



NMFA Employee Retirement Plan Overview

Investments and Pensions Oversight Committee

September 5, 2019





Retirement Plan - Employees of New Mexico Finance Authority ("NMFA Retirement Plan")

- 401(a) Money Purchase Pension Plan (Government Employee Retirement Plan)
- Employees allowed to participate upon hiring
- Mandatory 3% employee contribution (pre-tax)
- NMFA 15% matching contribution
- Voluntary employee contribution - up to 4% (post-tax; pay tax on earnings when withdrawn)
- NMFA matching contribution - 50% of employee's voluntary contribution (up to 2%)



NMFA Retirement Plan - Vesting

➤ Employer Contributions

<u>Years of Service</u>	<u>Vested</u>	<u>Forfeited</u>
Less than 1	0%	100%
1	20%	80%
2	40%	60%
3	60%	40%
4	80%	20%
5 or More	100%	0%

➤ Matching Contributions

<u>Years of Service</u>	<u>Vested</u>	<u>Forfeited</u>
Less than 1	0%	100%
1	50%	50%
2 or More	100%	0%



NMFA Retirement Plan

- Max allowable contribution in 2019 is \$56,000
- Withdrawals prohibited while employed, except for voluntary contributions and roll-overs
- Distributions prior to age 59 ½ subject to additional 10% tax
- Mandatory distributions required at age 70 ½
- Forfeitures (money not vested) are used to fund Employer Contributions each Fund Year



NMFA Retirement Plan

- Loans are permitted
 - Minimum amount = \$500
 - Maximum is the lesser of:
 - \$50,000, reduced by the excess (if any) of:
 - * Highest outstanding balance during the one-year period ending before the date the loan is made, over
 - * The outstanding loan balance on the date the loan is made
 - OR
 - 50% of the Participant's vested amount
- Loans must be repaid in 5 years or less

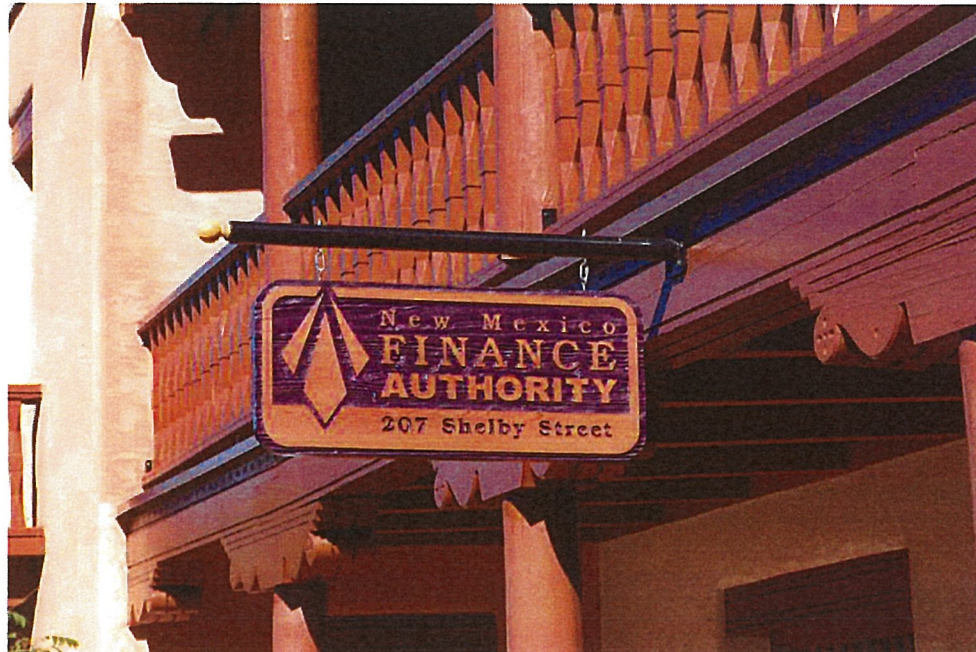


NMFA Retirement Plan

- Distributions can be paid as follows:
 - 1) Single lump sum payment in cash; or
 - 2) Payments over a period certain in monthly, quarterly, semiannual, or annual cash installments (not to extend beyond the Participant's life expectancy)
- Distributions of benefits upon death are paid to Participant's beneficiary
 - If distribution is to be to a minor, paid to legal guardian or parent of the beneficiary
- A Participant may withdraw all or any portion (not less than \$500) of the Participant's Rollover Account prior to his termination of employment



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