

2009 APPROVED
WORK PLAN AND MEETING SCHEDULE
for the
RETIREMENT SYSTEMS SOLVENCY TASK FORCE

Members

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Tito Chavez, Co-Chair
Oscar Arevalo
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Charles Bowyer
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Wayne Propst
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Sen. John Arthur Smith
Christine Trujillo
Jeff Varela
Rep. Luciano "Lucky" Varela

Work Plan

The retirement systems solvency task force was created by Laws 2009, Chapter 288, Section 19 (House Judiciary Committee Substitute for House Education Committee Substitute for House Bill 573, as amended). Specifically, the law calls for the task force to:

"... study the actuarial soundness and solvency of the retirement plans of the public employees retirement association and the educational retirement association and the health care plan of the retiree health care authority and prepare a solvency plan for each entity. The solvency plans shall include analyses and recommendations that address:

- (1) employer and employee contributions;
- (2) retirement eligibility;
- (3) the number of retirement plans;
- (4) retirement benefits;
- (5) investment policy and asset allocation;
- (6) disability retirement and benefits;
- (7) actuarial assumptions;
- (8) health insurance plan benefits and eligibility;
- (9) the costs of health insurance plans; and
- (10) member services."

The law calls for solvency plans no later than October 2010; however, the task force proposes to have all or most of the analyses and recommendations ready by December 2009, in time for the 2010 regular session. To prepare solvency plans, the task force proposes to:

- examine each of the retirement systems and the various plans or options offered within each system and use existing studies, analyses and comparisons of the three systems to determine what additional information is needed;
- review and compare employer, employee and, if applicable, retiree contributions across each system as well as with retirement systems in other states that have defined benefit, defined contribution or other plans;
- review the eligibility requirements for the various types of public employees and each system's benefits for retirees;
- examine and compare actuarial assumptions of the two retirement systems and of the retiree health care system against other or similar health care plans; and
- review administrative and member services across all three systems.

As part of reviewing actuarial and other information of the three systems, the task force may need to contract for additional studies, analyses and comparisons. In August, the task force may request the New Mexico legislative council to direct the legislative council service, with assistance from the legislative finance committee, the public employees retirement association, the educational retirement board and the retiree health care authority, to contract for the needed resources and actuarial expertise for additional information within available resources as provided by all the participants on the task force.

In terms of the item in the solvency plans related to investment policy and asset allocation, the task force will coordinate its work on that issue with the interim legislative investments oversight committee. The task force proposes to have its analyses and recommendations presented at its November 2009 meeting for consideration and approval. Potential legislation will be drafted for the December 2009 meeting to be voted upon by the task force and for introduction during the 2010 regular session.

2009 Meeting Schedule

<u>Date</u>	<u>Location</u>
August 10-11	Santa Fe
September 8-9	Santa Fe
October 12-13	Santa Fe
November 11-12	Santa Fe
December 9-10	Santa Fe