# **ANNUAL REPORT** 1989 - 1990

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THE PUBLIC EMPLOYEES
RETIREMENT ASSOCIATION
OF NEW MEXICO



PUBLIC EMPLOYEES RETIREMENT BOARD PERA BUILDING SANTA FE, NEW MEXICO



Carlos A. Gallegos, Executive Secretary

## 1990 HIGHLIGHTS

Participating employers	. 234
Active members	. 35,577
Pensioners and beneficiaries	. 11,039
Benefits paid:	
Retirement benefits	. \$94,128,452
Contributions refunds	. \$14,166,265
Contributions:	
Employer contributions	. \$99,450,584
Member contributions	. \$58,308,736
Assets	. \$1,890,589,942
Investments, at market value	. \$1,976,389,617

#### THE PUBLIC EMPLOYEES RETIREMENT BOARD

as Constituted on June 30, 1990

#### **EX-OFFICIO MEMBERS**

Rebecca Vigil-Giron, Secretary of State James B. Lewis, State Treasurer

#### STATE MEMBERS

Michael J. Burkhart, NM Health & Environment Department Barbara J. Murray, First Judicial District Attorney's Office Alfred J. Herrera, State Department of Education Jerry Richardson, Taxation and Revenue Department

#### **COUNTY MEMBER**

Leon Faris, County of Lea

#### **MUNICIPAL MEMBERS**

Isidro M. Delgado, City of Las Cruces Louis Spere, City of Alamogordo Doug Crandall, City of Albuquerque

#### RETIREE MEMBER

Napoleon "Nap" Sandoval, Albuquerque, New Mexico

#### **JUDICIAL LIAISON**

Dan Sosa Jr., Justice of the Supreme Court

#### OFFICIALS OF THE PUBLIC EMPLOYEES RETIREMENT BOARD

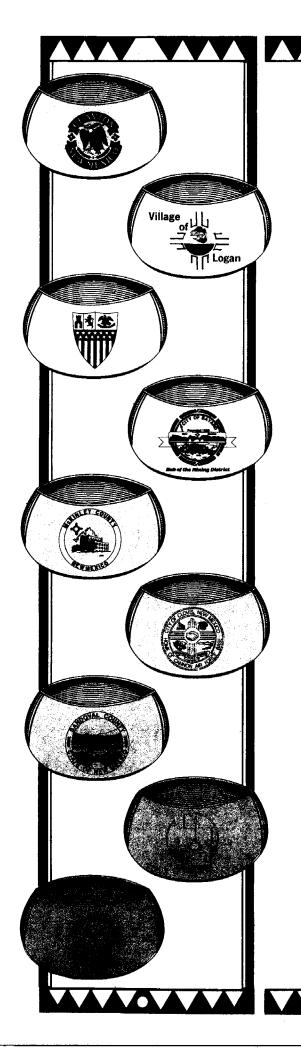
Carlos A. Gallegos, Executive Secretary
David W. Brooks, Assistant Executive Secretary
Sam J. Montoya, Assistant Executive Secretary
Alice E. Herter, Chief Counsel

Andrea Buzzard, Assistant Attorney General and Attorney for the Board



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INTRODUCTORY SECTION



## PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF NEW MEXICO PUBLIC EMPLOYEES' RETIREMENT BOARD

P.O. BOX 2123 SANTA FE, NEW MEXICO 87504-2123 PHONE: 505-827-4700 Toll Free No. In New Mexico 1-800 342-3422

Jerry Richardson, Chairman State Member Carlos A. Gallegos Executive Secretary

TRANSMITTAL LETTER to the Chairman and Members of the Retirement Board

Dear Mr. Chairman and Members:

I am pleased to submit to you the comprehensive annual financial report of the Public Employees Retirement Association for the fiscal year ended June 30, 1990.

#### Accounting System and Reports

This report has been prepared in accordance with generally accepted accounting principles applied on a consistent basis as agreed upon by the Government Accounting Standards Board and the American Institute of Certified Public Accountants. Transactions of the Public Employees Retirement Association of New Mexico are reported on the accrual basis of accounting for assets, liabilities, revenues and expenses. Revenues for the Association are taken into account when earned without regard to the date of collection, and expenses are recorded when the corresponding liabilities are incurred, regardless of when payment was made. Property and equipment are recorded at cost and depreciated through charges to expense over the estimated useful lives of the assets. Contributions to the Association are based on the principles of level cost financing with current services financed on a current basis and prior service is amortized over varying periods depending respective division.

#### REVENUES

The reserves needed to finance retirement benefits are accumulated through the collection of employer and employee contributions and income on investments. Contributions and investment income for the fiscal year ending June 30, 1990, totaled \$305 million for the Public Retirement Fund; \$3.7 million for the Judicial Retirement Fund; \$887 thousand for the Magistrate; and \$781 thousand for the Volunteer Firefighter Retirement Fund.

#### **EXPENSES**

The primary expense of a retirement system relates to the purpose for which it is created, i.e., the payment of benefits. Consequently, recurring benefit payments, refunds of contributions to terminated employees and the cost of administering the association comprise the total expenses of the association. Expenses for the reporting period which ends June 30, 1990, totaled \$111,140,540, an increase of 10% over 1989 expenses. The increase in benefit expenses resulted primarily from an increase in the number of benefits paid. Administrative expenses for 1990 were \$8,218,855. Revenues of \$305,346,865 exceeded expenses of \$111,140,540 by \$194,206,325 during 1990.

#### FUND BALANCES

The pension benefit obligation in the Balance Sheet represent the estimated present values of credited projected benefits. The pension benefit obligation includes the present value of benefits earned for active and inactive members for the current and prior years and retired benefits granted for retirants and beneficiaries. The amount by which the present values of credited projected benefits exceed the net assets available for benefits and unreserved but designated amounts is called the unfunded actuarial present value of credited projected benefits. The unfunded actuarial present value of benefits are being funded over the respective periods indicated in the actuarial section of this report. The unfunded present values presented in the financial statements are calculated under the unit credit method to determine the actuarial present value of benefits payable to current retirants, beneficiaries and terminated employees and for benefits credited to active members of the association.

#### INVESTMENTS

The investment portfolio is a major revenue source to the association. Income from investments amounted to \$150 million which represented 49% of total revenues. The PERA total assets were calculated at \$1,864,125,712 which translates to an annual rate of increase of 10.75%. Proper funding and healthy investment returns are very important to the financial soundness of the Retirement Systems. This is especially evidenced by the 49% ratio of investment earnings to total revenues in the association.

#### **FUNDING**

The bottom line for a retirement system is the level of funding or the funding ratio. The funding ratio increases as the assets available for benefits increase in proportion to the benefits that have been earned. The higher the level of funding, the larger the ratio of assets accumulated and the greater the level of investment income potential. A higher level of funding gives the participants a greater degree of assurance that their pension benefits are secure. The advantage of a fully-funded plan is that participants can be assured that assets are irrevocably committed for the payment of benefits they have earned. Although the historical level of funding for the Retirement Plans administered by the Retirement Board is good, constant effort will continue to be directed at improving funding levels, thereby assuring the participants of a financially sound retirement plan. Funding levels are presented in the actuarial section of this report.

#### PROFESSIONAL SERVICES

Professional consultants are appointed by the Board to perform services which are essential to the effective and efficient operation of the retirement plans and high returns on investments administered by the Board. Actuarial services are provided by Gabriel, Roeder, Smith and Company. Wilshire Associates serve as the investment consultant, and Ernst and Young as the contracted auditors.

#### **ACKNOWLEDGMENTS**

The compilation of this report reflects the combined effort of the staff under the direction of the Retirement Board. It is intended to provide extensive and reliable information as a basis for making management decision, as a means of determining compliance with legal provisions, and as a means for determining responsible stewardship for the assets contributed by the retirement association's members and their employers.

This report is being mailed to all affiliated public employers of the Association. They form the link between the New Mexico Public Employees Retirement Plans and their membership. Their cooperation contributes significantly to the success of the systems. Hopefully, the employers and their employees will find this report both informative and helpful.

I would like to express my gratitude to the staff, the consultants, the Retirement Board and to the many people who have worked diligently to assure the successful operation of the Association.

Respectfully submitted,

Carlos A. Gallegos
Executive Secretary



# PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF NEW MEXICO PUBLIC EMPLOYEES' RETIREMENT BOARD

P.O. BOX 2123 SANTA FE, NEW MEXICO 87504-2123 PHONE: 505-827-4700 Toll Free No. In New Mexico 1-800 342-3422

Jerry Richardson, Chairman State Member

Carlos A. Gallegos Executive Secretary

## Dear PERA Members, Retirees and Employers:

The Public Employers Retirement Board is pleased to present the 1989-1990 Annual Report for the fiscal year ended June 30, 1990. As this report illustrates, the past year has been one of dynamic changes at PERA. The retirement system continues to grow, both in terms of its invested assets and in terms of its obligations to its constituency of active members and retirees.

PERA has acquired and is installing a comprehensive computerized data base system, the PERIS system. This system provides a powerful management tool which encompasses all functions of the retirement system. It significantly enhances PERA's ability to manage the voluminous financial and work history records which must be accurately maintained, as well as providing improved office automation capabilities. When the system is fully operational, PERA will have greatly enhanced its ability to provide quick and accurate information to all of its membership, retirees and affiliated employers concerning work history and contribution records and to estimate retirement benefits under the various retirement plans and options.

PERA continues to strive for improved communication with its members, retirees and employers. The newsletter remains a continuing project, and PERA staff is offering pre-retirement planning seminars throughout the state on an on-going basis. With the full operation of the PERIS system noted above, PERA inquiry response time should be significantly enhanced.

PERA investments performed well during the reporting period. However, investment management in the nineties promises to be significantly more complex and challenging as the world moves towards a more global economy and an increasing array of investment vehicles are marketed. Investment performance and strategy is continually monitored by the Board, the staff and PERA's Investment Consultant in order to ensure that we have a strong financial plan which will meet our obligations in the future.

On behalf of the PERA Board and staff, I extend our gratitude to you - the Association's members, retirees and employers for your continued support and interest in PERA. We actively seek your involvement in helping us to build and improve upon your retirement system. Together, we can assure a financially secure retirement future for all PERA participants.

Sincerely,

Jerry Richardson, Chairman

Public Employees Retirement Board



#### A PERA HISTORICAL PERSPECTIVE

The Public Employees Retirement Act was established by the New Mexico Legislature on August 1, 1947. At that time, members were required to contribute 31/2 percent of their gross salary and their employer matched with an equal amount. The maximum annuity any member could expect to receive was \$150.00 per month. There were no death-in-line-of-duty benefits or survivor benefits available. On August 31, 1950, the number of participating local government employers were:

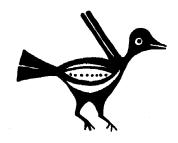
State Agencies	59
Cities	15
Counties	12
Judicial Districts	9
Conservancy Districts	1
Total Employers	96

In 1953, the law was repealed and reenacted. Contributions were then increased to 5% of gross salary for employees and 5% matching contributions. Police and firemen's contributions were increased to 7%. The increase provided for an annuity of \$200.00 maximum per month, plus \$50.00 for members with 30 or more years of service credit.

In 1960, PERA recorded 593 pension recipients with an annual pension payroll of \$717,200 averaging \$1,209 per annuitant. In 1961, the plan was again increased to provide for a benefit of up to 50% of final average salary.

Today, or as of June 30, 1990, the PERA is the administrator of a cost-sharing multiple-employer public employee retirement system providing pension benefits for employees of state government and covered governmental units. As of the end of June 1990, PERA recorded 11,039 eligible annuity recipients with an annual pension payroll of \$94,128,452. On June 30, 1990, the number of PERA affiliates were:

State Agencies	105
Cities	66
Counties	33
Special Districts	10
Housing Authority	15
Hospitals	5
Total Employers	234





## THE YEARS AT A GLANCE—A Summary

	Year Ended June 30		
	1990	1989	1988
Investments, at amortized costs	1,845,782,511	1,644,552,138	1,422,820,151
Investments, at market value	1,976,389,617	1,756,174,596	1,497,818,367
Total market value over cost	130,607,106	111,622,458	74,998,216
FUND BALANCES:			
Public Employees Ret. Fund			
Employees Savings	405,906,664	350,452,165	309,429,098
Employer Accumulation	325,640,522	471,338,540	638,186,639
Retirement Reserve	1,110,634,272	823,232,575	507,243,563
Total PERA Fund Balance	1,842,181,458	1,645,023,280	1,454,859,300
Judicial Retirement Fund	17,634,330	15,443,400	13,981,448
Magistrate Retirement Fund	4,326,282	3,446,468	2,668,658
Volunteer Firefighter Ret. Fund	4,501,618	3,160,125	2,447,144
Total Pension Trust Funds	1,868,643,688	1,665,073,273	1,473,956,550
OPERATING RESULTS:			
Interest on investments	93,982,516	97,284,671	83,667,003
Dividends	25,881,160	19,193,523	12,552,920
Rental income and other	1,244,641	1,244,641	1,509,923
Gain on sales of securities	33,138,886	31,408,858	17,783,009
Member & employers contributions	157,759,320	145,611,683	140,965,506
Service credits purchased	626,136	871,719	534,674
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Administrative expenses Refunds	8,245,163	4,675,456	5,710,646
	14,166,265	12,352,594	11,554,222
Annuity payments Credit applied	90,298,905	84,314,694	67,790,157 13,104,550
• •			13,104,330
OPERATING TRANSFERS IN:			
Retirement Reserve Fund	123,761,384	123,786,832	45,478,894
Members Contributions Fund	20,438,094	17,601,546	15,926,621
INTEREST DISTRIBUTED TO:			
Employers Accumulation Fund			48,436,039
Judicial Retirement Fund	1,429,103	1,461,952	1,493,209
Magistrate Retirement Fund	317,770	252,890	162,766
Volunteer Firefighters Ret. Fund	281,243	263,700	194,424
TOTAL MEMBERSHIP:			
Active Members	35,577	33,400	32,620
Active Judges & Justices	69	68	70
TOTAL ANNUITANTS & SURVIVORS			
BENEFICIÁRIES			
Public Employee Retirement Fund	10,216	9,779	9,020
Judicial Retirement Fund	<b>57</b>	50	50



## SUMMARY OF PLAN PROVISIONS PUBLIC EMPLOYEES RETIREMENT SYSTEM

#### Membership

PERA membership is a condition of employment with the state of New Mexico and affiliated public employers. Certain exceptions to the above condition of employment exist. The PERA has a fiduciary responsibility of making sound investments to the benefit of retiring generations of state and affiliated public employees.

#### **Contributions by Members and Employers**

The contribution requirements by members and affiliated public employees are outlined below:

	Percent of Salary Contribution Rate	
Coverage Plan	Member	<b>Employer</b>
State General Member Coverage Plan 2	6.18%	13.83%
State Police Member Coverage Plan 1	7.60	25.10
State Hazardous Duty Member Coverage Plan 1	4.00	21.10
Municipal General Member Coverage Plan 1	7.00	7.00
Municipal General Member Coverage Plan 2	9.15	9.15
Municipal Police Member Coverage Plan 1	7.00	10.00
Municipal Police Member Coverage Plan 2	7.00	15.00
Municipal Police Member Coverage Plan 3	7.00	18.50
Municipal Police Member Coverage Plan 4	12.35	18.50
Municipal Police Member Coverage Plan 5	16.30	18.50
Municipal Fire Member Coverage Plan 1	7.00	10.00
Municipal Fire Member Coverage Plan 2	7.00	16.50
Municipal Fire Member Coverage Plan 3	7.00	20.25
Municipal Fire Member Coverage Plan 4	11.80	20.25
Municipal Fire Member Coverage Plan 5	15.20	20.25

Interest is credited to your member contributions, on each June 30, at the rates set annually by the retirement board.

#### **Vested Termination of Membership**

If you terminate your employment and membership with at least 5 years of credited service and leave your accumulated member contributions on deposit with the Association, you will become a vested former member. This entitles you to a deferred pension when you become eligible for normal retirement. In addition, certain disability and survivor pension provisions apply. You should apply for normal retirement in the 30 to 60 day period immediately prior to meeting one of the eligibility conditions for normal retirement (see normal retirement eligibility conditions heading for details).



After termination of employment you may apply for payment of your accumulated member contribution at any time, but payment of your accumulated member contributions will cause you to lose your status as a vested former member and therefore all rights to your deferred pension and any disability and survivor benefits.

#### **Normal Retirement Eligibility Conditions**

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

If you are a police or fire member under one of the following coverage plans you are also eligible for normal retirement at any age with 20 or more years of credited service:

Municipal Police Coverage Plan 3 Municipal Police Coverage Plan 4 Municipal Police Coverage Plan 5 Municipal Fire Coverage Plan 3 Municipal Fire Coverage Plan 4 Municipal Fire Coverage Plan 5

#### **Normal Retirement Pension Amount**

The amount of your normal retirement pension is based on your:

- Final average salary, which is the average of your salary for the 36 consecutive months of credited service producing the largest average;
- · Credit service (years and months); and the
- Pension factor applicable to the coverage plan under which you retire.

The pension factor and maximum pension as a percent of final average salary under each coverage plan is as follows:

Coverage Plan	Pension Factor Per Year of Credited Service	Maximum Pension as Percent of Final Average Salary
State General Member Coverage Plan 2	2.5%	75%
State General Member Coverage Plan 1	3.0	80
State Hazardous Duty Member Coverage Plan 1	2.5	100
Municipal General Member Coverage Plan 1 Coverage Plan 2	2.0 2.5	60 75



Coverage Plan	Pension Factor Per Year of Credited Service	Maximum Pension as Percent of Final Average Salary
Municipal Police Member		
Coverage Plan 1	2.0	60
Coverage Plan 2	2.5	100
Coverage Plan 3	2.5	100
Coverage Plan 4	3.0	80
Coverage Plan 5	3.5	80
Municipal Fire Member		•
Coverage Plan 1	2.0	60
Coverage Plan 2	2.5	100
Coverage Plan 3	2.5	100
Coverage Plan 4	3.0	80
Coverage Plan 5	3.5	80

#### **Optional Forms of Payment**

You may elect to have your pension paid to you under one of the four optional forms of payment provided for in the Public Employees Retirement Act. Your election is made on a PERA form which must be filed with PERA before your first pension payment is made. An election cannot be changed after the first payment, except under the following circumstances:

- 1. If you elected Form of Payment B or Form of Payment C and your named survivor pension beneficiary dies, you may change your form of payment to Form of Payment A by filing written notice with PERA;
- 2. If you elected Form of Payment B or Form of Payment C, named your spouse as survivor pension beneficiary and become divorced, you may be able to change your form of payment to Form of Payment A. A court, for purposes of dividing a community interest in a pension, may prohibit you from changing your form of payment and may also direct PERA to make direct payment of a portion of your pension to your spouse (in the case of a legal separation) or your former spouse (in the case of a divorce). PERA, in conjunction with the Family Law Section of the State Bar Association, has developed standards for these court orders; and
- 3. You elected Form of Payment D and you no longer have a designated eligible child.

Your named survivor pension beneficiary must have an insurable interest in your life and cannot be changed after your first pension payment is made.

**FORM OF PAYMENT A.** Form of Payment A provides a pension which terminates upon the death of the retiree. No pension is paid to a beneficiary. This form of payment provides you with the largest pension. If a retiree chooses this form of payment and is married, the spouse must sign a consent form.



**FORM OF PAYMENT B.** Form of Payment B provides a pension which is reduced from the Form of Payment A amount, but the full amount of the reduced pension will continue to the designated survivor pension beneficiary upon the retiree's death. The amount of reduction from the Form of Payment A amount depends upon the retiree's age and that of the survivor pension beneficiary.

**FORM OF PAYMENT C.** Form of Payment C provides a pension which is reduced from the Form of Payment A amount but which is larger than Form of Payment B pension. One-half the amount of the reduced pension will continue to your survivor pension beneficiary upon the retiree's death. The amount of reduction from the Form of Payment A amount depends upon the retiree's age and that of your survivor pension beneficiary.

FORM OF PAYMENT D. Form of Payment D provides a pension which is reduced from the Form of Payment A, but the full amount of the reduced pension will continue to the retiree's designed eligible children until age 25 or prior death. A retiree may designate eligible children and specify the shares of the pension each will be paid upon the retiree's death. Equal shares will be paid if no specification of different shares is declared. An eligible child is a natural or adopted child who is under age 25. The amount of reduction from Form of Payment A depends upon the retiree's age and the age of the youngest eligible child.

No matter which form of payment is elected, PERA will never pay out less than the retiree's accumulated contributions.

#### Survivor Pensions-Death in the Line-of-Duty

Pensions are paid to the eligible spouse and eligible children if survivor coverage has not been elected under the Elective Survivor Pension Beneficiary provision. The amount of pension payable for life to an eligible spouse is 50% of final average salary, of, if larger, 80% of the accrued normal retirement pension. The amount of pension payable to each eligible child is an equal share of 25% of final average salary. If there is not an eligible spouse or the eligible spouse dies, and if there are eligible children, the amount of pension payable to each eligible child is an equal share of 50% of final average salary. An eligible child is an unmarried natural or adopted child who is under 18 years of age. A child's pension terminates upon death, marriage or reaching age 18. The pension of any remaining eligible children is recalculated whenever a child's pension is terminated.

#### **Death Not In-Line-Of-Duty**

Pensions are paid to an eligible spouse or eligible children if the member dies other than in line-of-duty, with 5 or more years of credited service, or if the status is one of a vested former member and death is from any cause, and no election of coverage under the Elective Survivor Pension beneficiary provision. The amount of pension payable for life to the eligible spouse is 30% of final average salary, or, if larger, 80% of your accrued normal retirement pension (see normal retirement pension amount heading for information about accrued normal retirement pension).

An eligible child is paid a pension when there is no eligible spouse or following the death of the eligible spouse. The amount of pension payable to each of the eligible children is an equal share, with each other child, of 25% of final average salary, or, if greater, 50%



of accrued normal retirement pension. An eligible child is an unmarried, natural or adopted child who is under age 18. The pension of any remaining eligible child is recalculated whenever a child's pension is terminated.

#### **Elective Survivor Pension Beneficiary Pension**

Applicable to members with 5 or more years of credited service and vested former members who have elected Form of Payment B and designated a survivor pension beneficiary. The amount of pension is the amount of accrued normal retirement pension under optional Form of Payment B.

#### **Disability Retirement**

Applicable to members and vested former members with 5 or more years of credited service. The 5-year credited service requirement is waived if the disability is incurred in line-of-duty. The amount of disability pension is the accrued normal retirement pension at time of disability retirement. If the disability is in line-of-duty, the credited service used is the amount that would have been acquired when first eligible for normal retirement.

#### **Cost-of-Living Adjustments**

Pensions are increased each July 1 in accordance with changes in the Consumer Price Index during the preceding calendar year if retirement has been in effect for at least 2 full calendar years. The maximum annual increase is 3%. If retired on account of disability or if at least age 65, the 2 calendar year waiting period is reduced to 1 full calendar year.

#### THE JUDICIAL RETIREMENT SYSTEM

#### **Normal Retirement Eligibility Conditions**

Applicable to all judges and justices: Age 64 or older with 5 or more years of service, or Age 60 or older with 15 or more years of service.

#### **Early Retirement**

At any time between age fifty and sixty with not less than 18 years of service.

**Early Retirement Plan:** 70% of salary received during the last full year in office prior to retirement plus one-half of one percent annually times the number of years between age 50 and 60 at the time of retirement.

#### Normal Retirement Pension Amount

The amount of normal retirement pension is based on:

- Final salary, which is the judge's or justice's salary received during the last one (1) year in office prior to retirement;
- Years of service (years and months); and
- The coverage plan.



**Pre 7–1–80 Plan:** 37.5% of Final Average Salary (FAS) plus 7.5% of FAS for each year of service in excess of 5 years. Maximum is 75% of FAS (10 or more years of service).

**Post 7–1–80 Plan:** 37.5% of FAS plus 3.75% of FAS for each year of service in excess of 5 years. Maximum is 75% FAS (15 or more years of service).

#### **Deferred Retirement Allowance**

If judicial service terminates after 5 or more years of service, the judge or justice and spouse retain entitlement to benefits of the Fund. Payment of the judge's or justice's retirement allowance commences at age 60 if the judge or justice has 15 or more years of service; or at age 64 if the judge or justice has 5 or more years of service but less than 15 years of service.

#### Survivor's Pensions—Retired Judges or Justices

The surviving spouse of a retired judge or justice receives a retirement allowance of 75% of the judge's or justice's retirement allowance until death. Allowance is payable to deceased judge's or justice's minor and dependent children if there is no eligible surviving spouse.

#### Survivor's Pension—Active Judges or Justices

Applicable if judge or justice had 5 or more years of service. The surviving spouse would receive 75% of the judge's or justice's vested retirement allowance until death. Allowance is payable to deceased judge's or justice's minor and dependent children if there is no eligible surviving spouse.

#### **Disability Retirement**

Applicable if judge or justice has 5 or more years of service and becomes incapacitated to perform duties of office. Judge or justice would receive vested retirement allowance.

#### Contributions by Judges, Justices and Public Payment

**Pre 7–1–80 Plan:** 5 percent of salary (an additional 5% is paid by the state effective July 1, 1984).

**Post 7–1–80 Plan:** 3.5% of salary (an additional 3.5% is paid by the state effective July 1, 1984).

**Public Payment:** \$38.00 from each civil case docket fee paid in the district court (increased from \$27.25 effective July 1, 1987).

#### THE MAGISTRATE RETIREMENT SYSTEM

#### **Normal Retirement Eligibility Conditions**

Applicable to all magistrates or former magistrates: Age 64 or older with 5 or more years of service; or Age 60 or older with 15 or more years of service.



#### **Normal Retirement Pension Amount**

The amount of normal retirement pension is based on an annual amount equal to the salary received during the last year in office prior to retirement multiplied by the following percentage corresponding to the total number of full years of service as magistrate:

for five years of service, 171/2%; for six years of service, 411/4%; for seven years of service, 45%; for eight years of service, 483/4%; for nine years of service, 521/2%; for ten years of service, 561/4%; for eleven years of service, 60%; for twelve years of service, 633/4%; for thirteen years of service, 671/2%; for fourteen years of service, 711/4%; for fifteen years of service, 75%.

#### Survivor's Pension

Upon the death of any magistrate, former magistrate or retired magistrate, the surviving spouse would receive an annual survivor's annuity equal to seventy-five (75) percent of the magistrate's vested annuity, payable in monthly installments for life. Allowance is payable to a deceased magistrate's minor and dependent children if there is no eligible surviving spouse.

#### **Disability Retirement**

Applicable if magistrate has 5 or more years of service and becomes incapacitated to perform duties of office. The magistrate would receive his/her vested retirement allowance. Duty disability retirement is also provided.

#### **Contribution—Public Payment**

Twenty-five (25) dollars from each civil action docket fee paid in the magistrate or metropolitan court of the State of New Mexico and ten (10) dollars from each civil jury fee paid in that court.

## THE VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM

#### **Normal Retirement Eligibility Conditions**

Applicable to all eligible volunteer nonsalaried firefighters: Age 55 or older with 25 or more years of credited service, or Age 55 or older with 10 or more years of credited service.

#### **Normal Retirement Pension Amount**

The amount of normal retirement pension is:

\$200 for a volunteer nonsalaried firefighter with 25 or more years of service, payable



monthly during the remainder of his or her life; or \$100.00 for a volunteer nonsalaried firefighter with 10 or more years of service, payable monthly during the remainder of his or her life.

#### **Deferred Retirement Allowance**

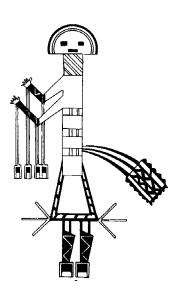
If any member ceases to be a volunteer nonsalaried firefighter after 10 years or more of such service, the volunteer nonsalaried firefighter retains entitlement to the fund.

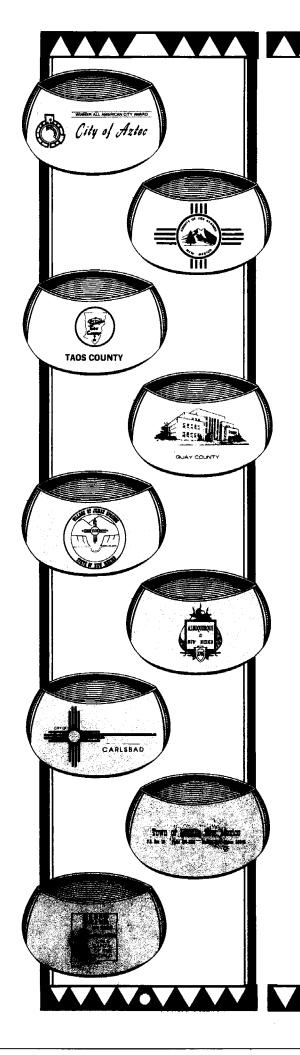
#### **Survivor's Pensions**

Upon the death of a retirement annuitant, the surviving spouse shall receive an annuity equal to two-thirds  $(^2/_3)$  of the annuity being paid to the retirement annuitant at the time of death.

#### **Contributions**

Annually on the last day of July the State Fire Protection Fund contributes \$500,000.00 for the support of the retirement program.

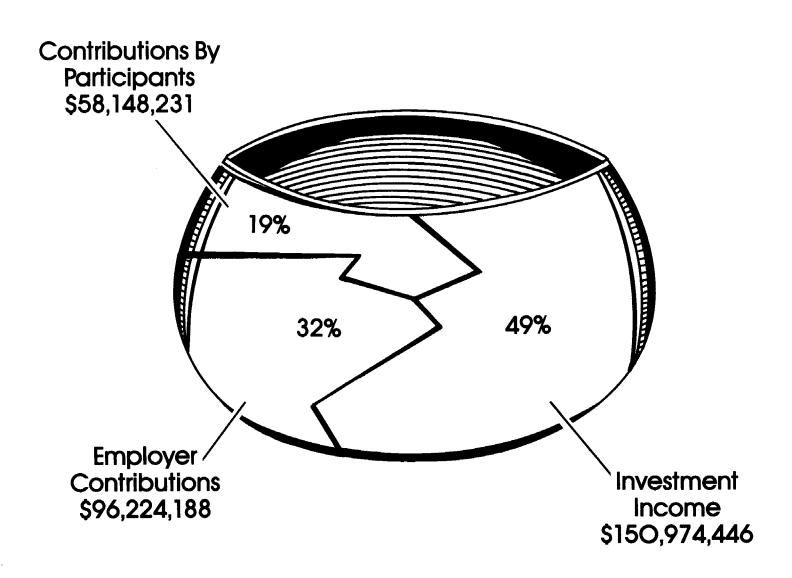




FINANCIAL SECTION

# **Revenues By Source-1990**

Total Revenues \$305,346,865 (Thousand)



American Financial Center 5
 Suite 300
 2400 Louisiana Blvd., N.E.
 P.O. Box 3456
 Albuquerque
 New Mexico 87190

■ Phone: 505 884 3700

# INDEPENDENT AUDITORS' COMPLIANCE REPORT BASED ON AN AUDIT OF COMBINED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Mr. Harroll Adams, State Auditor
Office of the State Auditor
and
Members of the Board
The Public Employees' Retirement Association of New Mexico
Santa Fe, New Mexico

We have audited the combined financial statements of the Public Employees' Retirement Association of New Mexico as of and for the year ended June 30, 1990, and have issued our report thereon dated October 19, 1990.

We conducted our audit in accordance with generally accepted auditing standards and <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Public Employees' Retirement Association of New Mexico (PERA), is the responsibility of PERA's management. As part of obtaining reasonable assurance about whether the combined financial statements are free of material misstatement, we performed tests of PERA's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the Public Employees' Retirement Association of New Mexico, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that PERA had not complied, in all material respects, with those provisions.

This report is intended for the information of the Board of Directors and management. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Office of the State Auditor, is a matter of public record.

Ernet + Young

October 19, 1990



## **COMBINED BALANCE SHEET—June 30, 1990**

	Pension Trust Funds	
	Public Employees Retirement Fund	Judicial Retirement Fund
Assets:		
Cash on deposit with state treasurer	\$ 4,720,504	83,161
Receivables:		
Contributions receivable	8,464,246	324,906
Accrued investment income	14,029,667	
Accounts receivable—brokers	13,076,252	
Investments at carrying value:		
U.S. treasury securities	659,258,719	3,875,030
U.S. agencies issues	199,718,327	4,936,986
FHA insured mortgages	3,125,552	,
Corporate fixed income securities	311,178,581	8,414,247
Corporate stocks	647,106,218	, ,
Investments in land and buildings	2,926,880	
Property and equipment, net of	, ,	
accumulated depreciation	408,337	
Other	112,429	
Fixed Assets:	· · · -, · · - ·	
Total Assets	1,864,125,712	17,634,330
Liabilities:		
Accounts payable and accrued expenses	18,961,929	
Fixed assets held for others		
Due to other state funds		
Mortgage note escrow deposits	200,777	
Funds held for others	2,781,548	
Total Liabilities	21,944,254	
NET ASSETS AVAILABLE FOR PLAN BENEFITS	1,842,181,458	17,634,330
Fund balance:		
Actuarial present value of projected benefits for:  Current retirants and beneficiaries &		
	1 100 701 000	47 404 570
terminated vested participants	1,189,761,338	17,424,578
Actuarial present value of credited		
projected benefits for active employees:		
Member contributions & employers—	1,282,238,712	11 054 600
financed portion	1,202,230,712	11,854,622
Total actuarial present value of		
credited projected benefits	2,472,000,050	29,279,200
Unfunded actuarial present value of		
credited projected benefits	(629,818,592)	(11,644,870)
TOTAL FUND BALANCE	1,842,181,458	17,634,330_

# <del>}</del>

Pension Trust Funds		Agency Funds		
Magistrate Retirement Fund	Vol. Firefighters Retirement Fund	Social Security	Deferred Compensation	Total All Funds
22,522	500,813	171,384	200,132	5,698,516
62 125	70 570		95,800	8,884,952
63,135	73,579		15,012	14,165,381 13,091,264
1,408,705 1,637,169	1,035,823 1,160,053			665,578,277 207,452,535
1,195,751	1,731,350		45,656,831	3,125,552 368,176,760 647,106,218 2,926,880 408,337 112,429
		26,255	3,770	30,025
4,326,282	4,501,618	197,639	<u>45,971,545</u>	1,936,757,126
		26,255 171,384	3,836 3,770	18,965,765 30,025 171,384
500,000	500,000 197,639	45,971,545	45,963,939 68,613,438	200,777 49,245,487
4,326,282	<u>4,001,618</u>			1,868,143,688
433,278	<del></del>	_	. —	1,207,619,194
6,093,967	4,001,618			1,304,189,919
6,527,245	4,001,618	<del></del>	_	2,511,808,113
(2,220,963)	_	_		(643,684,425)
4,326,282	4,001,618			1,868,143,688



# COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES—PENSION TRUST FUND

Year Ended June 30, 1990, with Comparative Totals for Year Ended June 30, 1989 (expressed in thousands)

	Year Ended June 30	
REVENUES	1990	1989
Member Contributions:		
Public Employees Retirement	\$ 58,148,231	53,769,793
Legislative Retirement	400 505	440.445
Judicial Retirement Fund	160,505	148,115
Total Member Contribution	58,308,736	53,917,908
Employer Contributions:	96,224,188	89,317,498
Public Employees Retirement		
Legislative Retirement		
Judicial Retirement Fund	2,156,855	1,347,115
Magistrate Retirement	569,541	529,162
Volunteer Firefighters Retirement	500,000	500,000
Total Employer Contributions	99,450,584	91,693,775
Service credits purchased	626,136	871,719
Total Contributions		
iotal Contributions	<u>158,385,456</u>	146,483,402
Income Earned from Investments:		
Interest on Investments	93,982,516	97,284,671
Dividends	25,881,160	19,193,523
Gain from Securities Transactions	33,138,886	31,408,858
Other Income relating to Investments	2,325,717	1,477,343
TOTAL REVENUES	<u>155, 328,279</u>	295,847,797
EXPENSES		
Administrative Expenses:	<u>8,245,163</u>	4,675,456
Benefit payments:		
Public Employees Retirement Fund	88,755,420	83,020,533
Judicial Retirement Fund	1,543,485	1,294,161
Total Benefit Payments	90,298,905	84,314,694
Contribution Refunds to terminated		1,294,161
members with interest	<u> 14,166,265</u>	
TOTAL EXPENSES	112,710,333	102,664,061
NET INCREASE IN FUND BALANCE	201,003,402	193,183,736
FUND BALANCE AT BEGINNING OF YEAR	1,667,140,286	1,473,956,550
FUND BALANCE AT END OF YEAR	1,868,143,688	1,667,140,286
SIERROL III LIID OF TENT	1,000,140,000	1,007,170,200



# COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION PENSION TRUST FUNDS—

Year Ended June 30, 1990 (expressed in thousands)

RESOURCES PROVIDED FROM OPERATIONS:	
Net operating income	\$201,003,402
Increase in funds held for others	461,439
currently—Depreciation expense	150,258

TOTAL RESOURCES PROVIDED 201,615,099

**RESOURCES USED BY:** 

Decrease in mortgage escrow deposits 32,311

Purchase of property and equipment 524,195
Net increase in working capital 200,946,164
Other 112,429

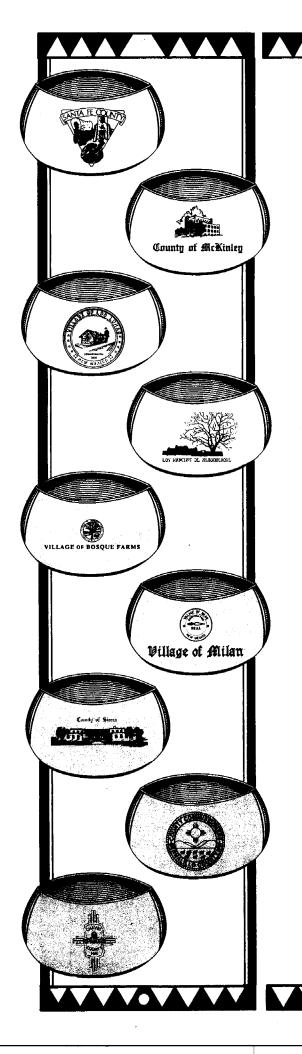
Total Resources Used 201,615,099

ELEMENTS ON NET INCREASE (DECREASE) IN WORKING CAPITAL:

Cash 2,531,098

Accrued investment income (4,948,862)9,713,551 Accounts receivable—brokers (2,159,167)Contributions receivable 179,613,302 Investments, at cost (785, 325)Cash overdraft Accrued payroll (30,528)(18,049,642) Accounts payable—brokers 2,656,261 Accounts payable—other 12,992 Accrued compensated absences

Total Increase in Working Capital \$200,946,164



ACTUARIAL SECTION

200 Globe Building • 407 East Fort • Detroit, Michigan 48226 • 313-961-3346

March 18, 1991

The Retirement Board Public Employees Retirement Association Santa Fe, New Mexico

Attention: Carlos Gallegos, Executive Secretary

We certify that the June 30, 1990 actuarial valuations of the Public Employees Retirement Association of New Mexico were made in accordance with recognized actuarial methods.

We believe the experience assumptions used in making the valuations provide a reasonable measure of the obligations and periods over which unfunded accrued obligations will be financed under the statutory contribution rates.

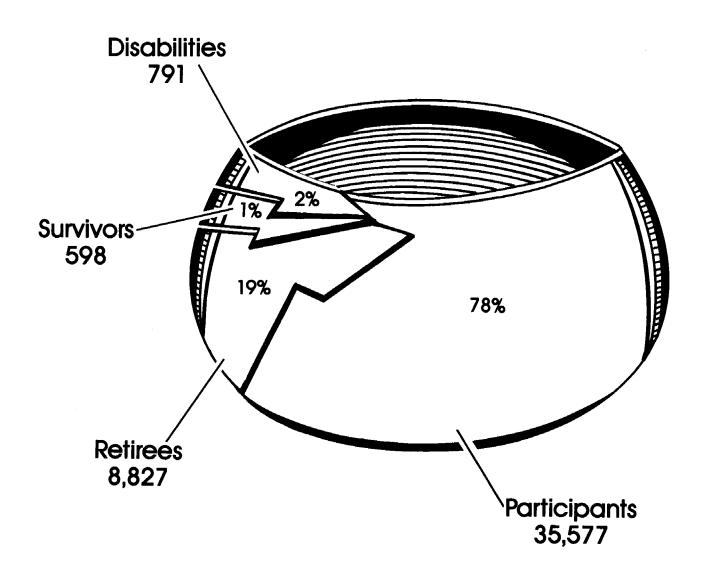
Respectfully submitted,

Sandra W. Rodwan

Ronald J. W. Smith

SWR:rmd

# Pera's Human Resources-1990





# SUMMARY OF ACTUARIAL ASSUMPTION for the FOUR RETIREMENT SYSTEMS OF NEW MEXICO Valuation as of June 30, 1990

The purpose of the actuarial valuation is to ascertain whether or not PERA is meeting its statutory obligations which are:

- Pension payments to current and future retired members, vested former members and survivor pension beneficiaries;
- · Refunds of member contributions to non-vested former members; and
- Administrative and investment expenses incurred in the operation of PERA.

The sources of PERA funding to meet the statutory obligations are:

- Member contributions:
- · Affiliated public employer contributions; and
- Investment earnings of PERA assets.

The basic funding objective of PERA is to avoid transfers of the cost of statutory obligations between generations of taxpayers. The objective will be realized if PERA sources of funding are sufficient to fund:

- Costs allocated to the current year on account of service rendered by PERA members in the current year (the normal cost); and
- Costs allocated to prior years on account of service rendered by PERA members in prior years (the unfunded actuarial accrued liability).

Board policy, established January 26, 1989, is to fund the unfunded actuarial accrued liability over 40 years from June 30, 1989.

The actuarial valuations measured:

- 1. The relationship between PERA obligations and funding resources to determine if the funding objective is being met; and
- 2. The contribution rate needed to comply with the 40-year objective for funding the unfunded actuarial accured liability.

The June 30, 1990, actuarial valuation indicated that PERA has an actuarial balance between resources and obligations in all divisions. The financing periods for all divisions except the State Police-Hazardous Duty division are in excess of the period targeted under the Retirement Board's funding policy. PERA has no margin with which to absorb the obligations associated with any benefit improvement. Future ability to properly monitor



PERA's actuarial balance is dependent upon continued diligence with respect to data quality and a period of benefit stability permitting derivation of underlying benefit utilization patterns. Retirements during the year decreased significantly and are now below the number expected under the long-term funding assumption in the State General and Municipal General divisions. The PERA funding resource together with current assets will be sufficient to fund the accruing obligation if the estimates of future PERA activities are realized and resources are not absorbed by unfunded benefit improvements.

#### **Fiscal Estimates**

Fiscal estimates are commonly selected on the basis of what is expected to occur in an inflation-free environment. Each item is then increased by a provision for long-term inflation. The estimates used for this valuation are:

- 8.00% nominal rate of investment return;
- 5.00% inflation; and
- 5.50% wage increases.

The nominal rate of investment return is 9.75% for pensions with effective date prior to July 1, 1985. Within the scope of the estimated wage increases above, attribution is made to inflation and other factors generating across-the-board increases. Provision is also made for merit and seniority increases.

The Public Employees, the Judicial, and the Magistrate Retirement Plans use the 1984 Group Annuity Mortality Table and the 1971 Group Annuity Mortality Table in evaluating liabilities of service retirement benefits to be paid under each plan. The Volunteer Firefighters Retirement Plan is a new coverage plan and no valuation has been performed.

The 1984 Group Annuity Mortality Table, set back 0 years for men and 6 years for women, for benefits having an effective date after June 30, 1985. The 1971 Group Annuity Mortality Table, set back 0 years for men and 5 years for women, for benefits having an effective date prior to July 1, 1985. Below are abbreviated schedules focusing in on life expectancies based on gender and age.

1984 Group Annuity Mortality Table

1971 Group Annuity Mortality Table

	Futu	re Life		Future Life Expectancy (years)		
Sample	<u>Expectan</u>	cy (years)	Sample			
Ages	Men	Women	Ages	Men	Women	
40	36.69	42.42	40	36.01	40.76	
45	32.01	37.64	45	31.36	36.01	
50	27.53	32.93	50	26.91	31.36	
55	23.28	28.41	55	22.71	26.91	
60	19.27	24.11	60	18.71	22.71	
65	15.55	20.05	<b>6</b> 5	15.11	18.76	
70	12.25	16.27	70	11.91	15.11	
75	9.50	12.87	75	9.24	11.91	
80	7.17	10.02	80	7.00	9.24	
85	5.43	7.59	85	5.32	7.00	

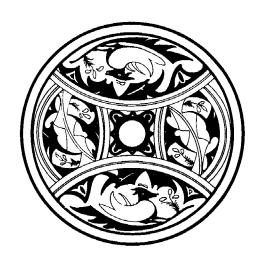


#### **Funding Periods**

The unfunded actuarial accrued liability funding periods supported by current statutory contributions rates and the additional contribution resources needed to immediately reduce these periods to 39 years are:

Coverage Group	Funding Period (1)	Additional Funding for 40 years (2)		
State General	65 years	1.30%		
State Police/Haz. Duty	20 years			
Municipal General	43 years	0.19		
Municipal Police	91 years	1.32		
Municipal Fire	90 years	2.57		

- (1) The number of years needed to fund the unfunded actuarial accrued liability with current statutory contribution rates.
- (2) The additional contributions needed to reduce the funding period to 39 years (percentages of payroll). The Board established a target financing period of 40 years from June 30, 1989.





## SUMMARY OF ACTUARIAL ASSUMPTIONS— RATES OF RETIREMENT

RATES OF RETIREMENT. These rates are used to measure the probability of an eligible member retiring at the indicated ages.

Retirement	State	State Pol./	Munic.	Munici	pal Police	Municipal Fire		
Ages	General	Haz. Duty	General	Plans 1 & 2	Plans 3, 4 & 5	Plans 1 & 2	Plans 3, 4 & 5	
42	%	30%	%	%	30%	%	20%	
43		30			30		20	
44		30			30		20	
45	15	30	15	30	30	20	20	
46	10	30	10	30	30	20	20	
47	10	30	10	30	30	20	20	
48	10	30	10	30	30	20	20	
49	10	30	10	30	30	20	20	
50	10	30	10	30	30	20	20	
51	10	25	10	25	25			
52	10	20	10	20	20	10	10	
53	10	15	10	15	15	10	10	
54	10	15	10	15	15	10	10	
55	10	15	10	15	15	10	10	
56	10	15	10	15	15	10	10	
<b>57</b>	10	15	10	15	15	10	10	
58	10	15	10	15	15	10	10	
59	10	15	10	15	15	10	10	
60	20	15	20	15	15	10	10	
61	10	15	10	15	15	10	10	
62	20	100	20	15	100	10	100	
63	10		10	15		10		
64	10		10	15		10		
65	100		100	100		100		

For valuation purposes, the following age and service eligibility conditions were used.

45 & 25	42 & 25	<b>45 &amp; 25</b>	<b>45 &amp; 25</b>	42 & 20	<b>45 &amp; 25</b>	42 & 20
65 & 05	60 & 20	65 & 05	60 & 20		60 & 20	



#### **Rates of Disability**

RATES OF DISABILITY—The rates are used to measure the probabilities of active members becoming disabled. Rates for sample ages follow:

Percent	<b>Becoming</b>	Disabled a	at Indicated	Ages
---------	-----------------	------------	--------------	------

Sample Ages	State General and Municipal General	State Police/ Hazardous Duty Municipal Pol./Fire			
20	0.07%	0.15%			
25	0.09	0.18√			
30	0.10	0.20			
35	0.14	0.29			
40	0.21	0.42			
45	0.32	0.65			
50	0.52	1.05			
55	0.92	1.84			
60	1.53	3.06			
65	1.65	3.30			

#### Rates of Separation from Active Membership

RATES OF SEPARATION FROM ACTIVE MEMBERSHIP—The rates are used to measure probabilities of active members terminating that status for a reason other than disability or death. The rates do not apply to members who are within the retirement rate range. Separation rates are presumed to be service related during the first 5 years of employment and age related thereafter. Rates for the first 5 years and sample ages follow.

#### **Percent of Active Members Terminating During Year**

Sample	Years of	Years of State General		State Police/	Munic. General		
Ages	Service	Men	Women	Hazardous Duty	Men	Women	
All	0	30.0%	20.0%	15.0%	40.0%	30.0%	
	1	20.0	15.0	10.0	25.0	20.0	
	2	15.0	15.0	8.0	15.0	15.0	
	3	10.0	8.0	7.0	0.0	10.0	
	4	7.0	7.0	6.0	7.0	7.0	
20	5 & over	6.0	6.0	_	6.0	6.0	
25		6.0	6.0	4.5	6.0	6.0	
30		6.0	6.0	3.9	6.0	6.0	
35		6.0	6.0	2.3	6.0	6.0	
40		6.0	6.0	0.9	6.0	6.0	
45		3.5	3.5	0.5	3.5	3.5	
50		1.5	1.5	0.5	1.5	1.5	
55		1.5	1.5	0.5	1.5	1.5	
60		1.5	1.5	0.5	1.5	1.5	
65		1.5	1.5		1.5	1.5	



Sample	Years of	Munici	pal Police	Municipal Fire				
Ages	Service	Plans 1 & 2	Plans 3, 4 & 5	Plans 1 & 2	Plans 3, 4 & 5			
All	0	15.0%	12.0%	12.0%	10.0%			
	1	10.0	9.0	9.0	7.0			
	2	8.0	7.0	7.0	5.0			
	3	7.0	5.0	5.0	4.0			
	4	6.0	4.5	4.5	3.5			
24	5 & over	6.0	4.5	4.5	3.5			
30		5.1	3.9	3.9	2.9			
35		2.7	2.3	2.3	1.5			
40		1.6	0.9	0.9	0.6			
45		1.1	0.5	0.5	0.5			
50		1.0	0.5	0.5	0.5			
55		1.0	0.5	0.5	0.5			
60			1.0		0.5	0.5 0.5		



## State Hazardous Duty Coverage Plan Active Members as of June 30, 1990 By Attained Age and Years of Service

									Tota	ils
Attained				of Service to					,	Valuation
Age	0-4	<u>5–9</u>	10-14	15–19	20-24	25-29	30 Plus	No.		Payroll
Under 20	5							5	\$	85,254
20-24	158	1						159		2,760,514
25-29	242	62						304		5,598,509
30-34	213	107	14					334		6,374,055
35-39	95	87	20	3				205		4,108,753
40-44	98	70	17	6	2			193		3,904,366
45-49	59	62	12	12	12	3		160		3,421,291
50-54	33	34	5	2	5	3		82		1,704,366
55–59	12	19	8	3	2	1		45		942,226
60	2	2	3					7		142,666
61	2	3						5		95,801
62	3	3						6		118,211
63		1	1					2		39,753
64		1						1		18,518
65	1	1			1			3		60,191
66					1			1		25,093
67	1							1		17,539
Totals	924	453	80	26	23	7		1,513	\$2	9,417,106

While not used in the financial computations, the following **group averages** are computed and shown because of their general interest.

Age: 35.8 years

Service: 4.8 years

Annual Pay: \$19,443



#### State General Coverage Plan Active Members as of June 30, 1990 By Attained Age and Years of Service

				Totals						
Attained					vice to Valuatio			-	Valuation	
Age	0-4	_5-9_	10-14	15-19	20-24	25-29	30 Plus	No.	Payroll	
Under 20	62							62	\$ 621,7	22
20-24	595	13						608	7,968,9	00
25–29	1,259	419	19					1,697	28,599,9	
30-34	1,570	626	337	22				2,555	50,529,5	
35–39	1,281	640	486	362	13			2,782	63,156,0	
40-44	1,073	587	456	607	248	9		2,980	74,229,8	56
45-49	742	366	289	292	259	99	1	2,048	50,442,9	
50-54	419	271	225	245	169	117	21	1,467	34,577,2	
55–59	324	191	175	189	142	73	36	1,130	26,401,3	
60	38	32	33	27	29	13	8	180	4,340,8	91
61	38	28	24	25	16	11	5	147	3,488,6	
62	21	22	30	25	9	5	5	117	2,672,9	
63	17	18	20	21	4	3	5	88	2,092,9	
64	11	9	11	7	5	1	3	47	1,109,4	
65	12	9	6	10	10	6	3	56	1,493,6	09
66	5	11	9	4	5	1		35	836,6	
67	8	1	2	4	3	1	2	21	472,49	
68	2	2	3		1	2	1	11	261,6	
69	4	2	3 2	1	·	2	•	11	302,2	
		_	_	-	5			• • •	002,2	
70 & over	13	12	8	10		3	<del>-</del>	51	1,011,4	44
Totals	7,494	3,259	2,135	1,851	918	346	90	16,093	\$354,610,69	95

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 40.8 years

Service: 8.1 years

Annual Pay: \$22,035



#### State Police Coverage Plan Active Members as of June 30, 1990 By Attained Age and Years of Service

									Totals
Attained			Years o	of Service to	Valuation Da	ate			Valuation
Age	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Payroll
20-24	17							17	\$ 340,425
25-29	40	25						65	1,429,821
30-34	24	41	15					80	1,959,977
35-39	15	15	27	16				73	2,018,346
40-44	3	7	7	40	7			64	1,974,056
45-49			4	14	14			32	1,073,464
50-54				6	9	4		19	701,331
55-59					1	2	2	5	199,613
62							1	1	42,986
68		_1_					-	_1	24,610
Totals	99	89	53	76	31	6	3	357	\$9,764,629

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 36.2 years

Service: 10.7 years

Annuai Pay: \$27,352



#### Municipal General Coverage Plan 1 Active Members as of June 30, 1990 By Attained Age and Years of Service

			Totals						
Attained				ervice to V					Valuation
Age	_0-4	<u>5-9</u>	10-14	15–19	20-24	25-29	30 Plus	No.	Payroll
Under 20	16							16	\$ 142,380
20-24	218	3						221	2,763,693
25–29	355	121	4					480	7,366,276
30-34	371	173	61	3				608	10,054,754
35–39	497	133	78	31				739	11,550,002
4044	277	117	59	40	13			506	9,019,998
45-49	189	86	46	30	8	2		361	6,460,823
50-54	147	69	30	32	10	2	1	291	5,190,474
55–59	126	67	50	30	11	6	7	297	5,287,383
60	24	8	10	10		2	2	56	932,416
61	17	7	5	5	3		1	38	669,929
62	19	10	8	6		1		44	727,871
63	7	8	9	5 2	1	1	1	32	597,861
64	6	5	6	2	1			20	304,050
65	13	5	3	2	1			24	405,290
66	12	1	1	2 3		1	2	20	274,707
67	6	4	2		1			13	154,668
68	6	1						7	29,694
69	10	1			1			12	97,366
70 & over	21	4	2	1	1		2	31	270,538
Totals	2,337	823	374	200	51	15	16	3,816	\$62,300,173

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 40.4 years

Service: 5.3 years

Annual Pay: \$16,326



#### Municipal General Coverage Plan 2 Active Members as of June 30, 1990 By Attained Age and Years of Service

				Totals						
Attained					/aluation D	ate			1	/aluation
Age	0-4	_5-9_	10-14	15-19	20-24	25-29	30 Plus	No.		Payroll
Under 20	48							48	\$	412,786
20-24	565	23						588		8,340,035
25-29	880	379	12					1,271	2	21,705,557
30-34	1,108	505	264	14				1,891	3	35,842,088
35–39	687	441	345	156	6			1,635	3	86,128,992
40-44	600	376	263	228	113	3		1,583	3	88,546,823
45-49	332	260	174	125	115	44		1,050	2	26,011,695
50-54	249	160	133	105	74	35	9	765	1	7,887,212
55–59	152	132	109	105	53	26	11	588	1	3,694,394
60	30	23	15	13	13	6		100		2,166,361
61	20	17	21	16	9	3	1	87		1,875,971
62	14	23	15	16	9	4	2	83		1,951,632
63	16	14	7	9	4	3		53		1,105,830
64	5	9	11	7	2	1		35		799,294
65	10	9	3	6	3		2	33		621,450
66	7	4	1	2	2	1		17		342,947
67	6	1	3	4			1	15		223,536
68	7	5	3	1				16		227,609
69	5	1	2	2	1		1	12		226,560
						2				,
70 & over	33	13	8	3_	3_			62		1,028,973
Totals	4,774	2,395	1,389	812	407	128	27	9,932	\$20	9,139,745

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 39.4 years Service: 7.2 years

Annual Pay: \$21,057



#### **Municipal Police Coverage Plan 1** Active Members as of June 30, 1990 By Attained Age and Years of Service

				Totals					
Attained	-				Valuation D	· · · · · · · · · · · · · · · · · · ·			Valuation
Age	0-4	<u>5–9</u>	10-14	<u>15–19</u>	20-24	25-29	30 Plus	No.	Payroll
Under 20	1							1	\$ 9,645
20-24	44	1						45	738,226
25–29	110	20						130	2,317,204
30-34	104	22	3					129	2,424,307
35–39	71	31	9	3				114	2,326,103
40-44	52	25	10	8				95	1,991,379
45-49	32	20	3	3	4			62	1,343,450
50-54	15	12	1	1	1			30	660,947
55-59	8	9	4		2		1	24	492,509
60	1		1					2	34,396
69		1						1	24,721
Totals	438	141	31	15	7		1	632	\$12,362,887

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 36.2 years

Service: 4.3 years Annual Pay: \$19,530



#### Municipal Police Coverage Plan 2 Active Members as of June 30, 1990 By Attained Age and Years of Service

									Totals	
Attained			Years o	of Service to	Valuation Da	ate			<b>Valuation</b>	
Age	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Payroll	
20-24	5							5	\$ 88,700	
25-29	13	3						16	310,263	
30-34	14	5						19	368,810	
35–39	8	10	2					20	412,985	
40-44	11	8	2	1				22	483,641	
45-49	5	3	2					10	207,818	
50-54	4	3	1					8	172,909	
55–59		3				1		4	89,060	
61		2		1				3	68,234	
62	<del></del>	_1_						1	18,538	
Totals	60	38	7	2		1		108	\$2,220,958	

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 38.6 years Service: 5.0 years Annual Pay: \$20,564



#### Municipal Police Coverage Plan 3 Active Members as of June 30, 1990 By Attained Age and Years of Service

									Totals
Attained			Years o	f Service to	Valuation D	ate			Valuation
Age	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Payroll
20-24	8							8	\$ 143,207
25-29	16	6						22	475,218
30-34	19	17	6					42	993,619
35–39	7	14	14	3				38	996,343
40-44	13	12	11	5				41	1,076,152
45-49	3	6		2	4	1		16	439,069
50-54	1	2	1	2				6	173,965
55–59		1	1	1	1		1	5	152,179
60				2				2	77,751
61					1			1	30,852
70 & over			1_	*****	<del></del>	<del> </del>		1	26,078
Totals	67	58	34	15	6	1	1	182	\$4,584,433

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 37.6 years

Service: 7.9 years

Annual Pay: \$25,189



#### Municipal Police Coverage Plan 4 Active Members as of June 30, 1990 By Attained Age and Years of Service

									Totals
Attained			Years o	of Service to	Valuation Da	ate			Valuation
Age	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Payroll
20-24	35							35	\$ 579,807
25-29	61	14						75	1,457,837
30-34	36	25	7					68	1,500,027
35-39	13	15	12					40	1,022,872
40-44	10	6	6	9	1			32	850,527
45-49	4	5	7	2	3			21	556,514
50-54	4	3	2			1		10	226,351
55-59	1			2		1		4	102,806
60	1			1	1			3	81,378
61			<del></del>			1		1	30,389
Totals	165	68	34	14	5	3		289	\$6,408,508

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 33.8 years

Service: 5.8 years

Annual Pay: \$22,175



#### Municipal Police Coverage Plan 5 Active Members as of June 30, 1990 By Attained Age and Years of Service

				_				Totals		
Attained					Valuation D	ate			Valuation	
Age	0-4	5-9	<u>10–14</u>	<u>15–19</u>	20-24	25-29	30 Plus	_No	Payroll	
20-24	124	7						131	\$ 2,664,387	
2529	233	104	1					338	7,768,386	
30-34	103	137	69			•		309	8,240,600	
35–39	53	63	89	62	2			269	7,788,574	
40-44	19	34	51	91	18	1		213	6,854,657	
45-49	7	12	16	31	22	4	1	89	2,931,974	
50-54	7	1	1	11	4	1		29	862,359	
55-59	1	1		3	1			7	181,734	
						1			,	
60		1						2	87,305	
61		1						1	33,052	
62				1				1	28,650	
63				1				1	23,853	
65				1				1	31,986	
Totals	547	361	227	201	47	7	1	1,391	\$37,497,517	

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 34.0 years

Service: 8.3 years

Annual Pay: \$26,957



# Municipal Fire Coverage Plan 1 Active Members as of June 30, 1990 By Attained Age and Years of Service

									Totals
Attained			Years o	of Service to	Valuation Da	ate			Valuation
Age	0-4	5–9	10-14	15–19	20-24	25-29	30 Plus	No.	Payroll
20-24	4							4	\$ 65,176
25-29	16	12						28	454,149
30-34	6	15	8					29	589,844
35-39	3	9	4	3				19	380,365
40-44	4	13	4	2				23	509,006
45-49		8		1				9	196,691
50-54	2	2			1	3		8	196,931
55-59				1	1	3		5	123,804
60							1	1	25,632
61				1				1	41,892
Totals	35	59	16	8	2	6	1	127	\$2,583,490

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 37.0 years

Service: 8.7 years

Annual Pay: \$20,342

#### Municipal Fire Coverage Plan 2 Active Members as of June 30, 1990 By Attained Age and Years of Service

									Totals	
Attained			Years (	of Service to	Valuation Dat	te			Valuation	
Age	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	<u>No.</u>	Payroll	
40-44	_1_	<del></del>						1	\$28,200	
Totals	1							1	\$28,200	

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 44.0 years

Service: 2.1 years

Annual Pay: \$28,200



#### Municipal Fire Coverage Plan 3 Active Members as of June 30, 1990 By Attained Age and Years of Service

								Totals			
Attained			Years o	of Service to	Valuation D	ate			Valuation		
Age	0-4	<u>59</u>	10-14	15-19	20-24	25-29	30 Plus	No.	Payroli		
Under 20	1					,		1	\$ 17,675 378,668		
20-24	19							19	867,952		
25-29	25	14						39	1,324,061		
30-34	33	17	4	1				55	1,193,417		
35-39	21	16	6	4				47	, ,		
									1,662,953		
40-44	30	7	9	11	2			59	660,084		
45-49	9	5	3	1	4	1		23	465,496		
50-54	5		2	4	5			16	307,934		
55-59	3	1		1	3	1		9	·		
									17,630		
60				1				1	27,984		
62	****			1				1	<u> </u>		
Totals	146	60	24	24	14	2		270	\$6,923,854		

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 37.2 years Se

Service: 6.3 years

Annual Pay: \$25,644



#### Municipal Fire Coverage Plan 4 Active Members as of June 30, 1990 By Attained Age and Years of Service

			Totals						
Attained Age		*	· · · · · · · · · · · · · · · · · · ·		Valuation				
	0-4	5-9	10-14	15–19	20-24	25-29	30 Plus	No.	Payroll
20-24	1							1	\$ 19,738
25-29	14.	4						18	378,836
30-34	5	2	5					12	295,532
35–39	5		5	4				14	351,483
40-44			1	8				9	238,664
45-49	1	1	1	2	1	1		7	172,216
50-54			1	2	1			4	119,335
55–59			2	1				3	82,533
61					1			1	18,749
63							<del> </del>	1	22,753
Totals	26	7	15	17	3	2		70	\$1,699,839

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 37.6 years

Service: 9.5 years

Annual Pay: \$24,283



### Municipal Fire Coverage Plan 5 Active Members as of June 30, 1990 By Attained Age and Years of Service

Attained Age			Totals						
	0-4	5–9	10-14	of Service to 15-19	20-24	25–29	30 Plus	No.	Valuation Payroll
20-24	37	3							
25-29	158	34	2					40	\$ 765,867
30-34	75	88	35					194	4,314,047
35–39	31							198	4,903,827
00-09	31	38	61	41				171	5,033,954
40-44	7	12	29	64	18			100	
45-49	1	1	4	22	21			130	4,047,014
50-54	•	•	7	2.2				49	1,608,939
55-59			1 4	1	5	1	1	9	291,646
33-39	-			2	1			4	131,992
Totals	309	176	133	130	45	1	1	795	\$21,097,286

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 34.3 years

Service: 8.8 years

Annual Pay: \$26,537



#### New Mexico Judicial Retirement Fund Active Judges June 30, 1990 By Attained Age and Years of Service

	Years of Service to Valuation Date							Totals		
Attained			<b>Valuation</b>							
Age	0-4	5-9	10-14	<u>15–19</u>	20-24	25-29	30 Plus	No.	Payroll	
35-39		1						1	\$ 67,500	
40-44	8	7	3					18	1,222,500	
45-49	8	9	1	1				19	1,286,250	
50-54	4	2	1	1				8	562,500	
55-59	3	2	1	2				8	552,300	
60	2	1		1				4	277,500	
61		2						2	135,000	
64		3						3	202,500	
65			1					1	67,500	
67			1					1	76,050	
69		1						1	67,500	
70 & over		_2	1					3	202,500	
Totals	25	30	9	5				69	\$4,719,600	



#### New Mexico Magistrates Retirement Fund Active Members June 30, 1990 By Attained Age and Years of Service

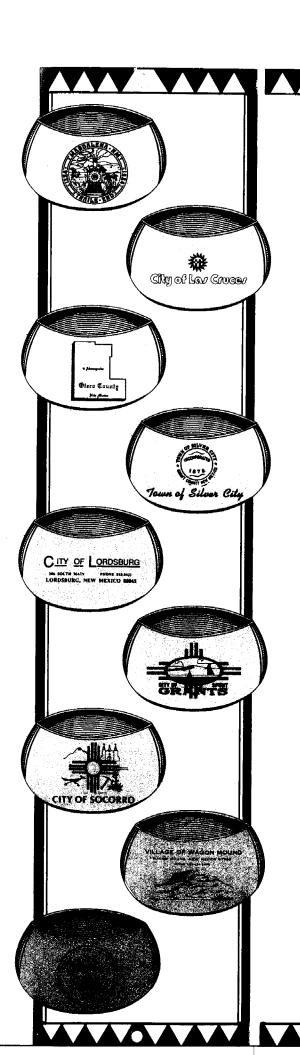
									Totals
Attained Age				Valuation					
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Payroli
25-29	1							1	\$ 45,000
35–39	5	3		2				10	487,500
40-44	5	4	1					10	450,000
45-49	2	1		1				4	187,500
50-54		2	1	1				4	180,000
55–59	7	4		3	1			15	682,500
60	1	1		1				3	135,000
61				1				1	52,500
62		3			1	1		5	225,000
63		1						1	45,000
64				1	1		1	3	135,000
65			1					1	45,000
70 & over		2		1	2			5	191,652
Totals	21	21	3	11	5	1	1	63	\$2,861,652

While not used in the financial computations, the following *group averages* are computed and shown because of their general interest.

Age: 52.3 years

Service: 9.4 years

Annual Pay: \$45,423



# STATISTICAL SECTION



#### **ASSETS** (expressed in thousands)

Year Ended		Annual Rate						
June 30	Total Assets	of Increase						
THE PUBLIC EMPLOYEES RETIREMENT FUND								
1990	\$1,864,125,712	10.75%						
1989	1,683,234,648	14.51						
1988	1,469,922,612	9.40						
1987	1,343,575,263	20.73						
1986	1,112,819,941	14.54						
1985	971,577,229	22.77						
1984	778,691,066	20.03						
1983	648,747,650	24.64						
1982	520,483,720	19.25						
1981	436,481,484	9.33						
THE JUDICIAL RETIREMENT FUND								
1990	17,634,330	14.19						
1989	15,443,400	8.81						
1988	14,192,495	13.54						
1987	12,499,963	10.62						
1986	11,299,966	12.87						
1985	10,011,219	12.21						
1984	8,921,544	14.28						
1983	7,806,673	18.61						
1982	6,581,827	19.63						
1981	5,501,859	19.88						
THE MAGISTRATE RETIREMENT FUND								
1990	4,326,282	25.41						
1989	3,449,676	20.05						
1988	2,873,612	48.97						
1987	1,929,036	43.88						
1986	1,340,718	_						
<b>198</b> 5	*							
1984								
1983								
1982								
1981								
THE VOLUNTEER FIREFIGHTERS FUND								
1990	4,501,618	39.63						
1989	3,223,930	17.04						
1988	2,754,575	57.16						
1987	1,752,720	54.32						
1986	1,135,796							
1985	547,697	<u></u>						
1984	*							
1983								
1982								
1981	<u> </u>							

<sup>\*</sup>New Retirement Plan effective July 1, 1984

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### EXPENSES BY TYPE (expressed in thousands) (unaudited)

Year Ended	<b>-</b>	Administrative		Total				
	Benefits	Expenses	Refunds	Expenses				
THE PUBLIC EMPLOYEES RETIREMENT FUND								
1990	\$88,755,420	8,218,855	14,166,265	111,140,540				
1989	83,020,533	4,666,536	12,337,707	100,024,775				
1988	66,663,753	5,694,623	11,546,800	83,905,176				
1987	53,860,576	4,701,477	11,021,771	69,583,824				
1986	43,052,646	3,925,990	10,858,681	57,837,317				
1985	35,712,616	3,078,500	11,115,243	49,906,359				
1984	29,635,558	2,285,656	9,410,182	41,331,396				
1983	23,256,602	2,190,360	7,256,002	32,702,964				
1982	17,781,378	1,766,039	6,796,811	26,344,228				
1981	14,472,356	1,464,394	6,082,292	22,019,042				
THE JUDICIAL RETIREMEN	IT FUND	, ,-,-	-,, <b>-</b>	22,010,012				
1990	1,543,485	12,048		1 555 500				
1989	1,294,161	5,120	14,888	1,555,533				
1988	1,126,404	13,023	7,422	1,314,169				
1987	1,019,206	13,264	1,997	1,146,849				
1986	899,036	12,291	24,216	1,034,467				
1985	800,812	13,017	13,813	935,543				
1984	747,364	10,001	1,1511	827,642				
1983	538,539	8,356	· ·	758,876				
1982	435,911	1,000	6,717	553,612				
1981	360,888	2,000	41,814	478,725				
THE MAGISTRATE RETIRE		2,000	19,815	382,703				
1990	17,771	10,705		00.470				
1989	17,771 —	•	<del></del>	28,476				
1988		1,900 1,500	_	1,900				
1987		1,500		1,500				
1986	<del>_</del>	500	<del>_</del>	500				
1985	<del>-</del>	4,000	_	4,000				
1984								
1983								
1982								
1981								
	ITEDA DESIDENT							
THE VOLUNTEER FIREFIGH								
1990 1989	3,700	3,555		7,255				
1988	300	1,900		2,200				
1987	_	1,500	<del></del>	1,500				
	_	500		500				
1986			<del></del>	_				
1985	_		_	_				
1984	x							
1983								
1982		i de la companya de						
1981								
*New Petirement Plan effective	o luly 1 1004			4.				

<sup>\*</sup>New Retirement Plan effective July 1, 1984

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### REVENUES BY SOURCE (expressed in thousands) (unaudited)

Year Ended June 30	Member Contribution	Employer Contribution	Investment Income	Total Revenues
THE PUBLIC EMPLOYEES	RETIREMENT FU	ND		
1990	\$58,148,231	96,224,188	150,974,446	305,346,865
1989	53,769,793	89,317,498	146,073,719	289,161,010
1988	50,728,008	87,172,940	113,641,429	251,543,377
1987	40,738,342	76,393,672	157,306,320	274,438,334
1986	36,514,084	68,587,191	132,692,635	237,793,910
1985	36,582,060	58,912,491	91,173,353	186,667,904
1984	39,771,271	46,304,991	83,279,510	169,355,772
1983	37,144,812	42,544,814	79,757,803	159,447,429
1982	28,138,357	34,468,821	46,854,851	109,462,029
1981	23,547,535	29,593,171	36,890,767	90,031,473
THE JUDICIAL RETIREME				, .
1990	160,505	2,156,855	1,429,103	3,726,463
1989	148,115	1,347,115	1,280,891	2,776,121
1988	148,561	1,306,171	1,185,326	2,640,058
1987	166,870	906,727	1,149,483	2,223,080
1986	135,381	893,580	1,131,318	2,160,279
1985	123,180	749,014	1,044,918	1,917,112
1984	262,317	661,087	947,914	1,871,318
1983	240,847	685,725	850,875	1,777,457
1982	221,505	662,987	674,203	1,558,695
1981	206,013	628,970	460,921	1,295,904
THE MAGISTRATE RETIR	EMENT FUND			
1990	_	569,541	317,770	887,311
1989		529,162	253,756	782,918
1988		576,856	164,266	741,122
1987		511,271	125,232	636,503
1986	_	615,971	76,770	692,741
1985	_	583,599	20,693	604,292
1984	*			
1983				
1982				
1981		3,386,400	958,487	4,344,887
THE VOLUNTEER FIREFIC	GHTER RETIREME	NT FUND		
1990	_	500,000	281,243	781,243
1989	_	500,000	278,756	778,686
1988		500,000	195,924	695,924
1987		500,000	121,924	621,924
1986	_	500,000	84,429	584,429
1985		500,000	47,697	547,697
1984	*			
1983				
1982				
1981		3,000,000	1,009,073	4,009,073
*New Retirement Plan effect	the luke 1 1004		·	

<sup>\*</sup>New Retirement Plan effective July 1, 1984

## **Analysis Of Funding-1990**

(Millions)

