




PERA

PERA *SmartSave*

Deferred Compensation Plan 

Investments and Pensions Oversight Committee

Representative Tomás Salazar, Chair

Senator George Muñoz, Vice Chair

Dan Mayfield, PERA SmartSave Committee Chair

Wayne Propst, PERA Executive Director

Karyn Lujan, PERA Smart Save Plan Manager

August 10, 2018

PERA Smart Save Deferred Compensation Plan

- The PERA Smart Save Deferred Compensation Plan is an additional, voluntary 457b retirement plan
- A *defined contribution* plan; 100% participant directed and participant funded
- Intended to span over one's career for optimal investment results to complement the default PERA defined benefit plan
- PERA Board acts as a fiduciary of the Plan
- PERA Board contracts with a third party administrator (TPA) to provide custody bank and record keeping services

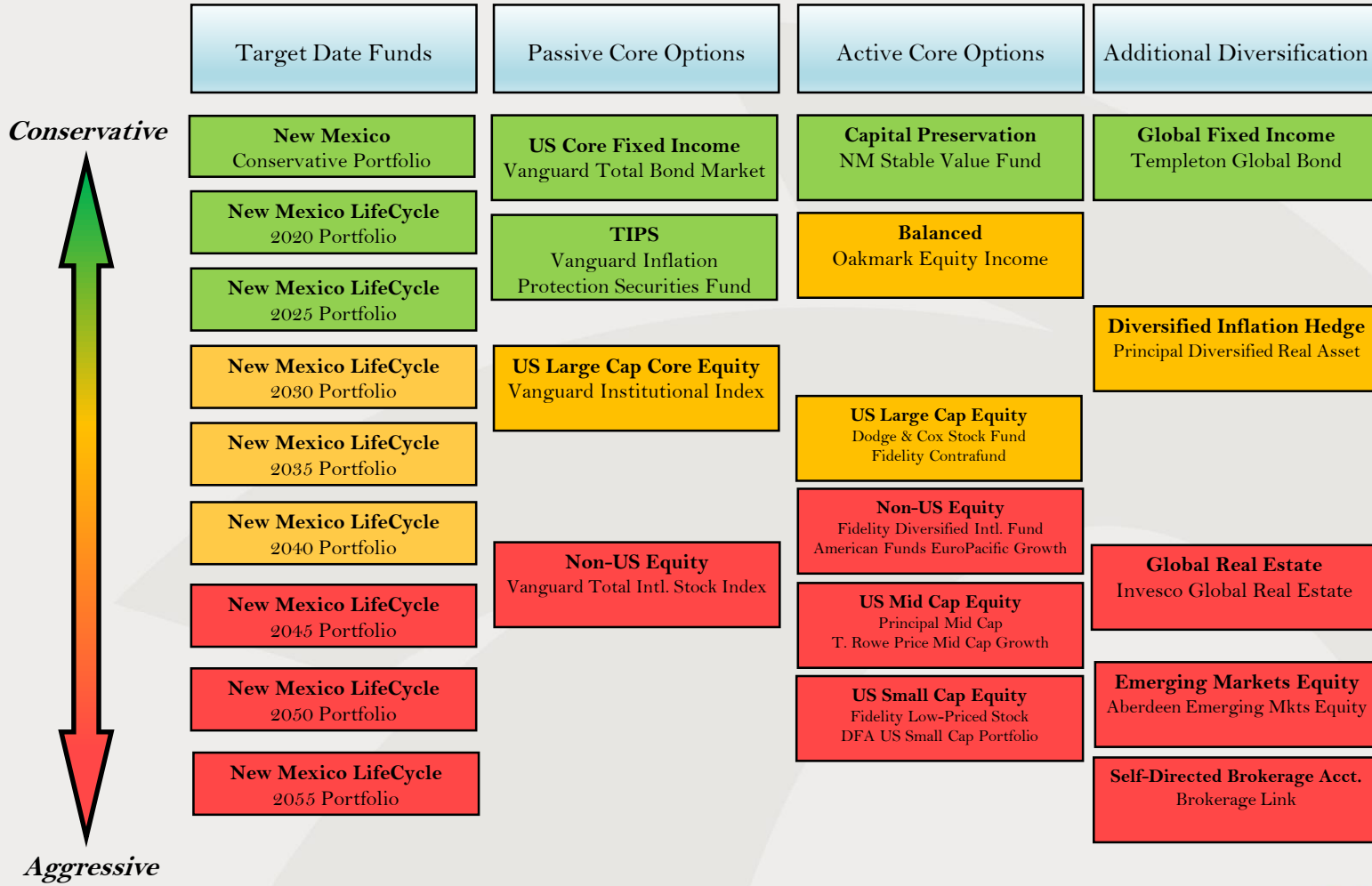
Plan Activity as of June 30, 2018

Total NAV \$604,777,599

\$37,925,805 added in new assets

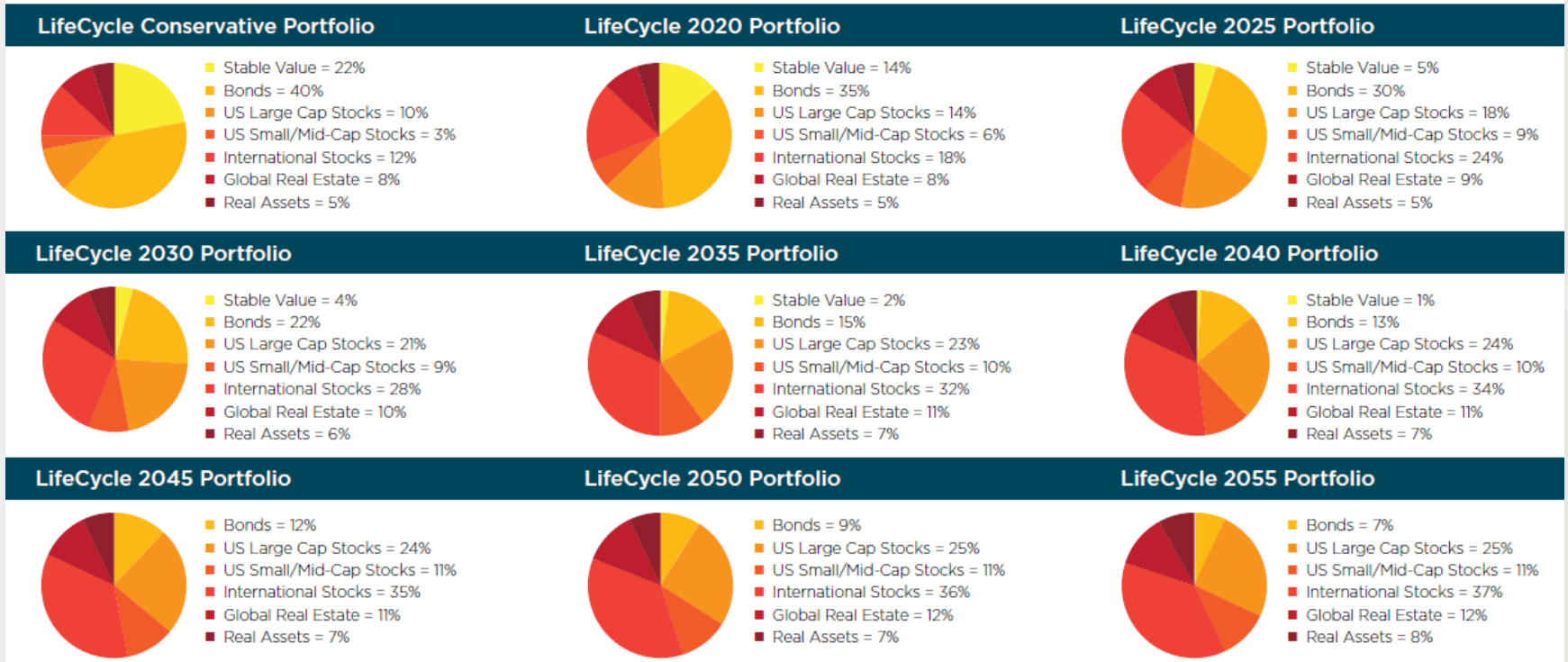
	As of June 30, 2018	FY18 additions
Participants	21,692	1,226
Participating Employers (city, state, county and public schools)	293	2

Investment Option Structure



NM LifeCycle Portfolios

Custom target date funds designed for a specific retirement date or a participant's age.



PERA SmartSave Plan Enhancements – FY17

Fund Lineup – LifeCycle Portfolios:

- Added a new asset class exposure to a high yield bond fund
- Switched the TIPS fund from active to passive
- Replaced real estate exposure from a REIT to private real estate strategy

Administrative:

- Adopted Provision 845 of the Pension Protection Act; currently in practice
- SB 75; allows for online transactions

PERA Smart Save Plan Enhancements – FY18

Re-Enrollment Initiative for Stable Value Fund

- The NM Stable Value Fund, a conservative capital preservation fund that has returned between 1% - 2% in recent years
- NM SVF was the default option until late 2015
- Approximately 3,200 participants are invested in 100% NM SVF
 - focus is on 855 participants
- Approach the “re-enrollment” as a communication campaign on asset allocation and diversification

PERA Smart Save Plan Enhancements – FY18

Online Enrollment 2018 Pilot Project

- PERA and Nationwide launched the pilot project in April 2018
- Participating pilot entities are:
 - Sandoval County
 - Dona Ana County
 - San Juan County
 - City of Gallup
 - City of Hobbs
 - City of Espanola
 - NMPERA
 - NMERB
 - NMDOT
- Pilot project testing the online enrollment and online contribution change process
- Currently measuring successes and challenges through participant feedback

PERA Smart Save Plan Enhancements – FY18

Upcoming and Ongoing

- Full fund evaluation
- Research on auto enrollment
- Outreach efforts through special events and social media
- Continue outreach efforts with NM public schools
- RFP for third party administrator