



# Retired Public Employees of New Mexico

## Spring 2012 Newsletter

### Our Board of Directors

#### Officers

Sherry F. Kearns - Carlsbad

President

Charles Miller - Raton

1st Vice-President

Diana B. Best - Raton

2nd Vice-President

Charles (Tony) Sayre - Deming

Secretary

Isabel T Clendenin - Alb.

Treasurer

#### Board Members

Ann Crandall - Abq.

Oscar Jordan - Santa Fe

Loretta Naranjo-Lopez - Abq.

PERA representative

James F. Robles - Doña Ana

LaRue Goodheart - Abq.

Daniel J. Mayfield - Abq.

Jeff A Varela - Rio Rancho

NMRHCA representative

#### Executive Director

Patrice Clifford

(505) 280-8459

PO Box 20607

Albuquerque, NM 87154

rpenm@rpenm.org

**Get in touch with your RPENM:**

(505) 280-8459 [www.rpenm.org](http://www.rpenm.org)

### A Word From the President

Fellow RPENM Members – come one, come all and celebrate with us in Raton, NM May 8, 9 and 10, 2012 as we celebrate the 50th anniversary of our organization. Details about the meeting are in this newsletter and on our website – [rpenm@rpenm.org](mailto:rpenm@rpenm.org). Can you believe that we have been around for 50 years? We are in the midst of another membership drive to enlighten PERA retirees around the state about our existence and increase our membership. I know I am preaching to the choir as you are already members of RPENM, but you need to help get the word out and not keep our organization and the work we do on behalf of retirees a secret. There is strength in numbers and as that famous war poster stated... WE NEED YOU... so please spread the word to your fellow retirees.

Spring is just around the corner and as I reported in the Fall newsletter, your Board has found a location in Albuquerque that we hope will be the new home of the RPENM office. We are working out the final details and will have more information for you soon. Future goals have been solicited from the Board and will be discussed at the Annual Board Meeting and presented to the membership at the Annual Membership Meeting. The Bylaws have been revised and approved by the Board, so they will again be presented at the Annual Membership Meeting for approval. The proposed By Law changes are in this newsletter. Copies will be available at the meeting.

This will be my last newsletter as your President as we will be electing a new President in May. I wish to thank all of the Board Members for their hard work these past two years as Officers and Committee Chairpersons. It has been an honor to have served you in this capacity and I look forward to this organization growing in the future.

Sherry F. Kearns, President



## Current PERA News – Actuary Study: COLA Cut Recommendation Significantly Impacts PERA Retirees

By Loretta Naranjo-  
Lopez, PERA Board  
Member and RPENM  
Board Member



The Public Employees Retirement Association (PERA) Board has been tasked by the Legislature to develop recommendations that address the current and projected unfunded liability and to report these recommendations to the appropriate legislative interim committee in October 2012. Cavanaugh MacDonald Consulting LLC was hired to perform an Open Group Study. The scope of the request was to perform open group projections for five divisions of PERA not including Judicial, Magistrate or Volunteer Firefighters; assess long-term solvency as compared to previous closed group results; and, provide a baseline projection of PERA's actuarial condition. **One of the recommendations in the study is to reduce the COLA from 3% to 2%. The PERA Board instructed Cavanaugh MacDonald to include everyone, including retirees, in any benefit changes/cuts.** However, it is not known whether or not Police and Fire will be part of the "shared sacrifice." **I did request that a study be performed to exclude retirees but, to date, this has not happened.** In the study, retirees are being "blamed" for 60% of the unfunded liability. However, while the unfunded liability must be resolved, when PERA retirees were active employees, they were promised a pension that included a 3% COLA and were

given a constitutional right. A promise made is a promise kept??? Retirees' planned financial future not only included their pension but also the 3% COLA. **I am very concerned about current retirees' cost of living adjustment being lowered while their living expenses continue to rise.** You can be assured that the cost of your health care will continue to rise! Most retirees cannot and should not be required to find a job, if there is even a job to be found. According to the experts, many retirees may not be able to rely on pension income alone and will need other sources of reliable income. In a study recently mentioned in the Albuquerque Journal, "Income falls short for 9 million retirees. There are more than 9 million retired Americans that don't have enough money to cover basic living expenses." The example used in the article showed that households are making unsustainable choices between paying the rent and buying nutritious food. Active PERA members have many options compared to retirees such as working a little longer or considering an additional retirement plan such as deferred compensation. They also may benefit from salary increases and promotions that in turn will increase their pension benefit. **Even when the economy improves, current retirees will only see a decrease in income since there is no sunset clause on the COLA reduction included in the recommendation!**

With that being said, according to the Actuarial Study, if we continue as we currently are without significant changes, the PERA funded ratio of 70.5% is projected to continue to decline. In dollar terms, the Actuarial Accrued Liability will go up to \$56 billion by 2041 whereas the market value of the assets will be about \$30 billion (see Actuarial Report on the



PERA website [www.pera.state.nm.us](http://www.pera.state.nm.us)). Also, the New Mexico State Legislature is requiring that all government pensions in the state of New Mexico have a plan to deal with unfunded liability. And, in 2014 the General Accounting Standards Board (GASB) will require all employers to report the funding of PERA. In the past, PERA was just a footnote at the bottom of an employer's report. This change also means that employers' bond ratings could be affected by PERA's unfunded liability.

**As stated earlier, it is being reported that 60% of the unfunded liability is due to retirees. While the reduction of the COLA from 3% to 2% would improve the funded ratio to 84.3% in the year 2041, it was an obviously easy target while most certain increases in retirees' cost of living has not been mentioned or addressed.**

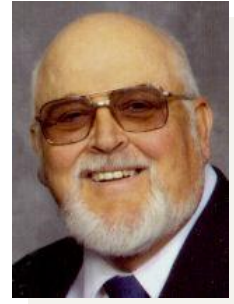
As a PERA Board member, I have a fiduciary responsibility to protect the fund and I take this very seriously. However, I am not convinced that the solution to the unfunded liability lies with retirees because only one plan/solution has been submitted by Cavanaugh MacDonald to the PERA Board and retirees do not have options available to them to increase their retirement income. I hope that the PERA Board will fight against any changes to the retirees' COLA!

You may contact me at  
505-246-9601.



## Membership Committee Update

Charles H. Miller, RPENM 1st  
VP and Membership  
Committee Chair



The RPENM Membership Committee has initiated a mail-out of 1,000 recruiting letters to PERA retirees in an effort to increase our membership. Currently, RPENM has approximately 3600 active members, but we can do better!

The recruiting letter highlights the many accomplishments we have provided to all PERA retirees and their families over the last 50 years. If a new member signs up now, free RPENM membership will be provided until the end of July 2012 when their first automatic \$24 PERA deduction will occur.

With 31,340 eligible PERA retirees, we hope to increase our membership significantly with a goal of 1,000 new additional members in 2012!

If you know someone that is a new PERA retiree, PERA beneficiary, or is currently working for a PERA affiliated organization, encourage them to join RPENM. Please have them contact any RPENM Board member or call RPENM at 505-280-8459. You can also find an application form on the RPENM website [rpenm@rpenm.org](mailto:rpenm@rpenm.org). Upon request, a newsletter will be mailed to each potential new member that also includes a membership form.

RPENM is the only independent, non-political, non-partisan organization where 100% of our member dues go directly to benefit all PERA retirees.

Please do your part and tell your PERA friends that they are eligible for membership to join RPENM. Our strength is in our membership, and



we need new membership now- more than ever!

Many thanks to Ann Crandall for her outstanding assistance with membership recruiting project and to all who serve on the Membership Committee.



### PERA Plan Benefit Changes

Soon, PERA will be conducting outreach meetings throughout the state. The purpose of the meetings is to tell you about what PERA plan benefit changes they will be recommending to the appropriate interim legislative committee in October 2012. Among other things, PERA is recommending a 1% COLA reduction that includes retirees. There is no sunset clause. The RPENM Board of Directors official position that was approved last fall is: *The RPENM Board of Directors supports a PERA long term solvency plan that provides clear, substantive and actuarial sound recommendations without affecting current members or retirees benefits. We are prepared to participate and contact PERA Board members and legislators as necessary to protect the solvency of and defend out Defined Benefit retirement plan. We stand ready to offer the input of our Board and members through our Legislative Committee and Executive Director. RPENM remains active in our quest to ensure that PERA retirees continue to receive retirement and retiree health care benefits they have earned (and paid for) and were committed to by their respective public employers and the State of New Mexico.*

### New Mexico Retiree Health Care Authority Update (RHCA)

By Jeff Varela

Although it has been awhile since my last report, as we progress into spring 2012, I am pleased to tell you that the RHCA fund and operations are in solid condition! The 2012 Legislative session did not result in changes to RHCA laws.



**RHCA Fund and Budget:** As of January 2012 the total RHCA fund assets stood at \$219 million. This was a decrease of about \$50 million from the last time we reported to you in the fall of 2011. Volatility in the investment markets continue to impact the RHCA fund, however, the later part of February, and the month of March have been good for investments, and I would predict that my next report will be more favorable. The RHCA Health Care Benefit and Program Support Funds reflect \$16 million and \$147 thousand positive figures respectively. The FY 2012 employer/employee contribution increase has resulted in a 9.95% increase in revenue for the fund. This revenue increase will help improve the future solvency of the fund, yet more solvency initiatives will have to be decided and implemented.

**RHCA Long-Term Solvency:** As I have mentioned in previous articles, we are all to be commended for increasing the solvency of the RHCA fund through the year 2026. However, this 15 year solvency period is short-term and with each passing year, the fund solvency decreases by one year if we do not implement long-term strategies and decisions. The RHCA Board and staff will soon be seeking the participation and input of RHCA members as we



contemplate decisions for long-term solvency. Difficult decisions with regards to premiums, family/dependent coverage, contributions, subsidies, years of service and prescription cost-sharing will be addressed. I encourage all RHCA and RPENM members to think about and communicate your thoughts, ideas, and suggestions to RHCA and RPENM representatives. You need not wait until you receive formal notification from RHCA to do this; feel free to contact us now! I look forward to updating you on RHCA issues throughout 2012 and welcome you letters and contacts.

## Retired Public Employees Of New Mexico 2012 Proposed By-Laws Changes

The proposed By Law changes will be voted on at the Membership Meeting in Raton on May 10

Additions are underlined Deletions are ~~[bracketed with strikethrough]~~

**1) All "Section" headers labels will be changed to "Bylaws".**

Example: ~~[Section]~~Bylaw 1 OBJECTIVES

**2) Section 1 Objectives**

A. Provision and distribution of educational information regarding the rights and benefits of retirees under the Public Employees Retirement Act.

**3) Section 3 DUES**

A. All membership dues and fees are set by the Board of Directors and announced 60 days prior to the effective date.

**4) Section 4 MEMBERS IN GOOD STANDING**

A. Regular Members who have paid the required

dues in accordance with these bylaws and whose membership has not been terminated shall be members in good standing.

**5) Section 5 TERMINATION OF MEMBERSHIP**

~~[F.]~~Termination of membership under these bylaws will be based on ...

(instead of being a subsection it should be a free standing paragraph)

**6) Section 6 OFFICERS AND ELECTIONS**

• Immediate Past President that can serve for a maximum of 2 years, or until the next regularly scheduled Board of Directors election, or until the election of a new president, whichever period is ~~[less]~~shorter.

B. ... In the event the number of candidates does not exceed the number of vacancies, ~~[it shall not be necessary to hold an election]~~qualified candidates will be elected by default. Write in candidates will not be allowed.

C. On the day before the Annual Meeting of the RPENM membership, the Board of Directors for the ensuing year shall meet and elect its officers for the year. New board members will be installed before any business is conducted.

**7) Section 9 TERMS OF OFFICE**

A. Board members are elected for a term of four (4) years and may serve for two (2) consecutive full four (4) year terms after which they must sit out at least two (2) years before they may run for re-election. A board member filling a vacancy for an unexpired term of a Director is qualified to be elected to the Board of Directors by the membership for two (2) four (4) year terms.

B. The Board President shall serve no more than 2 consecutive full one (1) year terms.

**8) Section 10 VACANCIES**

A. If a vacancy occurs due to a resignation, dismissal, or the inability an elected Board member to serve, it ~~[shall]~~may be filled by the

Continued on page 7

## - RPENM Spring 2012 Meeting – A Celebration of 50 Years! -

We invite you to attend RPENM's Spring Meeting in Raton, NM May 8, 9 and 10. We will be celebrating our 50th Anniversary; fifty years of watching out for our pensions and benefits! All events will be held at the newly refurbished Best Western Plus Raton Hotel on Highway 87 (Clayton Highway). The hotel has blocked 22 rooms at a reduced rate of \$90 plus tax/night and breakfast is included. Please make your reservation before APRIL 24th.

The phone number is 575-445-8501 and when you call let them know you are with RPENM. Pets are permitted but you must request a pet-friendly room. Please return your completed registration form and fees (\$10/meal/person and if you desire, \$5 for a chance to win a beautiful, handcrafted Marquetry jewelry box) to the name and address provided by April 24 so we can give the hotel a head count for the buffet.

### Registration Form For Spring RPENM Meeting

Best Western Plus

Raton Hotel, Raton, NM 87740

May 8, 9, 10, 2012

May 8, 2012: Reception 5:00-8:00PM

May 9, 2012: Board Meeting 9:00AM-3:00PM

Buffet: 6:00PM—May 9, 2012

May 10, 2012: General Meeting 9:00AM-1:00PM

The cost of the Wednesday evening buffet is \$20.00 each. If you **pre-register**, \$10.00 per person of the dinner will be paid!!! Pre-register by April 24, 2012.

**Please send registration forms and any fees to:  
Frances Sánchez, 1201 McFarland St, Raton, NM  
87740**

Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

City: \_\_\_\_\_

Phone: \_\_\_\_\_ No attending: \_\_\_\_\_

Chapter# \_\_\_\_\_ Choice of: Beef [  ] Chicken [  ]

Register for rooms at Raton Hotel by April 24, 2012.

Indicate that you are an RPENM Member for the \$90.00 rate. The phone number is (575) 445-8501.

Directions to Raton Hotel:

Exit on I-25 and Clayton Rd., Exit 451 into Raton

#### RPENM Spring Meeting 50th Year

#### **Hand Crafted Marquetry Box**

Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

City: \_\_\_\_\_

Phone: \_\_\_\_\_

Drawing will be held at the meeting

Donation: \$5.00 each ticket

Return to:

Frances Sánchez, 1201 McFarland St, Raton, NM  
87740

Tickets may not be reproduced!!!



~~[president with the approval of a majority of the Board]~~ approval of the majority of the board.

**9) Section 11 DUTIES - OFFICERS**

D. Secretary. Records and reports the minutes of all Board Meetings and the Annual Meeting and distributes the minutes of such meeting to the Board of Directors within thirty (30) working days of the meetings. These duties may be delegated.

E. Treasurer. The Treasurer shall keep a complete record of all fees and revenues received and of all disbursements made, and shall make periodic reports to the Board of Directors and to the membership at the annual meetings of all moneys received and all disbursements made and the purpose thereof. These duties may be delegated.

**10) Section 13 COMMITTEES**

Budget/Finance. The committee, with the

treasurer acting as chair, prepares a budget for approval by the Board at the Fall Meeting.

Revenue. Takes responsibility for identifying and implementing ideas for increasing the income of RPENM, and the benefits for RPENM membership.

**11) Section 14 REPORTS**

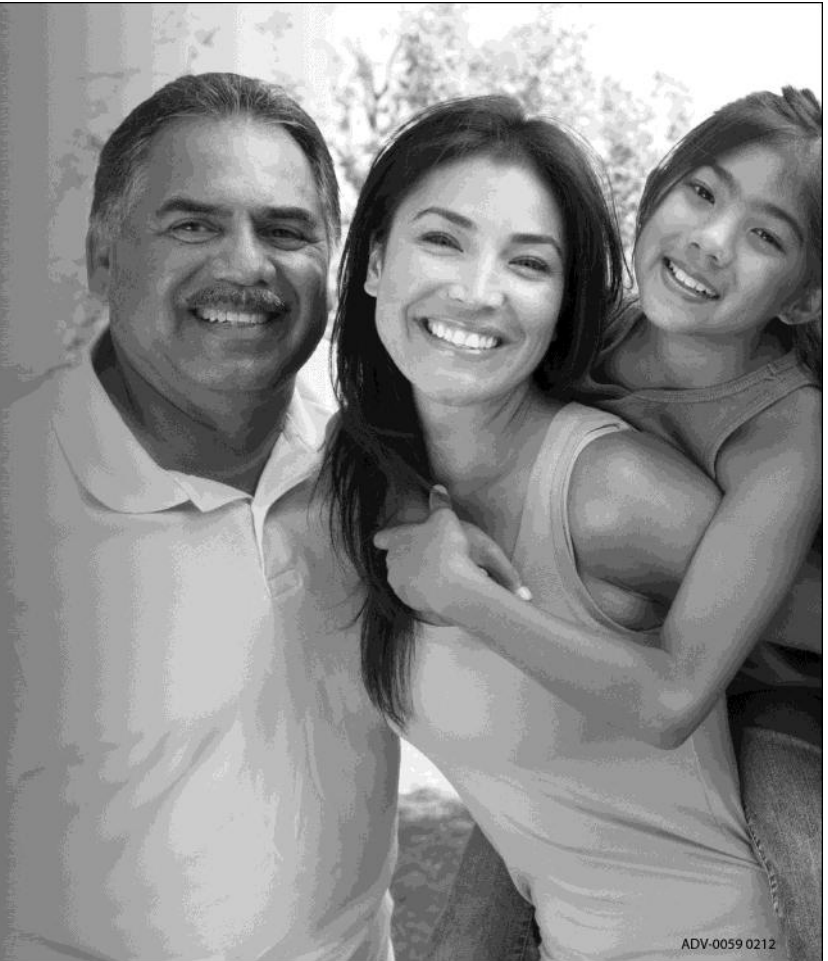
All officers, the Executive Director and Committee Chairpersons shall provide an annual report to be presented at the Annual Membership Meeting and filed at the principal office of the corporation as a part of the minutes. Reports should be submitted in both electronic and hardcopy formats.

**12) Section 15 NEWSLETTER**

An official Newsletter shall be prepared and published by the Executive Director (with prior approval of the President) at least ~~two~~ three (3) times a year.

Proud to serve  
New Mexico's  
active and retired  
public employees  
since 2000.

UNITED CONCORDIA®  
Insuring America's Dental Health  
[www.UnitedConcordia.com](http://www.UnitedConcordia.com)



ADV-0059 0212



## 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 conditions.

### **Long Term Care Annuity**

The Long Term Care Annuity combines a deferred fixed rate annuity with a built-in long term care rider. This annuity can provide you up to three times the annuity value in long term care benefits if you need them.

### **Medicare Supplement Insurance**

Medicare Supplement plans pay for eligible expenses not paid by Medicare and gives you the freedom to use your own physician, specialist, and medical facility.

### **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**

The Cancer First Diagnosis plan pays cash directly to you in one lump sum payment upon first diagnosis of internal cancer or malignant 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.

### **Tax Deferred Annuity**

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

### **Dental Insurance Plan**

The dental insurance plan offers the freedom to use your own dentist or you may choose a network dentist for additional discounts. For information call AMBA at (800) 258-7041.

### **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.

### **Medical Air Transportation Services**

Over the past 30 years Medical Air Services (MASA) has become an international company dedicated to providing life saving emergency assistance. The Platinum program provides 13 member services while at home or traveling which are 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.

### **American Hearing Benefits (AHB)**

Members receive FREE annual hearing screenings for yourself and your immediate family. Referrals to AHB's network of recommended local hearing healthcare professionals are provided free. AHB provides advanced hearing solutions with the latest in hearing aid technology while offering up to 60% off suggested retail prices. Every purchase includes a free two-year extended warranty. To learn more, call: 800-769-0262 or visit: [www.americanhearingbenefits.com](http://www.americanhearingbenefits.com) . Mention discount code "AMBA" to receive this benefit.

### **Government Employee Travel Opportunities (GETO)**



This is a unique vacation condominium, hotel, and resort program for association members. Space available condos located worldwide are available for a flat rate per week. Visit [www.gettravelop.com](http://www.gettravelop.com) or call 877.867.3639 to check on rates. When making online reservations, scroll to the bottom of the screen and click on "Installation" then select "Other – Association Member Benefits Advisors."

GETO hotel discounts are available at the following hotels. Call our special member benefits hotline at 877-670-7088 for additional information. Participating Hotels include: Wyndham Garden, Wingate, Hawthorn Suites, Ramada, Days Inn,

Super 8, Baymont Inn & Suites, Microtel Inns & Suites, Howard Johnson, Travel Lodge and Knights Inn.

#### **La Quinta Inn & Suites Discount**

La Quinta Corporation now gives you a 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](http://www.LQ.com)

#### **Automobile Rental Discounts**

Avis: Discount code AWD# G725000. Call Avis at 800.331.1212 or visit [www.avis.com](http://www.avis.com)

Budget: Discount code (BCD) X925500. Call Budget at 800.527.0700 or visit [www.budget.com](http://www.budget.com)

Hertz: Discount code CDP# 1860896. Call 800.654.2210 or visit [www.hertz.com](http://www.hertz.com)

#### **Apple Discount\***

Members qualify for preferred pricing on some of 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 1-877-377-6362 or visit [www.apple.com/eppstore/amba](http://www.apple.com/eppstore/amba). When calling, use discount code "AMBA." \*Discounts not available on all items. Check with Apple by phone or online to verify discounted items.

#### **Dell Computer Discount Program**

Great discounts are available from Dell through the

Employee Purchase Program. Call Dell at (866)257-4711 or visit [www.dell.com/epp](http://www.dell.com/epp) and enter your ID number of PS95750248 to receive your discount.

#### **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. Use code AMBA. Visit [www.1800FLOWERS.com](http://www.1800FLOWERS.com) or call 1-800-FLOWERS.

#### **AMBA Travel Perx**

AMBA Travel Perx brings special offers available on fantastic cruises, resorts, and escorted tour vacations to the Caribbean, Mexico, Panama Canal, Europe, Alaska, South America, and Asia. To learn more, call 1.800.480.4080. If you are looking for some "fun in the sun," you've found it with AMBA Travel Perx! Visit [www.AMBAtavelPerx.com](http://www.AMBAtavelPerx.com)

#### **Wirefly – Verizon, Sprint & T-Mobile Cell Phones & Plans**

Wirefly brings valuable cell phone benefits to association members. Fast & free FedEx shipping! Members can visit: [www.amba.info/wireless](http://www.amba.info/wireless) to view details.

#### **CU Wireless – Discounted Cell Phones & No Commitment Plans**

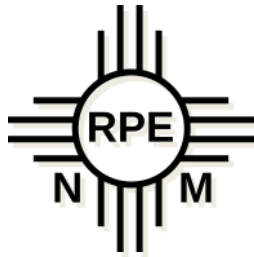
Plans start as low as \$9 per month, no activation fees, no commitment plans, free and low cost phones are both available. Visit [www.cuwireless.com](http://www.cuwireless.com) or call 1.877.818.3656 for details.

<b>Presto</b>	<b>Printing</b>	<b>Mailbox</b>
Presto is a convenient printer system that plugs directly into a telephone jack. Authorized senders can email messages and pictures that are printed in color. Visit <a href="http://www.presto.com/amba">www.presto.com/amba</a> to view pricing and to learn more.		

For more information on these benefits, please call AMBA at 1-800-258-7041 or visit [www.AMBA.info](http://www.AMBA.info).

**Membership with RPENM is required in order to obtain these benefits.**





## Who to call for questions about:

### Retiring / Benefit estimates / Purchasing military service or withdrawn service

PERA Member Services-Santa Fe	505-476-9300
PERA Albuquerque office	505-883-4503
Or toll free in New Mexico	1-800-342-3422

### Deferred compensation

Deferred Compensation	505-476-9395
-----------------------	--------------

### Disability retirement / Survivor benefits

Members Services-Santa Fe	505-476-9300
---------------------------	--------------

### Requesting a retirement seminar

Liaison Officer-statewide	505-476-9306
Albuquerque metro area	505-883-4503

### PERA investments

Investments	505-476-9337
-------------	--------------

### Refunds

Administrative Services	505-476-9300
-------------------------	--------------

### Retirement for public school & university employees?

Educational Retirement Board (ERB) – Santa Fe	
505-827-8030	
ERB Albuquerque Office	1-866-691-2345
<a href="http://www.nmerb.org">www.nmerb.org</a>	

### Retiree insurance

New Mexico Retiree Health Care	505-986-8556
Or toll free in New Mexico	1-800-233-2576
<a href="http://www.nmrhca.state.nm.us">www.nmrhca.state.nm.us</a>	

### Social security

Social Security	1-800-772-1213
<a href="http://www.ssa.gov">www.ssa.gov</a>	

## PERA making strides toward sound funding

Gerald L. Chavez | The New Mexican  
2/18/2012

The average pension for Public Employees Retirement Association retirees is about \$26,000 per year. This is hardly a king's ransom. This is a pension for decades of public service from our fellow New Mexicans throughout the townships, villages, municipalities and counties of our state. To mention just a few scenarios, we tend to ignore the vital services provided to our communities until the potholes surface, until our neighborhoods are plagued with graffiti, until crime hits close to home, or when the basic service of receiving safe drinking water becomes a concern.

Unlike what is occurring in many parts of the country, I am hopeful that New Mexicans will focus on the facts with reason and respect when considering our public servants who provide vital services every day. We should not react to misleading arguments supported by half-truths that call for "knee-jerk" reactions in regard to pension reform. The truth is that all 80,000 PERA members are tax-paying citizens of this state. The reality is that the salaries paid to PERA public workers do include a portion of wages deposited into the pension program by both the employer and the employee in the form of contributions. The overwhelming majority of PERA retiree pensions are paid for by investment earnings, with the



**YOUR VOICE - YOUR VOTE**

**RE-ELECT  
GERALD GRIMM**

**JUST SAY NO TO BENEFIT  
CUTS, WE'VE EARNED OUR  
COLA**

rest being funded by employee/employer salary contributions.

Now, if people want to debate an issue regarding the amount of acceptable salaries paid to public employees, that is one thing, but to pretend that the pensions of PERA members are not paid for by wages earned from hard-working, tax-paying public servants, is nothing but disingenuous.

There is a concern that upcoming General Accounting Standards Board reporting changes could cause the unfunded liabilities of public-pension funds to be a financial liability to our state. This is not unique to New Mexico. Public pension unfunded liabilities and potential challenges caused by these reporting changes are common throughout the country.

Before the economic downturn in 2008, it was more than acceptable for a public pension to be funded below 100 percent. Now as the markets have defined a new normal of being unpredictable, it is no longer acceptable.

Pension-funding shortfalls -- as related to sustainable benefits across all PERA groups including retirees, active members and new hires; cost-of-living adjustments; age and service requirements; contributions; and market conditions -- are currently being considered as PERA moves forward with its goal to develop a plan to become 100 percent funded. The 2012 legislative session adjourned with overwhelming support of PERA's House Joint Memorial 19, co-sponsored by Rep. Jim Trujillo and Sen. Carlos Cisneros. HJM 19 calls for PERA to make

recommendations by October 2012 for an all-encompassing and actuarially sound plan to address its unfunded liability for the 2013 legislative session.

Finally, we need to set the record straight. The PERA is not the ERA, the Educational Retirement Association, and it is not the SIC, State Investment Council.

PERA represents a wide variety of public servants from janitors, street maintenance workers, animal-control officers, office workers, police officers, firefighters, legislators and many more. It includes 31 membership plans and is governed by an oversight board consisting of representatives mirroring the demographics of its members.

The unique and independent structure of the PERA Board has no political appointments from the governor, state representatives or state senators. To date, the PERA Board has served New Mexican public servants with a good track record of responsible governance and prudent investments.

*Gerald L. Chavez is chairman of the Public Employees Retirement Association.*

**Have a wonderful Spring RPENM  
members**

**Get in touch with your RPENM:**

**(505) 280-8459**

**[www.rpenm.org](http://www.rpenm.org)**



