

## AGENDA

1. **Call to Order** Paula Fisher, Board Chair
  2. **Pledge of Allegiance and Salute to the Flag of New Mexico**
  3. **Roll Call**
  4. **Approval of Agenda** Action Paula Fisher, Board Chair
  5. **Approval of Meeting Minutes** Paula Fisher, Board Chair
    - A. Approval of January 25, 2024 Board Meeting Minutes Action
  6. **Approval of Consent Agenda** Action
  7. **Unfinished Business**
    - A. Items removed from Consent Agenda if necessary Action
  8. **New Business**

*Board will Recess to Executive Session NMSA 1978, §10-15-1 (H) (3)*

**Administrative Appeal**

    1. **Daniel Apodaca**

*Board will Recess to Executive Session NMSA 1978, §10-15-1 (H) (2)*

      1. **Executive Director Evaluation**

*Board will Convene to Regular Session*

        - A. **Final Decision on Administrative Appeal**
          1. Daniel Apodaca (PID 96667) Action
        - B. **2024 Legislative Wrap-up** Informational

Greg Trujillo,  
Executive Director;  
Roberto Ramirez,  
Legislative Committee Chair
        - C. CIO Report Informational Michael Shackelford, CIO
        - D. Executive Director's Report Informational Greg Trujillo,  
Executive Director
9. **Public Comment** (Limited to three [3] minutes, at the discretion of the Chair)
10. **Adjournment**

Any person with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact Trish Winter at 505-795-0712 or [patriciab.winter@pera.nm.gov](mailto:patriciab.winter@pera.nm.gov) at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact Ms. Winter if a summary or other type of accessible format is needed.

**PERA Board Meeting**  
**February 29, 2024**  
**CONSENT AGENDA**

- 1. Ratification of Retirements** - Benefits processed through: 2/1/2024
  - a. Normal
  - b. Deferred
  - c. Reciprocity to ERA
  - d. Non-Duty Death
  - e. Non-Duty Disability
  - f. Reciprocity to PERA
- 2. Duty & Non-Duty Deaths**
  - a. Dominic Sandoval - Non-Duty
  - b. Sandi Nakai - Non-Duty
- 3. Affidavits for Free Military Service:**
  - a. Frank Baca - 15 months
  - b. Andrew Mata - 4 months
  - c. Michael Gorbitz - 4 months
- 4. Resolutions**
  - a. **Taos Soil & Water Conservation District** – Resolution No. 008-2023-24 Authorizing Employer Pick-up of Member Contributions for Determining Tax Treatment Under the Internal Revenue Code. The resolution will become effective the first full pay period in March 2024.
  - b. **Sierra County** – Resolution No. 110-223 Authorizing Employer Pick-up of Member Contributions for Determining Tax Treatment Under the Internal Revenue Code. The resolution will become effective the first full pay period in March 2024.
  - c. **Sierra County Regional Dispatch Authority** – Resolution No. 02-2024 Authorizing Employer Pick-up of Member Contributions for Determining Tax Treatment Under the Internal Revenue Code. The resolution will become effective the first full pay period in March 2024.
  - d. **Town of Bernalillo** – Resolution No. 12/26/2023B Authorizing an Election for Adoption of Municipal Police Member Coverage Plan 5. PERA received the resolution on 12/26/2023, and will therefore honor the resolution’s election date of March 7th, 2024.
- 4. Educational Conferences**
  - a. **Juan Diaz** - International Foundation of Employee Benefit Plans CAPPP Parts I & II; July 30-August 2, 2025; Boston MA; Registration and expenses to be paid by PERA.
- 5. Setting of Meetings: March 2024**

a. SmartSave Committee	March 12, 2024	9:00am
b. Governance Committee	March 12, 2024	following SmartSave
c. Audit & Budget Committee	March 12, 2024	following Governance
d. Disability Review Committee	March 12, 2024	1:00pm
e. Board Meeting	March 28, 2024	9:00am
f. Investment Committee	March 28, 2024	following Board Meeting

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**RESOLUTION NO. 008-2023-24**

**RESOLUTION AUTHORIZING EMPLOYER PICK-UP  
OF MEMBER CONTRIBUTIONS FOR DETERMINING  
TAX TREATMENT UNDER THE INTERNAL REVENUE CODE**

**WHEREAS**, the employees of **Taos Soil and Water Conservation District**, with few exceptions, are members of the Public Employees Retirement Association of New Mexico; and

**WHEREAS**, members have mandatory PERA contributions deducted from their compensation and paid to PERA; and

**WHEREAS**, members must pay federal income tax on the mandatory PERA contributions deducted from their compensation; and

**WHEREAS**, Section 414(h) of the Internal Revenue Code provides for the exclusion of such contributions from current income if the contributions are picked-up by the members' employer; and

**WHEREAS**, the Governing Body of **Taos Soil and Water Conservation District** has the authority to establish the compensation plan(s) for employees of **Taos Soil and Water Conservation District**;

**NOW, THEREFORE, BE IT RESOLVED** by the State of New Mexico, acting by and through the Public Employees Retirement Association, that **Taos Soil and Water Conservation District**, as employer, shall pick-up the member contributions required of all PERA members in its employ. The picked-up member contributions shall be treated as employer contributions for the purpose of determining tax treatment under the Internal Revenue Code. Member contributions picked-up shall not be included in the employee's gross income for tax purposes until such time as the picked-up contributions are distributed by refund or annuity payments.

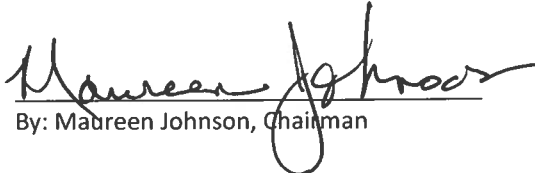
**Taos Soil and Water Conservation District** shall pick-up the member contributions from funds established and available in the payroll account, which funds would otherwise have been designated as member contributions, deducted from the member's salary and paid to PERA. Member contributions picked-up pursuant to this resolution shall be treated for all other purposes the same as member contributions made prior to the effective date of this resolution.

**Taos Soil and Water Conservation District** will ensure that it has the expertise and equipment to implement the change in payroll records and the preparation of W-2 forms at the end of each calendar year.

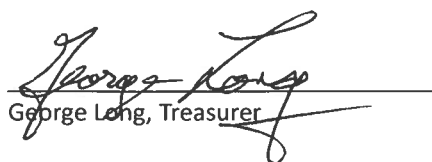
Adoption of this resolution is applicable to, and incorporates by reference, **Taos Soil and Water Conservation District** resolution that adopted the following Coverage Plan: PERA Municipal Coverage Plan 2.

**PASSED, APPROVED AND ADOPTED BY THE GOVERNING BODY OF THE TAOS SOIL AND WATER CONSERVATION DISTRICT ON THIS 21<sup>st</sup> DAY OF FEBRUARY, 2024.**

**Taos Soil and Water Conservation District**

  
By: Maureen Johnson, Chairman

ATTEST:

  
George Long, Treasurer



**SIERRA COUNTY  
BOARD OF COUNTY COMMISSIONERS  
RESOLUTION NO. 110-223**

**RESOLUTION AUTHORIZING EMPLOYER PICK-UP OF MEMBER CONTRIBUTIONS FOR  
DETERMINING TAX TREATMENT UNDER THE INTERNAL REVENUE CODE**

**WHEREAS**, the employees of Sierra County, with few exceptions, are members of the Public Employees Retirement Association of New Mexico; and

**WHEREAS**, members have mandatory PERA contributions deducted from their compensation and paid to PERA; and

**WHEREAS**, members must pay federal income tax on the mandatory PERA contributions deducted from their compensation; and

**WHEREAS**, Section 414(h) of the Internal Revenue Code provides for the exclusion of such contributions from current income if the contributions are picked-up by the members' employer; and

**WHEREAS**, the Governing Body of Sierra County has the authority to establish the compensation plan(s) for employees of Sierra County;

**NOW, THEREFORE, BE IT RESOLVED** by the State of New Mexico, acting by and through the Public Employees Retirement Association, that Sierra County, as employer, shall pick-up the member contributions required of all PERA members in its employ. The picked-up member contributions shall be treated as employer contributions for the purpose of determining tax treatment under the Internal Revenue Code. Member contributions picked-up shall not be included in the employee's gross income for tax purposes until such time as the picked-up contributions are distributed by refund or annuity payments.

Sierra County shall pick-up the member contributions from funds established and available in the payroll account, which funds would otherwise have been designated as member contributions, deducted from the member's salary and paid to PERA. Member contributions picked-up pursuant to this resolution shall be treated for all other purposes the same as member contributions made prior to the effective date of this resolution.


Sierra County will ensure that it has the expertise and equipment to implement the change in payroll records and the preparation of W-2 forms at the end of each calendar year.



Adoption of this resolution is applicable to, and incorporates by reference, Sierra County resolution that adopted the following Coverage Plans: PERA Municipal General Plan 2 and Municipal Police Plan 4.

PASSED, APPROVED AND ADOPTED BY THE GOVERNING BODY OF SIERRA COUNTY THIS 20<sup>TH</sup> DAY OF FEBRUARY, 2024

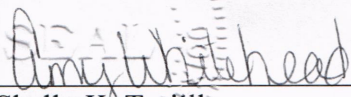
**BOARD OF COUNTY COMMISSIONERS**

  
\_\_\_\_\_  
Travis Day, Commissioner

  
\_\_\_\_\_  
Hank Hopkins, Commissioner

  
\_\_\_\_\_  
James Paxon, Commissioner

Attest:

  
\_\_\_\_\_  
Shelly K. Trujillo  
Sierra County Clerk



# ***Sierra County Regional Dispatch Authority***

*1712 N. Date St. Suite G, Truth or Consequences, New Mexico 87901  
(575) 894-1302 or (575) 894-7111 Fax: (575) 894-1401*



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## **Resolution No. 02-2024**

### **RESOLUTION AUTHORIZING EMPLOYER PICK-UP OF MEMBER CONTRIBUTIONS FOR DETERMINING TAX TREATMENT UNDER THE INTERNAL REVENUE CODE**

**WHEREAS**, the employees of Sierra County Regional Dispatch Authority are members of the Public Employees Retirement Association of New Mexico; and

**WHEREAS**, members must pay federal income tax on the mandatory PERA contributions deducted from their compensation; and

**WHEREAS**, Section 414(h) of the Internal Revenue Code provides for the exclusion of such contributions from current income if the contributions are picked-up by the members' employer; and

**WHEREAS**, the Governing Body of Sierra County Regional Dispatch Authority has the authority to establish the compensation plan(s) for employees of Sierra County Regional Dispatch Authority;

**NOW, THEREFORE, BE IT RESOLVED** by the State of New Mexico, acting by and through the Public Employees Retirement Association, that Sierra County Regional Dispatch Authority, as employer, shall pick-up the member contributions required of all PERA members in its employ. The picked-up member contributions shall be treated as employer contributions for the purpose of determining tax treatment under the Internal Revenue Code. Member contributions picked-up shall not be included in the employee's gross income for tax purposes until such time as the picked-up contributions are distributed by refund or annuity payments.

Sierra County Regional Dispatch Authority shall pick-up the member contributions from funds established and available in the payroll account, which funds would otherwise have been designated as member contributions, deducted from the member's salary, and paid to PERA. Member contributions picked up pursuant to this resolution shall be treated for all other purposes the same as member contributions made prior to the effective date of this resolution.

Sierra County Regional Dispatch Authority will ensure through the County of Sierra who is Sierra County Regional Dispatch Authority's Fiscal Agent, that it has the expertise and

# ***Sierra County Regional Dispatch Authority***

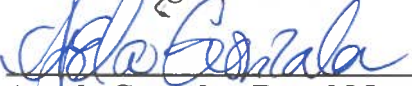
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(575) 894-1302 or (575) 894-7111 Fax: (575) 894-1401

equipment to implement the change in payroll records and the preparation of W-2 forms at the end of each calendar year.

**Passed, Approved and Adopted this 21st day of February 2024**

  
Deb Stubblefield, Board Chair

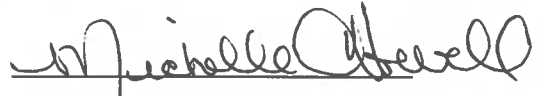
  
Amber Vaughn, Board Vice Chair

  
Angela Gonzalez, Board Member

  
Luis Tavizon, Board Member

  
Josh Baker, Board Member

  
Mike Williams, Board Member

  
Michelle Atwell, Board Secretary





# Town of Bernalillo

*"The City of Coronado"*

Mayor  
Jack Torres

Council  
Vincent Montoya  
Dale R. Prairie  
Sharon Torres-Quintana  
Phillip Valverde

**TOWN OF BERNALILLO  
RESOLUTION NO. 12/26/2023B  
A RESOLUTION AUTHORIZING AN ELECTION FOR ADOPTION OF  
MUNICIPAL POLICE MEMBER COVERAGE PLAN 5**

**WHEREAS**, the Public Employees Retirement Act, NMSA 1978, Sections 10-11-1, et seq. (1995), establishes the Public Employees Retirement Association and authorizes Municipal Police Member Coverage Plan 5 (Section 10-11-80 through Section 10-11-85, NMSA 1978) which provides a plan for retirement of Municipal Police members as follows. For a member with age and service requirements provided under Subsection 10-11-81 NMSA 1978, the amount of pension under form of payment A is equal to three and one-half percent of the final average salary multiplied by service credit. For a member with age and service requirements provided under Subsection B of Section 10-11-81 NMSA 1978, the amount of pension under form of payment A is equal to three percent of the final average salary multiplied by credit service. The amount of pension shall not exceed ninety percent of the final average salary. Under Municipal Police Member Coverage Plan 5, the municipal employer contributes twenty and fifteen hundredths percent (20.15%) and the member contributes eighteen and eight-tenths percent (18.80%) of each member's salary to the state retirement fund; and

**WHEREAS**, NMSA 1978, Section 10-11-80, requires that adoption of Municipal Police Member Coverage Plan 5 be by election by a majority of the affected members.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY  
OF TOWN OF BERNALILLO:**

That an election shall be held on March 7, 2024, upon the question of adoption of Municipal Police Member Coverage Plan 5 pursuant to the requirements of NMSA 1978, Section 10-11-80; and

That the Town Clerk, or his/her designee be, and hereby is, designated as the representative of the Town of Bernalillo who is responsible for the conduct of the election and for the purpose of canvassing and verifying the results of such election and that he or she be, and hereby is, authorized to certify on behalf of the Town of Bernalillo the results of the election to the Public Employees Retirement Board immediately following the election.

~~APPROVED AND ADOPTED~~ this 26<sup>th</sup> day of December, 2023.

  
\_\_\_\_\_  
Jack Torres, Mayor

ATTEST:

  
\_\_\_\_\_  
Ida Fierro, Municipal Clerk



# Town of Bernalillo

*"The City of Coronado"*

**Mayor  
Jack Torres**

**Council  
Vincent Montoya  
Dale R. Prairie  
Sharon Torres-Quintana  
Phillip Valverde**

## **ELECTION COMMITTEE**

### **ON THE QUESTION OF COVERAGE UNDER MUNICIPAL POLICE MEMBER COVERAGE PLAN 5**

The following employees of the Town of Bernalillo have been designated to serve as the PERA Board's representative to monitor an election on March 7, 2024, on the question of adopting coverage under Municipal Police Member Coverage Plan 5.

Ida Fierro  
Committee Chairperson

\_\_\_\_\_  
Signature

Maria Santillan  
Employee Representative

\_\_\_\_\_  
Signature

Desiree Montoya  
Employee Representative

\_\_\_\_\_  
Signature



# Town of Bernalillo

*"The City of Coronado"*

Mayor  
Jack Torres

Council  
Vincent Montoya  
Dale R. Prairie  
Sharon Torres-Quintana  
Phillip Valverde

## NOTICE OF ELECTION

### TO AUTHORIZE ADOPTION OF MUNICIPAL POLICE MEMBER COVERAGE PLAN 5

An election will be held on March 7<sup>th</sup>, 2024 on the question of whether to adopt Municipal Police Member Coverage Plan 5.

Municipal Police Member Coverage Plan 5 provides:

- Pension amount of 3.5% of final average salary per year of service credit for TIER 1 members and a pension amount of 3.0% of final average salary per year of service credit for TIER 2 members;
- Maximum pension amount of 100% of final average salary;
- Voluntary retirement with a minimum of 20 years of service credit regardless of age for TIER 1 members and a voluntary retirement with a minimum of 25 years of service credit regardless of age for TIER 2 members; and
- Member contribution rate of 18.80% of salary.

Adoption of Municipal Police Member Coverage Plan 5 will result in an increase of 3.95% from the current member contribution rate in Municipal Police Member Coverage Plan 4 of 14.85%.

**ABSENTEE BALLOTING** will be held March 1st, 2024 through March 6<sup>th</sup>, 2024, from 8:00 am to 5:00 pm in the Human Resources Department at Town Hall.

**REGULAR BALLOTING** will be held March 7, 2024 from 8:00 am to 5:00 pm in the Training Room at the Police Station.



# Town of Bernalillo

*"The City of Coronado"*

**Mayor  
Jack Torres**

**Council  
Vincent Montoya  
Dale R. Prairie  
Sharon Torres-Quintana  
Phillip Valverde**

## **BALLOT**

### **Town of Bernalillo**

#### **ELECTION TO AUTHORIZE ADOPTION OF MUNICIPAL POLICE MEMBER COVERAGE PLAN 5**

Municipal Police Member Coverage Plan 5 provides:

<b>For employees who were members of PERA on or before June 30, 2013:</b>	<b>For employees who were members of PERA on or after July 1, 2013:</b>
<ul style="list-style-type: none"><li>• Pension amount of 3.5% of final average salary per year of service credit accrued after the plan is adopted. Member retains the 3.0% per year of service credit earned under Municipal Police Plan 4 prior to plan implementation, if passed;</li></ul>	<ul style="list-style-type: none"><li>• Pension amount of 3.0% of final average salary per year of service credit accrued after the plan is adopted. Member retains the 2.5% per year of service credit earned under Municipal Police Plan 4 prior to plan implementation, if passed;</li></ul>
<ul style="list-style-type: none"><li>• Maximum pension amount of 100% of final average subject to blending of pension factors as noted above.</li></ul>	<ul style="list-style-type: none"><li>• Maximum pension amount of 100% of final average subject to blending of pension factors as noted above.</li></ul>
<ul style="list-style-type: none"><li>• Voluntary retirement with a minimum of 20 years of service credit regardless of age; and</li></ul>	<ul style="list-style-type: none"><li>• Voluntary retirement with a minimum of 25 years of service credit regardless of age; and</li></ul>
<ul style="list-style-type: none"><li>• Member contribution rate of 18.80% of salary.</li></ul>	<ul style="list-style-type: none"><li>• Member contribution rate of 18.80% of salary.</li></ul>

Adoption of Municipal Police Member Coverage Plan 5 will result in an increase of 21.01% from the current member contribution rate in Municipal Police Member Coverage Plan 4 of 14.85%.

\_\_\_\_\_

**YES, I want Municipal Police Member  
Coverage Plan 5 to be adopted.**

\_\_\_\_\_

**NO, I do not want Municipal Police  
Member Coverage Plan 5 to be adopted.**

# Certificate of **Achievement** *in* **Public Plan Policy**

## CAPPP®

**PENSIONS  
AND HEALTH  
PARTS I AND II  
CONCURRENTLY**

**July 24-27, 2023**

Chicago, Illinois

**PENSIONS  
AND HEALTH  
PART I ONLY**

**September 30-October 1, 2023**

Boston, Massachusetts

**Earn a Certificate in  
Pensions or Health**



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# Certificate of **Achievement** *in* **Public Plan Policy**

**CAPPP**<sup>®</sup>

## **Benefits of Attending**

Build a strong foundation of knowledge in the core areas of public sector benefit plans by earning your Certificate of Achievement in Public Plan Policy (CAPPP<sup>®</sup>). The CAPPP Pensions and Health tracks are each designed specifically for public sector trustees and support staff of these plans. Regarded as the educational benchmark of excellence within the public sector, the CAPPP program addresses fundamental concepts and current trends in the legal, legislative, plan design and fiduciary aspects of public sector benefit plans.

Providing essential education for new trustees as well as for those who need a refresher, CAPPP is an exam-based program. Sessions are taught by expert practitioners who enrich the content with their own real-life experiences from the field and offer proven solutions you can apply to your own plans. Register today!

## **Who Should Attend**

- New public sector trustees
- Experienced public sector trustees looking to strengthen their knowledge
- Representatives of public funds of various types, sizes and geographical areas looking for a high-level overview
- Individuals needing a comprehensive understanding of public plan management at the policy-making level



## PROGRAM AT A GLANCE

	PENSIONS PART I	HEALTH PART I
<b>DAY 1</b>		
<b>8:00 a.m.-12:00 noon</b>	Governance (joint session)	
<b>1:00-5:00 p.m.</b>	Fiduciary Responsibility	Fiduciary Responsibility
<b>DAY 2</b>		
<b>8:00-11:30 a.m.</b>	Legal, Legislative and Regulatory Developments	Legislative and Regulatory Developments
<b>12:30-4:00 p.m.</b>	Actuarial Principles	Actuarial Principles

	PENSIONS PART II	HEALTH PART II
<b>DAY 1</b>		
<b>8:00 a.m.-12:00 noon</b>	Plan Design	Change Management and Communication Strategies
<b>1:00-5:00 p.m.</b>	Investments	Concepts of Group Health Plan Administration
<b>DAY 2</b>		
<b>8:00-11:30 a.m.</b>	Business Improvement Strategies	Health Plan Strategies and Options
<b>12:30-4:00 p.m.</b>	Emerging Issues	Emerging Issues

“If you are a trustee, in particular a new or newer trustee, you should definitely attend!”

# CAPPP: PENSIONS PART I

**July 24-25, 2023**

Fairmont Chicago—Millennium Park | Chicago, Illinois

**September 30-October 1, 2023**

Boston Convention and Exhibition Center | Boston, Massachusetts

*(Held in conjunction with U.S. Annual Conference)*

## DAY 1

---

8:00 a.m.-12:00 noon

### **Governance (Joint session with CAPPP Health)**

- An overview of the governance of public pension and health plans, including a broad-based orientation addressing issues, duties and responsibilities
- Participate in an interactive environment with small-group discussions to gain a deeper knowledge of governance issues.

1:00-5:00 p.m.

### **Fiduciary Responsibility**

- An overview of the legal environment in which public plans operate
- Review fiduciary duties and the role of fiduciary decision making.
- Apply legal concepts to hypothesized situations.
- Familiarize policy makers with necessary components of advice.

## DAY 2

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8:00-11:30 a.m.

### **Legal, Legislative and Regulatory Developments**

- Evolution of public plans and regulations
- Current rules and regulations of significance
- Tax deferral plans and their role in retirement income
- Challenges and benefits of public sector plans
- Possible outlook for future legislative and regulatory activity

12:30-4:00 p.m.

### **Actuarial Principles**

- The role and function of actuaries
- Applicable pension plan policies
- Cash flow characteristics
- The basic methods and assumptions for evaluating future events
- Asset valuation methods
- Experience investigations
- Actuarial reviews and audits

# CAPPP: PENSIONS PART II

**July 26-27, 2023**

Fairmont Chicago—Millennium Park | Chicago, Illinois

## DAY 1

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8:00 a.m.-12:00 noon

### Plan Design

- Adequacy funding and risks of retirement
- An overview of basic retirement plan components
- The features unique to public plans
- The structure of alternative plan designs
- A review of the legislative landscape
- Case studies

1:00-5:00 p.m.

### Investments

- Setting goals and objectives for developing an investment policy
- Asset allocation strategies
- An explanation of asset classes
- Selecting and monitoring investment performance
- Components of an investment report

## DAY 2

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8:00-11:30 a.m.

### Business Improvement Strategies

- How to effectively use strategic planning to focus on the most important aspects of the organization
- How to integrate tools and tips to improve your organization's risk assessment effectiveness
- How to strategically analyze, audit and improve your operations

12:30-4:00 p.m.

### Emerging Issues

- An overview of workforce attitudes and demographics
- An explanation of tools for trustees and administrators
- An overview of emerging and hot topics

**Register online today! [www.ifebp.org/cappp](http://www.ifebp.org/cappp)**

# Certificate of Achievement in Public Plan Policy

## CAPPP: HEALTH PART I

**July 24-25, 2023**

Fairmont Chicago—Millennium Park | Chicago, Illinois

**September 30-October 1, 2023**

Boston Convention and Exhibition Center | Boston, Massachusetts

*(Held in conjunction with U.S. Annual Conference)*

### DAY 1

---

8:00 a.m.-12:00 noon

#### **Governance (Joint session with CAPPP Pensions)**

- An overview of the governance of public pension and health plans, including a broad-based orientation addressing issues, duties and responsibilities
- Participate in an interactive environment with small group discussions to gain a deeper knowledge of governance issues.

1:00-5:00 p.m.

#### **Fiduciary Responsibility**

- An overview of a trustee's or administrator's fiduciary duties
- Examine legal concepts as they apply to hypothetical situations.
- A review of hot topics in the public sector legal environment

### DAY 2

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8:00-11:30 a.m.

#### **Legislative and Regulatory Developments**

- Overview of federal legislation impacting health care plans for active and Medicare populations
- An overview of key ACA issues for public sector plans
- Potential federal legislative changes

12:30-4:00 p.m.

#### **Actuarial Principles**

- Overview of actuarial principles
- Basic methods and assumptions
- The factors involved in rate setting
- Short-/long-term projections



# CAPPP: HEALTH PART II

**July 26-27, 2023**

Fairmont Chicago—Millennium Park | Chicago, Illinois

## DAY 1

8:00 a.m.-12:00 noon

### **Change Management and Communication Strategies**

- An overview of relationships, change management and communication
- Improving staff competencies
- The use of effective information systems
- Developing successful communication plans

1:00-5:00 p.m.

### **Concepts of Group Health Plan Administration**

- Effective oversight and management of your plans, including procurement and vendor accountability
- Population health concepts and strategy
- Understanding basic health plan designs and options for structuring a plan
- Understanding plan funding and financing

## DAY 2

8:00-11:30 a.m.

### **Health Plan Strategies and Options**

- Understanding the drivers of health care
- Evaluating the health care equation
- Understanding employer strategies/options
- Class exercise and discussion

12:30-4:00 p.m.

### **Emerging Issues**

- Federal health care policy landscape
- Evaluating the forces shaping health care (AI, telemedicine, pandemics, etc.)
- Mental health
- Specialty drugs

**Register online today! [www.ifebp.org/cappp](http://www.ifebp.org/cappp)**

# How Do You Earn Your Certificate?

CAPPP is an exam-based program. The following steps must be completed to earn your certificate.

1

## **ATTEND PART I AND PART II**

Part II can be taken  
before Part I.



2

## **PASS A TAKE-HOME EXAM**

after each part.



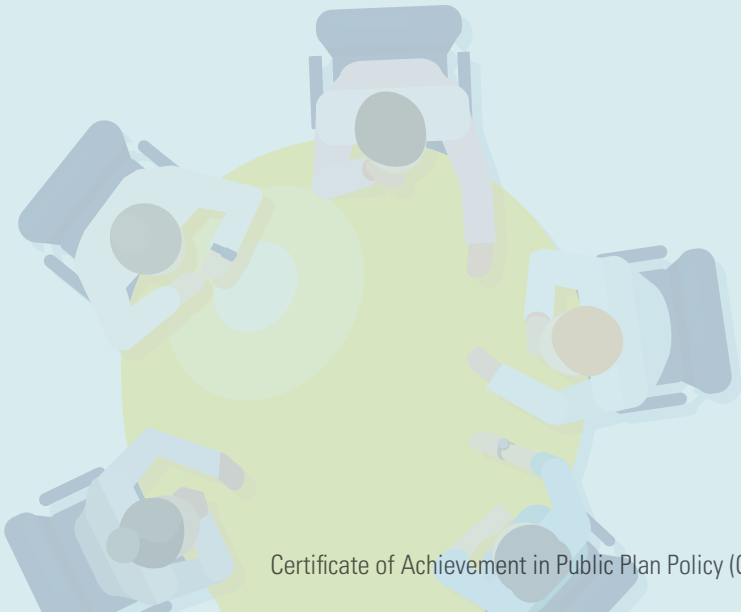
3

## **RECEIVE YOUR OFFICIAL CERTIFICATE**

in the mail upon  
verification that the  
take-home exams  
were passed for  
both Part I  
and Part II.



Attendees will be given the exam at the conclusion of each part of the course. Candidates will have 30 days to complete the exam (60 days if both parts are completed consecutively) and return it to the International Foundation for scoring.

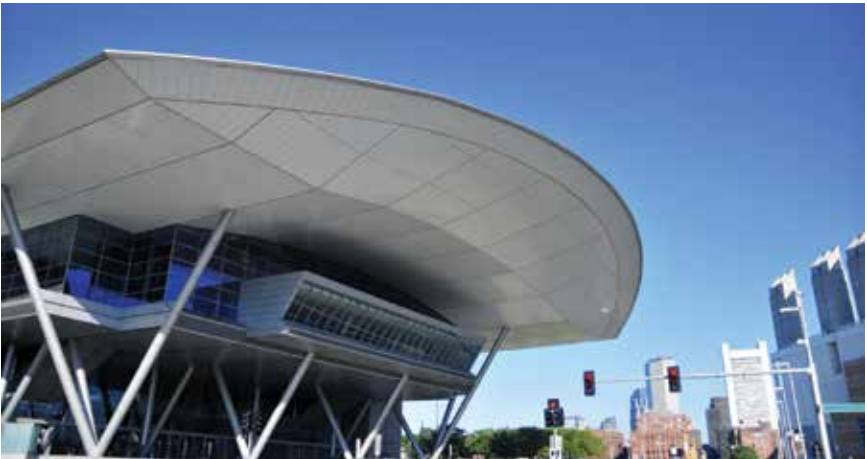


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**ED236525**

6.7M-423

SENATE BILL 128

**56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

INTRODUCED BY

Michael Padilla

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO THE PUBLIC EMPLOYEES RETIREMENT ACT; CREATING A STATE FIRE MEMBER; PROVIDING A DEFINITION FOR A "STATE FIRE MEMBER"; CHANGING THE NAME OF STATE POLICE MEMBER, CORRECTIONAL OFFICER MEMBER AND PROBATION AND PAROLE OFFICER MEMBER COVERAGE PLAN 1 TO STATE PUBLIC SAFETY MEMBER COVERAGE PLAN 1; INCLUDING STATE FIRE MEMBERS UNDER STATE PUBLIC SAFETY MEMBER COVERAGE PLAN 1; PROVIDING FOR AN ELECTION PERTAINING TO THE ADOPTION OF STATE PUBLIC SAFETY MEMBER COVERAGE PLAN 1; MAKING TECHNICAL

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CHANGES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 10-11-2 NMSA 1978 (being Laws 1987, Chapter 253, Section 2, as amended) is amended to read:

"10-11-2. DEFINITIONS.--As used in the Public Employees Retirement Act:

A. "accumulated member contributions" means the amounts deducted from the salary of a member and credited to the member's individual account, together with interest, if any, credited to that account;

B. "affiliated public employer" means the state and any public employer affiliated with the association as provided in the Public Employees Retirement Act, but does not include an employer pursuant to the Magistrate Retirement Act, the Judicial Retirement Act or the Educational Retirement Act;

C. "association" means the public employees retirement association established under the Public Employees Retirement Act;

D. "coverage plan funded ratio" means the ratio of the actuarial value of the assets of a coverage plan to the actuarial accrued liability of the association for payments from the coverage plan, as determined by the association's actuaries;

E. "disability retired member" means a retired member who is receiving a pension pursuant to the disability

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retirement provisions of the Public Employees Retirement Act;

F. "disability retirement pension" means the pension paid pursuant to the disability retirement provisions of the Public Employees Retirement Act;

G. "educational retirement system" means that retirement system provided for in the Educational Retirement Act;

H. "employee" means any employee of an affiliated public employer;

I. "federal social security program" means that program or those programs created and administered pursuant to the act of congress approved August 14, 1935, Chapter 531, 49 Stat. 620, as that act may be amended;

J. "final average salary" means the final average salary calculated in accordance with the provisions of the applicable coverage plan;

K. "form of payment" means the applicable form of payment of a pension provided for in Section 10-11-117 NMSA 1978;

L. "former member" means a person who was previously employed by an affiliated public employer, who has terminated that employment and who has received a refund of member contributions;

M. "fund" means the funds included under the Public Employees Retirement Act;

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N. "member" means a currently employed, contributing employee of an affiliated public employer, or a person who has been but is not currently employed by an affiliated public employer, who has not retired and who has not received a refund of member contributions; "member" also includes the following:

(1) "adult correctional officer member" means a member who is employed as an adult correctional officer or an adult correctional officer specialist by a state correctional facility of the corrections department or its successor agency;

(2) "adult probation and parole officer member" means a member who is employed as a probation and parole officer by the corrections department or its successor agency;

(3) "juvenile correctional officer member" means a member who is employed as a juvenile correctional officer by the children, youth and families department or its successor agency;

(4) "juvenile probation and parole officer member" means a member who is employed as a probation and parole officer by the children, youth and families department or its successor agency;

(5) "municipal detention officer member" means a member who is employed by an affiliated public employer other than the state and who has inmate custodial responsibilities at

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a facility used for the confinement of persons charged with or convicted of a violation of a law or ordinance;

(6) "municipal fire member" means any member who is employed as a full-time nonvolunteer firefighter by an affiliated public employer, other than the state, and who has taken the oath prescribed for firefighters;

(7) "municipal police member" means any member who is employed as a police officer by an affiliated public employer, other than the state, and who has taken the oath prescribed for police officers; ~~and~~

(8) "state fire member" means any member who is employed as a nonvolunteer firefighter of the state and who has taken the oath prescribed for firefighters; and

~~[(8)]~~ (9) "state police member" means a member who is an officer of the New Mexico state police division and who has taken the oath prescribed for such officers and shall include a member who is an officer of the New Mexico state police division and who was certified and commissioned in the former motor transportation division or the former special investigations division of the department of public safety;

O. "membership" means membership in the association;

P. "pension" means a series of monthly payments to a retired member or survivor beneficiary as provided in the Public Employees Retirement Act;

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Q. "public employer" means the state, any municipality, city, county, metropolitan arroyo flood control authority, economic development district, regional housing authority, soil and water conservation district, entity created pursuant to a joint powers agreement, council of government, conservancy district, irrigation district, water and sanitation district, water district and metropolitan water board, including the boards, departments, bureaus and agencies of a public employer, so long as these entities fall within the meaning of governmental plan as that term is used in Section 414(d) of the Internal Revenue Code of 1986, as amended;

R. "refund beneficiary" means a supplemental needs trust or a natural person designated by the member, in writing, in the form prescribed by the association, as the trust or person that would be refunded the member's accumulated member contributions payable if the member dies and no survivor pension is payable or that would receive the difference between pension paid and accumulated member contributions if the retired member dies before receiving in pension payments the amount of the accumulated member contributions;

S. "retire" means to:

(1) terminate employment with all employers covered by any state system or the educational retirement system; and

(2) receive a pension from a state system or

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the educational retirement system;

T. "retired member" means a person who has met all requirements for retirement and who is receiving a pension from the fund;

U. "retirement board" means the retirement board provided for in the Public Employees Retirement Act;

V. "salary" means the base salary or wages paid a member, including longevity pay, for personal services rendered an affiliated public employer. "Salary" shall not include overtime pay, unless the overtime payment is required for a regular scheduled tour of duty as set forth in Section 207(k) of Title 29 of the United States Code and is made on the regular payroll for the period represented by that payment, allowances for housing, clothing, equipment or travel, payments for unused sick leave, unless the unused sick leave payment is made through continuation of the member on the regular payroll for the period represented by that payment, and any other form of remuneration not specifically designated by law as included in salary for Public Employees Retirement Act purposes. Salary in excess of the limitations set forth in Section 401(a)(17) of the Internal Revenue Code of 1986, as amended, shall be disregarded. The limitation on compensation for eligible employees shall not be less than the amount that was allowed to be taken into account under the state retirement system acts in effect on July 1, 1993. For purposes of this subsection,

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"eligible employee" means an individual who was a member of a state system before the first plan year beginning after December 31, 1995;

W. "state system" means the retirement programs provided for in the Public Employees Retirement Act, the Magistrate Retirement Act and the Judicial Retirement Act;

X. "state retirement system acts" means collectively the Public Employees Retirement Act, the Magistrate Retirement Act, the Judicial Retirement Act and the Volunteer Firefighters Retirement Act;

Y. "supplemental needs trust" means a valid third-party irrevocable trust that is authorized by the federal Social Security Act, as amended, for the sole benefit and lifetime of a trust beneficiary who is disabled and is created for the purpose of providing, accounting for or receiving supplemental assets that do not supplant, impair or diminish any benefits or assistance of any federal, state or other government entity for which the beneficiary would otherwise be eligible; and

Z. "survivor beneficiary" means a supplemental needs trust or a natural person that receives a pension or that has been designated to be paid a pension as a result of the death of a member or retired member."

SECTION 2. Section 10-11-27 NMSA 1978 (being Laws 1987, Chapter 253, Section 27, as amended) is amended to read:

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"10-11-27. STATE [~~POLICE MEMBER, CORRECTIONAL OFFICER MEMBER AND PROBATION AND PAROLE OFFICER~~] PUBLIC SAFETY MEMBER COVERAGE PLAN 1--APPLICABILITY--CREDITED SERVICE.--

A. State [~~police member, correctional officer member and probation and parole officer~~] public safety member coverage plan 1 is applicable to:

- (1) state police members who are not specifically covered by another coverage plan;
- (2) adult correctional officer members;
- ~~[(3) juvenile correctional officer members;~~
- ~~(4)]~~ (3) adult probation and parole officer members; [and
- ~~(5)]~~ (4) juvenile probation and parole officer members; and
- (5) state fire members.

B. The credited service of a state police member who was a retired member or a member on or before June 30, 2013 or of an adult correctional officer member shall have actual credited service increased by twenty percent for the purposes of state [~~police member, correctional officer member and probation and parole officer~~] public safety member coverage plan 1.

C. The credited service, accrued after July 1, 2021, of [~~a juvenile correctional officer member~~] an adult probation and parole officer or a juvenile probation and parole

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officer shall be increased by twenty percent for the purposes of state [~~police member, correctional officer member and probation and parole officer~~] public safety member coverage plan 1.

D. The credited service, accrued after July 1, SHPAC→2025←SHPAC SHPAC→2024←SHPAC , of a state fire member shall be increased by twenty percent for the purposes of state public safety member coverage plan 1.

E. The increase of twenty percent to accrued credited service provided by this section shall only apply to a state public safety member who was a retired member or a member on or before June 30, 2013.

[D.] F. Except as provided in [~~Subsection~~] Subsections B through E of this section, the credited service of a member covered under state [~~police member, correctional officer member and probation and parole officer~~] public safety member coverage plan 1 shall be credited as provided in Section 10-11-4 NMSA 1978.

[E.] G. State [~~police member, correctional officer member and probation and parole officer~~] public safety member coverage plan 1 is applicable to [~~juvenile correctional officer members~~] adult probation and parole officer members and juvenile probation and parole officer members in the first full pay period after July 1, 2021 if the retirement board certifies to the secretary of state that, of those [~~juvenile correctional~~

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~~officer members~~] adult probation and parole officer members and juvenile probation and parole officer members to be covered under state [~~police member, correctional officer member and probation and parole officer~~] public safety member coverage plan 1, a majority of the respective members voting have voted to approve adoption of that plan at an election conducted pursuant to Laws 2020, Chapter 11, Sections 63 through 66.

H. State public safety member coverage plan 1 is applicable in the first full pay period after July 1,

SHPAC→2025←SHPAC SHPAC→2024←SHPAC for:

(1) state fire members who begin employment as a state fire member on or after July 1, SHPAC→2025←SHPAC

SHPAC→2024←SHPAC ; and

(2) state fire members who were employed in a position and were subject to the definition of a "state fire member" prior to July 1, SHPAC→2025←SHPAC SHPAC→2024←SHPAC , if the retirement board certifies to the secretary of state that, of those state fire members to be covered under state public safety member coverage plan 1, a majority of the respective members voting have voted to approve the adoption of that plan at an election conducted pursuant to Section 8 of this 2024 act."

SECTION 3. Section 10-11-27.1 NMSA 1978 (being Laws 2003, Chapter 268, Section 10, as amended) is amended to read:

"10-11-27.1. STATE [~~POLICE MEMBER, CORRECTIONAL OFFICER~~

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~~MEMBER AND PROBATION AND PAROLE OFFICER]~~ PUBLIC SAFETY MEMBER  
COVERAGE PLAN 1--SERVICE CREDIT REQUIRED.--Notwithstanding the  
provisions of Section 10-11-27 NMSA 1978, to qualify for  
payment under state [~~police member, correctional officer member~~  
~~and probation and parole officer]~~ public safety member coverage  
plan 1, an adult correctional officer member shall have  
eighteen months of service credit earned under state [~~police~~  
~~member, correctional officer member and probation and parole~~  
~~officer]~~ public safety member coverage plan 1 subsequent to  
July 1, 2004."

SECTION 4. Section 10-11-28 NMSA 1978 (being Laws 1987,  
Chapter 253, Section 28, as amended) is amended to read:

"10-11-28. STATE [~~POLICE MEMBER, CORRECTIONAL OFFICER~~  
~~MEMBER AND PROBATION AND PAROLE OFFICER]~~ PUBLIC SAFETY MEMBER  
COVERAGE PLAN 1--AGE AND SERVICE REQUIREMENTS FOR NORMAL  
RETIREMENT.--Under state [~~police member, correctional officer~~  
~~member and probation and parole officer]~~ public safety member  
coverage plan 1:

A. for a member who was a retired member or a  
member on June 30, 2013, the age and service requirements for  
normal retirement are:

(1) age sixty-five years or older and five or  
more years of credited service;

(2) age sixty-four years and eight or more  
years of credited service;

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(3) age sixty-three years and eleven or more years of credited service;

(4) age sixty-two years and fourteen or more years of credited service;

(5) age sixty-one years and seventeen or more years of credited service;

(6) age sixty years and twenty or more years of credited service; or

(7) any age and twenty-five or more years of credited service; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

(1) age sixty years or older and five or more years of service credit; or

(2) any age and twenty-five or more years of service credit."

SECTION 5. Section 10-11-29 NMSA 1978 (being Laws 1987, Chapter 253, Section 29, as amended) is amended to read:

"10-11-29. STATE [~~POLICE MEMBER, CORRECTIONAL OFFICER MEMBER AND PROBATION AND PAROLE OFFICER~~] PUBLIC SAFETY MEMBER COVERAGE PLAN 1--AMOUNT OF PENSION--FORM OF PAYMENT A.--Under state [~~police member, correctional officer member and probation and parole officer~~] public safety member coverage plan 1, the amount of pension under form of payment A is equal to three

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percent of final average salary multiplied by credited service.  
The amount shall not exceed one hundred percent of the final average salary."

SECTION 6. Section 10-11-31 NMSA 1978 (being Laws 1987, Chapter 253, Section 31, as amended) is amended to read:

"10-11-31. STATE [~~POLICE MEMBER, CORRECTIONAL OFFICER MEMBER AND PROBATION AND PAROLE OFFICER~~] PUBLIC SAFETY MEMBER COVERAGE PLAN 1--MEMBER CONTRIBUTION RATE.--A member under state [~~police member, correctional officer member and probation and parole officer~~] public safety member coverage plan 1 shall contribute seven and six-tenths percent of salary, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute nine and one-tenth percent of salary."

SECTION 7. Section 10-11-32 NMSA 1978 (being Laws 1987, Chapter 253, Section 32, as amended) is amended to read:

"10-11-32. STATE [~~POLICE MEMBER, CORRECTIONAL OFFICER MEMBER AND PROBATION AND PAROLE OFFICER~~] PUBLIC SAFETY MEMBER COVERAGE PLAN 1--STATE CONTRIBUTION RATE.--The state shall contribute twenty-five and one-half percent of the salary of each member under state [~~police member, correctional officer member and probation and parole officer~~] public safety member coverage plan 1."

SECTION 8. TEMPORARY PROVISION--STATE PUBLIC SAFETY MEMBER COVERAGE PLAN 1--STATE FIRE MEMBERS--ELECTION.--On or

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before SHPAC→December←SHPAC SHPAC→June←SHPAC 30, 2024, the  
retirement board provided for in the Public Employees  
Retirement Act shall conduct an election to submit to state  
fire members currently contributing under state general member  
coverage plan 3 the question of adopting state public safety  
member coverage plan 1.

- 15 -

.226481.4GLGAIC January 30, 2024 (2:15pm)

SENATE BILL 165

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

Roberto "Bobby" J. Gonzales and Craig W. Brandt

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO LEGISLATIVE RETIREMENT; CHANGING THE CALCULATION OF THE AMOUNT OF PENSION PURSUANT TO STATE LEGISLATOR MEMBER COVERAGE PLAN 2 ~~HAFCH~~; ~~MAKING AN APPROPRIATION~~ ~~HAFCH~~ .

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 10-11-43.3 NMSA 1978 (being Laws 2003, Chapter 85, Section 9, as amended) is amended to read:

"10-11-43.3. STATE LEGISLATOR MEMBER COVERAGE PLAN 2--

.226682.3AIC February 13, 2024 (10:00pm)

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AMOUNT OF PENSION--FORM OF PAYMENT A.--Under state legislator member coverage plan 2, the annual amount of pension under form of payment A is equal in any calendar year to fourteen percent of the per diem rate in effect, pursuant to Section 2-1-8 NMSA 1978, on the first day of the fiscal year that the legislator or lieutenant governor retires multiplied by ~~[sixty]~~ ninety and further multiplied by credited service as a legislator or lieutenant governor. A pension paid under state legislator member coverage plan 2 shall be adjusted pursuant to Section 10-11-118 NMSA 1978 for a legislator or lieutenant governor who has been retired for at least two full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted."

H AFC→~~SECTION 2. APPROPRIATION.--Twenty-five thousand dollars (\$25,000) is appropriated from the general fund to the public employees retirement association for expenditure in fiscal year 2025 and subsequent fiscal years to cover the cost associated with the increase in the multiplier in state legislator member coverage plan 2 as provided in Section 1 of this act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.~~←H AFC

SECTION H AFC→~~3.~~←H AFC H AFC→~~2.~~←H AFC APPLICABILITY.--The provisions of this act apply to credited service accrued:

- A. on and after the effective date of this act; and
- B. prior to the effective date of this act;

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provided that the credited service was accrued by a state legislator member who has not previously retired.

- 3 -



HOUSE LABOR, VETERANS' AND MILITARY AFFAIRS  
COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 236

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO PUBLIC EMPLOYEES RETIREMENT; AMENDING THE PUBLIC  
EMPLOYEES RETIREMENT ACT TO ALLOW CERTAIN PUBLIC SAFETY  
EMPLOYEES TO RETURN TO WORK UNDER CERTAIN CONDITIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 10-11-8 NMSA 1978 (being Laws 1987,  
Chapter 253, Section 8, as amended) is amended to read:

.227828.1AIC February 11, 2024 (11:06pm)

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"10-11-8. NORMAL RETIREMENT--RETURN TO EMPLOYMENT--  
BENEFITS CONTINUED--CONTRIBUTIONS.--

A. A member may retire upon fulfilling the following requirements prior to the selected date of retirement:

(1) a written application for normal retirement, in the form prescribed by the association, is filed with the association;

(2) employment is terminated with all employers covered by any state system or the educational retirement system;

(3) the member selects an effective date of retirement that is the first day of a calendar month; and

(4) the member meets the age and service credit requirement for normal retirement specified in the coverage plan applicable to the member.

B. The amount of normal retirement pension is determined in accordance with the coverage plan applicable to the member.

C. Except as provided in ~~[Subsection]~~ Subsections D, J and K of this section, on or after July 1, 2010, a retired member may be subsequently employed by an affiliated public employer only pursuant to the following provisions:

(1) the retired member has not been employed as an employee of an affiliated public employer or retained as

an independent contractor by the affiliated public employer from which the retired member retired for at least twelve consecutive months from the date of retirement to the commencement of subsequent employment or reemployment with an affiliated public employer;

(2) the retired member's pension shall be suspended upon commencement of the subsequent employment;

(3) except as provided in Subsection F of this section, the retired member shall not become a member and shall not accrue service credit, and the retired member and that person's subsequent affiliated public employer shall not make contributions under any coverage plan pursuant to the Public Employees Retirement Act; and

(4) upon termination of the subsequent employment, the retired member's pension shall resume in accordance with the provisions of Subsection A of this section.

D. The provisions of Subsections C, G, ~~[and]~~ H, J and K of this section do not apply to:

(1) a retired member employed by the legislature for legislative session work;

(2) a retired member employed temporarily as a precinct board member for a municipal election or an election covered by the Election Code; or

(3) a retired member who is elected to serve a

term as an elected official in an office covered pursuant to the Public Employees Retirement Act; provided that:

(a) the retired member files an irrevocable exemption from membership with the association within thirty days of taking office; and

(b) the irrevocable exemption shall be for the elected official's term of office.

E. A retired member who returns to employment during retirement pursuant to Subsection D of this section is entitled to receive retirement benefits but is not entitled to accrue service credit or to acquire or purchase service credit in the future for the period of the retired member's subsequent employment with an affiliated public employer.

F. At any time during a retired member's subsequent employment pursuant to Subsection C of this section, the retired member may elect to become a member and the following conditions shall apply:

(1) the previously retired member and the subsequent affiliated public employer shall make the required employee and employer contributions, and the previously retired member shall accrue service credit for the period of subsequent employment; and

(2) when the previously retired member terminates the subsequent employment with an affiliated public

employer, the previously retired member shall retire according to the provisions of the Public Employees Retirement Act, subject to the following conditions:

(a) payment of the pension shall resume in accordance with the provisions of Subsection A of this section;

(b) unless the previously retired member accrued at least three years of service credit on account of the subsequent employment, the recalculation of pension shall:

- 1) employ the form of payment selected by the previously retired member at the time of the first retirement; and 2) use the provisions of the coverage plan applicable to the member on the date of the first retirement; and

(c) the recalculated pension shall not be less than the amount of the suspended pension.

G. A retired member who returned to work with an affiliated public employer prior to July 1, 2010 shall be subject to the provisions of this section in effect on the date the retired member returned to work; provided that on and after July 1, 2010, the retired member shall pay the employee contribution in an amount specified in the Public Employees Retirement Act for the position in which the retired member is subsequently employed.

H. Effective July 1, 2014, if a retired member who,

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subsequent to retirement, is employed and covered pursuant to the provisions of the Magistrate Retirement Act or Judicial Retirement Act, during the period of subsequent employment:

(1) the member shall be entitled to receive retirement benefits;

(2) the retired member's cost-of-living pension adjustment shall be suspended upon commencement of the employment; and

(3) upon termination of the employment, the retired member's suspended cost-of-living pension adjustment shall be reinstated as provided under Section 10-11-118 NMSA 1978.

I. The pension of a member who has earned service credit under more than one coverage plan shall be determined as follows:

(1) the pension of a member who has three or more years of service credit earned on or before June 30, 2013 under each of two or more coverage plans shall be determined in accordance with the coverage plan that produces the highest pension;

(2) the pension of a member who has service credit earned on or before June 30, 2013 under two or more coverage plans but who has three or more years of service credit under only one of those coverage plans shall be

determined in accordance with the coverage plan in which the member has three or more years of service credit. If the service credit is acquired under two different coverage plans applied to the same affiliated public employer as a consequence of an election by the members, adoption by the affiliated public employer or a change in the law that results in the application of a coverage plan with a greater pension, the greater pension shall be paid a member retiring from the affiliated public employer under which the change in coverage plan took place regardless of the amount of service credit under the coverage plan producing the greater pension; provided that the member has three or more years of continuous employment with that affiliated public employer immediately preceding or immediately preceding and immediately following the date the coverage plan changed;

(3) the pension of a member who has service credit earned on or before June 30, 2013 under each of two or more coverage plans and who has service credit earned under any coverage plan on or after July 1, 2013 shall be equal to the sum of:

(a) the pension attributable to the service credit earned on or before June 30, 2013 determined pursuant to Paragraph (1) or (2) of this subsection; and

(b) the pension attributable to the

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service credit earned under each coverage plan on or after July 1, 2013;

(4) the pension of a member who has service credit earned only on and after July 1, 2013 shall be equal to the sum of the pension attributable to the service credit the member has accrued under each coverage plan; and

(5) the provisions of each coverage plan for the purpose of this subsection shall be those in effect at the time the member ceased to be covered by the coverage plan. "Service credit", for the purposes of this subsection, shall be only personal service rendered an affiliated public employer and credited to the member under the provisions of Subsection A of Section 10-11-4 NMSA 1978. Service credited under any other provision of the Public Employees Retirement Act shall not be used to satisfy the three-year service credit requirement of this subsection.

J. A retired member may be subsequently employed by an affiliated public employer; provided that the retired member has not been employed as an employee of an affiliated public employer or retained as an independent contractor by the affiliated public employer from which the retired member retired for at least ninety consecutive days from the date of retirement to the commencement of subsequent employment or reemployment with an affiliated public employer; and further



provided that the:

(l) retired member shall only be employed in one of the following positions:

- (a) adult correctional officer;
- (b) adult detention officer;
- (c) courthouse security officer;
- (d) emergency medical dispatcher;
- (e) emergency medical technician or

paramedic;

- (f) firefighter;
- (g) juvenile correctional officer;
- (h) juvenile detention officer;
- (i) municipal police officer;

Hf11→~~HJC→(j) peace officer;~~←HJC←Hf11

Hf11→(j) peace officer;

(k) protective services

investigator;←Hf11

Hf11→~~HJC→(j)←HJC HJC→(k)←HJC~~←Hf11

Hf11→(1)←Hf11 public safety telecommunicator;

Hf11→~~HJC→(k)←HJC HJC→(1)←HJC~~←Hf11

Hf11→(m)←Hf11 sheriff's deputy; Hf11→~~HJC→or←HJC~~←Hf11

Hf11→or←Hf11

Hf11→~~HJC→(1)←HJC HJC→(m)←HJC~~←Hf11

Hf11→(n)←Hf11 state police officer; Hf11→~~HJC→or←HJC~~←Hf11

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underscored material = new  
[bracketed material] = delete  
Amendments: new = →bold, blue, highlight←  
delete = →bold, red, highlight, strikethrough←

Hf11→HJC→(m) ~~protective services~~  
~~investigator;~~←HJC←Hf11

(2) retired member shall have retired prior to December 31, 2023;

(3) retired member's pension, including any cost-of-living adjustment, shall continue to be paid during the period of subsequent employment;

(4) retired member shall not become a member during the period of subsequent employment;

(5) retired member shall not accrue service credit for any portion of the period of subsequent employment;

(6) retired member and the retired member's subsequent affiliated public employer shall make the contributions that would be required for members and employers under the applicable coverage plan during the entire period of subsequent employment;

(7) contributions paid by or on behalf of the retired member during the term of subsequent employment shall not be refundable at the termination of the subsequent employment;

(8) retired member shall have no seniority based on pre-retirement employment for purposes of selecting shifts;

(9) retired member shall have no limitation on

the length of time that the retired member can be subsequently employed or reemployed by an affiliated public employer; provided that the retired member shall only receive up to thirty-six consecutive months of pension payments while reemployed;

(10) retired member shall not be hired for reemployment into an employment position with a vacancy rate that is lower than ten percent at the time of the retired member's hiring; and

(11) subsequent employment begins prior to July 1, 2027.

K. An affiliated public employer that employs a retired member provided in Subsection J of this section shall:

(1) track and document:

(a) the date of hire and date of separation for each reemployed retired member;

(b) the retired member's employment position prior to retirement;

(c) the salary of each reemployed retired member; and

(d) the monthly vacancy rate for each employment position at the affiliated public employer; and

(2) if the affiliated public employer has to lay off employees due to budgetary restrictions, lay off

reemployed retired members before laying off any members.

L. For the purposes of this section:

(1) "adult correctional officer" means a person who is employed as an adult correctional officer or an adult correctional officer specialist by a state correctional facility of the corrections department or its successor agency;

(2) "adult detention officer" means a person who is employed by an affiliated public employer other than the state and who has inmate custodial responsibilities at a facility used for the confinement of adults charged with or convicted of a violation of a law or ordinance;

(3) "courthouse security officer" means a person who is employed by the administrative office of the courts who provides security or protective services for a courthouse;

(4) "emergency medical dispatcher" means a person who is trained and licensed pursuant to the Emergency Medical Services Act and who receives calls for emergency medical assistance, provides pre-arrival medical instructions, dispatches emergency medical assistance and coordinates its response;

(5) "emergency medical technician" means a person who is licensed as an emergency medical technician or paramedic and who provides patient care pursuant to the

Emergency Medical Services Act;

(6) "firefighter" means a person who is employed as a full-time non-volunteer firefighter by an affiliated public employer who has taken the oath for firefighters and who serves in a non-management position serving or supporting the delivery of emergency services in a front line capacity;

(7) "juvenile correctional officer" means a person who is employed as a juvenile correctional officer by the children, youth and families department or its successor agency;

(8) "juvenile detention officer" means a person who is employed as a juvenile detention officer or youth program officer by an affiliated public employer other than the state;

(9) "municipal police officer" means a person who is employed by an affiliated public employer other than the state or a county and who is a law enforcement officer who serves in a uniformed patrol capacity responding to dispatched calls for service;

~~Hf11→HJC→(10) "peace officer" means a person who is appointed by the attorney general or district attorney and who is a certified law enforcement officer who investigates and enforces state laws, rules and regulations, including the~~

~~execution of warrants;~~ ~~HJC~~ ~~Hf11~~

Hf11 ~~→ HJC → (10) → "protective services investigator"~~ means a person who is an employee of the protective services division of the children, youth and families department who investigates child abuse referrals, assesses the risk and safety of the child and takes appropriate action or prepares cases for transfer to child protective services permanency planning; ~~HJC~~ ~~Hf11~~

Hf11 ~~→ (10)~~ "peace officer" means a person who is appointed by the attorney general or district attorney and who is a certified law enforcement officer who investigates and enforces state laws, rules and regulations, including the execution of warrants;

(11) "protective services investigator" means a person who is an employee of the protective services division of the children, youth and families department who investigates child abuse referrals, assesses the risk and safety of the child and takes appropriate action or prepares cases for transfer to child protective services permanency planning; ~~Hf11~~

Hf11 ~~→ HJC → (10) → HJC HJC → (11) → HJC~~ ~~Hf11~~

Hf11 ~~→ (12)~~ ~~Hf11~~ "public safety telecommunicator" means a person who is an employee of a safety agency who receives calls or dispatches the appropriate personnel or equipment in response to calls for police, fire or medical services and

makes decisions affecting the life, health or welfare of the public or safety employees and who has qualified for the certification set forth in the Public Safety Telecommunicator Training Act;

Hf11→~~HJC→(11)←HJC~~ ~~HJC→(12)←HJC~~←Hf11

Hf11→(13)←Hf11 "sheriff's deputy" means a person who is employed by a county and who is a law enforcement officer who serves in a uniformed patrol capacity responding to dispatched calls for service Hf12→or serves as a courthouse security officer employed by a county←Hf12 ; and

Hf11→~~HJC→(12)←HJC~~ ~~HJC→(13)←HJC~~←Hf11

Hf11→(14)←Hf11 "state police officer" means a person who is an officer of the New Mexico state police division of the department of public safety, who has taken the oath prescribed for such officers and who serves in a uniformed patrol capacity responding to dispatched calls for service."

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2024.

# Chief Investment Officer Update

Reporting: December 31, 2023  
Presentation Date: February 29, 2024

## Investment Principles:

- Achieve a steady, compounding return that minimizes uncompensated risk
- Focus on allocating risk
- Effectively manage costs
- Institute comprehensive risk management
- Keep long term view

## Key Strategic Goals:

- Sustain the Trust Fund for current and future retirees
- Set Strategic Asset Allocation to meet the actuarial assumed return over the long run
- Produce returns that meet or exceed benchmarks
- Be cost-efficient

## **Asset Allocation & Cash Activity:**

Fiscal Year-to-Date, the Fund has experienced a gain of \$405.5 Million in its net asset value (NAV); investment gains were about \$702.1 Million less \$296.6 Million paid out in benefits to retirees (this amount represented 40% of monthly benefit payments).

Change in NAV (FYTD)	
as of: December 31, 2023	
July 1, 2023 Beginning Market Value	16,657,781,731
December 31, 2023 Ending Market Value	17,063,300,767
Market Value Change	405,519,037
FYTD Benefit Payments	(296,634,796)
Investment Gain/Losses	702,153,832

At month-end Fund held 16% of tier 1 (liquidity) assets and remains in compliance with the IPS minimum of 10%.

Asset weights at the end of the month were within policy ranges, and in compliance with IPS guidelines:

Asset Allocation			
as of: December 31, 2023	Target	Actual	Range
Global Equity	38.0%	39.3%	+/- 5%
Risk Reduction	17.0%	16.9%	+/- 3%
Credit	19.0%	18.3%	+/- 4%
Real Assets	18.0%	17.1%	+/- 4%
Multi Risk	8.0%	8.4%	+/- 4%





**Implementation Update:**

In December two proposals were presented to PRISM and moved forward to receive unanimous agreement by our Portfolio Fit and Process Review Team:

- KKR Diversified Core Infrastructure Fund (“DCIF”) is an illiquid open-ended real asset fund that will focus on acquiring and operating high-quality infrastructure assets across diversified subsectors including Utilities, Telecom, Transport, and Energy Transition primarily in Western Europe, North America, and Australia.
- ITE Diversified Transportation Asset Fund (“DTAF”) is an illiquid open-ended real asset fund that will focus on acquiring and operating high-quality infrastructure assets across diversified subsectors in three verticals; Railcars, Intermodal (global shipping containers/chassis/trailer) and Other Transportation (aviation, airport transportation facilities, barges) primarily in North America.

**General Update:**

- Custodian RFP still in process.

**Market Summary:**

During the fourth quarter of 2023, the U.S. stock market experienced a period of volatility, influenced by a mix of economic indicators and corporate earnings reports. Initially, concerns over inflationary pressures, more interest rate hikes by the Federal Reserve, and uncertainties in geopolitical tensions led to increased volatility as the quarter began. However, markets showed resilience, buoyed by stronger-than-expected corporate earnings and optimism about AI and its potential to drive growth.

The U.S. bond market in the fourth quarter of 2023 saw its dynamics shaped by the Federal Reserve's monetary policy stance and inflation expectations. Early in the quarter, bond yields rose, reflecting a market consensus that the Federal Reserve would continue to raise interest rates to combat persistent inflation. This environment led to a decrease in bond prices, particularly affecting longer-duration bonds, which are more sensitive to interest rate changes. However, as more CPI data suggested inflation had peaked, yields stabilized and then fell as much as 50 basis points on the long end of the Treasury curve.

Regarding the U.S. economy in the fourth quarter of 2023, it showed signs of resilience amidst challenges. Economic growth continued as consumer spending remained robust, supported by a strong labor market with low unemployment rates and wage growth. However, the economy faced headwinds from inflationary pressures, which affected consumer purchasing power and business investment decisions. Despite some challenges, the economy demonstrated underlying strength.

**Performance Summary:**

When measuring success in implementation against key strategic goals, PERA’s experience is favorable on a relative basis, while lagging on an absolute. First, some net returns have fallen below the 7.25% assumed rate of return for most short and intermediate time periods, producing 5.28%, 6.86% and 5.96% for the 3-, 7-, and 10-year periods. However, when measuring long-term results, the fund remains above this targeted return producing 7.54% and 8.57% for the 30-year and since inception periods. Second, relative results have been significantly favorable, exceeding PERA’s diversified Policy Benchmark across most measurable time horizon. Most notably, outpacing the benchmark by 2.05%, 0.65%, 0.98% and 0.41% for the 3-, 5-, 7- and 10-year periods, respectively; displaying strong asset allocation and manager selection attribution. Finally, when measuring PERA’s portfolio against national pension peers, on an absolute and risk-adjusted basis, PERA’s Sharpe Ratio or risk adjusted returns have been in the top third for most time periods.

Major 1-Year Contributors: Active US Equity was up 32.40% net exceeding its benchmark by 10.82%; Active Non-US Developed Equity was up 17.68% net, but underperformed its benchmark by -3.90%; Liquid Credit was up 12.83% net, but underperformed its benchmark by -0.83%; Alternative Liquid Credit was up 11.69% net, but underperformed its benchmark by -1.97%; Liquid Real Assets returned 10.03% net and outperformed its benchmark by 4.87%; Illiquid Real Assets returned 8.70% net exceeding its benchmark by 8.11%.

Major 1-Year Detractors: Illiquid Real Estate was down -7.19% net and underperformed its benchmark by -22.41%; Bonds Plus was up just 0.32%, underperforming its benchmark by -5.21%; Illiquid Credit was up 2.63% net and underperformed its benchmark by -11.03%.

## PERFORMANCE

Performance Summary								
as of: December 31, 2023	MTD	3M	FYTD	1-Year	3-Year	5-Year	7-Year	10-Year
<b>Total Fund</b>	<b>2.67%</b>	<b>5.84%</b>	<b>4.27%</b>	<b>9.44%</b>	<b>5.28%</b>	<b>7.46%</b>	<b>6.86%</b>	<b>5.96%</b>
Policy Index	4.60%	9.80%	6.15%	13.47%	3.23%	6.81%	5.88%	5.55%
Value Add	-1.93%	-3.96%	-1.88%	-4.03%	2.05%	0.65%	0.98%	0.41%
<b>Global Equity</b>	<b>2.97%</b>	<b>6.76%</b>	<b>6.02%</b>	<b>14.23%</b>	<b>8.04%</b>	<b>12.11%</b>	<b>10.81%</b>	<b>8.66%</b>
Policy Index	4.98%	10.53%	6.91%	19.72%	5.35%	10.72%	9.42%	8.25%
Value Add	-2.01%	-3.77%	-0.89%	-5.49%	2.69%	1.39%	1.39%	0.41%
<b>Risk Reduction</b>	<b>2.90%</b>	<b>5.63%</b>	<b>2.08%</b>	<b>4.37%</b>	<b>-2.83%</b>	<b>1.32%</b>	<b>1.47%</b>	<b>2.01%</b>
Policy Index	3.83%	6.82%	3.37%	5.53%	-3.22%	1.10%	1.31%	1.85%
Value Add	-0.93%	-1.19%	-1.29%	-1.16%	0.39%	0.22%	0.16%	0.16%
<b>Credit</b>	<b>2.52%</b>	<b>5.50%</b>	<b>6.81%</b>	<b>11.08%</b>	<b>4.39%</b>	<b>4.93%</b>	<b>4.92%</b>	<b>4.33%</b>
Policy Index	3.81%	7.75%	8.31%	13.66%	0.40%	3.91%	3.49%	3.66%
Value Add	-1.29%	-2.25%	-1.50%	-2.58%	3.99%	1.02%	1.43%	0.67%
<b>Real Assets</b>	<b>0.62%</b>	<b>1.41%</b>	<b>-0.12%</b>	<b>0.48%</b>	<b>10.28%</b>	<b>7.31%</b>	<b>6.11%</b>	<b>5.72%</b>
Policy Index	4.99%	12.01%	5.61%	7.08%	8.35%	7.28%	5.19%	4.71%
Value Add	-4.37%	-10.60%	-5.73%	-6.60%	1.93%	0.03%	0.92%	1.01%
<b>Multi-Risk</b>	<b>5.39%</b>	<b>12.40%</b>	<b>4.05%</b>	<b>14.46%</b>	<b>-0.03%</b>			
Policy Index	5.45%	12.41%	4.04%	14.61%	-0.13%			
Value Add	-0.06%	-0.01%	0.01%	-0.15%	0.10%			

Risk Summary						
as of: December 31, 2023	Std Dev.	Sharpe	Beta	Alpha	IR	TE
<b>1-Year</b>						
Total Fund	6.9%	0.6%	0.6%	-0.5%	-0.8%	5.3%
Policy Index	12.1%	0.7%	1.0%	0.0%		0.0%
<b>3-Year</b>						
Total Fund	7.5%	0.4%	0.6%	2.3%	0.3%	5.1%
Policy Index	12.0%	0.1%	1.0%	0.0%		0.0%
<b>5-Year</b>						
Total Fund	8.1%	0.7%	0.6%	2.3%	0.0%	5.3%
Policy Index	12.7%	0.4%	1.0%	0.0%		0.0%
<b>7-Year</b>						
Total Fund	7.3%	0.7%	0.6%	2.3%	0.1%	4.5%
Policy Index	11.2%	0.4%	1.0%	0.0%		0.0%
<b>10-Year</b>						
Total Fund	7.0%	0.7%	0.7%	1.7%	0.0%	3.9%
Policy Index	9.8%	0.5%	1.0%	0.0%		0.0%

### Staffing Update

- No recent hires

#### Vacancies:

- Investment Associate/PM (Gov. Ex. FTE) verbal offer accepted, waiting for formal approval.



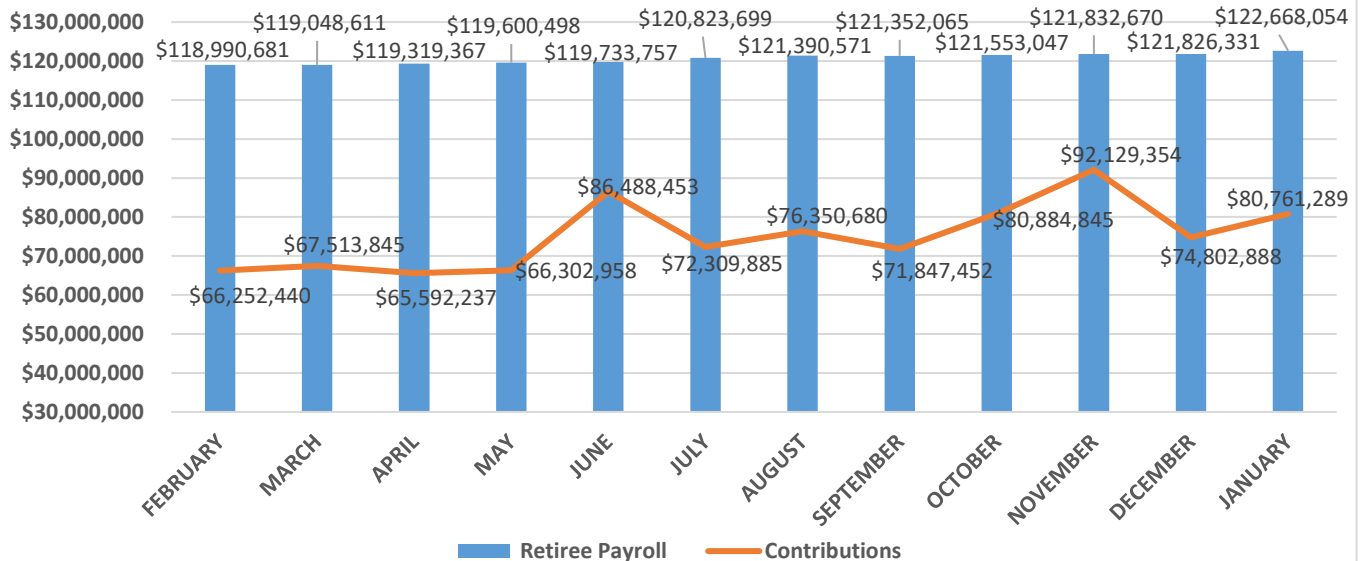
**PERA**

Public Employees  
Retirement Association  
of New Mexico

## EXECUTIVE DIRECTOR'S REPORT PERA BOARD MEETING – February 29, 2024

INVESTED IN TOMORROW.

### Retiree Payroll vs: Total Contributions - February 2023- January 2024

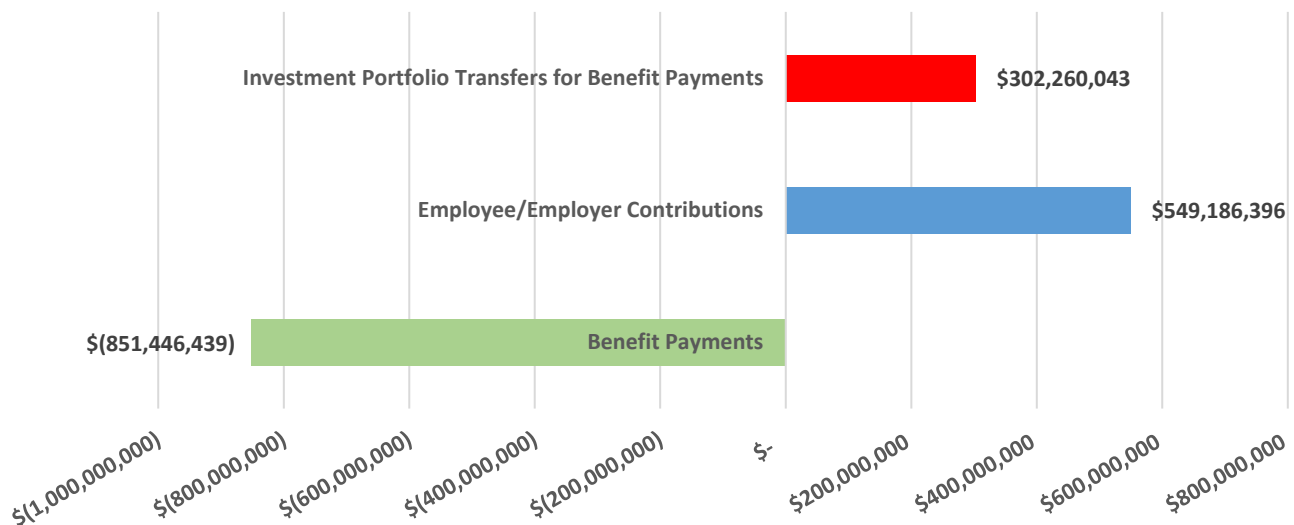


**Total Retiree Payroll = \$1,448,139,351**

**Total Contributions: \$ 901,236,326**

**\*\* Due to adjustments to Employer reports contributions amounts are subject to change**

### FY24 Contributions: Investment Income & Contributions thru January 2024



**\*\* Total Refunds Paid during this period was \$32,125,230**

VACANCY REPORT			
Position	Division	Date Vacated	Status
Investment Associate	Investments	1/1/2022	Hire pending DFA approval
Public Relations Coordinator	Outreach	10/21/2023	Interviewing
Accountant Auditor-Advanced	Payroll Unit	1/29/2024	Interviewing
IT Systems Admin III	IT	2/17/2024	Posted
IT End User Support II	IT	2/20/2024	Posted

*PERA has 87 authorized FTE and currently has 6 vacancy.*

ADDITIONS/DEPARTURES/PROMOTIONS			
Employee	Position/Division	Date Started/Vacated	Status
Sandi Nakai	Accountant Auditor-Advanced/Payroll	1/29/2024	Death
Ron Gallegos	Chief Information Officer/IT	2/1/2024	Retired
Dawn Pascarella	Retirement Specialist I/Member Services	2/3/2024	New Hire
Joseph Vigil	Chief Information Officer/IT	2/17/2024	Promotion
Steven Anaya	IT End User Support II/IT	2/20/2024	Departure

2024 AIRTIME PURCHASES	
Plan Type	January Purchases
State Plan 3	8
Municipal Plan 1	0
Municipal Plan 2	3
Municipal Plan 3	3
Municipal Plan 4	0
Municipal Detention Plan 1	0
Municipal Fire Plan 5	5
Municipal Police Plan 3	0
Municipal Police Plan 4	0
Municipal Police Plan 5	1
State Police/Corrections Plan	<u>4</u>
<b>TOTAL:</b>	<b>24</b>

2024 AIRTIME PURCHASES	
No. of Months	January Purchases
1	4
2	2
3	1
4	0
5	1
6	0
7	3
8	0
9	1
10	3
11	3
12	<u>12</u>
<b>TOTAL:</b>	<b>24</b>

PERA SmartSave Items of Interest – January 2024		
<u>County by Region North – Peter Rappmund</u>	<u>In-Person Individual and Group Meetings</u>	<u>Virtual Individual and Group Meetings</u>
Bernalillo	1	3
Colfax		1
Rio Arriba	1	5
San Juan	22	17
San Miguel	1	3
Santa Fe	2	33
Statewide	2	31
Taos		3
<u>County by Region Central - Paul Lium</u>	<u>In-Person Individual and Group Meetings</u>	<u>Virtual Individual and Group Meetings</u>
Bernalillo	43	
Cibola	6	
Curry	4	
De Baca	2	
Guadalupe	1	
McKinley	31	
Torrance	9	
<u>County by Region South - Linda Miller</u>	<u>In-Person Individual and Group Meetings</u>	<u>Virtual Individual and Group Meetings</u>
Catron		1
Chaves		5
Dona Ana	30	17
Grant		3
Hidalgo	1	8
Lea		1
Lincoln	14	11
Luna		2
Otero		7
Statewide		25
SmartSave Assets as of 1/31/2024 - \$806,448,949		
SmartSave Participants as of 1/31/2024 – 23,576		

2024 Independent Contracts Reviews	
Entity	# of Contracts Reviewed January 2024
City of Socorro	1
NM Administrative Office of the Courts	1
City Of Rio Communities	1
NM Taxation & Revenue/Office of the Governor	1
NM Disciplinary Board of the Supreme Court	1
NM Environmental Department	1
Clovis Housing Authority	1
City of Espanola	1
Board of County Commissioners/Valencia County	1
Taos County	<u>1</u>
<b>SubTotal:</b>	<b>10</b>
<b>Reviewed, but "Not in Pay Status"</b>	
NM Tourism Department	1
NM Office of the Superintendent of Insurance	<u>2</u>
<b>SubTotal:</b>	<b>3</b>
<b>Total:</b>	<b>13</b>