

From: [President's Office](#)
To: all-employees@nmsu.edu
Subject: Update on proposed changes to the NM Educational Retirement Plan
Date: Monday, December 06, 2010 4:45:32 PM

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TO: All NMSU Employees

FROM: Barbara Couture, President

SUBJECT: Update on proposed changes to the New Mexico Educational Retirement Plan

We continue to be concerned about proposals currently being considered by the New Mexico Educational Retirement Board (NMERB) to make changes to the NMERB defined benefit plan that would potentially go into effect on July 1, 2011. The proposed changes can be found on the NMERB website at <http://www.nmerb.org/index.htm>. Please note that any changes considered by the NMERB would require legislative action before being finalized. Under consideration at this time are proposed changes to be presented to the Legislature to ensure long-term solvency of the Education Retirement Fund.

I want to inform our faculty and staff that I have taken a leadership role within the Council of University Presidents on this critical issue. CUP members have adopted a resolution that we are presenting to the NMERB. The resolution urges the ERB to strongly consider the feedback of its benefit plan members in arriving at a responsible recommendation to the Legislature. It also urges the Legislature to take the necessary steps to ensure program solvency per the goals of the NMERB while weighing the impact on members, institutions and the students they serve. In addition, it urges Governor-elect Susana Martinez to support a well-reasoned, responsible and fair resolution for the short- and long-term benefit of NMERB members. We will make that resolution available to you as soon as we acquire a fully signed copy.

Here are a few more details that may ultimately alter the proposal initially presented:

- The preliminary recommendations from the Retirement System Solvency Task force achieved solvency measures resulting in a 102% funding ratio over 30 years. Simply put, the initial proposal goes beyond the goal of 80% actuarial funding within 30 years. That enables the ERB staff to revise its recommendations, which is taking place now.

- NMERB staff is considering expanding the “safe harbor” class of employees, who would not be affected by the changes. The initial proposal included only employees with 22 years of earned service or more in the safe harbor class. The NMERB website’s FAQ mentions that they are considering allowing anyone who is eligible to retire as of June 30, 2011, under current requirements, including the Rule of 75, to be eligible to retire anytime after July 1, 2011.

The Retirement Board convened a working session Friday to review NMERB staff recommendations and non-NMERB recommendations in anticipation of its meeting December 10, 2010, to decide on a proposal that will be forwarded to the Legislature for consideration. It is clear now that NMERB understands plan members are upset with the initial proposals. It is important for us to remember that these are recommendations at this point and new ideas are being considered, but, at the same time, NMERB and the Legislature will have to make some tough decisions regarding the benefit plan to ensure its long-term solvency.

NMSU has been working to get the NMERB staff to visit campus and they have now agreed to do so. That meeting will take place on December 13, 2010, from 1:00 pm to 3:30 pm in Hardman

Hall, Room 106. While this meeting will, unfortunately, occur after the scheduled December 10 NMERB Board meeting, it will afford the NMSU campus the opportunity to be updated on the proposed plan revisions and to learn more about the overall status of our retirement system. In addition, we pledge to continue to inform the campus community of any updates as they become available.

If you have any questions regarding the proposed changes, the best way to get answers is to contact the NMERB directly. Below is contact information of individuals who can answer questions regarding the proposed changes. As always, you may also contact our Benefit Services Department for questions regarding retirement at benefits@nmsu.edu or 575-646-8000.

Contact Information for NMERB

Santa Fe Office (General Services) Phone: (505) 827-8030

Albuquerque Office (General Services) Phone: (505) 888-1560

Jan Goodwin, Executive Director of the Educational Retirement Board, Jan.Goodwin@state.nm.us

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