



PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.



**Disability
Retirement
Kit**

Types Of PERA Disability Retirement

One of the most valuable benefits provided to PERA members is the opportunity to retire sooner than expected and receive a pension if the member becomes disabled while working for a PERA affiliate. There are two types of disability retirement: non-duty and duty disability.

Non-Duty Disability

- ✓ You must be mentally or physically incapacitated for continued employment and the disability is likely to be permanent.
- ✓ Your disability is not the result of causes arising solely and exclusively out of your performance with a PERA-affiliated employer.
- ✓ To be eligible for a non-duty disability, you must be a vested PERA member. (That is, you must have already earned the applicable minimum number of years of service credit required to retire under TIER 1 or TIER 2.)
- ✓ If you qualify for a non-duty disability, your pension is calculated using the total service credit accrued through your date of termination with a PERA-affiliated employer.

Duty Disability

- ✓ Your disability must be a “natural and proximate” result of causes arising solely and exclusively out of, and in the course of, your performance of duty with an affiliated public employer.
- ✓ “Solely and exclusively” means a member’s work is so substantial a factor of the disability that it would not have occurred at the time without it and a preexisting condition is not a significant factor material to the disability.
- ✓ You are eligible from the first day of employment with a PERA-affiliated employer.
- ✓ Upon approval, your pension is calculated using projected service taking you to your first eligible normal retirement date.

After approval of the initial application, your disability retirement pension is paid for a period of one year and reviewed annually, unless the Disability Review Committee grants, for good cause, disability for a longer period of time.

Helpful Standards and Definitions for Determining Disability Eligibility

If you are currently a contributing member employed by an affiliated public employer (working, on sick or annual leave) and you are mentally or physically incapacitated and the incapacity is likely to be permanent, **then**

The standard used to judge your disability eligibility is whether you can perform the duties of your current job.

If you are not currently a contributing member employed by an affiliated public employer, have not retired or received a refund of your employee contributions, and you are mentally or physically incapacitated and the incapacity is likely to be permanent, **then**

The standard used to judge your disability eligibility is whether you are physically or mentally incapacitated for any gainful employment.

Totally incapacitated means the inability, as the result of either sudden injury or illness or the cumulative long-

term effects of injury and illness, to work your regular work week.

Likely to be permanent means the weight of the medical evidence indicates the member has reached maximum medical improvement and the disability will last at least until the member reaches the normal age of retirement, or the medical evidence determines the disability to be permanent even though maximum medical improvement has not been reached.

Any gainful employment means remunerative employment (work you are paid for) or self-employment commensurate with the member’s age, education and experience.

Commensurate employment means profitable employment that approximates pre-disability compensation, but does not necessarily provide equivalent salary.

Who Makes The Decisions About My Disability Application?

Your Application for Disability is reviewed by the PERA Board's Disability Review Committee before a determination is made about whether or not to award disability retirement benefits.

PERA Disability Review Committee

The PERA Disability Review Committee normally meets the second Tuesday of every month. The committee consists of 3 doctors (an internist, an orthopedist and a psychiatrist/psychologist) and PERA Board members, assisted by the PERA disability staff. Each member of the committee has a single vote in approving or denying a disability application. The doctors present a summary of your medical history. The summary is a status of the illness, injury or condition for which you have applied for disability benefits. The doctors make recommendations to the entire committee and the committee votes on each application.

If the information provided to the Disability Review Committee is insufficient for the committee to make a determination, a letter is sent informing you that your application for disability retirement will be deferred. The deferral letter also lists specific information needed by the Disability Review Committee before the application can be reviewed again.

Important Note: *It is the applicant's responsibility to communicate with your physician regarding the requested medical information, to make arrangements for additional office visits related to testing and/or provide any additional information requested by the Committee.*

After Approval of a One Year Disability Retirement, You are Reevaluated Annually if:

- ✓ You have not yet received a final disability determination from the Social Security Administration.
- ✓ You receive federal Social Security disability benefits for a condition different from the one for which you applied for PERA disability retirement.
- ✓ You are not eligible for federal Social Security disability benefits because you did not pay into Social Security or you did not have enough quarters.
- ✓ You are contesting your disability determination made by the Social Security Administration and have not yet received a final determination.

If you receive benefits from the Social Security Administration for the same condition, your PERA disability pension shall continue so long as you annually provide proof of continued payments from the federal government.

What Do I Need To Do To Start The Process For A Disability Retirement?

STEP 1: Submit the following documentation to PERA - (every page should have your social security number or PERA ID number on it):

- *Initial Application for Disability Retirement Benefits Form*
- *Authorization to Release of Information Form*
- *Employer's Report of Disability Form*, along with a job description
- *Examining Physician's Statement for Application for Disability Benefits Form*
- All current medical records to support diagnosis and a current doctor's narrative written within the last 3 months

As soon as PERA has received all of these documents, PERA will begin processing your initial disability retirement application. If the PERA Disability Review Committee approves your Initial Application for Disability Retirement, PERA will send an Employer Certification Form to your employer requesting the following information:

Employment termination date, statement of final wages and statement of final PERA contributions

STEP 2: If you are approved, provide the following information to start processing your retirement:

- Copy of your birth or baptismal certificate*
- Copy of marriage certificate (if you are married)
- Court-endorsed copies of any divorce decrees and marital settlement agreements
- Copy of your beneficiary's birth or baptismal certificate*
- Copy of your and your beneficiary's Social Security Card
- Proof that you applied for Social Security Disability retirement.

Once PERA receives the above information, PERA staff will provide you with an estimate of pension benefits and retirement forms.

STEP 3: Submit complete retirement forms:

- *Application for Annuity* stating your beneficiary's social security number and address (if different from your own)
- *PERA Tax Deduction Form*
- *Spousal Consent Form* (if married at the time of retirement)
- *Affirmation of Marital Status Form* (if not currently married)
- *PERA Direct Deposit Authorization Form* (must be signed by your financial institution)

* In lieu of a birth or baptismal certificate, you may prove your age by submitting one of the following: a religious record of birth established before the age of 5, a current passport, a current New Mexico driver's license, or a current New Mexico motor vehicle division issued identification card. Alternately, you may use any two of the following documents showing the date of birth:

1. Copy of a life or automobile insurance policy;
2. Current voter registration record or voter identification record;
3. Tribal census record;
4. Childhood immunization record made prior to 18 years of age;
5. Military record, including a valid United States active-duty, retiree or reservist military identification card;
6. Birth certificate of child showing age of parent;
7. Physician's or midwife's record of birth;
8. Immigration record;
9. Naturalization record; or
10. Social security records.

If I'm Approved, When Will My Disability Retirement Benefits Begin?

Your pension becomes effective the first day of the month following (1) completion of the *Initial Application for Disability Retirement Benefits Form* and (2) termination of your position with a PERA-affiliated employer. The first pension payment will be electronically transferred to the financial institution you have selected on the *PERA Direct Deposit Form*,

approximately two to six weeks from the submission of your complete retirement forms as stated in Step 3 on page 3 of this document. Thereafter, your pension benefits will be electronically transferred on the last business day of each month to your financial institution. The direct deposit schedule is available on the PERA website at www.nmpera.org.

Dates Are Important!

You should give some consideration to the date that you terminate your employment. You must terminate employment within 45 days of approval of your application. Service is credited to you to the nearest month. If you began employment after the 16th of a month you will not receive service credit for that month. If you terminate employment before the 15th of a month you will not receive service credit for that month. If you need service credit for the month in which you terminate employment, we recommend that you target your termination date after the 16th of the month. For each

month you are classified as full-time, you must be paid for at least half of your normal salary during the month. Part-time members should contact PERA to inquire about service credit rules. Members are also encouraged to verify the date their insurance coverage ends as the member transitions from being an employee to becoming a retiree. If your employer participates in the New Mexico Retiree Health Care Authority (NMRHCA), you are encouraged to contact NMRHCA 60 days prior to your planned retirement date to comply with NMRHCA requirements.

1099R Information

Retirees and beneficiaries receiving a pension payment from PERA will be issued a 1099R form each year. The 1099R is the form used to report the total amount and type of distributions made to a retiree or a beneficiary in a particular tax year to the IRS. This is like the W-2 form the member received from his or her employer while the member was working. PERA mails the 1099R forms by the last working day in January. Reciprocity retirees on or after July 1, 2017 will receive two separate 1099R forms, one from PERA and one from ERB.

and are kept separate in the PERA account because the retiree does not have to pay income tax on these contributions when the retiree begins receiving pension payments. The non-deferred contributions will be amortized over a specific number of years, reducing the taxable income the retiree receives each year. The taxable amount found in box 2a and the non-taxable employee contribution amount found in box 5 on the 1099R form should add up to the total gross distribution amount in box 1.

If a member made PERA contributions post-tax, these contributions are called non-deferred contributions

Direct Deposit Schedule

Pension payments are issued on the last business day of the month by direct deposit to the account designated on your PERA *Direct Deposit Form*. Future direct deposit schedules may be viewed by visiting www.nmpera.org.

2018

Tuesday, July 31, 2018	Friday, August 31, 2018	Friday, September 28, 2018
Wednesday, October 31, 2018	Friday, November 30, 2018	Monday, December 31, 2018

2019

Thursday, January 31, 2019	Thursday, February 28, 2019	Tuesday, March 31, 2019
Tuesday, April 30, 2019	Friday, May 31, 2019	Friday, June 28, 2019
Wednesday, July 31, 2019	Friday, August 30, 2019	Monday, September 30, 2019
Thursday, October 31, 2019	Friday, November 29, 2019	Tuesday, December 31, 2019

NOTE If you need a future direct deposit to be sent to a different bank account, please complete a new PERA *Direct Deposit Form* available either online or by contacting PERA. Please remember that the financial institution that holds the new account you wish to have your funds deposited to must complete the bottom portion of the PERA *Direct Deposit Form*. If PERA receives your change in direct deposit information by the 15th of the month, the change will be effective for that month. If the information is received after the 15th of the month, the change will be effective the following month.

RIO (Retirement Information Online) Self-Service Online Account Information for Retirees

A retiree has access to his or her PERA information online even after retirement. If you have not already created a user ID and password, go to the PERA website's home page at: www.nmpera.org and click on the RIO Self Service button to get started. Passwords expire after 120 days.

Viewing Pension Benefit Information

After you have logged on to your online account, click on Pension Check Information, click on the year you want to view from the drop down list, then click on OK. To see the details of a specific benefit payment, find the month you want to view and click on Details located to the right. This will show all the information for that specific benefit payment.

Clicking on this option provides the current pension payment information. You can also review and print an Income Verification Letter. This is a useful tool for those retirees who need verification of their retiree income from PERA. Retirees can also download copies of 1099R forms for up to the past three (3) years from their RIO Self-Service Account.

An Important Reminder

Members are encouraged to review their self-service account prior to retirement. If you used a work-related e-mail address to establish your account you should update your self-service e-mail address to a personal e-mail address in the event you need to reset your password in the future.

PERA Retiree Newsletters

"La Voz" is mailed to your home and posted on PERA's website up to twice annually. Any time there is important information concerning issues affecting PERA members and retirees such as Board elections and legislative changes, PERA will notify you in "La Voz" and with articles posted on the PERA website at: www.nmpera.org.

Since PERA mails the "La Voz" newsletter to you, it is important to keep PERA updated if you change your address. Please notify PERA of an address change by contacting PERA by fax at (505) 954-0388 or in writing.

What Is My Pension Based On?

Three factors determine your Option A pension amount:

1. Final Average Salary or FAS - the monthly average of the highest 36 consecutive months of salary earned during the PERA career for TIER 1 members, and the monthly average of the highest 60 consecutive months of salary earned during the PERA career for TIER 2 members.
2. Service Credit - the years and months of service credit earned or purchased during a PERA member's career.
3. Pension Factors - the pension factor stated in the coverage plan, or plans, a member belonged to during their PERA career. Generally a PERA member can earn up to 90 percent of the member's final average salary paid under coverage plans. The chart below shows how this is related to a member's service plan.

Pension Factor and Maximum Pension

Plan	Pension Factor		Maximum Pension % of FAS
	TIER 1	TIER 2	
State Plans:	TIER 1	TIER 2	
State Plan 2 (after 10/87)	2.5%	N/A	75%
State Plan 3 (after 12/96)	3.0%	2.5	90%
State Police and Adult Correctional Officers Plan 1	3.0%	3.0%	90%
State Plan 3 - Peace Officer	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 1	2.5%	N/A	100%
Juvenile Correctional Officer Plan 2	3.0%	3.0%	90%
Municipal Plans:	TIER 1	TIER 2	
Municipal Plan 1	2.0%	2.0%	90%
Municipal Plan 2	2.5%	2.0%	90%
Municipal Plan 3 (closed to employers 6/95)	3.0%	2.5%	90%
Municipal Plan 4 (closed to employers 6/00)	3.0%	2.5%	90%
Police Plan 1	2.0%	2.0%	90%
Police Plan 2	2.5%	2.0%	90%
Police Plan 3	2.5%	2.0%	90%
Police Plan 4	3.0%	2.5%	90%
Police Plan 5	3.5%	3.0%	90%
Fire Plan 1	2.0%	2.0%	90%
Fire Plan 2	2.5%	2.0%	90%
Fire Plan 3	2.5%	2.0%	90%
Fire Plan 4	3.0%	2.5%	90%
Fire Plan 5	3.5%	3.0%	90%
Municipal Detention Officer Plan 1	3.0%	3.0%	90%

NOTE: Legislators, Judges and Magistrates have different benefit calculation provisions. Please request information on these plans from PERA.

How Can I Estimate My Benefit Amount?

The base monthly benefit PERA provides is based on a formula, not on the dollar amount a member or the member's employer contributed during the course of the member's career.

Years of Service Credit x Pension Factor(s) x Final Average Salary = Base Monthly Benefit

Example: for a TIER 1 member retiring with 25 years of service credit under State General Member Coverage Plan 3 with a final average monthly salary of \$3,500.

25	X	3%	= 75%	X	\$3,500	= \$2,625
(years of service credit)		(pension factor(s))	(% of final average salary)		(final average salary)	(monthly benefit)

Years of Service Credit

For a non-duty disability retirement- the years and months of service credit earned or purchased during your PERA career through your termination date.

For a duty disability retirement - the years of service credit will be the amount necessary to meet the minimum service credit requirements for normal retirement.

For example a TIER 1 member under State General Member Plan 3, age 35 at the time of disability;

Non-duty disability retirement, must be vested, you have 7 years of service credit - 7 years x 3.0% = 21% of the final average salary.

Duty disability retirement, available from first day of employment, first qualifies for retirement with 25 years of service but only has 3 years of service credit - 25 years x 3.0% = 75% of the final average salary.

Pension Factor

The pension factor is stated in the coverage plan, or plans, you belonged to during your PERA career. Generally, PERA members can earn up to 90 percent of their final average salary under all coverage plans.

Final Average Salary

For TIER 1 members Final Average Salary (FAS) is the average of the highest 36 consecutive months of salary earned during your PERA career. For TIER 2 members Final Average Salary (FAS) is the average of the highest 60 consecutive months of salary earned during your PERA career.

Monthly Benefit

This amount is your benefit under Form of Payment A, a straight life annuity that provides a monthly benefit for your lifetime only and does not provide a survivor benefit.

If you choose to name a survivor beneficiary to receive a pension for his or her lifetime after your death, the monthly benefit you receive will be reduced because the benefit is calculated to pay a benefit over your lifetime and the lifetime of your beneficiary. The amount of the pension benefit reduction is dependent on your age and the age of your beneficiary.

Blended Pension

The calculation for a member with **service credit earned through June 30, 2013** remains the same:

- Service credit earned under one coverage plan will be calculated at the highest pension factor for that plan.
- If you have earned three or more years of service credit under two or more coverage plans with different pension factors, your pension is calculated using the highest pension factor applicable.

If you earn **service credit on or after July 1, 2013**, the pension factor depends on your coverage plan. If you worked for the same employer under the same plan, the pension factor is the factor of that plan.

For example, as a TIER 1 member you worked under State General Member Plan 3 (3 percent pension factor) and later worked for an employer covered by Municipal General Member Plan 4 (3 percent pension factor), all of your service credit would be calculated at 3 percent.

How Can I Estimate My Pension Amount?

Blended Pension (continued)

For example, if you are a TIER 1 Municipal General Member with service credit under Plan 3 (3 percent pension factor), and after July 1, 2013 you work for an employer covered under Municipal General Member Plan 2, (2.5 percent pension factor), your service credit earned

under Municipal General Member Plan 3 will have a 3 percent pension factor and your service credit under Municipal General Member Plan 2 will have a 2.5 percent pension factor.

Benefits Estimate Sample - Blended Pension

		Example Calculation	Your Calculation
A.	Plan maximum	90%	
B.	Pension Factor – Part 1	3%	
C.	Years of Service - Part 1	15	
D.	Multiply B x C	45%	
E.	Pension Factor – Part 2	2.5%	
F.	Years of Service - Part 2	10	
G.	Multiply E x F	25%	
H.	Add D and G	70%	
I.	Final Average Salary	\$2,544.00	
J.	Use the Smaller of Line A or Line H	70%	
K.	Multiply I x J	\$1,780.80	
L.	Monthly Pension Benefit Form of Payment A	\$1,780.80	

Block L is your estimated monthly pension benefit under Form of Payment A based on the factors you have entered. While this worksheet gives you a general idea of

your monthly pension, you should be aware that factors may exist which cause the estimate to be inaccurate.

What Options Are Available For The Payment Of My Pension?

When you apply for retirement with PERA, you must choose how you want to be paid. The payment option you choose determines whether a benefit will be provided to a beneficiary after your death. If you want to provide a benefit for someone after you die, your monthly pension amount will be reduced. The reduced pension amount depends upon the option you choose, your age and the age of the survivor beneficiary you designate.

PERA uses your age nearest retirement. If you are 55 years and six months old at the time you retire, PERA will calculate your age as 56 years. Regardless of which payment option you choose, a benefit payment is payable to you for your lifetime. Below are the four benefit payment options:

Form of Payment A - Straight Life Option

Provides a monthly payment to you for your lifetime. You receive the maximum allowable retirement benefit under your coverage plan, which provides a monthly benefit for your lifetime only. All payments stop on the first day of the month following your death. A one-time lump sum refund of unpaid member contributions and interest will be issued at the time of your death to the designated refund beneficiary on account with PERA.

Form of Payment B - Joint Survivor Option (100%)

Provides a monthly payment to you for your lifetime. Upon your death, your beneficiary will receive the same amount for the rest of his or her life. The benefit amount is based on your age and the age of your beneficiary at the time of retirement. This form of payment amount is less than the amount under Form of Payment A because your monthly retirement benefit is reduced to provide the same benefit to your survivor beneficiary. If your survivor beneficiary dies before you, your retirement benefit adjusts to the Form of Payment A amount when PERA is notified and receives your beneficiary's death certificate. You may choose only one person to be your survivor beneficiary with this Form of Payment. If you name a beneficiary other than your spouse who is more than 10 years younger than you, the percentage paid to the beneficiary will be adjusted to meet Internal Revenue Code requirements.

Form of Payment C - Joint Survivor Option (50%)

Provides a monthly payment to you for your lifetime. Upon your death, your beneficiary will receive one-half

the amount for the rest of his or her life. Your pension benefit amount is less than Form of Payment A, but more than Form of Payment B and is based on your age and the age of your beneficiary at the time of retirement. This is because the value of your monthly retirement benefit is reduced to provide half of your benefit amount to your survivor beneficiary. If your survivor beneficiary dies before you, your retirement benefit adjusts to the Form of Payment A amount when PERA is notified and receives a death certificate. You may choose only one person to be your survivor beneficiary with this Form of Payment C.

Form of Payment D - Temporary Joint Survivor Option (for retirees with children under age 25)

(For retirees with children under the age of 25). Provides a monthly benefit to you for your lifetime. When you die, the same total amount is shared by your eligible children until the last child reaches age 25. Once a child turns 25, his or her benefit stops. Your benefit amount is less than Form of Payment A based on your age and the age of your youngest eligible child at the time of retirement. Your benefit amount will change to the amount that would have been paid under Form of Payment A once the youngest eligible child reaches the age of 25.

Important Note:

In all four options, you will receive at least all of the contributions you paid into your account and the interest the account has earned. If you die before your contributions and interest have been paid in benefits and no survivor pension is payable, the member contributions and interest remaining in your account will be paid to your refund beneficiary or your estate.

Can I Make Changes After I Retire?

Form of Payment Changes

The form of payment may not be changed after the date the first pension payment is made except in the following instances:

- If you are reemployed by a PERA employer, your pension will be suspended pursuant to law, except for limited exclusions. If you become a regular contributing employee again and work for a minimum of three years, you can re-retire and choose a new form of payment and new survivor beneficiary.
- If at the time of retirement, you selected Form of Payment B or C with your spouse as beneficiary and you and your spouse are later divorced, you may change to Form of Payment A only if you obtain a court order providing for the change.
- If your beneficiary dies before you, your form of payment will be changed to Form of Payment A after PERA has been notified of the death and receives an original death certificate.

One-Time Beneficiary Deselection

You are allowed a one-time opportunity to change your survivor beneficiary after you retire if you named someone other than your spouse as your beneficiary under Form of Payment B or C and your named beneficiary is still living. If you were divorced prior to retirement and named your former spouse as your beneficiary, you may only change your beneficiary if there is no court order requiring the election of a specific form of payment or designation of a specific survivor beneficiary.

There are two choices for deselecting your current survivor beneficiary:

- Change to Form of Payment A. Your pension amount will increase and pension payments will end when you die; or
- Name another survivor beneficiary under the same Form of Payment (i.e.: B or C). If you choose to name a new beneficiary, your pension amount will be recalculated based on actuarial tables. Your pension may be reduced depending on the ages and life expectancies of you and the new beneficiary at the time the pension is recalculated.
- You chose to receive your pension when you retired under either Form of Payment B or C;
- Your survivor beneficiary died; and
- PERA was notified of your survivor beneficiary's death and your pension was increased to Form of Payment A for a minimum of one month.

The one-time change to a new survivor beneficiary is irrevocable.

PERA will recalculate your pension using the original Form of Payment A pension amount at the time you retired. PERA will use your current age and the current age and gender of the new survivor beneficiary to calculate your pension and the survivor beneficiary's pension under Forms of Payment B or C.

A living retiree whose survivor beneficiary dies can also name a new survivor beneficiary. You are eligible to make the one-time change to your survivor beneficiary selection if you meet the following criteria:

- A survivor beneficiary was named when you retired;

Deselection Process

The process for changing your Survivor Beneficiary post-retirement requires the following documentation. All pertinent information must be provided before a calculation will be provided.

- Contact PERA for the appropriate deselection form.
- Proof of age for new survivor beneficiary. See page 3 of the Disability Retirement Kit for acceptable proof-of-age documents.

Can I Make Changes After I Retire? (continued)

Deselection Process (continued)

- Submit a check or money order for \$100 made payable to “PERA” if you are requesting that PERA calculate benefits for a new beneficiary.
- Submit a copy of the new beneficiary’s Social Security card.
- Submit a Spousal Consent Form (if applicable).
- Submit Divorce Documentation (if applicable).
- Each time you request that PERA recalculate the benefit amount for a beneficiary, the charge is \$100 for each different survivor beneficiary request that you submit.
- Submit Divorce Documentation (if applicable).

NOTE: The payment is not refundable even if you decide not to name a new beneficiary after you receive the calculation of pension benefit amounts under Forms of Payment B and C. The payment covers the cost of actuarially calculating the benefits and must be paid whether or not you decide to go forward with naming a new survivor beneficiary.

Allow PERA 30 to 45 business days to process and respond to your request. You will then receive information on the survivor beneficiary amounts for Forms of Payment B or C and an Agreement for Selecting a New Beneficiary/Option.

Return the completed form to PERA if you decide to name a new beneficiary or change the payment option to Form of Payment A. If the Agreement is received by PERA by the ninth day of the month, the revised pension payment will be effective for that month. If an Agreement is received after the ninth day of the month, the revised pension payment amount will be effective with the following month’s pension benefit payment.

NOTE: If you name a beneficiary other than your spouse who is more than 10 years younger than you, the percentage paid to the beneficiary will be adjusted to meet Internal Revenue Code requirements.

What Can Be Deducted From My Pension Payment?

Your estimated monthly benefit payment is provided in the pre-tax, pre-insurance (gross) form. PERA can withhold, with your written permission, federal tax, New Mexico state tax, and New Mexico Retiree Health Care Authority premiums. If you elect not to have any of these items withheld, it is your responsibility to make payment arrangements with the appropriate entity. Please note that PERA cannot provide guidance as related

PERA can also withhold, with the appropriate court order payments for tax levies, child support orders, or orders dividing retirement benefits.

If you move, it is required that you update your address on file with PERA and if you move outside the state of New Mexico during retirement it is important to notify PERA to stop withholding New Mexico state tax.

Cost-Of-Living Adjustments (COLA)

Each July, PERA adjusts the gross benefit of all eligible retirees to include a Cost-of-Living Adjustment (COLA). The COLA is calculated only on the benefit amounts paid for service credit earned under a Public Employees Retirement plan, the Magistrate Retirement plan or the Judicial Retirement plan.

For reciprocity retirees with Educational Retirement Board benefits, the COLA is calculated only on the PERA benefit portion. ERB will notify you of any COLA on the ERB portion of your retirement benefit.

COLA Amount

Effective July 1, 2013, PERA will provide a COLA as follows:

- Retirees under normal retirement will receive a 2 percent annual compounding COLA.
- Retirees with 25 or more years of PERA service credit (not including reciprocity) with an annual pension of \$20,000 or less will receive a 2.5 percent annual compounding COLA.
- Retirees under disability retirement with an annual pension of \$20,000 or less will receive a 2.5 percent annual compounding COLA.

COLA Eligibility

If you retire due to a disability or if you are at least age 65 prior to your first COLA eligibility date, the COLA eligibility period is reduced to one full-calendar year. The COLA will be paid the following July.

A full-calendar year is January 1 through December 31. Eligible COLA recipients receive a notification letter in July each year advising them of the increase in their benefit payments.

May I Work While I Receive Disability Retirement?

Disability retirees may work while receiving a PERA disability pension as long as the employer is not a PERA-affiliated employer and the retiree does not earn more than \$15,000.00 annually. If a disability retiree's earnings from gainful employment exceeds \$15,000.00 annually, PERA disability benefits will be suspended and PERA must be reimbursed for any overpaid benefits. PERA requires all disability retirees to submit earnings statements annually on or before July 1st of each year. The following must be submitted:

- ✓ Current year's federal tax return,
- ✓ PERA 1099 form for retiree and spouse if you are filing jointly,
- ✓ Social Security 1099 for retiree and spouse if you are filing jointly, and / or
- ✓ Any W-2s for retiree and spouse if you are filing jointly.

If federal income taxes are not filed or an extension is required, disability retirees must submit documentation from the IRS confirming that they did not file income taxes. For those that filed an extension, the above-stated items must be submitted to PERA once their federal income taxes are filed.

With the prior written approval of PERA, disability retirees may return to work with an affiliated public employer for a trial period of employment of not more than 120 days. During this period of trial employment, the member is exempt from PERA membership and return-to-work rules. If a disability retiree returns to work for a PERA-affiliated employer after July 1, 2010 (excluding trial employment) their pension will be suspended.

What Is A Trial Employment Period?

A disability retiree may regain his or her ability to work through physical therapy, drug therapy and/or other medical treatment. The disability retiree however may be reluctant to suspend his or her disability pension and return to work only to find out that he or she is not capable of fulfilling the job duties. For these individuals, PERA provides an opportunity to test their ability to return to work without jeopardizing their pension.

A disability retiree may return to work with a PERA affiliated employer for a trial period of up to 120 calendar days without becoming a PERA member or causing suspension or discontinuation of their PERA disability retirement pension. During the trial period, the disability retiree continues to receive a PERA pension and a salary from the employer.

If the trial period of employment is successfully completed,

the disability retirement pension will be discontinued beginning the first of the month following the 120th day of the trial employment period. The disability retiree would then become a PERA member, pay employee contributions and accrue service credit. Once the PERA member re-retires, his or her pension would be recalculated with the additional years of service credit earned. The final average salary would also be recalculated at the time of re-retirement.

Trial periods of employment are limited to two in any 5-year period following disability retirement. Disability retirees must obtain prior approval from PERA before entering into a trial employment.

For additional information, please contact PERA and ask for the Deaths and Disabilities Unit in Santa Fe at (505) 476-9300, or toll-free at 1-800-342-3422.

How Long Will My Disability Retirement Benefits Last?

The PERA Board determines, based on the material provided by you, whether or not you will receive a one-year disability retirement benefit subject to re-evaluation or a permanent disability retirement benefit.

Disability retirement benefits are initially paid for a one-year period, unless approved for a longer period for good cause shown (i.e., terminal illness, poor prognosis, etc.)

Upon PERA's receipt of a favorable federal Social Security Administration final determination that indicates award of disability benefits for the same condition, PERA will

continue payment of disability benefits as long as you provide current proof that you are receiving social security disability by the date listed on the re-evaluation letter that PERA will mail to you on an annual basis.

If you are denied Federal Social Security disability, PERA will determine whether or not your PERA disability retirement benefits will be discontinued.

If you have questions for the Social Security Administration, please contact them at 1-800-772-1213 (TTY 1-800-325-0778).

When Does My Disability Retirement Status Change?

When a disability retiree reaches the combined age and years of service credit needed for normal retirement, the pension status is reclassified from a disability retirement to a normal retirement. Once converted to normal retiree status, retirees are no longer required to report earnings or be medically reevaluated. Additionally, your COLA will be calculated under normal retirement provisions. The following are the age and service requirements needed to qualify for a normal retirement. A non-duty disability is available to employees with 5 or more years of service for TIER 1, to TIER 2 non-public safety employees with 8 or more years of service and to TIER 2 public safety employees with 6 or more years of service credit. A duty-related disability is available at any time during your employment with a PERA-affiliated employer. While you are on a duty-related disability retirement, you continue to earn service credit.

New Benefit Tiers

Effective July 1, 2013, legislation established two benefit tiers under each PERA coverage plan. You are in TIER 1 if you:

- were hired for the first time on or before June 30, 2013; and
- had member contributions on account on June 30, 2013; or
- were retired as of June 30, 2013.

You are in TIER 2 if you:

- were hired for the first time on or after July 1, 2013; or
- refunded your employee contributions on or before June 30, 2013, and returned to work for a PERA affiliate on or after July 1, 2013.

Normal Retirement - PERA TIER 1

Members are eligible to retire under a PERA coverage plan when they meet the age and service credit requirement for the plan they participate in. The normal age and service credit retirement eligibility requirements for TIER 1 members are listed below:

25-Year Retirement Plans

- State General Member Coverage Plan 3
- Municipal General Member Coverage Plan 1, 2, 3 and 4
- Municipal Police Member Coverage Plan 1 and 2
- Municipal Fire Member Coverage Plan 1 and 2

Any age with 25 or more years of service credit;
Age 60 or older with 20 or more years of service credit;
Age 61 or older with 17 or more years of service credit;
Age 62 or older with 14 or more years of service credit;
Age 63 or older with 11 or more years of service credit;
Age 64 or older with 8 or more years of service credit; or
Age 65 with 5 or more years of service credit.

25-Year Retirement Plans with a 20 Percent Service Credit Enhancement

- State Police Member and Adult Correctional Officer Member Coverage Plan 1
- Municipal Detention Officer Member Coverage Plan 1

Any age with 25 or more years of service credit;
Age 60 or older with 20 or more years of service credit;
Age 61 or older with 17 or more years of service credit;
Age 62 or older with 14 or more years of service credit;
Age 63 or older with 11 or more years of service credit;
Age 64 or older with 8 or more years of service credit; or
Age 65 with 5 or more years of service credit.

When Does My Disability Retirement Status Change? (continued)

Normal Retirement - PERA TIER 1 (continued)

20-Year Retirement Plans

- Municipal Police Member Coverage Plans 3, 4 and 5
- Municipal Fire Member Coverage Plans 3, 4 and 5

Any age with 20 or more years of service credit;
Age 61 or older with 17 or more years of service credit;
Age 62 or older with 14 or more years of service credit;
Age 63 or older with 11 or more years of service credit;
Age 64 or older with 8 or more years of service credit; or
Age 65 with 5 or more years of service credit.

Normal Retirement -PERA TIER 2

Members are eligible to retire from PERA when they meet the age and service credit requirement for the plan they participate in. The normal age and service credit retirement eligibility requirements for TIER 2 members are listed below:

General Plan Members

- State General Member Coverage Plan 3
- Municipal General Member Coverage Plans 1, 2, 3 and 4

Rule of 85 (members must have eight or more years of service credit and age at the time of retirement and years of service credit must equal 85); or
Age 65 with 8 or more years of service credit.

25-Year Retirement Plans

- State Police Member and Adult Correctional Officer Member Coverage Plan 1
- Juvenile Correctional Officer Member Coverage Plan 2
- Municipal Police Member Coverage Plan 1, 2, 3, 4, and 5
- Municipal Fire Member Coverage Plan 1, 2, 3, 4, and 5
- Municipal Detention Officer Member Coverage Plan 1
- State General Member Coverage Plan 3 - Peace Officers*

25 years of service credit at any age; or
Age 60 with 6 or more years of service credit.

***Peace officer**” means “any employee of the state with a duty to maintain public order or to make arrests for crimes, whether that duty extends to all crimes or is limited to specific crimes, and who is not specifically covered by another coverage plan.”

When Does My Disability Retirement Status Change? (continued)

Normal Retirement - JUDICIAL PLAN

Judicial Retirement Act age and service credit eligibility requirements for an individual who initially became a member prior to July 1, 2005:

- Age 60 or older with fifteen or more years of service credit; or
- Age 65 years or older with five or more years of service credit.

Judicial Retirement Act age and service credit eligibility requirements for an individual who initially became a member after June 30, 2005 but on or prior to June 30, 2014:

- Age 55 or older with sixteen or more years of service credit; or
- Age 65 years or older with five or more years of service credit.

Judicial Retirement Act age and service credit eligibility requirements for an individual who initially became a member on or after July 1, 2014:

- Age 60 or older with fifteen or more years of service credit; or
- Age 65 years or older with eight or more years of service credit.

Normal Retirement - MAGISTRATE PLAN

Magistrate Retirement Act age and service credit eligibility requirements for an individual who was a member on June 30, 2014:

- Any age with twenty-four years or more of service credit;
- Age 60 or older with fifteen or more years of service credit; or
- Age 65 years or older with five or more years of service credit.

Magistrate Retirement Act age and service credit eligibility requirements for an individual who initially became a member on or after July 1, 2014:

- Any age with twenty-four years or more of service credit;
- Age 60 or older with fifteen or more years of service credit; or
- Age 65 years or older with eight or more years of service credit.

Normal Retirement - State Legislator Plans

State legislator member coverage plan 1 age and service credit eligibility requirements for an individual who served terms of office that ended on or before December 31, 2002:

- Any age with fourteen years or more of service credit;
- Age 60 or older with twelve or more years of service credit;
- Age 63 years or older with eleven or more years of service credit;
- Age 64 years or older with eight or more years of service credit; or
- Age 65 years or older with five or more years of service credit.

When Does My Disability Retirement Status Change? (continued)

Normal Retirement - State Legislator Plans (continued)

State legislator member coverage plan 2 age and service credit eligibility requirements for an individual who served terms of office that end after December 31, 2002:

- Any age with ten years or more of service credit; or
- Age 65 or older with five or more years of service credit;

The Reciprocity Act

Service credit earned under different state retirement systems (the Educational Retirement plan, Judicial Retirement plan and Magistrate Retirement plan) may be combined toward retirement eligibility and used to calculate pension benefits. The service credit earned under each system, however, will be calculated using the formula for that system. Because there may be different age and service requirements for each of the different plans and tiers, you may not receive your combined pension amount when you retire from PERA. When you qualify to receive the reciprocal portion, the increase will be included in your pension benefit.

Members with reciprocal service credit apply for and retire under the state system of their last employer. So, if you worked for an Educational Retirement Board (ERB) employer in the past and are now working for a PERA employer, you will retire under PERA.

Effective July 1, 2017, new reciprocity retirees will receive a separate pension payment from PERA and ERB. If you retire with combined PERA and ERB service credit, the ERB portion of your monthly benefit will be paid directly by ERB. This means that reciprocity retirees will receive two direct deposits into their checking/banking institution account, one from PERA and one from ERB, on the last business day of the month.

Whenever you contact PERA to verify your service credit, provide a retirement calculation or to purchase service credit, it is important to notify PERA of all service credit you may have. PERA can then contact ERB to determine your eligibility for reciprocal service credit.

Who Do I Contact?

... If I have questions about retiring, benefit estimates, purchasing military service, air time or withdrawn service, disability or survivor benefits?

PERA Member Services-Santa Fe	(505) 476-9300
PERA Albuquerque office	(505) 383-6550
Or toll free	(800) 342-3422

... If I have questions about deferred compensation?

Deferred Compensation	(505) 476-9386
-----------------------	----------------

... If I have questions about retirement for public school and university employees?

Educational Retirement Board (ERB) - Santa Fe	(505) 827-8030
ERB Albuquerque Office	(505) 888-1560
Or toll free	(866) 691-2345
Website	www.nmerb.org
E-mail	ERB-MemberHelp@state.nm.us

... If I have questions about retiree insurance?

New Mexico Retiree Health Care Authority - Santa Fe	(505) 476-7340
New Mexico Retiree Health Care Authority - Albuquerque	(505) 222-6400
Or toll free	(800) 233-2576
Website	www.nmrhca.org
E-mail	customerservice@state.nm.us

... If I have questions about social security?

Social Security	(800) 772-1213; TTY (800) 325-0778
Website	www.ssa.gov

... If I have questions about taxes?

IRS	(800) 829-1040
Website	www.irs.gov
New Mexico Taxation and Revenue Department	(505) 827-0700
Website	www.tax.newmexico.gov

PERA Contact Information - Santa Fe

Santa Fe Office

33 Plaza La Prensa
Santa Fe, NM 87507
(505) 476-9300 Voice
(505) 954-0388 Fax

Business Hours

8:00 am - 5:00 pm
Monday - Friday

Closed on State Holidays

Directions to the PERA building in Santa Fe:

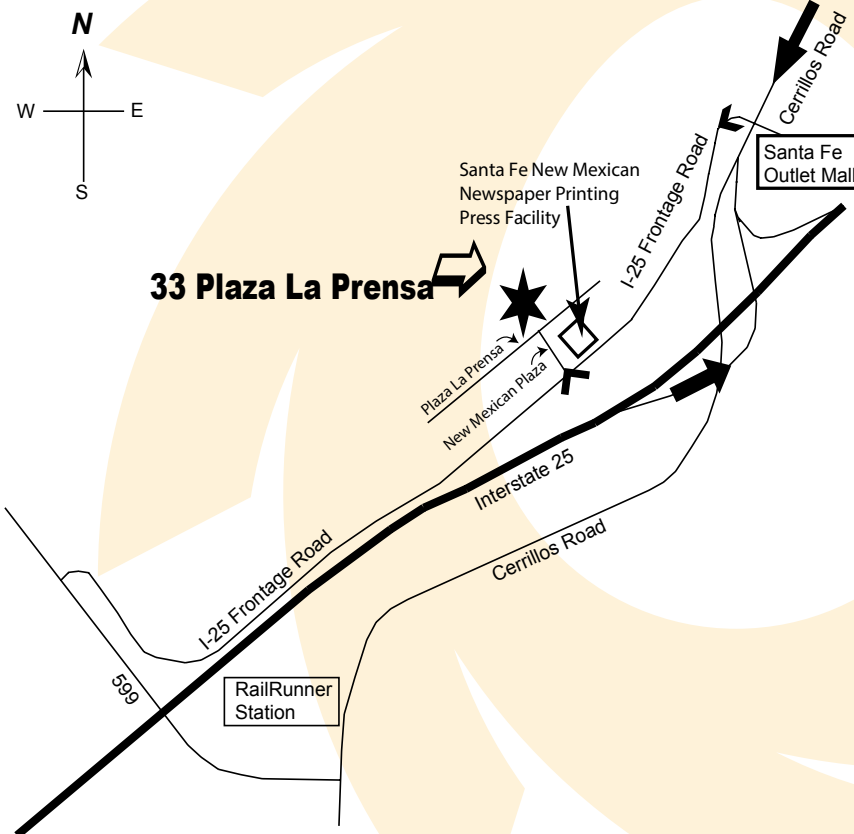
Directions from downtown Santa Fe:

- 1: Start out on CERRILLOS ROAD SOUTH heading away from downtown.
- 2: Go south on CERRILLOS Rd to the traffic light at the Santa Fe Outlet Mall.
- 3: Turn RIGHT onto WEST FRONTAGE ROAD/I-25 WEST FRONTAGE ROAD.
- 4: Turn RIGHT onto NEW MEXICAN PLAZA.
- 5: The PERA office is located directly ahead.
- 6: Park in the main parking lot and enter through the front door by the flag pole.

Directions from Albuquerque:

- 1: Start out going NORTH on I-25
- 2: Turn off at the CERRILLOS ROAD SOUTH exit.
- 3: Merge to the LEFT and turn LEFT onto WEST FRONTAGE ROAD/I-25 WEST FRONTAGE ROAD.
- 4: Turn RIGHT onto NEW MEXICAN PLAZA.
- 5: The PERA office is located directly ahead.
- 6: Park in the main parking lot and enter through the front door by the flag pole.

Toll Free: (800) 342-3422
website: www.nmpera.org
e-mail: pera-memberservices@state.nm.us



PERA Contact Information - Albuquerque

Albuquerque Office

2500 Louisiana Blvd., NE, Suite 400
Albuquerque, NM 87110
(505) 383-6550 Voice
(505) 883-4573 Fax

Business Hours

8:00 am - 5:00 pm
Monday - Friday

Closed on State Holidays

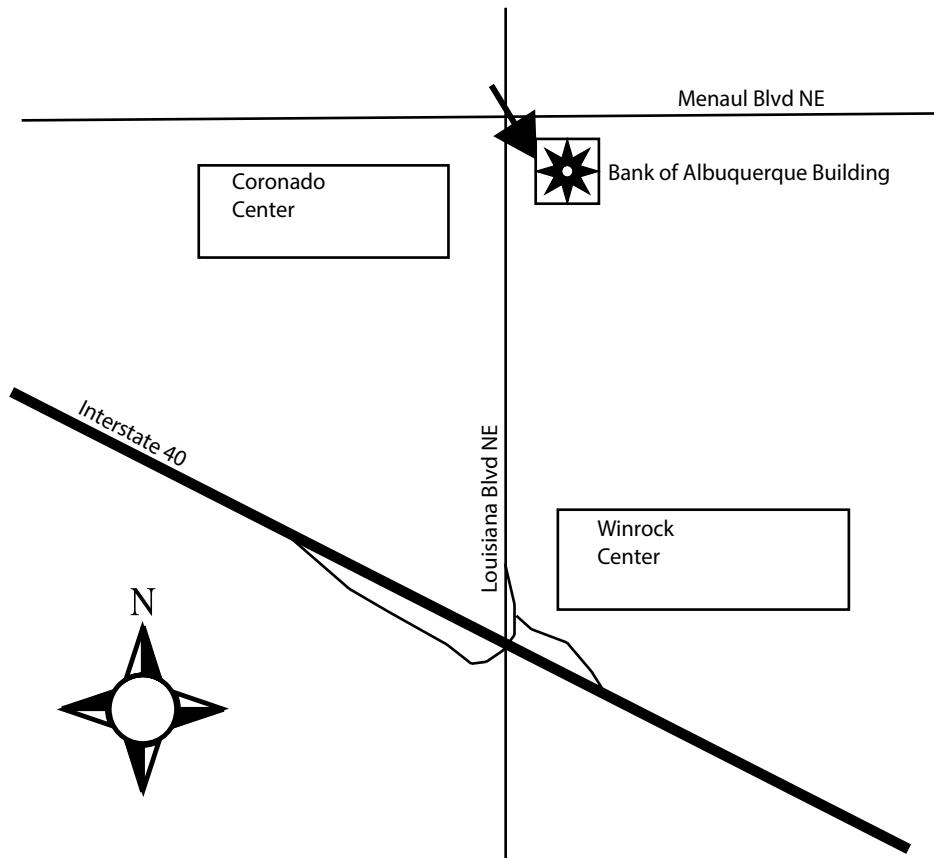
website: www.nmpera.org

e-mail: pera-albuquerque@state.nm.us

 @PERANEWMEXICO  @NMPERA  @NMPERA

Directions to the PERA office in Albuquerque:

At the southeast corner of Menaul Blvd., NE, and Louisiana Blvd., NE, in the Bank of Albuquerque building on the 4th floor in Suite 400. This is directly east of Coronado Center.



Toll Free: (800) 342-3422
Website: www.nmpera.org
E-mail: pera-memberservices@state.nm.us
pera-albuquerque@state.nm.us

Santa Fe Office

33 Plaza La Prensa
Santa Fe, NM 87507
505-476-9300 Voice
505-954-0388 Fax

Albuquerque Office

2500 Louisiana Blvd., NE, Suite 400
Albuquerque, NM 87110
505-383-6550 Voice
505-883-4573 Fax

 @PERANEWMEXICO  @NMPERA  @NMPERA



**Public Employees
Retirement Association
of New Mexico**

Updated June 2018