



RPENM NEWS

Retired Public Employees of New Mexico

Summer 2009

Our Board of Directors

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Patrice Clifford

(505) 280-8459

PRESIDENT'S MESSAGE

Greetings fellow retirees! I want to start off by thanking everyone who attended the spring meeting in Albuquerque. It was quite a success. The presenters did a wonderful job addressing the memberships' concerns regarding the current economic situation and its effect on the PERA and RHCA revenues.

I would like to welcome our two new RPENM board members, Mr. Jim Robles from Las Cruces and Mr. Tony Sayre from Deming. I am confident that they will do an excellent job and have already brought new ideas to the board.

The board is currently working on ways to economize and spend RPENM monies efficiently by using all available resources. We are exploring the possibility of saving money on printing costs by sending one of our two yearly newsletters by electronic mail. In this day and age, the majority of us have electronic mail available to us and we are asking those of you who do to please send your email address to our Executive Director, Patrice Clifford - rpenm@rpenm.org. We would also appreciate a note with your comments regarding this new endeavor. This is currently in the planning stages and we appreciate any comments. Those of you who oppose this should send a letter to RPENM PO Box 20607 Albuquerque, NM 87154.

I am looking forward to seeing everyone at our fall board meeting in Las Cruces on November 6 – 7. Details are included in this newsletter and can be found on our website. Presentations and activities are being planned and we hope to make it not only informative but also a fun and exciting time for all that attend. Please mark your calendars now! Las Cruces and the surrounding areas are booming with excitement and activities during this time of year. ■



CARLOS TELLEZ
President

MESSAGE FROM THE EXECUTIVE DIRECTOR

I hope this finds everyone well and enjoying our wonderful New Mexico summer weather!

About 70 members and guests attended RPENM's spring meeting in Albuquerque. The Board meeting was held on April 24 and that evening the hospitality suite provided a casual setting for attendees to reconnect and meet new members. At the membership meeting on April 25, Representative "Luciano" Lucky Varela recapped the 2009 legislative session. Our organization is very fortunate to have the support of Representative Varela who is also a member of RPENM. Terry Slattery, Executive Director, Public Employees Retirement Association (PERA) provided an overview of PERA's current status. Jeff Varela conducted the Retiree Health Care Association (RHCA) presentation. Also presenting from RHCA were Ann Crandall, Operations Manager and Mark Tyndall, Deputy Director. Outstanding Service awards were presented to outgoing board members Paul Torres and Eley Bourguet. There was ample time for questions and our membership wasn't shy!

We are very pleased to introduce our new bookkeeper, Beverly Hoover, Certified Internal Auditor. Bev brings 30 years of accounting, auditing and bookkeeping experience from both the public and private sectors. To improve our efficiency, Bev has automated several processes and is continually looking for improvement opportunities.

In addition to the day-to-day office operations, I continue to attend as many PERA, RHCA and RPENM Chapter meetings as possible. I recently attended the RHCA annual board meeting in Taos. Premium rates were the hot topic. Jeff Varela's article contains more information about the rates. Oscar Jordan and I attended the first meeting of the Retirement Systems Solvency Task Force (RSSTF). Jeff Varela is one of the 25 task force members. The RSSTF will analyze the solvency of both PERA and ERA retirement plans. Their work plan is daunting with recommendations due the beginning of December 2009 in time for the 2010 legislative session. The meetings are open to the public and will be held at the Capitol Building in Santa Fe. The next meeting is scheduled for August 10 – 11. The meeting time was not available at the time of this printing. You can access the meeting schedule, work

plan and meeting minutes of this task force on-line by:

Going to www.nmlegis.gov
Clicking on Committees
Clicking on Interim Committees
Scrolling down to Retirement Systems
Solvency Task Force

I urge you to follow the proceedings of the task force!!!

PERA retirees and beneficiaries will receive the 3% COLA this year. It would be safe to assume that the Retirement Systems Solvency Task Force will examine the funds' ability to continue this benefit although it is protected by statute.

As a reminder, you are eligible for member only benefits from Association Member Benefits Advisors (AMBA). The Menu of Benefits is enclosed in this newsletter.

I would like to acknowledge the RPENM Board of Directors. For those of you who may not know, they are all volunteers who give their time and energy to support RPENM's core mission of giving a voice to all retired (and soon-to-be retired) public employees, particularly about benefit issues.

RPENM is on a continual membership drive! The Retirement Systems Solvency Task Force is the latest effort designed to review and make recommendations about our benefits. Our ability to represent you on such matters is completely dependent on membership. If you know of anyone who is eligible but not yet a member of RPENM, please have them contact us at 505-280-8459 or rpenm@rpenm.org.

Thanks to all of you for supporting RPENM through your membership! ■

PATRICE CLIFFORD
Executive Director



RETIREE HEALTH CARE UPDATE



By Jeff Varela
RHCA Board Member
RPENM Board Member

During the months of April, May, and June 2009, the RHCA staff and RHCA Board Finance Committee worked on

JEFF VARELA

a plan to restructure the current Gold, Silver and Bronze plan levels for RHCA non-Medicare members. RHCA staff presented plan restructure recommendations from the Finance Committee to the Board at the Taos Board retreat July 7-8, 2009 in Taos, NM. Consolidating the three coverage levels (Gold, Silver, and Bronze) into two levels (Premier Plus and Premier) will result in some members incurring premium decreases while current Silver plan members will see a significant premium increase (45%). This would include an annual \$300 deductible and a \$3000 out-of-pocket maximum. The Premier option would basically mirror the current Bronze plan option with a reduced out-of-pocket maximum of \$3000. Having participated on the Finance Committee in these recommendations, I could not bring myself to vote for the significant premium increase to the current Silver Plan members. While I support the idea of consolidating the plan levels for stabilization purposes, a premium increase of this magnitude is another burden for a considerable number of retirees to bear. Despite the recommended premium rate increases for those who have been on the Silver Plan, the Board remains committed to maintaining an affordable and solvent retiree health care fund within the constraints facing us.

The retreat also included presentations from the RHCA actuary updating the solvency of the RHCA fund. Because of legislation passed and signed from the 2009 Legislature, RHCA fund solvency has increased its

projected solvency period to 2028. While the Legislature and the RHCA Board are to be commended, there remains more work for the Board in addressing RHCA fund solvency. In addition, the board discussed fund revenue possibilities like the tobacco suspense fund and increasing the tobacco tax. Obviously we would need to work with the Legislature to tap into these revenue sources. The Board also received an update from staff on current legislation being considered in Congress with regards to Health Care Reform. Hopefully, we should know by the fall how Congress and the Executive Branch plan to address this issue and what role the states will play.

As for the RHCA fund investments, we stood at about \$143.1 million in the market value of the fund in May 2009 compared to the fund low of \$122.9 million in February 2009. This represents an improvement of 16.4 % for the 3-month period. We will be monitoring fund performance closely as signs in the market indicate a "moderate" market and economical recovery over the next 2 years.

Again, thanks to the state legislature for the passage of HB 351 (Rep. Varela) and HB 573 (Rep. Heaton) as well as your RHCA Board for collectively adding another 20 years of solvency to the RHCA fund. The Board will continue to work with staff and our actuaries to ensure the 20-year solvency is realized and that we continue to address revenue and costs as part of our solvency strategy.

The first meeting of the Retirement Systems Solvency Task Force was held on June 10, 2009 with a briefing on PERA, ERA and RHCA. These meetings will occur throughout the remainder of 2009 with a very aggressive and interesting work plan and meeting schedule. We will keep you posted on significant outcomes. Have a good summer! ■

RPENM FALL BOARD OF DIRECTORS MEETING

When: November 6 – 7, 2009

Where: Hotel Encanto
705 South Telshor Blvd
Las Cruces, NM

October 23, 2009. Rates for RPENM attendees is \$90.00 a night, not including tax. Please call 575-522-4300 or 866-383-0443. Identify yourself as a member of the RPENM group.

Remember to ask for your breakfast coupon when checking in.

The Board of Directors will host a reception on Friday, November 6th, 5:00 PM – 8:00 PM, that's open to local retirees and RPENM members. The Board meeting will be on Saturday, November 7th, 9:00 AM – 12:30 PM.

Have a question? Contact Patrice Clifford, RPENM Executive Director at 505-280-8459 or e-mail her at rpenm@rpenm.org. ■

Reservations at Hotel Encanto must be made by

CHAPTER 18 (RATON AREA) NEWS

Chapter 18 is very active and going strong. We had seven members attend the Spring meeting in Albuquerque and we enjoyed the trip. Our monthly meetings are held on the second Tuesday of each month at the Raton Senior Center 440 South First Street at 2:00 pm. We don't meet in July. There are usually fifteen to twenty members present.

Recently, we reviewed our membership list and as a

result our Membership Committee will meet in the near future.

Charles Miller
President, Chapter 18



A NOTE FROM THE TREASURER

First, I would like to thank Isabel Clendenin for doing an outstanding job as treasurer for many years.

As you know, I was appointed to the Board of Directors and then elected Treasurer. Because I live in Dona Ana, it is impossible for me to fulfill the duties as Treasurer as they were being done before. I held a meeting with the Budget and Finance Committee and we worked out a solution. The duties were divided among the Executive Director, the bookkeeper and myself. Other changes may be necessary so that we can best meet the needs of RPENM.

At a time when PERA is just starting to recover lost investment revenue and those on Social Security will not receive COLA's for the next three years, we need to seriously look at our retirement and do what we can to protect it. Our strength is in our numbers. Our legislators, the Governor and our congressional delegation will listen to us if they know that we represent large numbers. This could be accomplished if every member would sign up at least one new member which would double our membership to at least 6,000. That would be easy Let's do it!!! Thanks.

Jim Robles, RPENM Treasurer

A Full Menu of Benefits Available to Members of the Retired Public Employees of New Mexico



Association Member Benefits Advisors (AMBA) is a nationwide full-service agency focused on plan design, negotiations, and implementation of benefits for associations. AMBA provides expertise in evaluating benefits and providers to assist RPENM in obtaining quality benefits with flexible choices for their members.

The associations AMBA works with represents over one million members and potential members which gives us leverage in negotiating and obtaining group benefits.

Long Term Care / Home Health Care Insurance

AMBA will build a Long Term Care policy to match your own individual needs; you select the daily benefit amount, elimination period, and benefit period which best suits your needs for care. The Long Term Care Policy features include: no prior hospital stay and no waiting period for pre-existing conditions.

Medicare Supplement Insurance

You have the freedom of choice to select the doctors, hospitals, and clinics that you want, and you will never be cancelled because of age or health. Plans A, B, C, D, F and G are available. All benefits are paid in addition to any other existing insurance you may have.

Final Expense Whole Life Insurance

You can have peace of mind knowing that your premiums are guaranteed never to increase and your coverage is guaranteed never to decrease. Death benefits paid to your beneficiary are tax free.

First Diagnosis Cancer Insurance

This policy pays cash directly to you in one lump sum payment upon first diagnosis of internal cancer, malignant cancer, or melanoma. You can select the lump sum payment of \$10,000 to \$50,000 that best fits your needs. This policy pays in addition to Medicare and any other existing insurance you may have.

Dental Insurance

Ameritas dental insurance plan offers the freedom to use your own dentist or you may choose one in the Ameritas Dental Network for additional discounts. For information call AMBA at 800.258.7041, call Ameritas at 888.239.3336, or visit www.ameritasgroup.com/provider/dental.htm to find a dentist near you.

Vision Plan

Our vision provider has a vast network of thousands of doctors located in rural and metropolitan areas throughout the nation. More than 90% of our members have access to an optometrist within 10 miles of work or home! The vision plan optometrists not only provide eye exams, but eye-wear too! This makes for a convenient, easy, one-stop-shop!

Tax-Deferred Annuity

AMBA offers a Single Premium Tax-Deferred solution for your retirement featuring tax-deferred accumulation of interest, guaranteed competitive interest rate, multiple payout options, income you won't outlive, and a nursing home waiver.

Medical Air Services Association (MASA)

Over the past 30 years Medical Air Services (MASA) has become an international company dedicated to providing life saving emergency assistance. The coverage is designed to protect members against catastrophic financial loss when emergencies arise. More information about these services offered through your membership may be obtained by contacting AMBA at 800.258.7041.

Identity Theft Solutions

RPENM now offers identity theft protection for members through CSIdentity Corporation. For \$11.95 a month you can start protecting your identity from one of the fastest growing crimes in America. Most identity theft solutions only provide credit monitoring. CSIdentity ProtectorSM not only provides credit reports and monitoring, it also provides non-credit loan activity, public records monitoring, criminal record and sex offender monitoring, Internet monitoring, restoration services, and \$25,000 of identity theft insurance. Visit www.amba.info/idtheft.html to learn more and enroll online or by phone.

Astrum Hearing Solutions

This is a national network of hearing professionals who have audiologists in all states. Astrum offers you a complete hearing evaluation, warranty on digital technology aids in any style, loss and damage protection, and batteries with a complete benefit package. Use benefit #RTA000053101 when calling 866.988.5403 or visit www.astrumhearing.com.

Government Employee Travel Opportunities (GETO)

This is a unique vacation condominium and hotel, resort, program exclusively for current and retired government employees and now AMBA association members. Space available condos located worldwide are available for a flat rate of \$329 plus tax per week. Good for short notice vacations. For full details and samples of resort availability, visit www.gettravelop.com or call the reservation center at 877.867.3639. Use eligibility number 823 when making condo/resort reservations

GETO Hotel discounts are available for the following hotels: by using ID # 60712 when making reservations: Days Inn-800.268.2195; Ramada-800.462.8035; Super 8 - 800.889.9706; Travelodge-800.545.5545; Wingate Inn-877.202.8814; AmeriHost-800.996.2087; Howard Johnson-800.769.0939; and Knights Inn-800.682.1071.

Vacations-to-Go Cruises

This online company constantly scours the itineraries of every cruise line to create an exclusive list of the world's great cruises with every conceivable discount included. AMBA association members can subscribe to the free weekly Vacations to Go newsletter vacations where most cruises are discounted 40-60% off the published catalogue price. Visit www.vacationstogo.com for cruise information, www.resortvacationstogo.com for resort information, and www.tourvacationstogo.com for tours or call 800.338.4962.

La Quinta Inn & Suites Discount

La Quinta Corporation now gives you a 15% discount at their La Quinta Inn and Suites locations nationwide. Please mention the eligibility code "AMBA" to receive your discount. For reservations, please call 800.531.5900 or visit www.LQ.com

Rental Car Discounts: Avis, Budget, & Advantage!

Avis: Discount code AWD# G725000. Call 800.331.1212 or visit www.avis.com

Budget: Discount code (BCD) X925500. Call 800.527.0700 or visit www.budget.com

Advantage: Discount code #153702-FSC. Call 800.777.5500 or visit www.advantage.com/amba

Apple Discount

Members qualify for preferred pricing on the latest Apple products and accessories. Apple member purchase program benefits include special member discounts on Apple products, quarterly promotions, free standard shipping on orders over \$50, free engraving on iPod, online custom product configuration, and simplified checkout using any combination of credit card, Apple Gift Card, and Apple Instant Loan. Call 1-877-EPP-MEMBER(1.877.377.636237) or visit www.apple.com/eppstore/slg. When calling, please identify yourself as an eligible participant purchasing from the Apple Association Member Purchase Program.

Dell Computer Discount

AMBA members are now available to get discounts on Dell computers through the Education Personnel Purchase Program. You may receive a 2%-12% discount depending on the cost of the unit and the warranty selected. Call Dell at 866.257.4711 or visit www.dell.com/edubuy and enter discount code PS95750248.

1-800-FLOWERS

Save 15% on an assortment of beautiful flowers—Fresh From Our Growers or Florist Designed—plus plants, delicious gourmet snacks and treats, extraordinary gift baskets, cuddly plush pals and unique giftware they'll treasure can help you celebrate any occasion!" Use code AMBA. Visit www.1800FLOWERS.com or call 1-800-FLOWERS.

Barnes & Noble Online Discounts

Members save with online discounts for books, DVD's, CD's, and more through the online member's bookstore. Save an extra 5% in addition to any online discounts on all your purchases. Orders of \$25 or more qualify for Fast & Free shipping in three business days or less (see site for details). Visit www.bn.com/amba

AMBA TravelPERX

AMBA TravelPERX brings the best values for cruises, resorts, and escorted tour vacations to the Caribbean, Mexico, Panama Canal, Europe, Alaska, South America, and Asia. Visit www.AMBATravelPerx.com, or call 1.800.480.4080.

***For more information on these benefits, please call AMBA at 1-800-258-7041 or visit www.AMBA.info.
Membership with RPENM is required in order to obtain these benefits.***

PERA UPDATE

PERA has moved to its new Santa Fe location at 33 Plaza la Presna. This is a new, environmentally friendly building near Cerrillos and I-25. The main phone number is 505-476-9300.

As of May 31, 2009, the market value of the PERA fund was \$9.046 billion. This represented a 22% increase within three months. To recap, the fund was at \$13.3 billion on June 30, 2007 and hit a low of \$7.2 billion on March 3, 2009. The fund is headed in the right direction! In the last 18 months, PERA has terminated 10 fund managers for poor performance

The PERA board retreat was held June 24-25, 2009 in Gallup, NM. In a meeting prior to the retreat, PERA investment consultants presented different asset allocation scenarios. They stated that "PERA needs to decide on a strategic asset allocation that balances how conservative the board wants to be to protect the fund versus how conservative PERA can afford to be given that if investment returns fall short of the actuarial benchmark, additional contributions must fill the gap."

The board addressed asset allocation at the retreat. The consultants pointed out that an increase in alternative investments would lower

portfolio risk and slow the need for increased contributions. The board favored attaining 15% allocation to alternative investments as soon as practicable.

Takeaways from an *Economic Outlook Presentation by Barclays Global Investors* at the retreat were: "the recession will linger due to weakness in the housing and employment sectors; inflation is likely to be benign, more likely lower than higher; the worst scenarios are off the table; and, the market recovery is vulnerable in the near term, inexorable over the medium term."

Also, there was consensus to inform the Legislature in writing about PERA's funded status, recognition of recent losses and the need, timing and options for any proposed contribution increases.

Did you know.....PERA has 60,077 members and 25,506 of those are retirees and beneficiaries. There are 331 participating employers and several hundred Volunteer Fire Departments. In all, PERA administers 31 different retirement plans!

Patrice Clifford
RPENM Executive Director

RPENM FINANCIAL SUMMARY

As of 6/30/2009

TOTAL ASSETS:

Deposit Accounts	\$39,883.94
CD's *	<u>25,352.51</u>
Total	\$65,236.45

2009 YTD EXPENSES ** \$24,418.71

2009 YTD INCOME *** \$10,501.31

* 5 each \$5,000 CDs were purchased in January 2009 from the Money Market account. Maturities range from 3 months to 24 months and interest rates range from 2.72% to 3.45% annually.

** No outstanding liabilities.

*** RPENM expects to receive approximately \$44,700 (based on 2008) in July and August from membership annual renewals.

Beverly Hoover
RPENM Bookkeeper

