

Investments and Pensions Oversight Committee

Monday, December 17, 2012

ERB Legislative Recommendation

Jan Goodwin

NMERB Executive Director

Mary Lou Cameron- Chairman

H. Russell Goff- Vice Chairman



Amended Proposal:

Member contribution rate tied to member salary:

Annual salary greater than \$20,000-

FY 14 10.1%; FY 15 and later 10.7%

Annual salary \$20,000 or less-

7.9%

Benefit changes for new members:

Minimum retirement age 55

COLA begins at age 67

ERB Member Stakeholder Advisory Group Proposal

ERB Member Stakeholder Advisory Group Proposal

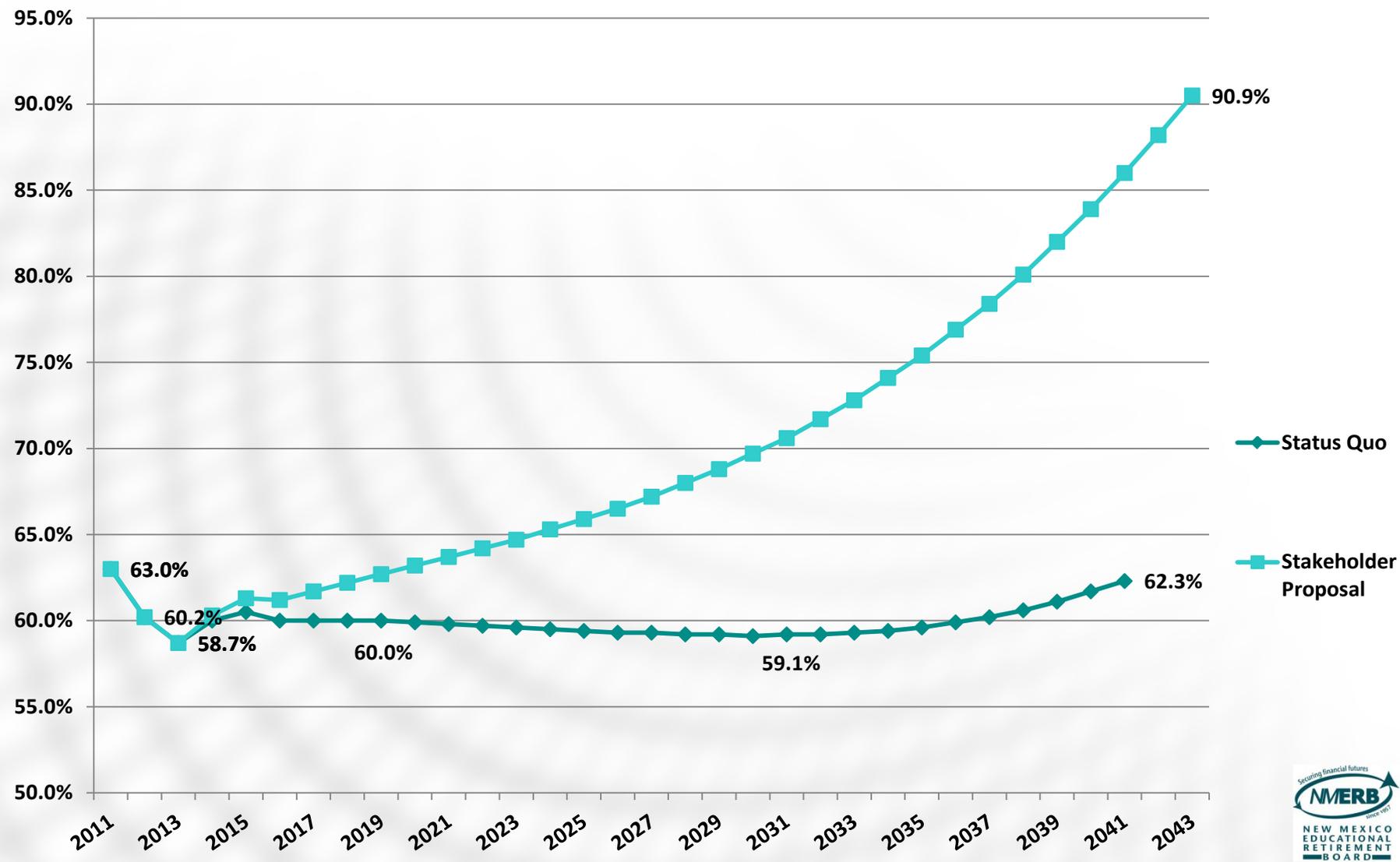
Study 106 - Minimum Retirement Age (MRA) of 55 & 2% Cost of Living Adjustment (COLA) at age 67 for new hires only; Employee contribution rate: 10.7% effective FY2015 for annual salary greater than \$20,000; 7.9% for members with annual salary \$20,000 or less

Valuation as of June 30,	UAAL (in millions)	Funded Ratio	Total ARC (Employer and Member)	Funding Period (Years)
2012	\$ 6,343	60.2%	26.77%	infinite
2022	\$ 8,234	64.2%	24.96%	31.8
2032	\$ 8,732	71.9%	21.24%	17.3
2043	\$ 4,037	90.9%	15.31%	3.8

Projections Based on June 30, 2011 Actuarial Valuation Projected to 2012 and Estimated 2012 Assets
 Projections based on 7.75% Discount Rate and New Actuarial Assumptions



Funded Ratio – Status quo vs. Proposal



ERB Board met on Friday, December 7

Board is neutral to amendment

Schedule of Contributions Rates

Fiscal Year	Wage Category	Date Range	Member Rate	Employer Rate	Total	% Employee Pays
58-59		7/1/1957 - 6/30/1959	3.00%	4.00%	7.00%	42.86%
60-74		7/1/1959 - 6/30/1974	4.00%	6.50%	10.50%	38.10%
75-79		7/1/1974 - 6/30/1979	5.50%	6.50%	12.00%	45.83%
80-81		7/1/1979 - 6/30/1981	6.50%	6.50%	13.00%	50.00%
82-84		7/1/1981 - 6/30/1984	6.80%	6.80%	13.60%	50.00%
85-93		7/1/1984 - 6/30/1993	7.60%	7.60%	15.20%	50.00%
94-2005		7/1/1993 - 6/30/2005	7.60%	8.65%	16.25%	46.77%
2006		7/1/2005 - 6/30/2006	7.675%	9.40%	17.075%	44.95%
2007		7/1/2006 - 6/30/2007	7.75%	10.15%	17.90%	43.30%
2008		7/1/2007 - 6/30/2008	7.825%	10.90%	18.725%	41.79%
2009		7/1/2008 - 6/30/2009	7.90%	11.65%	19.55%	40.41%
2010 & 2011	\$20k or less	7/1/2009 - 6/30/2011	7.90%	12.40%	20.30%	38.92%
2010 & 2011	Over \$20K	7/1/2009 - 6/30/2011	9.40%	10.90%	20.30%	46.31%
2012	\$20k or less	7/1/2011 - 6/30/2012	7.90%	12.40%	20.30%	38.92%
2012	Over \$20K	7/1/2011 - 6/30/2012	11.15%	9.15%	20.30%	54.93%
2013	\$20k or less	7/1/2012 - 6/30/2013	7.90%	12.40%	20.30%	38.92%
2013	Over \$20K	7/1/2012 - 6/30/2013	9.40%	10.90%	20.30%	46.31%
2014	all	7/1/2013 - 6/30/2014	7.90%	13.15%	21.05%	37.53%
PROPOSED	ALL	PROPOSED	10.70%	13.90%	24.60%	43.5%