

**NEW MEXICO  
EDUCATIONAL  
RETIREMENT BOARD**

**IPOC**

**Representative Roybal Caballero, Chair  
Senator Gonzales, Vice Chair**

**November 12, 2021**



**Rick Scroggins, Interim Executive Director**

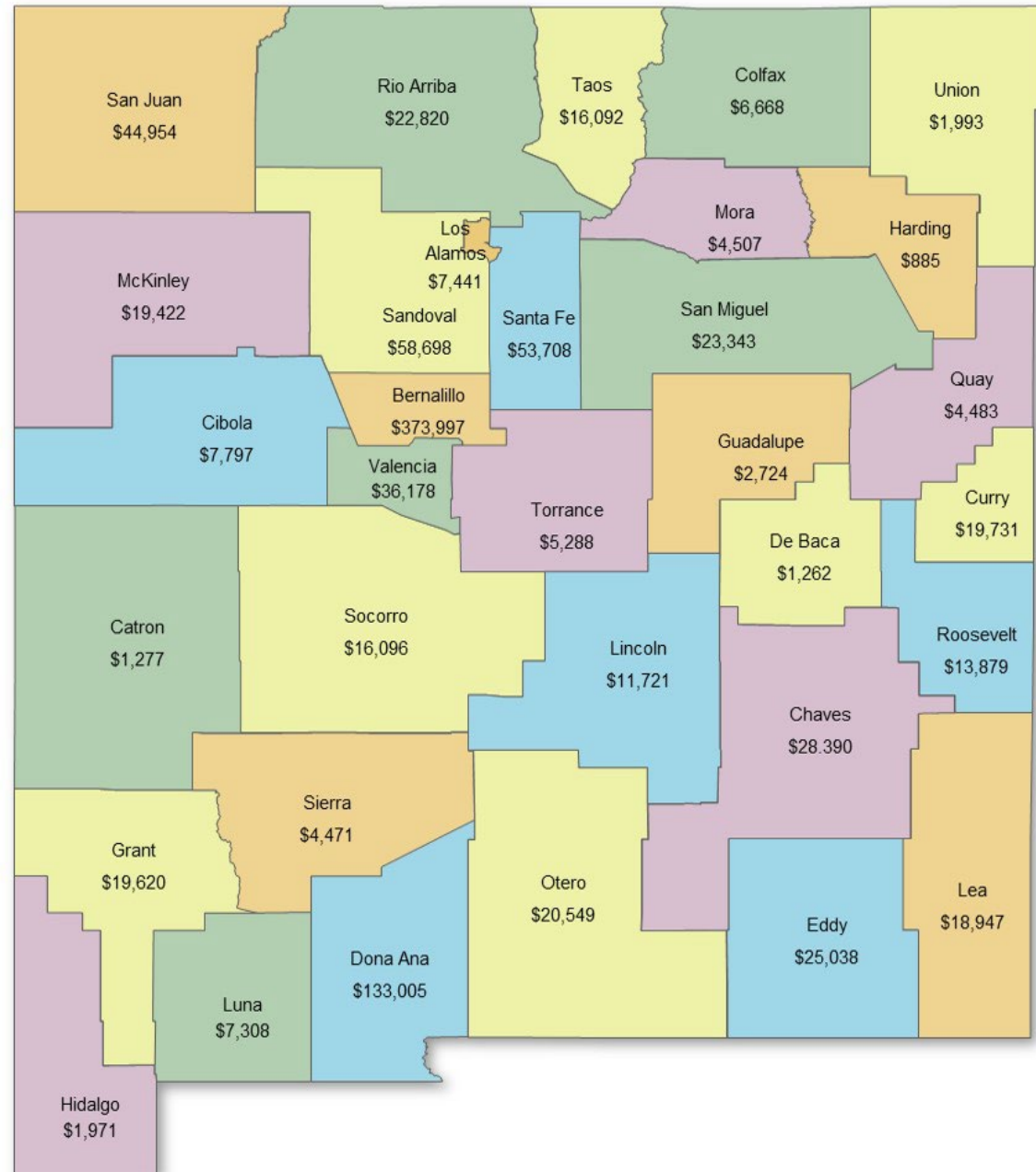
**H. Russell Goff, Chair  
Mary Lou Cameron, Vice Chair**

	<u>FY2020</u>	<u>FY2021</u>	<u>% change</u>
Active ERB Members	61,091	58,988	-3.44%
Retirees and Beneficiaries	51,397	52,790	2.71%
Retiree Payroll	\$1,169,304,517	\$1,217,645,352	4.13%
Member Contributions	\$328,080,239	\$327,477,585	-0.18%
Employer Contributions	\$451,556,144	\$452,872,287	0.29%
Active Member Payroll	\$3.0 billion	\$2.9 billion	-3.33%
Participating Employers	216	216	0%
ERB Net Assets	\$13.0 billion	\$16.4 billion	26.15%
Average Benefit	\$23,388	\$23,772	1.64%
Average Age at Retirement	62.1	62.2	0.16%
Net Investment Return/(Loss) – Fiscal Year	(0.97%)	28.76%	3,064.95%

# 2021 Retiree Gross Benefits by NM County

The Direct Impact of NMERB's Pension Benefits Ripples Through NM's Economy

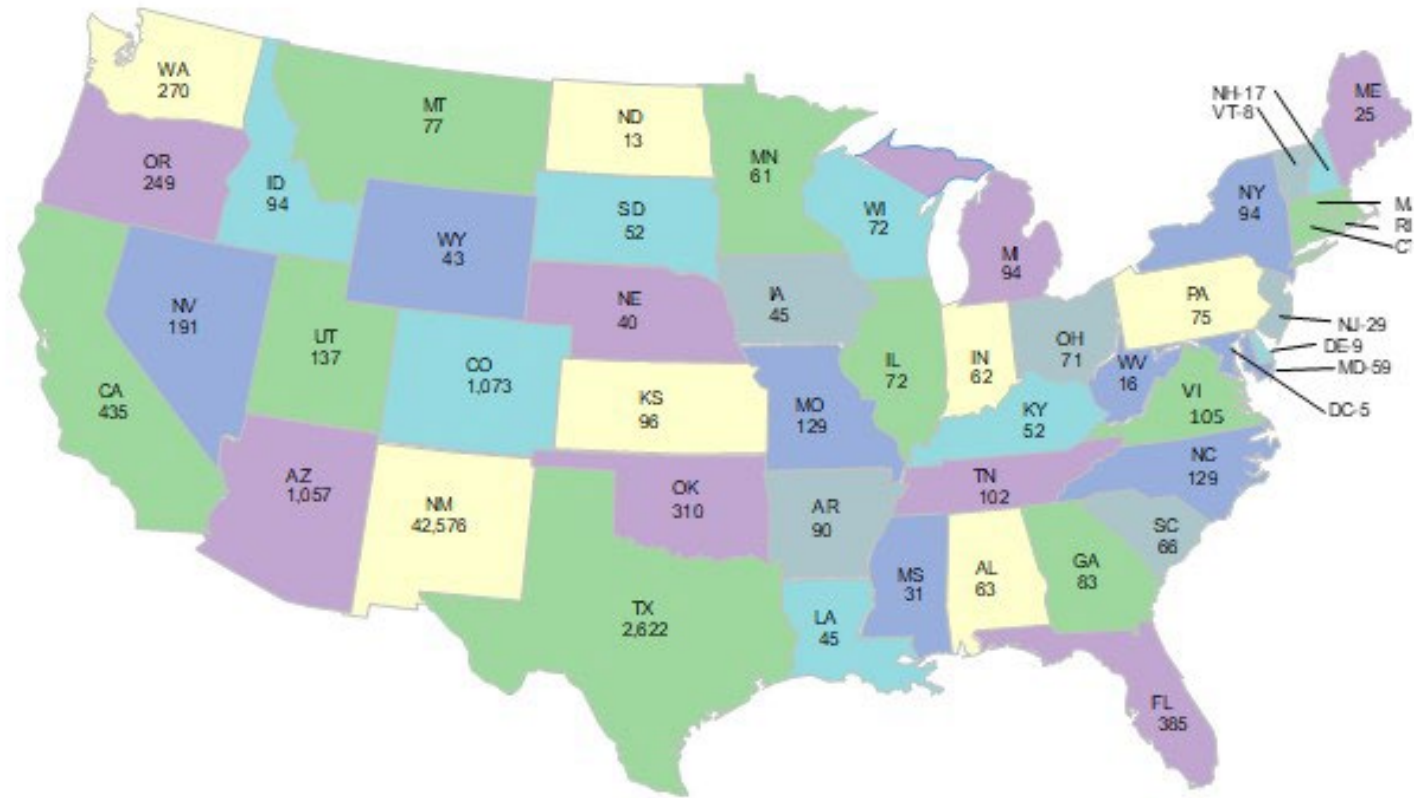
NM Benefits	<b>\$1,014,833,931</b>
Outside NM	<u>\$ 202,811,421</u>
Total Gross Benefit	<u>\$1,217,645,352</u>



# Distribution of benefit recipients by Location

## Benefit Recipients outside the Continental United States

26 Alaska	3 Germany	2 Portugal
38 Hawaii	2 Greece	1 Puerto Rico
1 Argentina	1 Guam	2 Spain
5 Armed Forces Europe		2 Hungary
1 Sri Lanka	9 Australia	2 Israel
1 Sweden	9 Canada	2 Italy
1 Turkey	1 China	1 Mexico
10 United Kingdom		1 Czechoslovakia
1 Netherlands	1 Uruguay	1 Denmark
4 New Zealand	3 Virgin Islands	3 Philippines
1 Yugoslavia	1 France	2 Poland



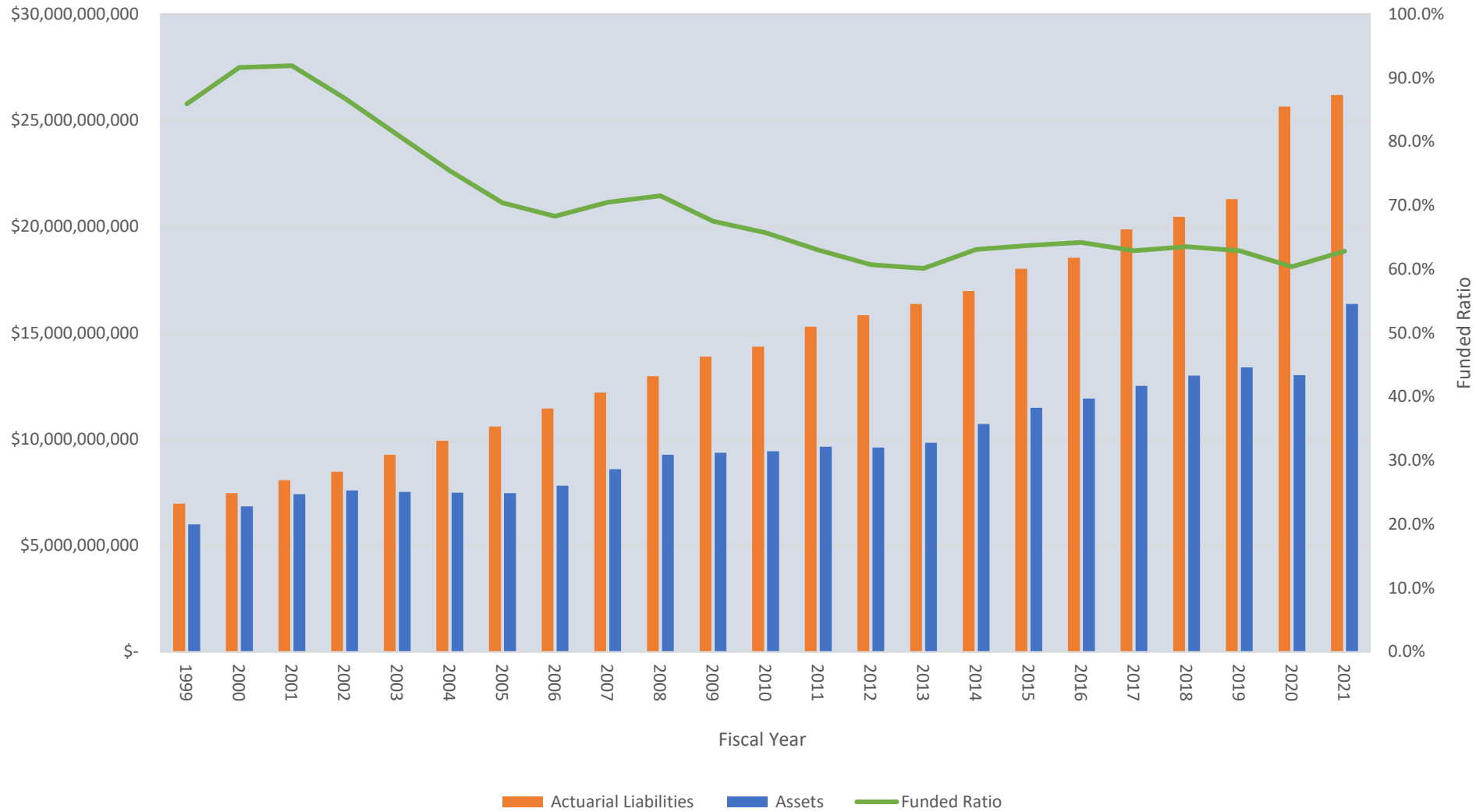
# NMERB Actuarials at a Glance

Fiscal Year	6/30/14 Valuation	6/30/14 Experience Study	6/30/15 Valuation	6/30/16 Valuation	6/30/16 Experience Study	06/30/2017 Valuation	6/30/2018 Valuation	6/30/19 Valuation	6/30/19 Experience Study	6/30/20 Valuation	6/30/21 Valuation
<b>UAAL</b>	\$6.3B	\$6.6B	\$6.5B	\$6.6B	\$7.4B	\$7.4B	\$7.5B	\$7.9B	\$8.3B	\$9.0B	\$8.7B
<b>Funded Ratio</b>	63.1%	62.0%	63.7%	64.2%	61.5%	62.9%	63.5%	62.9%	61.6%	60.4%	62.8%
<b>Funding Period</b>	26 years	32 years	37 years	46 years	84 years	61 years	70 years	47 years	70 years	Infinite	42 years
<b>Changes</b>		More conservative mortality assumption			<b>Inflation:</b> 3% decreased to 2.5%; <b>Investment return:</b> 7.75% decreased to 7.25%; <b>COLA:</b> 1.6% decreased to 1.5%				<b>Inflation:</b> 2.5% decreased to 2.3%; <b>Investment return:</b> 7.25% decreased to 7.0%; <b>COLA:</b> 1.5% decreased to 1.4%		

# Reasons for the reduction in Net Pension Liability and Funding Period

- Legislative change to the employer contribution rate
- The 28.76% return on investments for fiscal year 2021.
- A rate of 7.00% was used as of June 30, 2021, compared to a blended rate of 3.89% used as of June 30, 2020, to discount the Plan's pension liabilities

# Where we are now

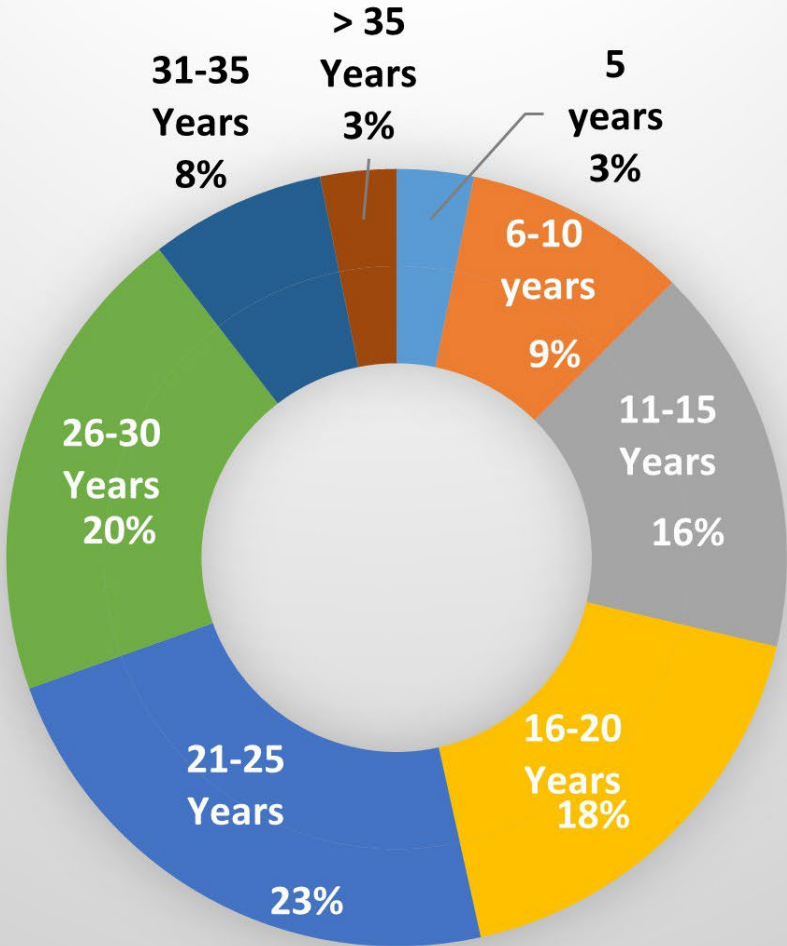


While active membership has remained steady all other segments have grown

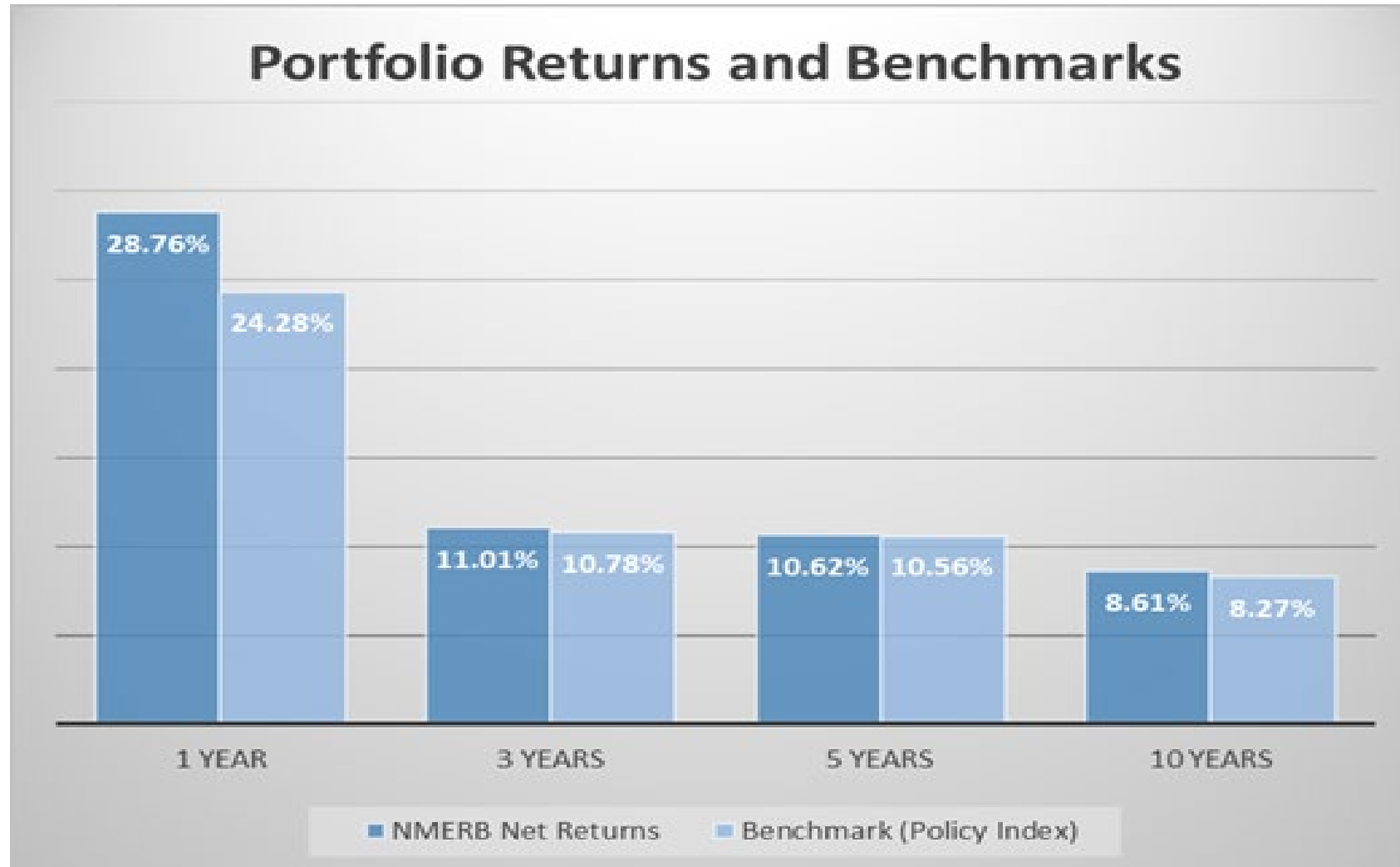




# Years of Service at Retirement Fiscal Year 2021



# NMERB Fund Performance vs Benchmarks – FY21



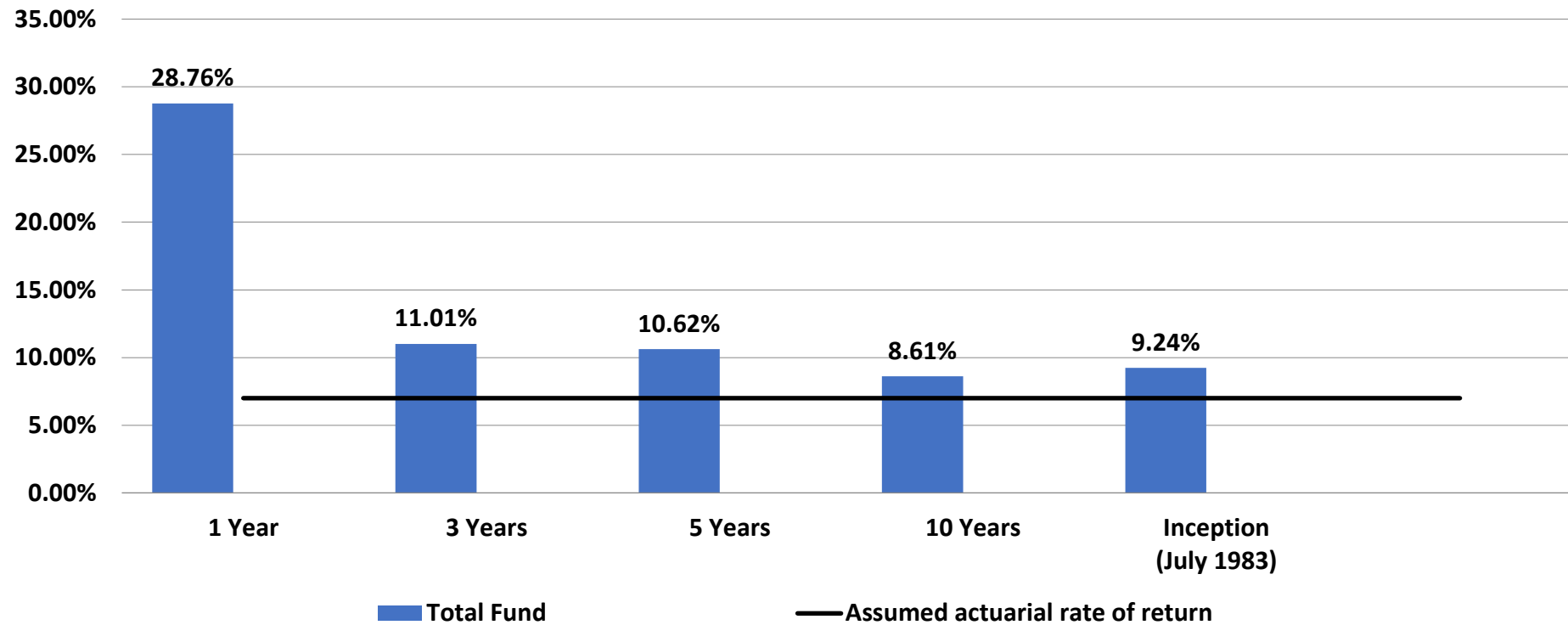


## Actual Return vs. 7% Target

NMERB Annualized Returns

As of June 30, 2021

Net of Fees



# September 30, 2021 Flash Report

## New Mexico Educational Retirement Board

### TOTAL FUND PERFORMANCE DETAIL

	% of Portfolio	Market Value (\$)	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	100.0	16,043,484,466	-1.1	2.2	16.0	25.8	11.0	10.3	9.7	9.2	Jul-83
Policy Index			<u>-1.0</u>	<u>0.0</u>	<u>9.4</u>	<u>18.2</u>	<u>9.8</u>	<u>9.8</u>	<u>9.2</u>	--	Jul-83
Over/Under			-0.1	2.2	6.6	7.6	1.2	0.5	0.5		

## Next Steps

- FY21 Financial Audit is progressing. Exit conference scheduled on November 18<sup>th</sup> and will be submitted on schedule to the Office of the State Auditor.
- FY21 Actuarial Report has been received and will be presented to the Board at their December 10<sup>th</sup> meeting.
- SB42 report will be prepared in the spring of 2022.
- No current legislation drafted for the 2022 session.



# NERB Contact Information

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