



**PERA**

## **Investments and Pensions Oversight Committee (IPOC)**

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

July 18, 2025

**Paula Fisher, 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, <a href="http://www.nmpera.org">www.nmpera.org</a>
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, <a href="http://www.nmpera.org">www.nmpera.org</a>

*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, Chair – Children Youth & Families Department
- Nick Koluncich – NM State Land Office
- Tony Garcia – NM Office of the Public Defender
- Juan Diaz – Department of WorkForce Solutions

## Municipal Members

Three Members under a municipal plan elected by municipal members;

- Valerie Barela, Vice 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

- Adolf Zubia
- Stephen Astorga

## Ex-Officio Members

The Secretary of State and the State Treasurer

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

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

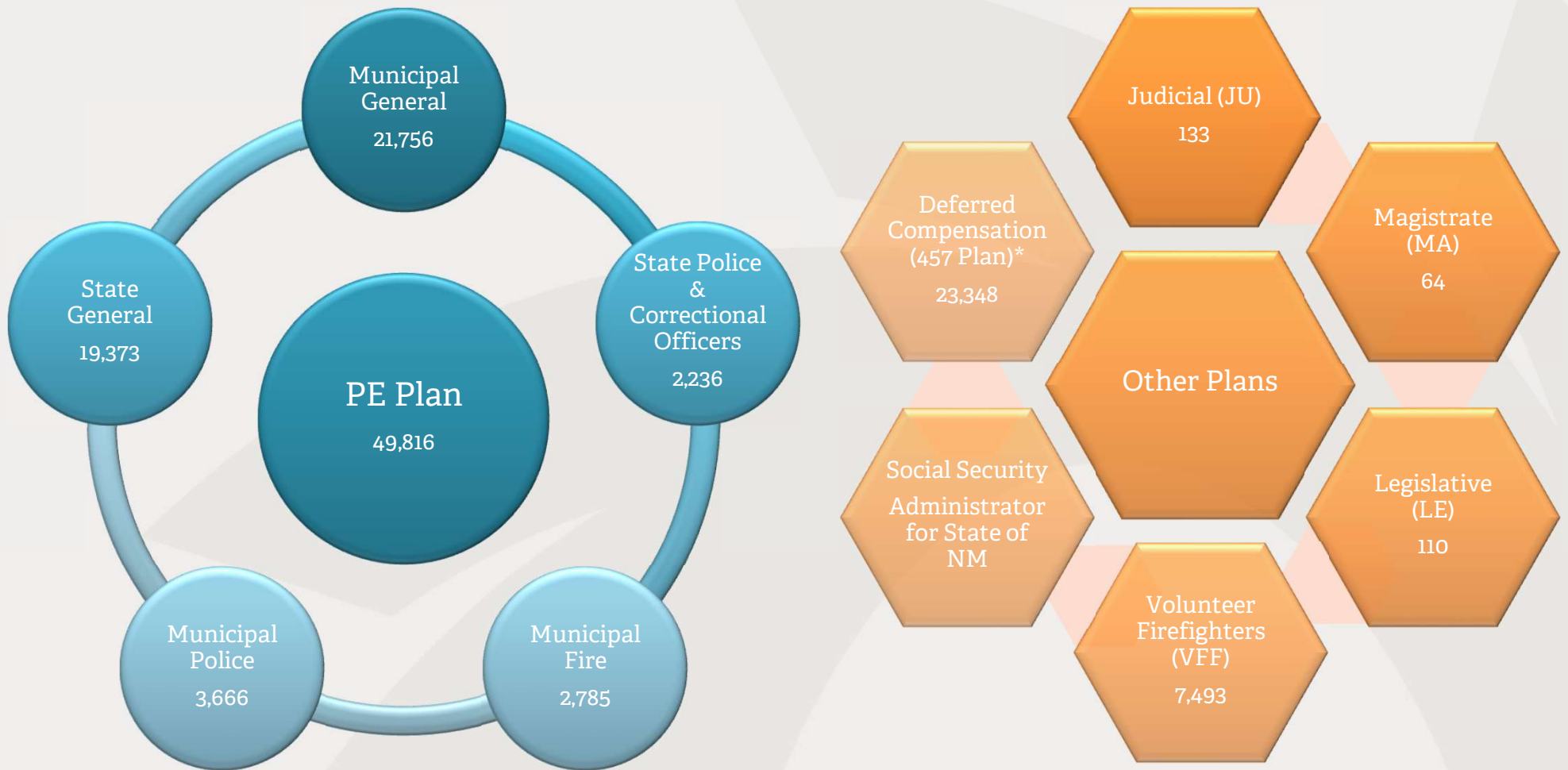
QA/User Admin  
Jessica Perea  
4 FTE

Records  
Miranda Montoya  
5 FTE

*PERA is budgeted for 88 FTE's  
with 2 current vacancies*

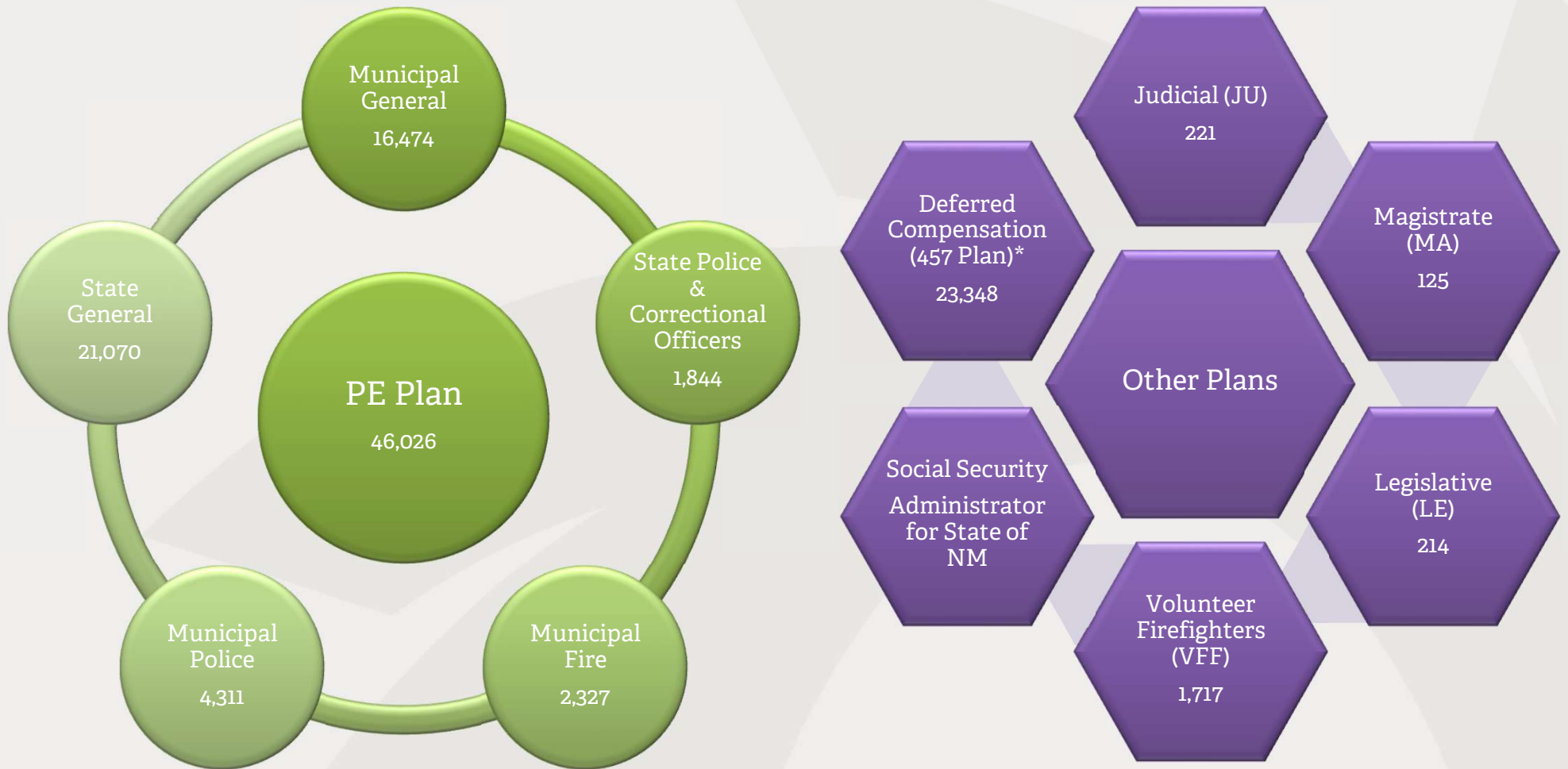


# PERA – Active Membership





# PERA – Retired Membership



# Fiscal Year 2024 In Review



Total Fund Value  
**\$17.8 Billion**



Rate of Return (net of fees)  
**8.66%**



Active Members  
**49,816**



Participating Employers  
**335**



Retirees and Benefit Recipients  
**46,026**



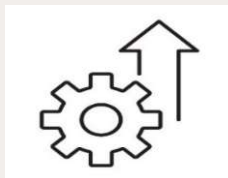
Retirement Benefits Paid  
**\$1.45 Billion**



Funded Ratio  
**67.20%**



Amortization Period  
**52 Years**



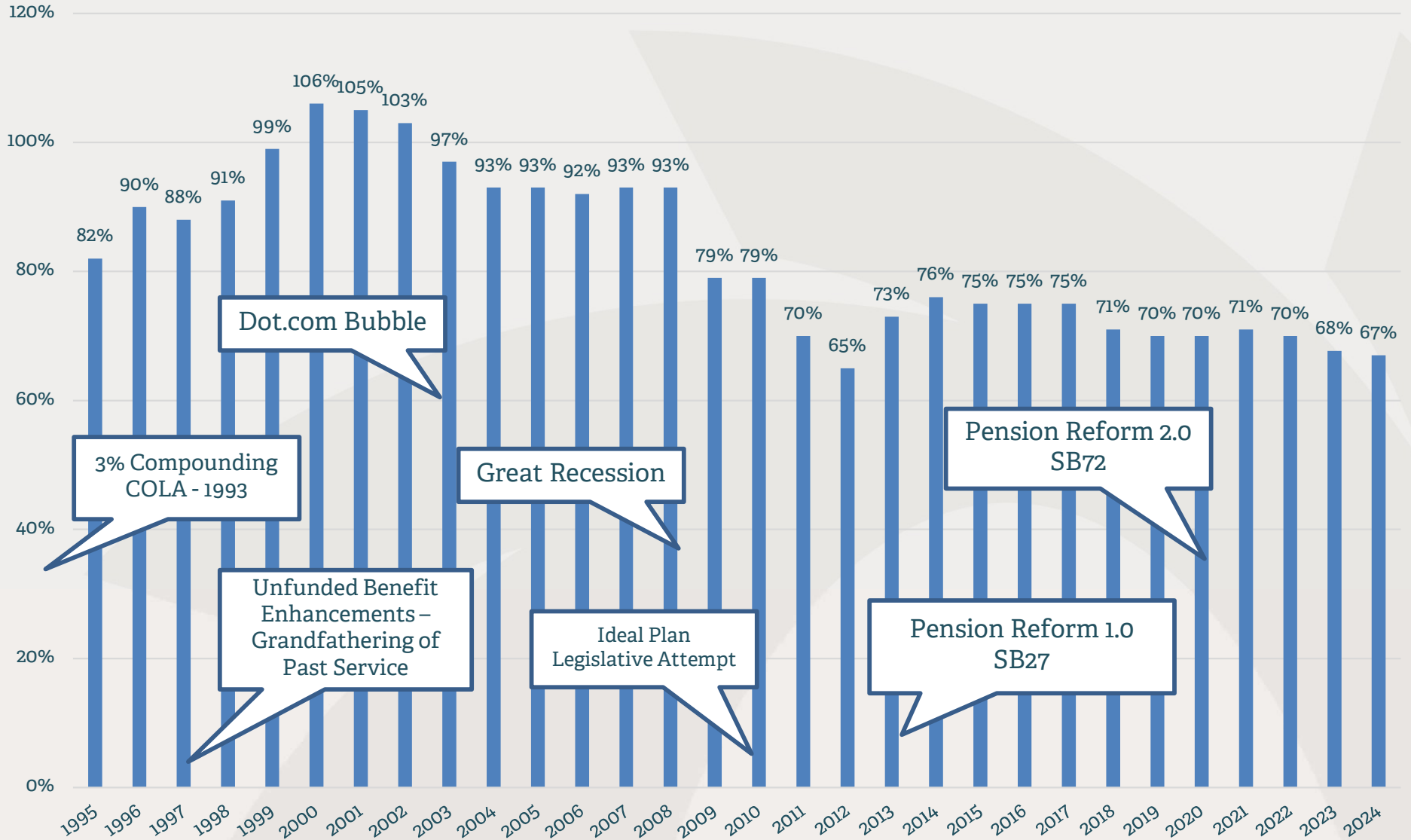
Actuarial Accrued Liability  
**\$26.5 Billion**



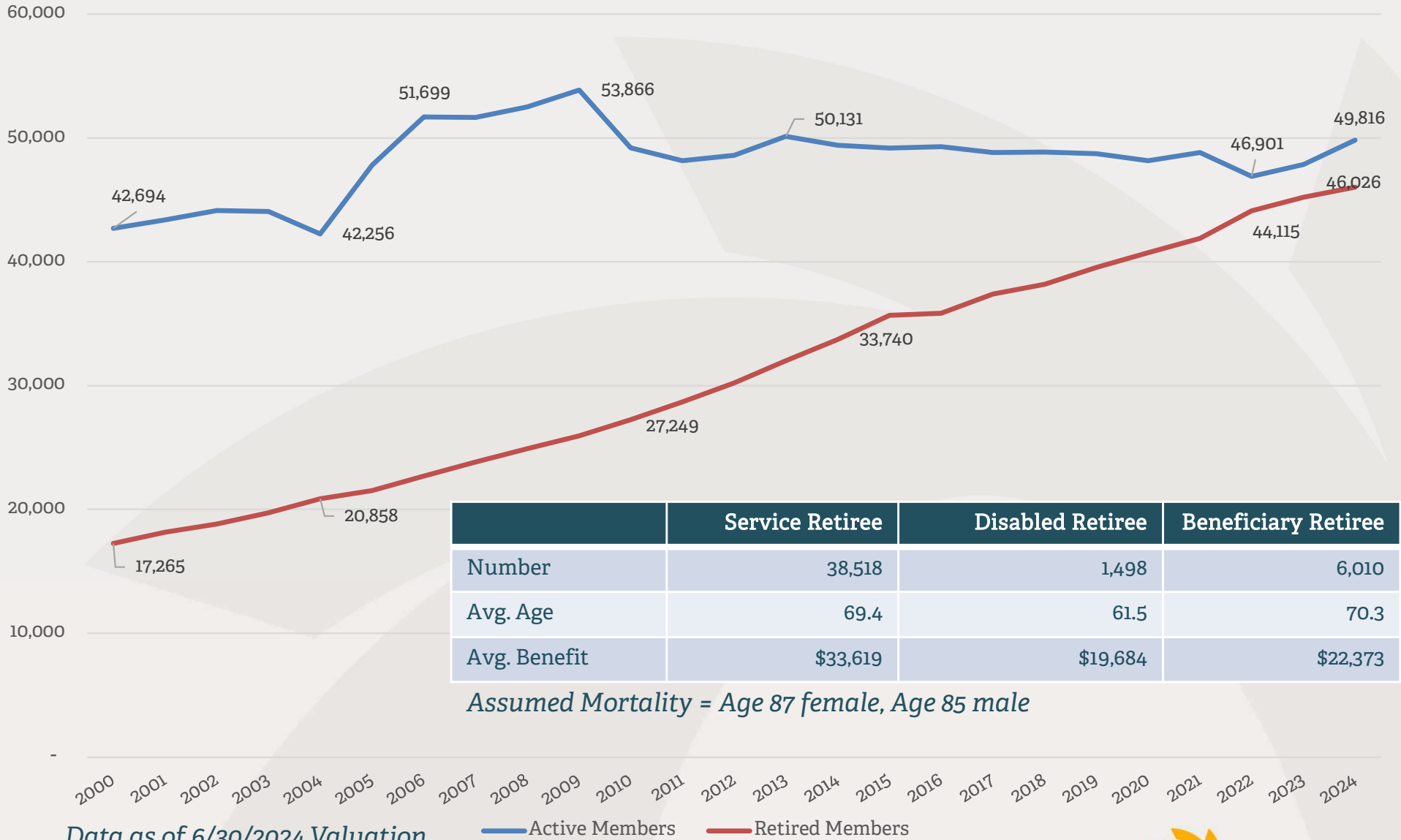
Unfunded Actuarial Accrued Liability (UAAL)  
**\$8.7 Billion**



# PERA Fund – Funded Ratio



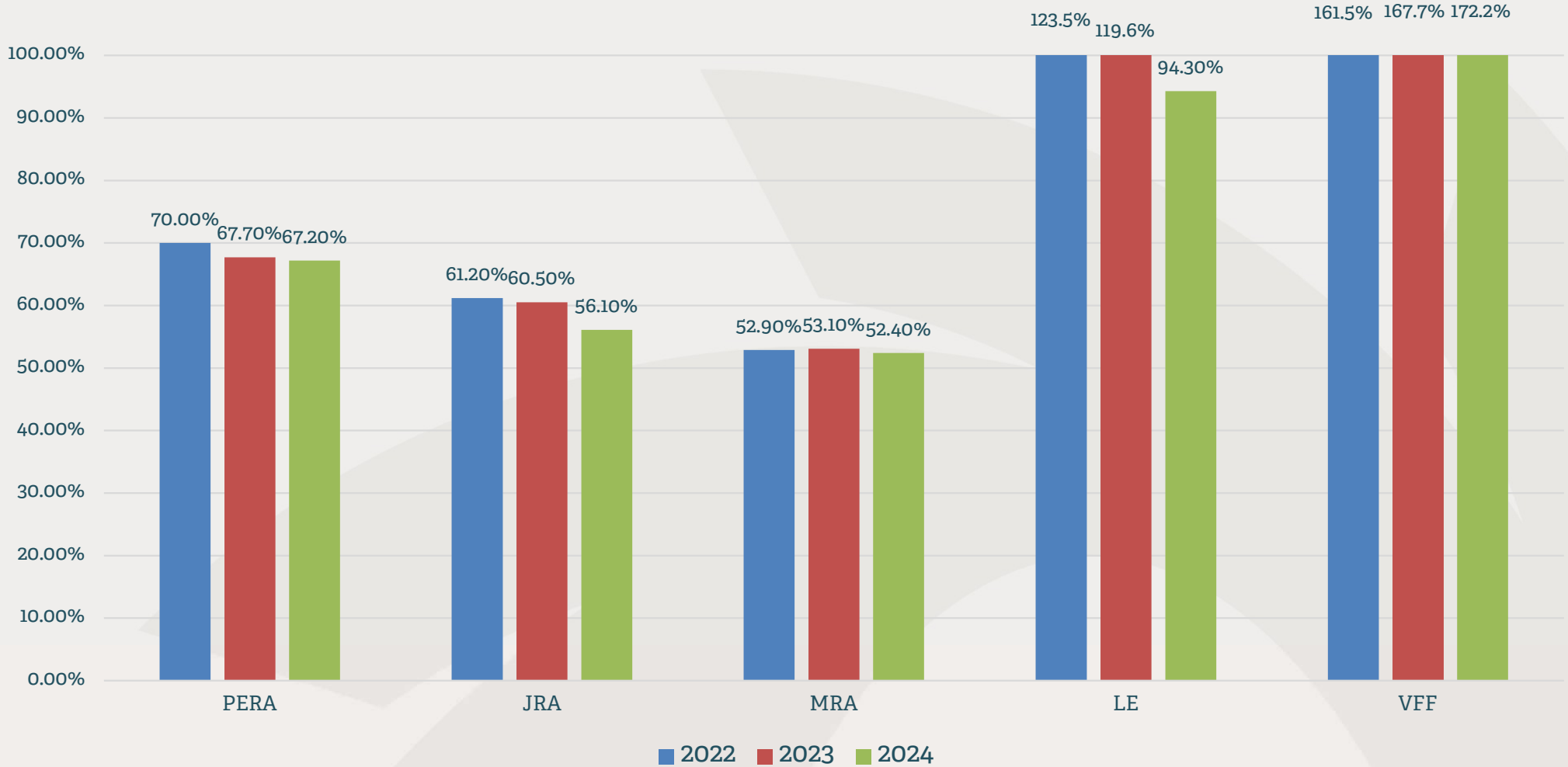
# Active Members vs: Retired Members



Data as of 6/30/2024 Valuation



# Funded Ratio By Fund



## Amortization Period

72 53 52

107 N/A N/A

46 53 67

0 0 0

0 0 0

# Pension Reform – PERA Fund

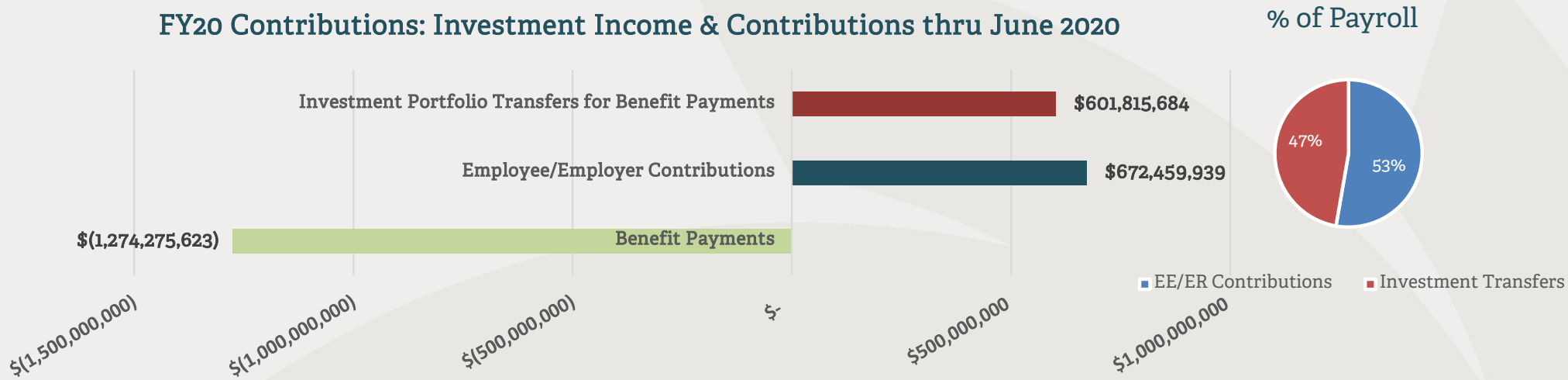
	SB27 (2013)	SB72 (2020)
COLA	Reduced from 3% to 2%, 7-year deferral period rather than 2	Variable rate model 0.5% to 3.0%, back to 2-year deferral period, 2.5% for members age 75 or older as of 6/30/2020, disability retirees earning < \$25k, retirees with 25 years earning < \$25k
Contribution Increase	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 = 34% of active population*  
*Tier 2 = 66% of active population*

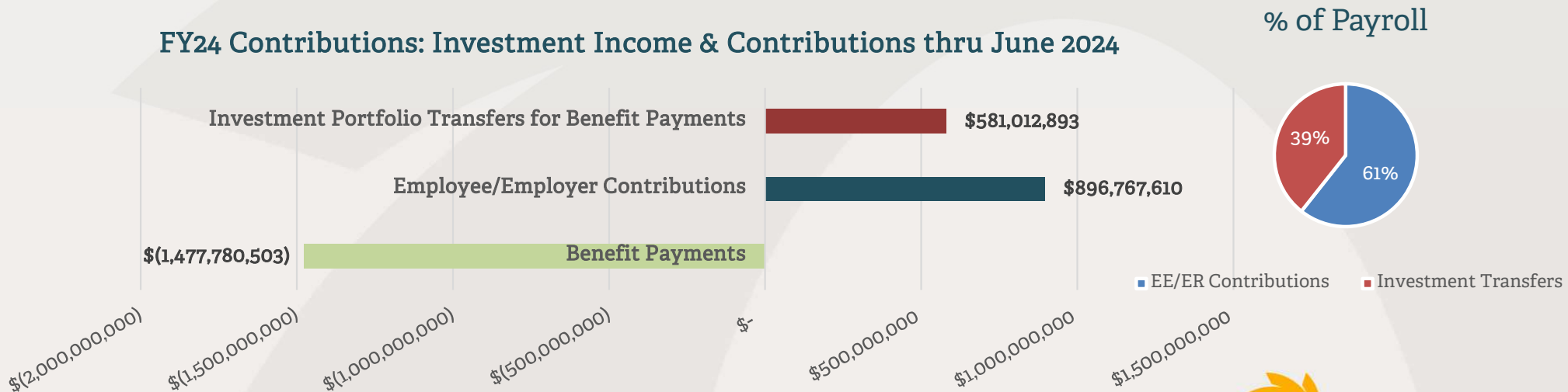
# Benefit Payments

- 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



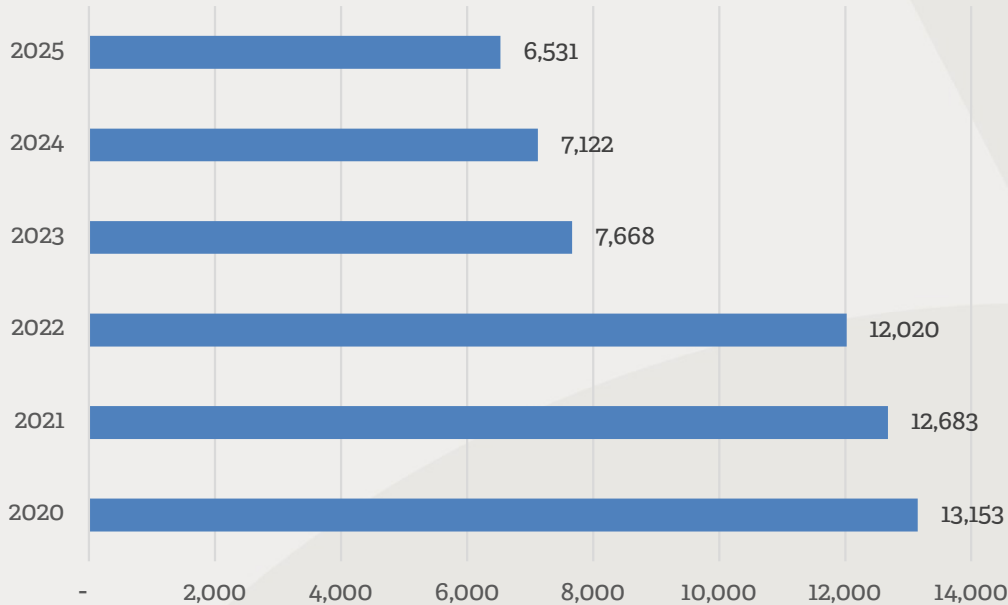
FY24 Contributions: Investment Income & Contributions thru June 2024



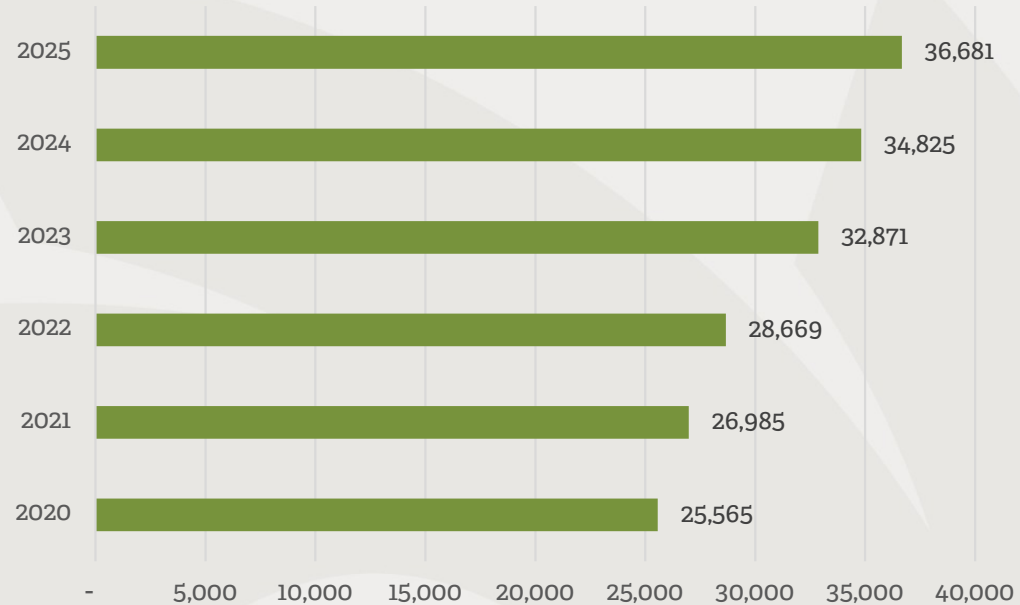
FY24 numbers are estimated

# 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 3<sup>rd</sup> year  
VFF Retirees are not eligible for a COLA



# Lump Sum Appropriations/SB72 Contribution Increases

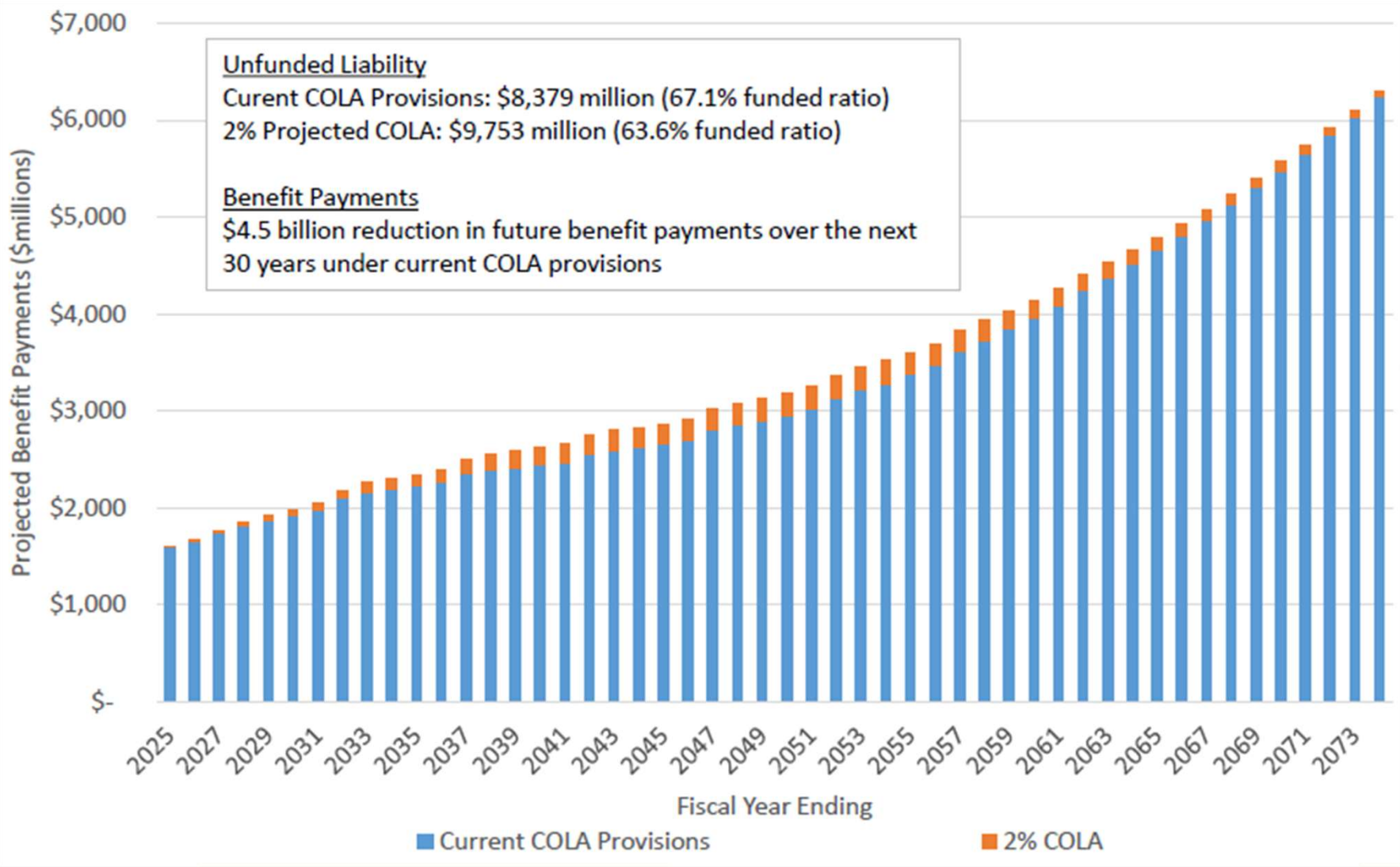
Contribution Increases (State General)			Contribution Increases (Municipal General, Police, Fire)		
Year	Increase %	Total Increased Contributions (Combined)	Year	Increase %	Total Increased Contributions (Combined)
FY2021	0.50%	\$ 10,846,176	FY2023	0.50%	\$ 17,640,967
FY2022	1.00%	\$ 21,591,457	FY2024	1.00%	\$ 38,929,348
FY2023	1.50%	\$ 36,312,732	Total		\$ 56,570,315
FY2024	2.00%	\$ 54,938,998	Total Recurring Contributions in Year 4 of SB72		\$ 180,259,844
Total		\$123,689,363			

Lump Sum Amount*	Funding Period	Impact on Funding Period	Funded Ratio**	Impact on Funded Ratio
None	73 Years		67.1%	
\$200 million for 1 Year	65 Years	8 Years	67.8%	0.7%
\$200 million for 5 Years	49 Years	24 Years	71.0%	3.9%
\$200 million for 10 Years	40 Years	33 Years	74.9%	7.8%
\$200 million for 20 Years	33 Years	40 Years	82.8%	15.7%
One-time \$500 million	57 Years	16 Years	69.0%	1.9%
One-time \$1.0 billion	47 Years	26 Years	71.0%	3.9%
One-time \$2.0 billion	35 Years	38 Years	74.9%	7.8%
One-time \$8.9 billion	Fully Fund the Plan by 7/1/2025			

# Contribution Increases

	PE	State General	State Public Safety	Municipal General	Municipal Police	Municipal Fire
Payroll	\$ 2,803,762,525	\$ 1,134,325,271	\$134,687,976	\$ 1,094,468,159	\$ 259,111,866	\$ 181,169,253
Deficiency in Contribution Rate	6.07%	11.35%	-27.52	2.37%	9.08%	15.26%
Dollar Amount	\$ 170,188,385	\$ 128,745,918	N/A	\$ 25,938,895	\$ 23,527,357	\$ 27,646,428
Employer Increase 0.25%	\$ 7,009,406	\$ 2,835,813	N/A	\$ 2,736,170	\$ 647,780	\$ 452,923
Employer Increase 0.50%	\$ 14,018,483	\$ 5,671,626	N/A	\$ 5,472,341	\$ 1,295,559	\$ 905,846
Employer Increase 0.75%	\$ 21,028,219	\$ 8,507,440	N/A	\$ 8,208,511	\$ 1,943,339	\$ 1,358,769
Employer Increase 1.0%	\$ 28,037,625	\$ 11,343,253	N/A	\$ 10,944,682	\$ 2,591,119	\$ 1,811,693
Employer Increase 2.0%	\$ 56,075,251	\$ 22,686,505	N/A	\$ 21,889,363	\$ 5,182,237	\$ 3,623,385
Employer Increase 3.0%	\$ 84,112,876	\$ 34,029,758	N/A	\$ 32,834,045	\$ 7,773,356	\$ 5,435,078
Employer/Employee Rate	16.66%/13.54%	19.24%/10.92%	25.65%/9.06%	11.06%/14.60%	20.00%/18.37%	22.80%/20.02%

# Current COLA Provision and 2% Projected COLA



# PERA Fund Performance – FYTD 2025

- PERA’s market value increased by \$373m fiscal year to date 2025 to a balance of \$17.9b
- PERA paid out \$1.14b in total member benefits for FYTD 2025, investment activities funded \$386m (34%) 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 03/31/2025	FYTD 2025	3 Years	5 Years	7 Years	10 Years	20 Years	30 Years	ITD (1985)
PERA Total Fund Returns*	4.31%	3.61%	8.57%	6.18%	6.04%	6.01%	7.62%	8.52%
Policy Benchmark*	6.35%	4.00%	9.45%	5.89%	5.92%	6.20%	7.27%	8.39%
Value Add	-2.04%	-0.39%	-0.87%	0.28%	0.13%	-0.19%	0.36%	0.12%

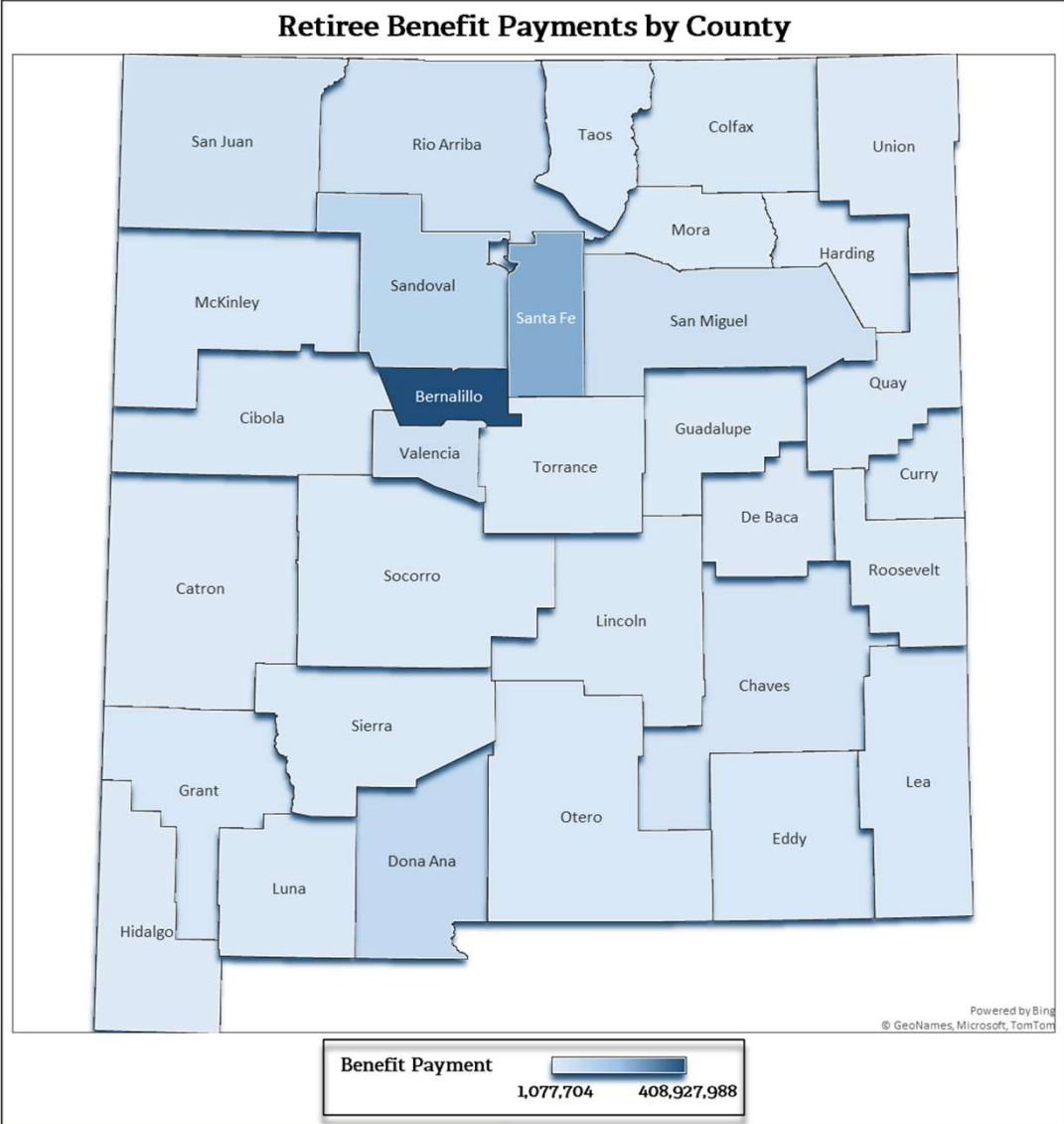
NOTE: performance is based on annualized, net of fee, lagged private market results.

# 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. 13<sup>th</sup> check appropriation.
- Long term solvency. Ongoing implementation of SB72 and static funded ratio. Significant improvement not expected until end of the decade. Long term assumptions updated on an annual basis.
- Potential increase in member and employer rates for Judicial and Magistrate Plans.
- Recruitment and Retention is an on-going issue for State Agencies. Compensation, specifically for investment staff will need to be addressed.

# 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
<b>TOTAL NM Benefits</b>	<b>1,317,713,622</b>

