

New Mexico Educational Retirement Board
ERB's Sustainability Survey Results
Investments and Pensions Oversight Committee
Representative Tomás Salazar, Chair
Senator George Muñoz, Vice-Chair
October 16, 2018

Jan Goodwin, Executive Director
Mary Lou Cameron, Board Chair
H. Russell Goff, Board Vice Chair



Purpose:

- Met with members across state to discuss the NMERB fund status and need for change, October – December 2017.
- Identify plan design changes that will be supported by our active and retired members



2017 NMERB State Tour Schedule



10/30	Farmington
11/1	Taos
11/2	Raton
11/6	Santa Fe
11/7	Gallup
11/8	Albuquerque
11/14	Silver City
11/15	Las Cruces
11/16	Belen
11/28	Roswell
11/29	Clovis
11/30	Carlsbad
12/4	Las Vegas

Sustainability Survey:

Surveyed individual members March – April 2018 on possible plan changes

- Outreach Methods:

Newsletter – Dec. 21, 2017: Articles on sustainability and upcoming state tour

March 7, 2018: Article with link to member survey

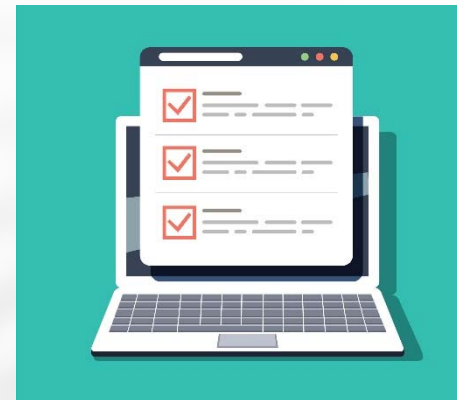
Website – Information with link to survey on the NMERB website main page

- Survey was sent to:

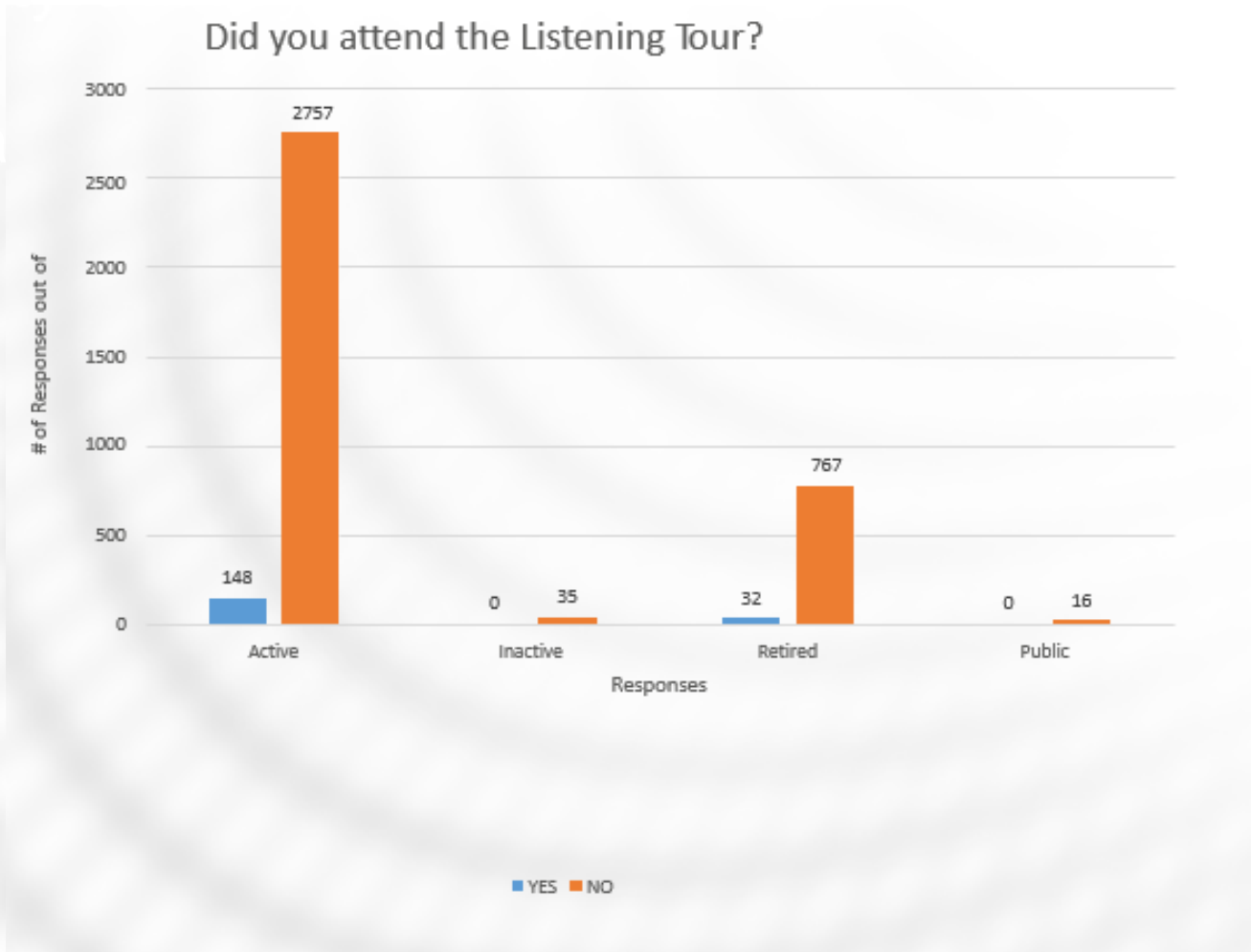
216 employers

60,000 active members and retirees

- Received over 3,000 responses

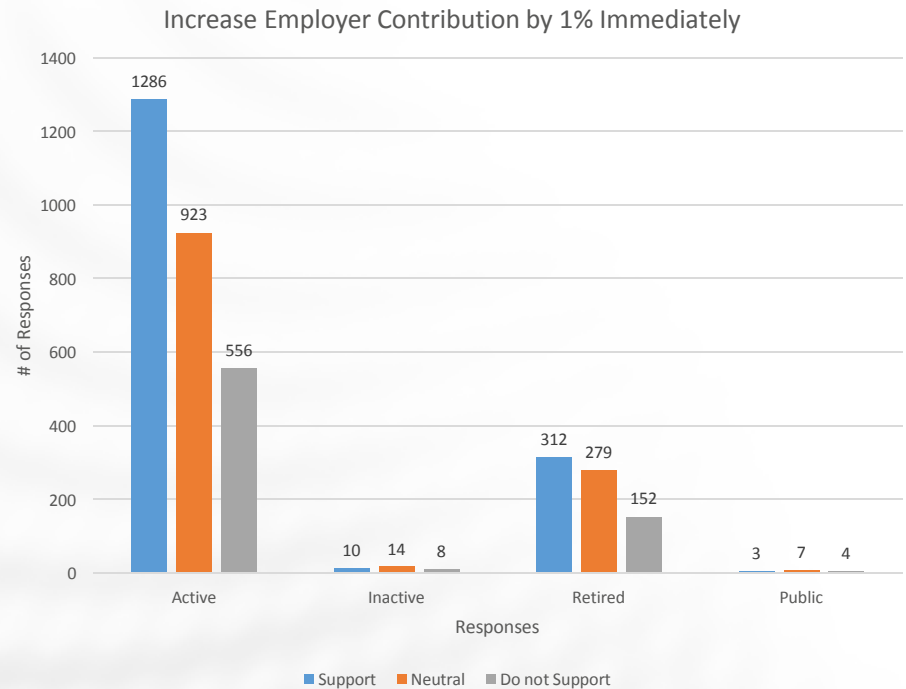


Sustainability Survey: Tour Attendance



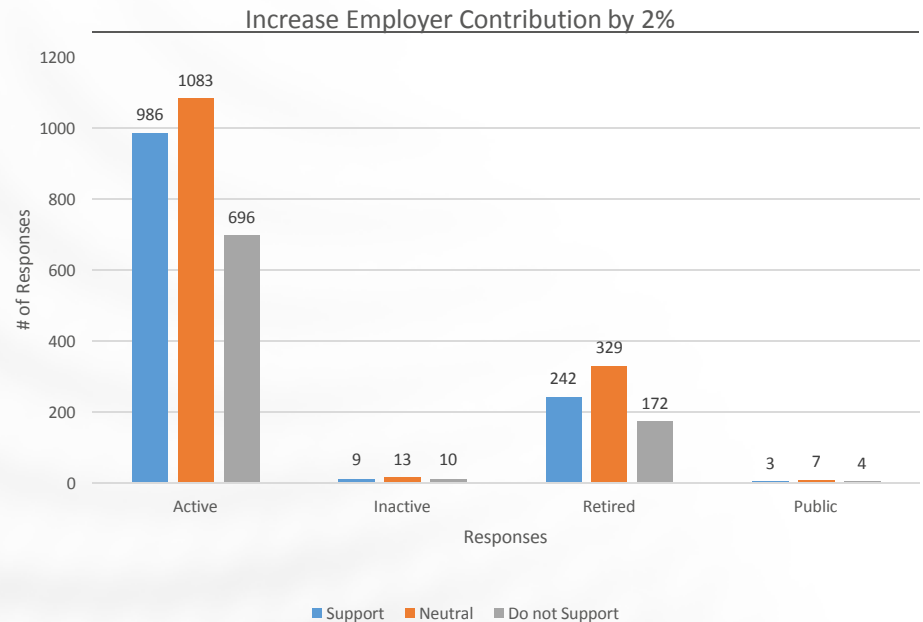
Sustainability Survey: Contributions

Increase employer contribution immediately by 1%. This will add an increase of approximately \$26 million to the fund annually. (Score 2)



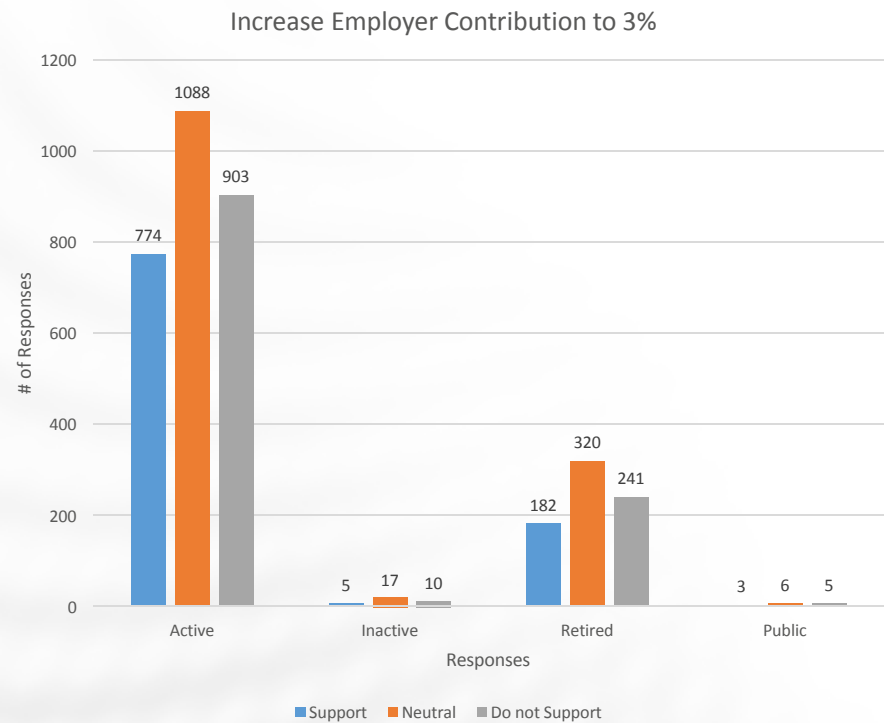
Sustainability Survey: Contributions

Increase employer contribution immediately by 2%. This will add an increase of approximately \$52 million to the fund annually. (Score 3)



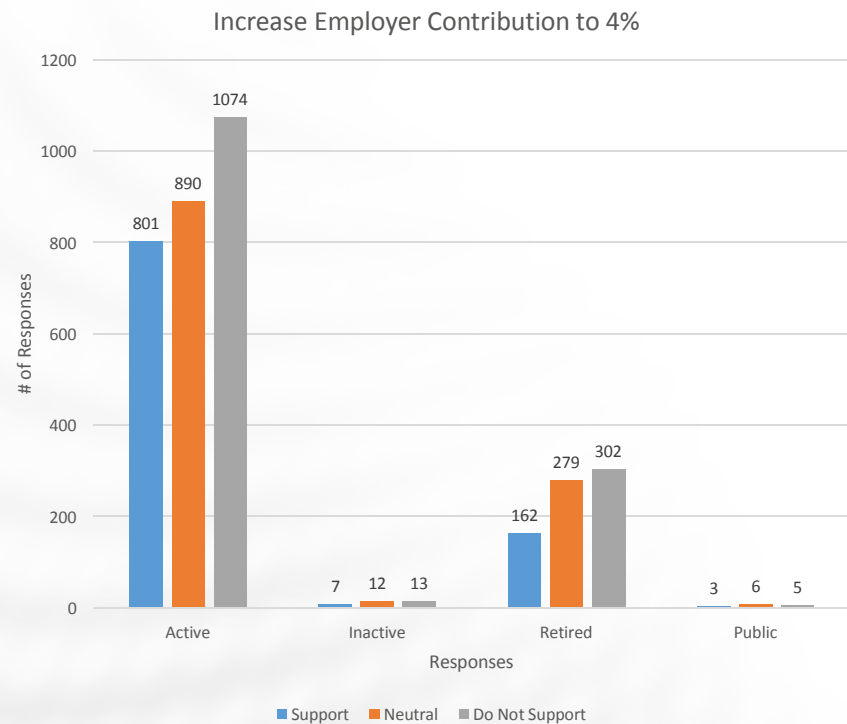
Sustainability Survey: Contributions

Increase employer contribution immediately by 3%. This will add an increase of approximately \$78 million to the fund annually. (Score 4)



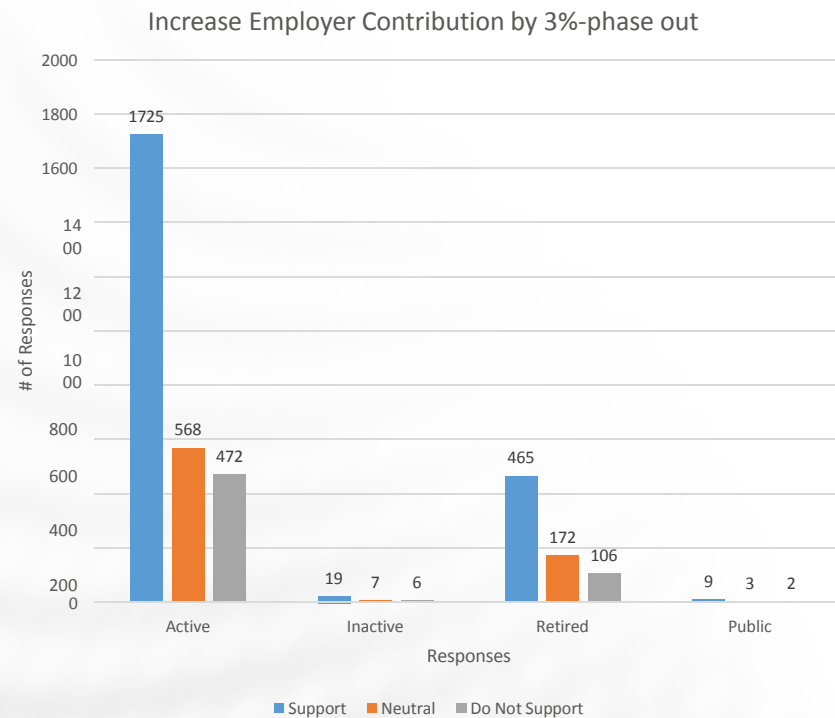
Sustainability Survey: Contributions

Increase employer contribution immediately by 4%. This will add an increase of approximately \$104 million to the fund annually. (Score 5)



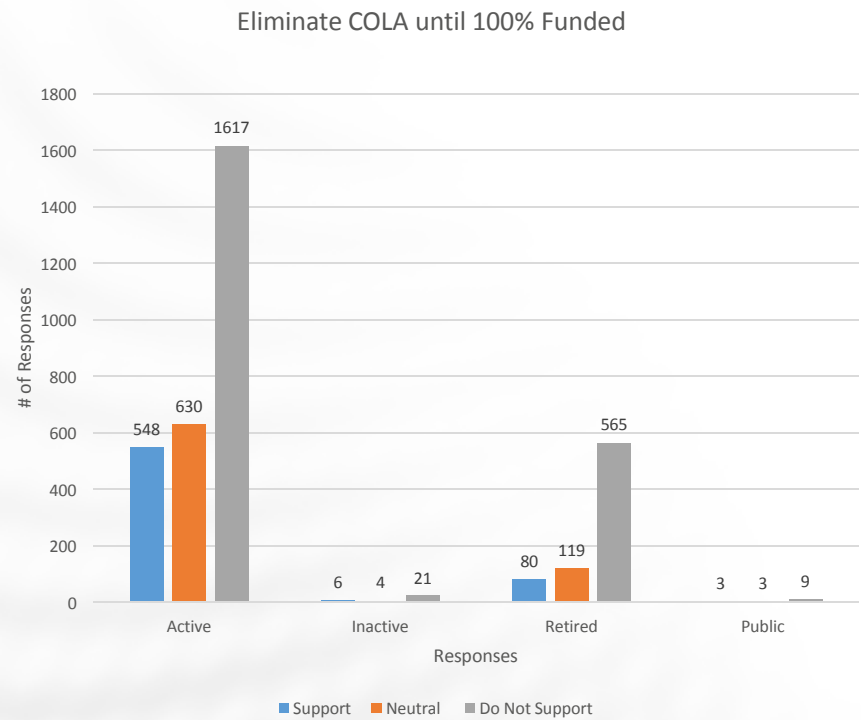
Sustainability Survey: Contributions

Increase employer contribution by 3%, but phased-in 1% per year for 3 consecutive years. This will add \$26 million in year 1, \$52 million in year 2, and \$78 million in year 3. (Score 4)



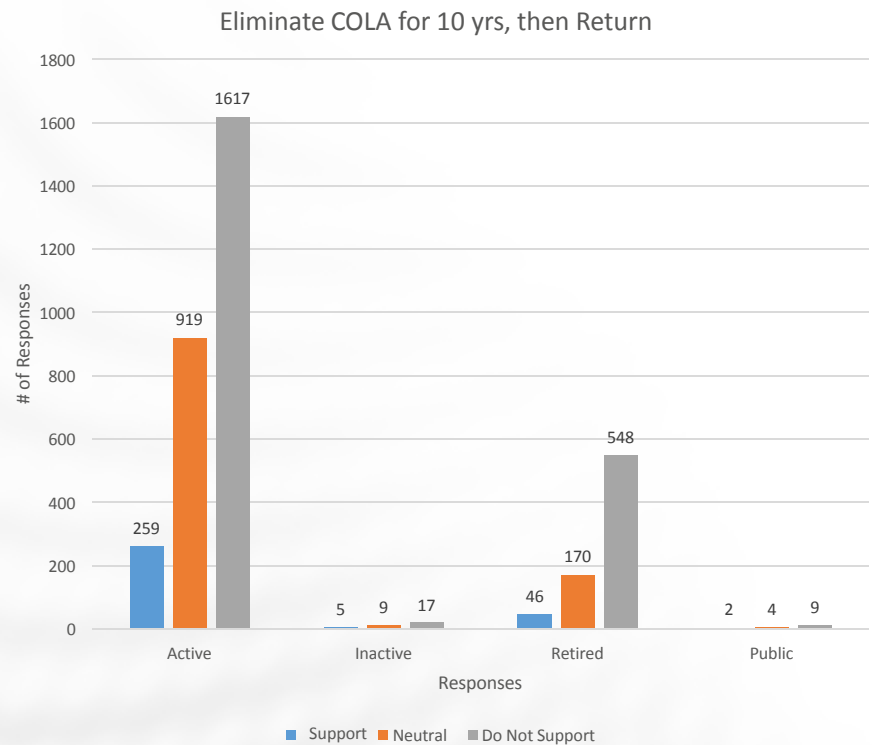
Sustainability Survey: COLAs

Eliminate Cost of Living Adjustment (COLA) until 100% funded. (Score 5)



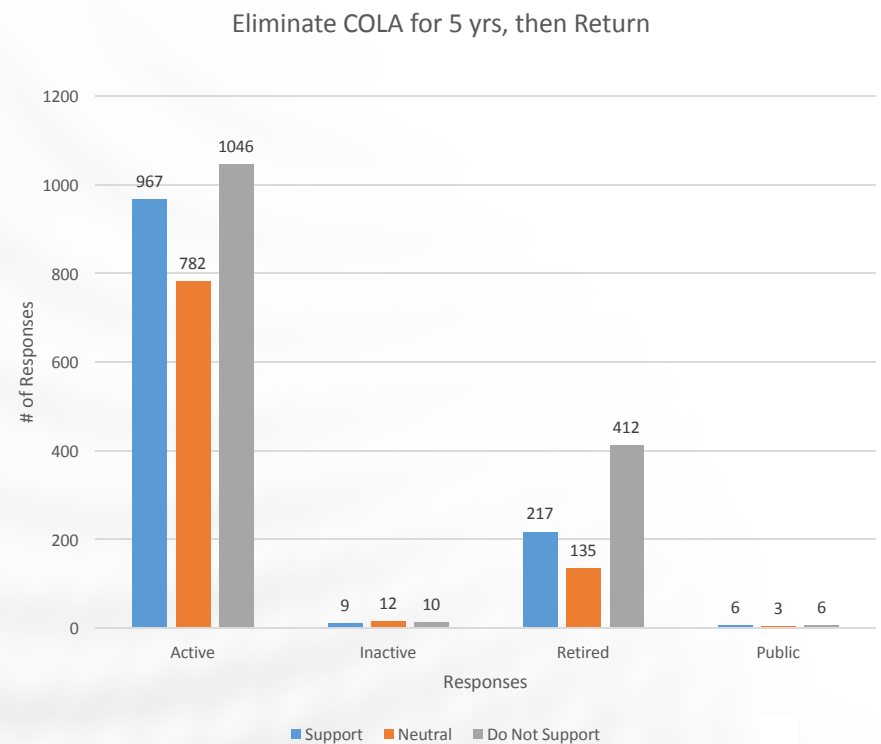
Sustainability Survey: COLAs

Eliminate Cost of Living Adjustment (COLA) for 10 years-- then return to current COLA formula. (Score 3)



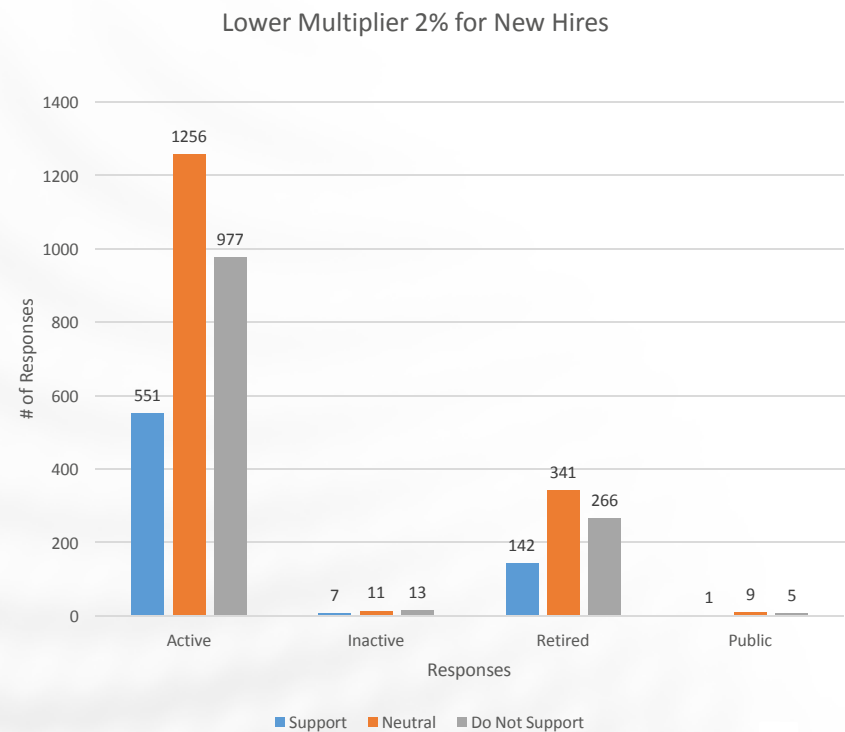
Sustainability Survey: COLAs

Eliminate Cost of Living Adjustment (COLA) for 5 years-- then return to current COLA formula. (Score 2)



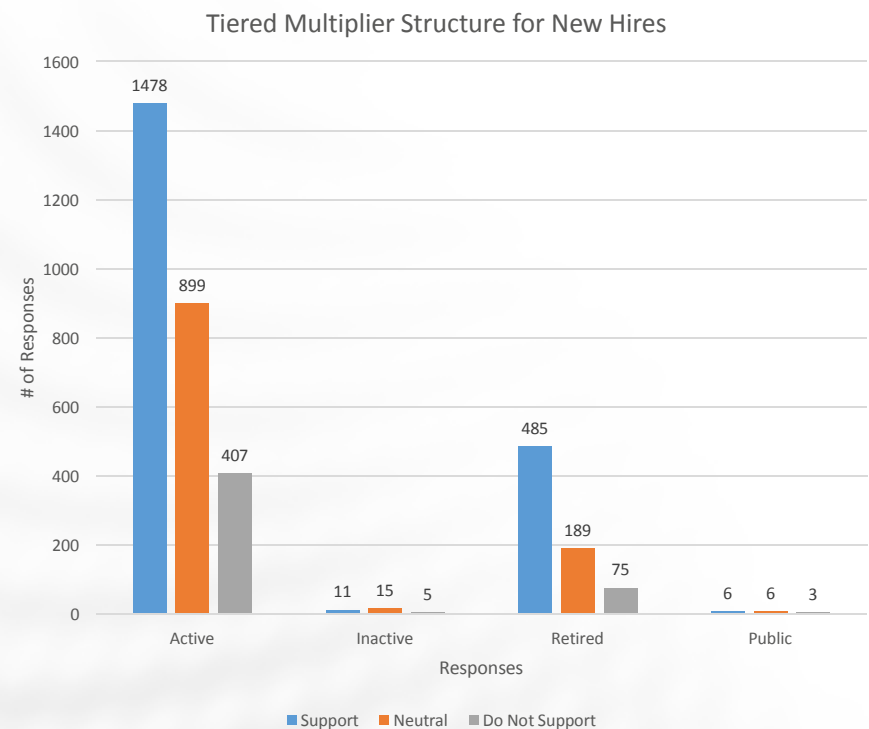
Sustainability Survey: Multipliers

Lower benefit multiplier to 2% for new hires (Score 2)



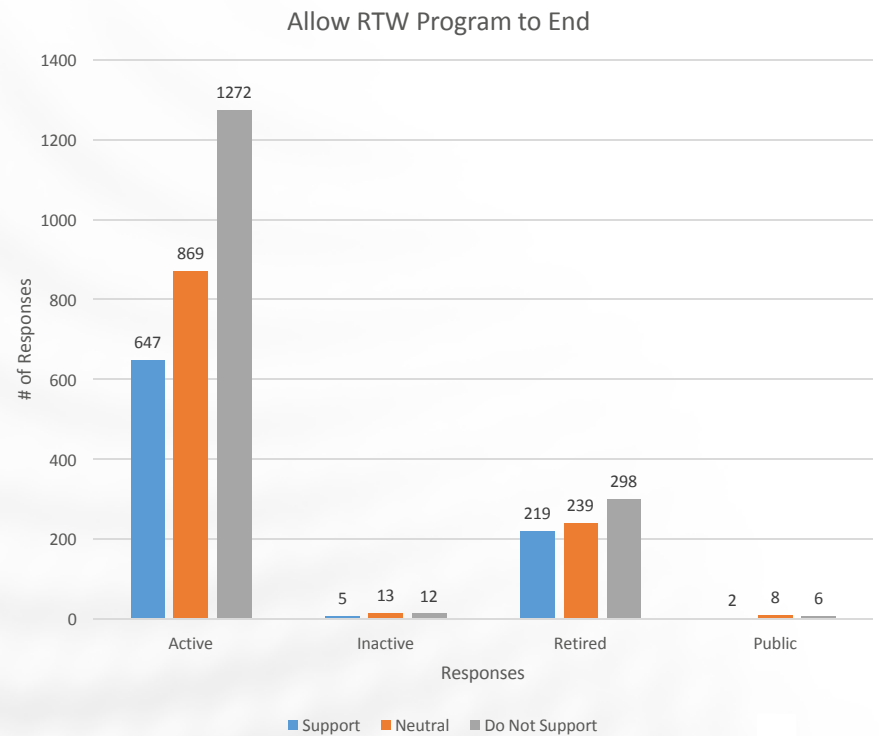
Sustainability Survey: Multipliers

Institute benefit multiplier for new hires on a tiered structure based on length of service to result in a 2.35% for a 30-year work history (Score 2)



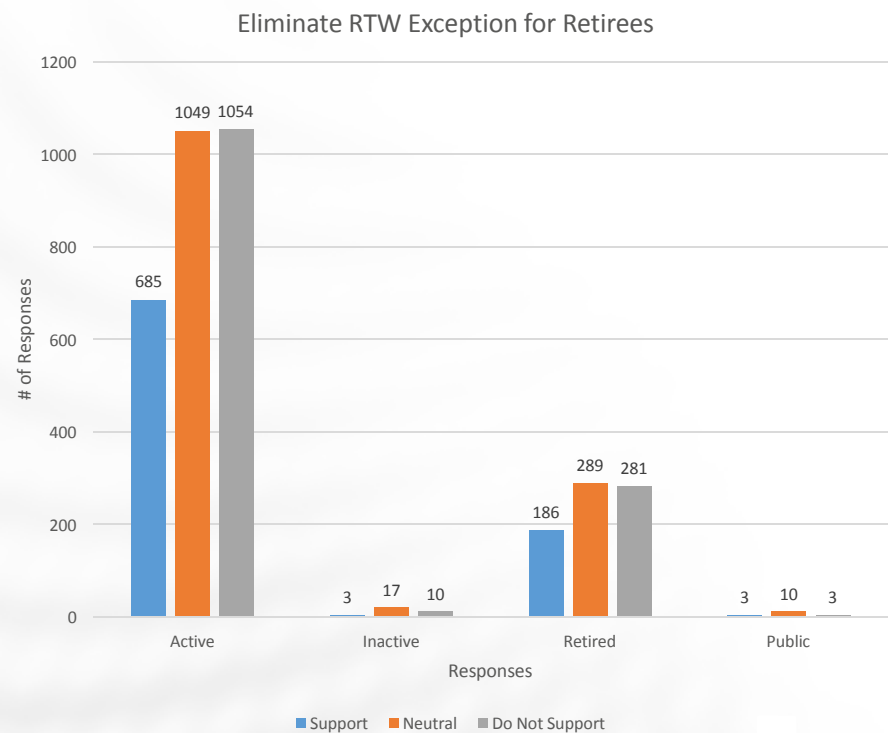
Sustainability Survey: Return to Work

Allow the Return to Work program to end as provided in statute.
(Score 2)



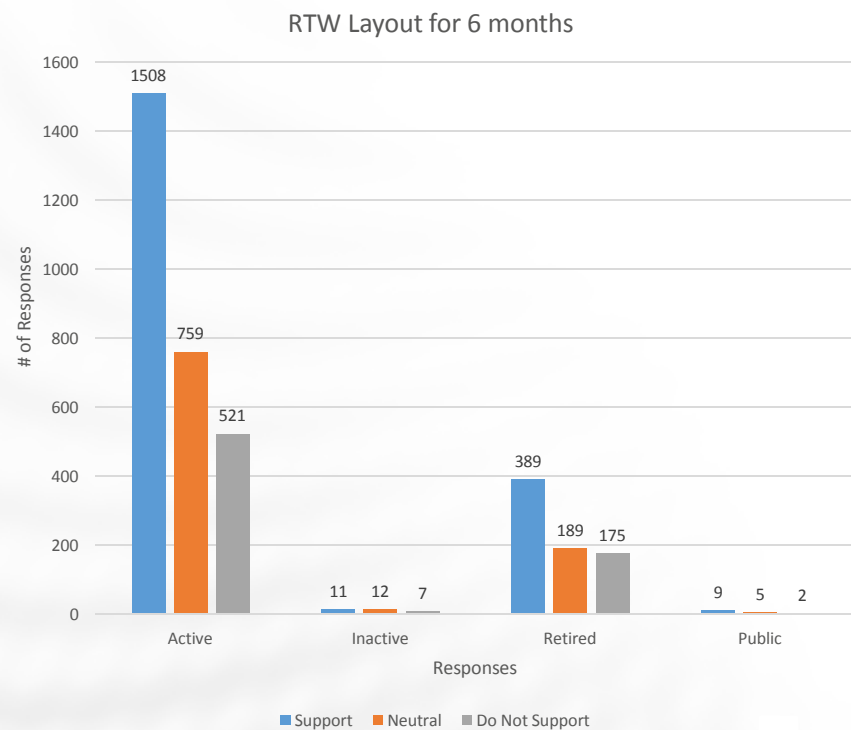
Sustainability Survey: Return to Work

Eliminate the NMERB Return to Work Exception Rule for NMERB retirees. (Score 2)



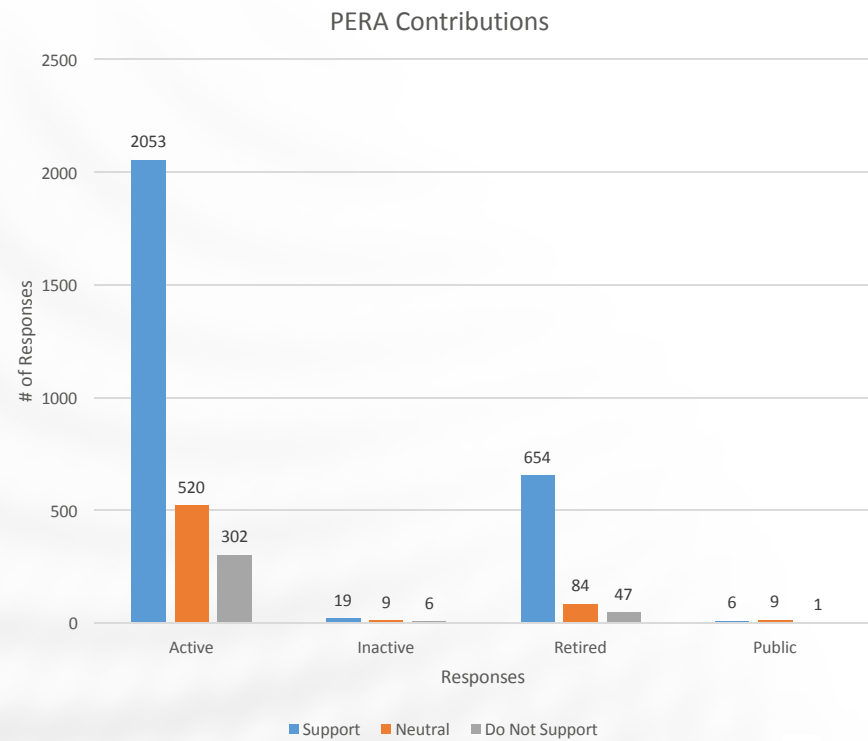
Sustainability Survey: Return to Work

All NMERB retirees wanting to work for NMERB employers during retirement must first lay out six months, and they and their employers will pay contributions on income. There is no cap on earnings. (Score 1)



Sustainability Survey: PERA

Make PERA retirees pay contributions if working for an NMERB employer. (Score 2)



Proposed changes with greatest support

- Increase employer contribution by 3%, phased-in 1% per year for three consecutive years.
- Five-year COLA suspension
- Tiered multiplier for new members
- All NMERB retirees and their employers should pay contributions on salary during retirement
- PERA retirees working for NMERB employers should pay member contributions.



Questions



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