456
FY2023	1.50%	\$ 36,312,731
FY2024	2.00%	\$ 54,938,998
FY2025	2.00%	\$ 58,364,034
FY2026 (Estimate)	2.00%	\$ 63,255,579
Total		\$245,308,976

Contribution Increases (Municipal General, Police, Fire)		
Year	Increase %	Total Increased Contributions (Combined)
FY2023	0.50%	\$ 17,640,967
FY2024	1.00%	\$ 38,929,348
FY2025	1.50%	\$ 54,867,684
FY2026 (Estimate)	2.00%	\$ 85,663,926
Total		\$ 197,101,925
Total Contributions in Year 6 of SB72 (Estimated)		\$ 442,410,901

PERA Fund Performance – FYTD 2026

- PERA’s market value increased by \$707m fiscal year to date 2026 to a balance of \$19.4b
- PERA paid out \$1.18b in total member benefits for FYTD 2026, investment activities funded \$339m (29%) of member benefit payments
- PERA continues to outperform its Policy benchmark in the long-term
- Despite significant market volatility, long-term results continue to track PERA’s assumed rate of return (7.25%)
- PERA outperforms peers on a risk adjusted basis with Sharpe Ratios in the upper third of public pension peers >\$1b for the medium and long-term

As of 03/31/2026	FYTD 2026	3 Years	5 Years	7 Years	10 Years	20 Years	30 Years	ITD (1985)
PERA Total Fund Returns*	5.60%	8.47%	6.61%	7.17%	7.31%	5.81%	7.29%	8.58%
Policy Benchmark*	6.78%	11.42%	6.57%	7.18%	7.35%	6.25%	7.02%	8.53%
Value Add	-1.18%	-2.95%	0.04%	-0.01%	-0.04%	-0.44%	0.27%	0.05%

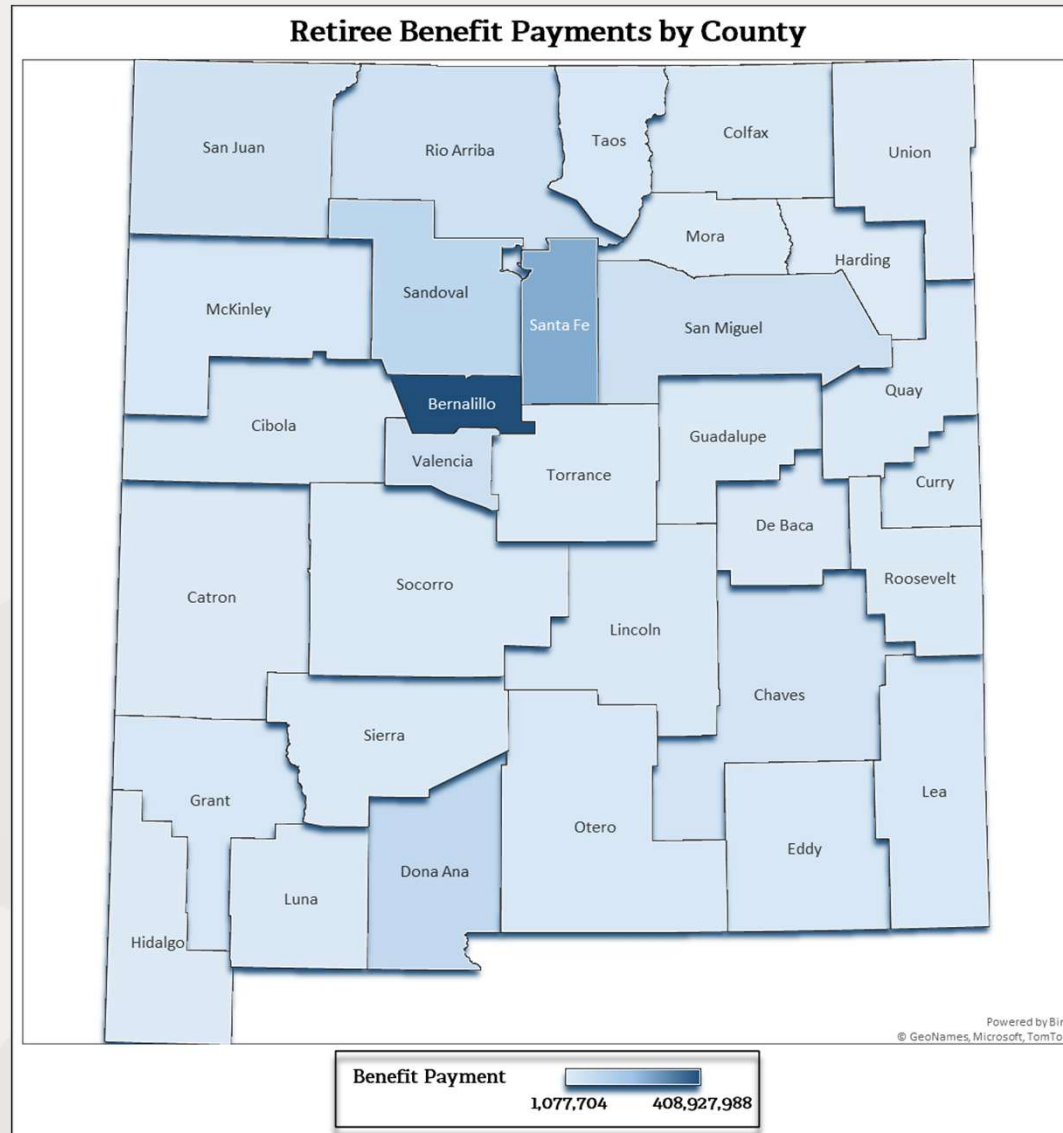
*NOTE: performance is based on annualized, net of fee, lagged private market results.

Upcoming Challenges

- Resumption of compounding COLA in 2023. First COLA of profit-sharing model anticipated at .5%. New model call for a floor of .5% and a ceiling of 3.0% until 100% funded. COLA has never been tied to inflation and with the current inflation levels retirees have concerns. 13th check appropriation.
- Long term solvency. Final implementation of SB72 and static funded ratio. Significant improvement not expected until end of the decade. Long term assumptions updated on 3 – 5 year basis.
- Potential increase in member and employer rates for Judicial and Magistrate Plans.
- Recruitment and Retention is an on-going issue for State Agencies.

PERA's Economic Force in New Mexico

NM PERA provides financial stability for thousands of New Mexico retirees and their communities. In FY24, PERA paid \$1.45 billion in pension benefits 89% went to retirees living in New Mexico.



New Mexico	Benefit Payment
Bernalillo	408,927,988
Santa Fe	244,099,213
Sandoval	102,840,276
Dona Ana	88,815,349
Valencia	56,288,651
San Miguel	55,416,852
Rio Arriba	46,636,235
San Juan	40,835,532
Chaves	32,379,540
Eddy	21,346,858
Taos	19,440,316
Otero	18,583,118
Grant	18,407,700
Mckinley	17,500,091
Lea	17,498,382
Colfax	15,512,243
Cibola	12,772,061
Luna	11,779,510
Lincoln	11,655,821
Curry	10,492,307
Socorro	9,531,122
Sierra	9,303,831
Torrance	9,137,535
Quay	7,370,668
Mora	5,663,739
Roosevelt	5,460,356
Los Alamos	5,419,913
Guadalupe	4,560,934
Union	2,845,336
Hidalgo	2,200,048
Catron	2,084,654
De Baca	1,829,739
Harding	1,077,704
TOTAL NM Benefits	1,317,713,622