

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

celebrating

50

*years of
service*

1947 - 1997

1996-1997 Annual Report

1006

Firefighters

Total PERA Assets \$5,379,163,496

Employer contributions \$166,617,652

Member contributions \$110,100,237

Contributions:

- State 117
- Municipal 71
- Counties 33
- Housing Authorities 26
- Special Districts 22
- Hospitals 1
- Volunteer Fire 356

Participating Employers 626

Contribution Refunds \$21,486,814

Retirement Benefits \$185,450,603

- State 8,423
- Municipal 6,208
- Judicial 73
- Magistrate 26
- Volunteer Firefighters 111
- Legislative 70

Retired Members and Beneficiaries 14,911

- State 20,562
- Municipal 20,701
- Judicial 86
- Magistrate 58
- Volunteer Firefighters 9,590
- Legislative 111

PERA Members 51,108

50
15

Administration

Executive Staff

Alice E. Herter, Executive Director
R. Lowell Gilbert, Assistant Executive Director
Carol A. Baca, General Counsel
Robert E. Gish, Investment Director
Victor Montoya, Property Manager
Bert J. Terrazas, Director of Member Services

Administration

Pamela Bustos, Secretary III
Jane Clifford, Administrative Assistant
Valerie Jones, Administrator III
Anna M. Martinez, Liaison Officer
Loretta E. Valencia, Financial Management Consultant

Administrative Services

Sharon D. Barela, Financial Specialist III
Lynn Coles, Financial Manager I
Arlene F. Coriz, Human Resources Administrator Senior
Sharon Moya, Financial Specialist II
Joyce Rivera, Financial Specialist II
Arthur A. Trujillo, Financial Specialist III

Member Services

Renee Baros-Herrera, Clerk IV
Vincent J. Jaramillo, Information Specialist II
Judy Olson, Manager IV
Beatrice Randolph, Manager IV
Erlinda Roybal, Clerk Specialist
Louis E. Scheier, Clerk Specialist
Claudine Serna, Clerk IV
Nora E. Solano, Manager IV
Kathy A. Webb, Manager IV

Building and Grounds

Marisela Aguirre, Custodial Worker I
Lillian Baca, Custodial Worker I
Becky Chavez, Custodial Worker I
Tommy Campos, Maintenance Worker II
Victor Diaz, Laborer
Carol S. Dunaway, Administrative Secretary
Sergio Gutierrez, Maintenance Lead Worker
David C. Lovato, Maintenance Worker II
Jose F. Marquez, Custodial Worker I
Eric Martinez, Maintenance Worker I
Mel E. Prada, Maintenance Supervisor

Ramon Salaz, Maintenance Worker I
Bertha A. Tagle, Custodial Worker I
Valentin Ulibarri, Custodial Worker Supervisor I
Pedro B. Valencia, Custodial Worker I
Raquel Velazquez, Custodial Worker I
John L. Waterman, Custodial Worker II
William David Wright, Maintenance Worker I

Contribution Accounting

Joseph W. Maes, Financial Specialist III
Herbert Romero, Manager V
Denise Vialpando, Financial Specialist I

Information Systems

Shawn Frederick, Clerk IV
Michael A. Gonzales, Programmer Analyst II
Fermin R. Montoya, Data Processing Manager I
Kevin W. Payne, Systems Analyst Manager
Regina B. Sanchez, Systems Analyst

Investments

Barbara Montoya, Financial Specialist III
Peter E. Roybal, Investment Officer II
Judy F. Toomey, Investment Officer II

Office of Legal Counsel

Donna M. Encinias, Legal Assistant II
Tracy M. Hughes, Assistant General Counsel
Nona Gregg, Administrative Secretary

Records

Alex F. Coriz, Clerk IV
Marco deWaaart, Clerk IV
Brenda Cordova, Laborer
Mark Sanchez, Administrator III

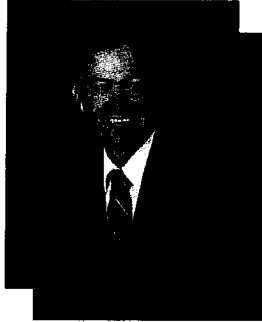
(As constituted on 12/1/97)

Elected Members



M.L. "Larry" Ward
Albuquerque, NM
Retiree Member

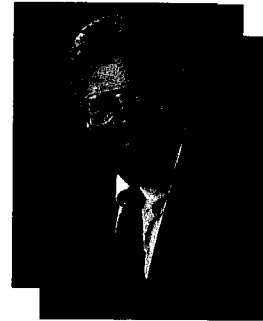
Chair



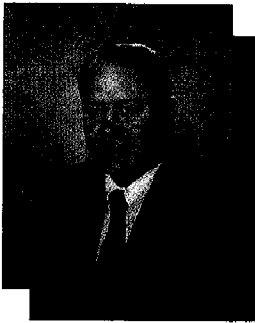
Jerry Rael
State Personnel Office
State Member



Susan H. Biernacki
City of Albuquerque
Municipal Member

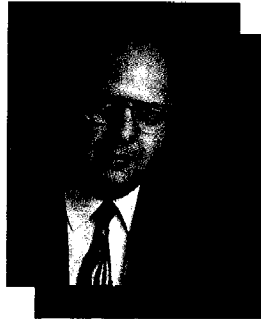


Doug Crandall
City of Albuquerque
Municipal Member



Lou Hoffman
City of Albuquerque
Municipal Member

Vice Chair



John Lucero
Albuquerque, NM
Retiree Member



Richard Klein
Office of the Attorney General
State Member

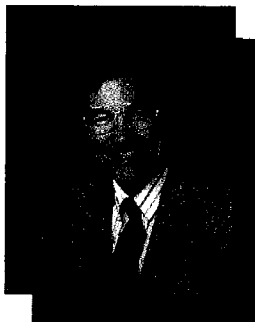


Robert Mascarenas
County of Bernalillo
County Member



Jerry Richardson
Taxation and Revenue
State Member

Ex-Officio Members



Gene A. Valdes
Human Services Department
State Member



The Honorable Stephanie Gonzales
Secretary of State



The Honorable Michael A. Montoya
State Treasurer

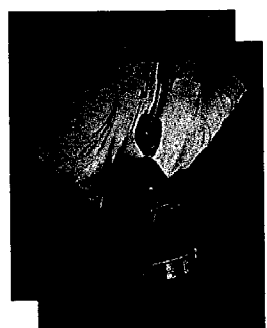
Board
five

Letter from the Board Chair

I am pleased to present this annual report to our membership and to the general public on another successful year for PERA. 1997 was PERA's 50th year, and our golden anniversary was observed with a wonderful celebration in September. PERA members and retirees, as well as many government officials, joined in the celebration. The PERA fund continues to grow at an impressive rate. We now have more than \$5.379 billion in net assets, a growth of over 300% in the past eight years. Our investment returns to continue to rank our fund in the top quartile of all public employee pension funds. Our investment return was 18.12% in calendar year 1997 and more than 19% in fiscal year 1997.

While we will not experience a return of 19% every year, our investment plan has allowed the fund to take advantage of good years in the stock and bond markets while still being conservative enough to protect us in the inevitable down years of these markets. Despite the well publicized turmoil in the Asian financial markets during the last quarter of 1997, PERA's international investments still earned a very respectable return of 10.69% for the full calendar year 1997. Approximately 58% of PERA's assets are invested in stocks, including 8.45% in international stocks. PERA's investments are divided among several money managers, each investing in a different sector of the overall stock market. Bond managers are also spread across each segment of the yield curve in order to provide superior returns without added volatility.

M.L. "Larry" Ward
 Albuquerque, NM
 Retiree Member



Each of our money managers is paid on a performance fee basis. This means that the better they perform, the more money they will earn. Conversely, if they should not perform as well as expected, PERA pays out substantially less money in fees. This philosophy essentially makes the money manager more than just someone who handles our funds, but an actual partner in our success. Despite this approach and the incredible success we've had over the past several years, our fees continue to be among the lowest of all state funds using external managers.

Earning a good investment return is certainly important. However, we are mindful that the soundness of the PERA fund is most important. I am pleased to report that our unfunded actuarial liabilities have continued to decrease. Last year the board adopted a policy of a 30-year amortization period, a decrease from the previous 40-year amortization period. According to our most recent actuarial report, we are now 88% funded, which is up from only 70% in 1985. Alice Herter continues to serve with distinction as Executive Director of PERA. Alice and her staff have done an excellent job over the past year and, on behalf of the entire board, I thank everyone who works for PERA. The PERA staff performs a difficult and important job with dedication and sensitivity. I believe that our employees are the finest group of employees of any public employee fund in the country. I am also proud of our newsletter, "La Voz," which maintains communication between the PERA staff, board and membership.

Finally, the board would like to thank the members of PERA for their interest and support. We have had many well qualified candidates for our latest board elections and vacancies, and our meetings are always attended by members with a genuine interest and concern for their association. This enthusiasm continually reminds us that serving on the board is not only a source of satisfaction but a great privilege as well.

M.L. "Larry" Ward
 PERA Board Chair

M.L. "Larry" Ward

Letter from the Executive Director

ally sound and that any benefit enhancements to the retirement program are properly funded. Finally, PERA values highly the cooperation of state agencies and our affiliated public employers in trying to assure that we provide public employees in New Mexico with a stable and sound retirement plan. Working together, we are able to provide safe and secure retirement benefits for many dedicated and hard-working public employees throughout the State of New Mexico.

Statistical Overview

As of June 30, 1997, PERA had 51,108 active members. Of this number, 20,562 are state members, 20,701 are municipal members, and the remaining members are participants in the judicial, magistrate, volunteer firefighters and legislative retirement programs. Also, as of June 30, 1997, PERA had 14,911 retirees and beneficiaries receiving pensions from PERA. Of these numbers, 8,423 are state retirees, 6,208 are municipal retirees, and the remaining retirees are from the judicial, magistrate, volunteer firefighters and legislative retirement plans. PERA's pension payroll for FY 97 was just over 185.45 million dollars and the average pension paid was \$12,437. The average age of PERA retirees is 66.2 years. PERA currently has 626 separate, affiliated public employers. In addition, we have 356 separate fire districts that participate in the volunteer firefighters plan.

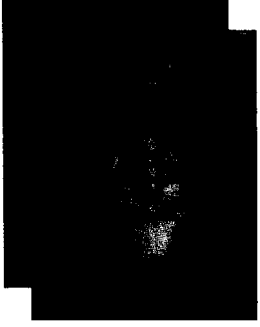
Revenue and Expense Sources

PERA administers 26 different retirement plans. The revenue necessary to fund the retirement benefits paid under these plans comes from three sources: (1) employee contributions, (2) employer contributions, and (3) investment

I am once again pleased to present to you the Annual Report for the New Mexico Public Employees Retirement Association for the fiscal year ended June 30, 1997. This report provides comprehensive information about the retirement programs PERA administers and the pension funds we manage. FY 97 has been an outstanding year for PERA. Our actuarial funding period has decreased over the past year from 43 years in FY 94 to 31 years in FY 97. Our investment performance was exceptional, yielding an overall return, net of fees, of 19.31%.

The success of our retirement system is due to the dedicated efforts of many people. The PERA Board members volunteer a substantial amount of time establishing policies which give PERA direction and monitoring the investment performance and actuarial health of our retirement system. We are also fortunate to have a hard-working, dedicated staff at PERA who earnestly endeavor to provide quality services to all our participants. It is through their professional work that PERA has also benefited greatly from the active participation of its retirees and members. Their suggestions and comments over this past year have been extremely helpful in assuring that we stay in touch with the needs of our participants. Additionally, I have been especially grateful for the positive support PERA has received from the Legislature. New Mexico's legislators have consistently supported the PERA policy of assuring that the PERA funds remain actuari-

Alice E. Hetter
Executive Director



earnings. The total revenue received by PERA during the fiscal year ended June 30, 1997, was \$1,172,700,477. Of this amount, \$110,100,237 was from employee contributions, \$166,617,652 was from employer contributions and \$884,819,265 was from net investment income. Unlike many public retirement systems nationwide, PERA has not had to increase either employee or employer contributions under these plans unless there has been a corresponding increase in benefits.

The payment of retirement and survivor benefits constitutes the majority of PERA's expenses. These total payments for FY 97 were \$185,450,603. The remaining expenses for PERA were the refund of contributions to members who terminated employment and chose to withdraw their PERA contributions (\$21,486,814), and the costs of administering PERA (\$12,631,713). In FY 97, these combined expenses totaled \$219,569,130. PERA's administrative expenses are controlled by an annual budget submitted by the Board for appropriation by the Legislature. In FY 97, these expenses represented less than 1.0% of PERA's total assets.

Thus, for FY 97, our total revenues exceeded our expenses by \$953,131,347, increasing PERA's total net assets to \$5,379,163,496 as of June 30, 1997.

Funding - Actuarial Soundness

One of the most important factors for any retirement system is its level of funding. If this level is satisfactory, the ratio of total fund assets to total liabilities will be larger, and more funds are available for investment purposes. Also, adequate funding provides members and retirees assurance that their benefits are secure.

This year, the PERA Board revised its target funding period for the PERA fund to 30 years. We experienced substantial funding progress this year as

our funding period decreased from 43 years in FY 94 to 31 years in FY 97. The advantage of a well-funded plan is that participants can see assets that are irrevocably committed to the payment of promised benefits. But even though our funding level is quite sound, PERA is committed to maintaining and improving this situation. The Board's policy is that it will only support benefit enhancements to PERA plans that are properly funded and actuarially sound. The Legislature has been supportive of this policy which provides further assurance that PERA will remain a well-funded pension plan.

Investments

Proper funding and stable investment returns are critical to the financial soundness of the Association. For the fiscal year ending June 30, 1997, the total investment return, on a market value basis, was 19.31%. This outstanding performance was net of all fees and exceeded the performance of all state investment agencies for three of the last four fiscal years and New Mexico Permanent Funds for each of the last five fiscal years. It also shows that the Board's investment policies during recent years have been successful. Because of this, the performance of the PERA Fund has increased from the bottom 6% of the public funds universe in the mid-eighties to today, where PERA has performed in the top quartile. This year, PERA invested about 8.45% of its portfolio in international securities. PERA's return on its international securities was 29.36%, compared to a 12.84% return on international securities for the EAFE Index.

The exceptional investment performance is important because our investment earnings are a major contributor to the total revenues received by PERA. The PERA Board and its Investment Committee spend considerable time and effort developing and reviewing the investment policy of the PERA Fund. Their heightened level of care has resulted in a substantial increase in earnings to the fund.

Asset Allocation

The foundation of PERA's investment policy is the type and extent of investment vehicles it uses. The Board's current investment plan allocates 60% of its assets to equity investments and 40% to fixed income. Within this broad allocation, the investments are further diversified into domestic stocks (both large and small capitalization), international stocks, bonds, mortgage-backed securities and cash. Up to 15% of PERA's portfolio can be invested internationally. The fund's diversified asset allocation mix is designed to optimize performance and also protect the fund from declines that a particular asset class may experience during a given period. The asset allocation policy, which is established by the PERA Board, determines 90% of the portfolio's return.

Accounting and Internal Controls

PERA uses an accrual-based accounting system to record assets, liabilities, revenues and expenses of the Association. Revenues are recognized in the accounting period in which they are earned, without regard to the date of collection, and expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. During the past year, PERA has continued to utilize successfully a general ledger system which we implemented three years ago. Among many other advantages, the utilization of this system has allowed PERA to generate monthly financial statements for the Association and permits PERA's Comptroller to provide management with monthly expense statements and budget projections.

In developing the Association's accounting system, consideration is given to the adequacy of internal accounting controls. PERA has conducted a number of internal audits this year, allowing us to improve various recordkeeping and management controls in the member services area. These controls are designed to

provide assurance regarding safekeeping of assets and reliability of financial records. Continual efforts are made by the Association to improve the level of assurance in order to guarantee a financially sound retirement system.

Records

PERA maintains over 242,000 participant records for active members, inactive members, retirees and beneficiaries. Until last year, these records were maintained manually, in paper files. Beginning last year, PERA successfully implemented and is utilizing a computer-controlled imaging system for maintenance of all PERA records. This system is one of the first of its kind in New Mexico state government and allows PERA records to be retrieved by computer and be immediately available for use by PERA benefit counselors when discussing retirement issues with members and retirees. Additionally, it provides backup copies of all records in the event the original paper records were to be destroyed by flood, fire or other disaster. The security built into the system also assures that the integrity of the files is maintained regardless of file utilization throughout the agency. The imaging of retiree files is expected to be completed during FY 98.

Professional Services

PERA uses independent, professional consultants to perform services for the Association that are essential to its effective and efficient operation. The independent monitoring of PERA's investment performance is performed by Wilshire Associates. Actuarial services are provided by Gabriel, Roeder, Smith & Company. The annual financial audit was performed by Atkinson & Company, Ltd. under the direction of the New Mexico State Auditor. Additionally, the Board utilizes the services of investment management firms to invest the fund's assets in accordance with its policy directives.

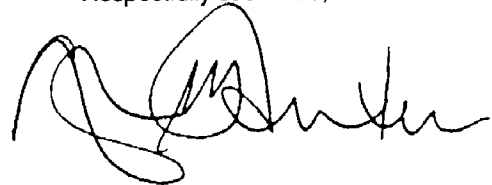
Professional legal services are also utilized as needed for litigation and administrative purposes. The utilization of these professional services assures the Board and the Association that the fund's assets are managed properly and that the financial status of the fund remains sound.

Conclusion

I am pleased to be a part of the management team here at PERA and I want to express my gratitude to the many individuals who contribute to the success of the Association. Our many affiliated public employers work continuously and cooperatively with PERA to assure that public employees have a retirement plan that will provide them financial security both now and into the future. The PERA Board devotes substantial amounts of time establishing Association policies and monitoring the Association's performance to maintain the strength and soundness of the PERA fund. And finally, I would like to acknowledge and commend the dedicated efforts of the PERA staff as they perform their daily responsibilities with a commitment to quality

and customer service. While we are proud of PERA's status as one of the best retirement systems in the nation, we are continuing to explore new ways in which we can provide more efficient responses to participant questions and ways in which we can make the Association as *user-friendly* as possible. Attaining this goal requires the combined efforts of Board, staff, employers and participants. Together, we can refine our priorities and develop options for the future. Together, we can build trust, team work and communication at all levels. Together, we can assure public employees throughout New Mexico that their retirement benefits are and will remain safe and secure, now and in the future.

Respectfully submitted,



ALICE E. HERTER

Executive Director

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L Historical Perspective

New Mexico enacted legislation creating a public employee retirement system in 1947. New Mexico was the last state in the continental United States to establish a retirement system for its public employees.

At that time, members were required to contribute 3.5% of their gross salary and their employers matched with an equal amount. The maximum annuity any member could expect to receive was \$150 per month. There were no pre-retirement survivor benefits available.

In 1955, PERA had 217 pension recipients who received an average annual pension of \$1,161. 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 improved to provide benefits of up to 50% of a member's final average salary.

Today, PERA administers 25 different pension plans. These plans currently cover state employees, municipal employees, county employees, police, firefighters, judges, magistrates and legislators. We now have approximately 51,000 members and over 13,700 retirees, whose pensions average about \$12,139 per year.

P ERA's Governing Body

PERA is governed by a Retirement Board consisting of 12 members. The State Treasurer and Secretary of State are members by reason of their office. Eight members of the Board are elected by the active membership of the Association. Four of the eight members are Municipal Division

members, at least one of whom is employed by a county. The remaining four are State Division members. Two board members are PERA Retirees elected to the board by the retired members. Persons elected to the Board serve staggered 4-year terms.

*S*ummary of Plan Provision *M*embership

PERA membership is generally a condition of employment with the state of New Mexico and affiliated public employers. Certain exceptions to the above condition of employment exist.

Vested Membership

Members who terminate employment with at least 5 years of service credit and leave their accumulated member contributions on deposit with the Association, are considered vested. They are entitled to a pension when they become eligible for normal retirement. In addition, non-duty disability and survivor benefits are available to vested members.

Cost-of-living Adjustments

Pensions are increased 3% each July 1, if retirement has been in effect for at least 2 full calendar years. If a member retires because of a disability or is at least age 65, the 2 calendar year waiting period is reduced to 1 full calendar year.

Contribution by Members and Employers

The contribution requirements by members and affiliated public employers are outlined on the following pages:

The Public Employees Retirement System Plan Summary

Contributions by Members and Employers

Coverage Plan	Percent of Salary Contribution Rate		Pension Factor Per Year of Credited Service	Maximum Pension as Percent of Final Average Salary
	Member	Employer		
State General Member				
Coverage Plan 1	3.83%	11.48%	2%	60%
Coverage Plan 2	6.18%	13.83%	2.5%	75%
Coverage Plan 3	7.42%	16.59%	3%	80%
State Police Member				
Coverage Plan 1	7.60%	25.10%	3%	80%
State Hazardous Duty Member				
Coverage Plan 1	4%	21.50%	2.5%	100%
Coverage Plan 2	4.78%	25.72%	3%	100%
Municipal General Member				
Coverage Plan 1	7%	7%	2%	60%
Coverage Plan 2	9.15%	9.15%	2.5%	75%
Coverage Plan 3	13.15%	9.15%	3%	80%
Municipal Police Member				
Coverage Plan 1	7%	10%	2%	60%
Coverage Plan 2	7%	15%	2.5%	100%
Coverage Plan 3	7%	18.50%	2.5%	100%
Coverage Plan 4	12.35%	18.50%	3%	80%
Coverage Plan 5	16.30%	18.50%	3.5%	80%
Municipal Fire Member				
Coverage Plan 1	7%	10%	2%	60%
Coverage Plan 2	7%	16.50%	2.5%	100%
Coverage Plan 3	7%	20.25%	2.5%	100%
Coverage Plan 4	11.80%	20.25%	3%	80%
Coverage Plan 5	15.20%	20.25%	3.5%	80%

Interest is credited to member contribution accounts each June 30, at the rate set by the retirement board.

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thirteen

The Judicial Retirement System (JRA)

The normal retirement pension amount is based on:

- Final salary, which is the judicial member's salary received during the last twelve months in office prior to retirement.
- Years and months of service; and
- The coverage plan applicable:

Pre 7-1-80 Plan: 37.5% of final salary plus 7.5% of final salary for each year of service in excess of 5 years. Maximum is 75% of final salary with 10 or more years of service.

Post 7-1-80 Plan: 37.5% of final salary plus 3.75% of final salary for each year of service in excess of 5 years. Maximum is 75% of final salary with 15 or more years of service.

The Magistrate Retirement System (MRA)

The normal retirement pension amount is based on:

- Final salary, which is the judge's salary received during the last year in office prior to retirement; and
- Years and months of service.

The annual benefit is 37.5% of final salary plus 3.75% of final salary for each year of service in excess of 5 years. Maximum is 75% of final salary with 15 or more years of service.

The Volunteer Firefighters Retirement System

The normal retirement pension amount for a volunteer (non-salaried) firefighter is:

- a. \$200 per month for firefighters with 25 or more years of service; or
- b. \$100 per month for firefighters with 10 to 24 years of service.

The pension is payable monthly during the remainder of volunteer firefighters life and a survivor benefit is available for a surviving spouse.

The Legislative Retirement System

The pension amount* is \$250 multiplied by the years of service credit earned by a legislator or lieutenant governor after Dec. 31, 1959, and \$40 multiplied by the years of credited service earned as a legislator or lieutenant governor prior to Jan. 1, 1960.

The Plan was reactivated last year after seven years of litigation concerning the constitutionality of the Plan. The New Mexico Supreme Court has ruled that the plan is constitutional.

*Contributions to support the plan comes from legislative appropriations and participating legislators who pay \$100 per year of service.

*R*etirement Legislation for 1997

January 22, 1997, marked the beginning of the 60-day legislative session. Over 2,800 bills were introduced. Thirty eight of those bills related to PERA. This was, by far, the largest number of legislative bills ever introduced. The following is a summary of the four bills which were proposed:

HB 875: PERA GENERAL BILL - Contained technical and substantive changes to the PERA Act to reflect various changes in federal law and various PERA program issues. The bill passed.

HB 671: DISABILITY RETIREMENT - Would have removed the link between PERA disability determinations from Social Security, allowing PERA to expedite the disability determination process and assure consistent application of disability standards for PERA members. The bill died on the floor.

HB 686: MUNICIPAL FIREFIGHTERS - Would have increased the total contributions into each of the five municipal firefighter plans by a total of 2% in order to correct the actuarial condition of the fund. The increase will be divided equally between employers and employees: 1% increase for employers and 1% increase for firefighters. The bill passed.

HB 623: VOLUNTEER FIREFIGHTERS - Would have increased the annual contribution into the Volunteer Firefighters Fund from \$750,000 to \$2.1 million, the amount recommended by PERA's actuaries. The

funding would have come from the fire protection fund which is the source established to fund the plan. The bill died on the floor.

In addition, a joint memorial was introduced establishing a commission to plan and organize a celebration for PERA's 50th anniversary in August of 1997.

The most controversial bill was introduced in the legislative session on February 20. House Bill 1206 would have had a major impact on retirement benefits for public employees in New Mexico. HB 1206 would have created two new public employee retirement programs and phased out the current public employees retirement system over the lives of existing PERA retirees and future retirees who are currently PERA members. The proposed bill would also have reduced the current benefit factor of 3% per year of service under State General Plan 3 and Municipal Plans to 1% per year. This means that after 25 years of service, members would receive an annuity equal to only 25% of their final average salaries, instead of the current 75%. Additionally, the bill required employees to reach age 62 before any benefits would be paid.

Implementation of this bill would also have created serious actuarial problems relating to the long-term financial ability to pay retirement obligations owed to current retirees and to current PERA members who retire in the future.

After discussion, HB 1206 was tabled by the House Labor and Human Resources Committee by a vote of 5 to 3.

Legislator's Edition
fifteen

Communications

Annual Statement of Account

Annual statements of account for individual members are mailed directly to each member in September. The statement provides a summary of account transactions and member contribution balances.

Individual Counseling

PERA conducts member and retirement seminars at locations throughout the state. PERA representatives are available to counsel members about retirement benefits and a Retirement Kit is now available by request.

Newsletters

Approximately 50,000 copies of the PERA newsletter, *La Voz*, are distributed each quarter. The *La Voz* Retiree Edition is sent out to more than 13,600 retirees. *La Voz* is disseminated in order to inform members about legislative updates, investments, counseling schedules and other important matters.

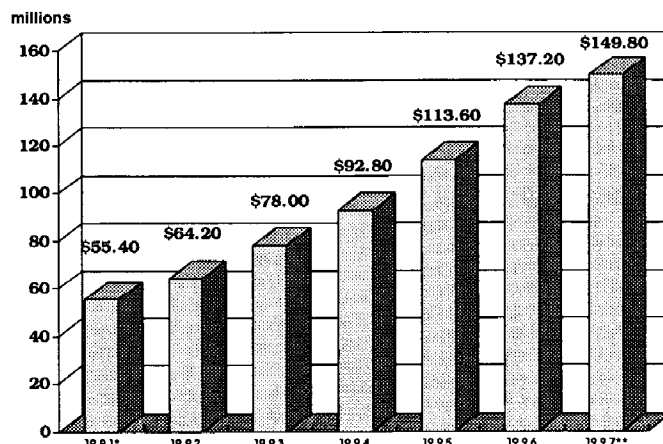
Deferred Compensation

In 1981, the New Mexico legislature adopted the state of New Mexico Deferred Compensation Act, as authorized by 26 USC Section 457 (Internal Revenue Code). The Plan allows state and local public employees to defer a portion of their salary into approved investment options administered by the third party administrator of the plan, the Copeland Companies. The Deferred Compensation administrator at PERA oversees the activities of the third party administrator and reconciles the deferrals from all participating employers through the State Treasurer's Office into the selected investment plan.

The purpose of this voluntary participation plan is to allow state and public employees to participate in a supplemental retirement program using tax deferred income. As of June 30, 1997, the Plan had 9,520 contributing participants deferring approximately \$5 million dollars per quarter. Total assets of the Plan were at \$149.8 million as of June 30, 1996.

1991	- \$55.4 million
1992	- \$64.2 million
1993	- \$78.0 million
1994	- \$92.8 million
1995	- \$113.6 million
1996	- \$137.2 million
1997	- \$149.8 million

Historical Plan Assets



* Copeland began administering New Mexico DCP November 1991.

** Information as of June 30, 1997

Investments

