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Public Employees
Retirement Association
of New Mexico

Legislative Division of the
Public Employees Retirement Association of New Mexico
Annual Actuarial Valuation
as of June 30, 2014

October 30, 2014

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

Members of the Board:

We have conducted the annual actuarial valuation of the Legislative Division of the Public Employees Retirement Association (PERA) of New Mexico as of June 30, 2014; the results of the valuation are contained in the following report. The annual valuation is used to determine the contribution requirement that is necessary to fund the annual normal cost and fully amortize the unfunded actuarial accrued liability with annual payments over a 30-year period. The results of this valuation apply to the fiscal year beginning July 1, 2014 and ending June 30, 2015 (FY 2015). Information contained in our report for plan years prior to June 30, 2010 is based upon valuations performed by the association's prior actuary.

In performing the valuation, we relied on data supplied by the Public Employees Retirement Association (PERA) and performed limited tests on the data for consistency and reasonableness. In determining the Plan's liabilities, future events, such as investment returns, deaths, retirements, etc., are anticipated based upon the set of actuarial assumptions as approved by the Board.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

This is to certify that the undersigned are members of the American Academy of Actuaries and have experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the Plan.

Respectfully submitted,

John J. Garrett, ASA, FCA, MAAA
Principal and Consulting Actuary

Jonathan T. Craven, ASA, EA, FCA, MAAA
Senior Actuary

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Section I: Board Summary

The table below summarizes the results of the June 30, 2014 actuarial valuation as compared with the prior year.

Table I-1: Comparative Summary of Principal Results

Valuation Date	**June 30, 2014**	**June 30, 2013**
Actuarial Accrued Liability (AAL)		
Active Members	$ 11,230,872	$ 10,006,242
Deferred Vested Members	454,207	532,433
Retired Members and Survivors	14,148,263	14,588,636
Total	$ 25,833,342	$ 25,127,311
Actuarial Value of Assets	$ 33,392,919	$ 28,939,243
Funded Ratio	129.3%	115.2%
Unfunded Actuarial Accrued Liability (UAAL) *(AAL - Actuarial Value of Assets)*	$ (7,559,577)	$ (3,811,932)
Calculation of Required Contribution (Fiscal Year Ending)	June 30, 2015	June 30, 2014
Normal Cost		
Retirement	$ 731,076	$ 633,345
Pre-Retirement Survivors	12,099	28,476
Total Normal Cost	$ 743,175	$ 661,821
Less Expected Member Contribution	63,000	59,500
Employer Normal Cost	$ 680,175	$ 602,321
Expected Administrative Expenses	6,000	N/A
UAAL Amortization Amount (30 Years)	(631,701)	(318,537)
Actuarially Determined Contribution	$ 54,474	$ 283,784

Summary of Key Findings

The funding policy for the Plan determines the employer contribution required to fund the annual normal cost plus an amount to fully amortize the unfunded actuarial accrued liability (UAAL) over 30 years. The actuarially determined contribution for the Plan in the fiscal year ending June 30, 2015 (FY 2015) is $54,474. This is a decrease to the employer contribution requirement of $229,310 from the prior valuation.

The normal cost amount increased from $661,821 to $743,175. Beginning with the 6/30/2014, the annual expected administrative expenses of $6,000 are included in the calculation of the actuarially determined contribution. The UAAL decreased from $(3.8) million to $(7.6) million and results in a decrease to the annual amortization amount from $(318,537) to $(631,701). The Plan's funded ratio has increased from 115.2% to 129.3%. We note the following key findings:

- The Plan experienced an actuarial gain on plan assets of $1,302,117 as a result of the 11.94% investment return on the actuarial value of assets. This represents a 5.0% increase to the funded ratio. Table III-4 provides the calculation of the actuarial investment increase for this year.

- The Plan experienced a net gain of $165,378 on plan liabilities due to non-investment related experience, which represents a 0.8% increase to the funded ratio.

- The Plan experienced a net gain of $325,210 on plan liabilities due to the active legislators' assumed per diem rate increasing by less than the assumed rate. This represents a 1.6% increase to the funded ratio.

- The Plan received $2,205,802 more in contributions than the actuarially determined amount. This represents an 8.4% increase to the funded ratio.

- As a result of the recent experience study for the period ended June 30, 2013, new economic and demographic assumptions are included in this valuation. These changes resulted in an increase of $215,406 to Fund liabilities and a decrease of 1.0% to the funded ratio.

Section II of the report provides summarized information on the membership data used in the valuation. Section III covers the Plan's assets and Section IV covers the Plan's liabilities. The results of the valuation are provided in Section V and the accounting information is in Section VI. The appendices provide additional information on: A) the Plan members, B) the actuarial assumptions and methods, and C) the summary of the benefit provisions of the plan. It is important to note that all information contained in this report for periods prior to June 30, 2010 were produced by a prior actuarial consulting firm.

Section II: Membership Data

Data regarding the membership of the Plan for use in the valuation were furnished by PERA. The following table summarizes the membership data as of June 30, 2014 and is compared with that reported for the prior year.

Table II-1: Summary of Membership Data as of June 30, 2014

Group	June 30, 2014	June 30, 2013
Total Active Members	126	119
Inactive Members*	15	18
Retirees		
Service*	146	149
Disabled	0	0
Beneficiaries	32	30
Total Retirees	178	179
Totals	**319**	**316**

* As of June 30, 2014, inactive members include 2 non-vested members and service retirees include 2 co-payees.

Table II-2: Deferred Members, Retired Members and Beneficiaries as of June 30, 2014

Group	Number	Total Annual Benefits	Average Annual Benefits	Average Age
Deferred Vested	13	$ 57,522	$ 4,425	64.22
Retirees				
Service	146	1,300,073	8,905	74.41
Disability	0	0	N/A	N/A
Survivors	32	247,480	7,734	80.17
Retiree Totals	**178**	**$1,547,553**	**$ 8,694**	**75.45**
Total	**191**	**$1,605,075**	**$ 8,404**	**74.68**

Section III: Plan Assets

The following tables provide information on PERA's market value of assets and the development of the actuarial value of assets. The difference between the Fund's total market and actuarial value is allocated to each Division of PERA in relation to the percent of each Division's market value to the market value of the total Fund.

Table III-1: Total PERA Market Value Reconciliation

		June 30, 2014	June 30, 2013
Beginning of Year Market Value		**$ 12,707,740,926**	**$ 11,600,023,988**
Audit Adjustment		17,005,791	9,209,724
Revised Beginning of Year Market Value		**$ 12,724,746,717**	**$ 11,609,233,712**
Revenues:			
a.	Member Contributions	238,695,585	226,164,967
b.	Employer Contributions	301,601,232	285,560,291
c.	Purchases of Service	8,214,497	9,132,788
d.	Investment Income		
	1. Adjustments of investments to market value	1,047,667,764	807,617,924
	2. Interest, dividends, etc.	297,102,152	293,385,358
	3. Realized gains (losses)	813,198,725	414,433,852
	4. Security Lending	(8,645,811)	(14,121,020)
e.	Other income	384,312	429,831
f.	Total Revenues	$ 2,698,218,456	$ 2,022,603,991
Expenditures:			
a.	Benefit Payments	905,329,140	842,710,961
b.	Refunds of member contributions	47,376,975	45,113,887
c.	Investment expenses	31,422,215	27,660,154
d.	Administrative expenses	10,336,324	8,611,775
e.	Total Expenditures	$ 994,464,654	$ 924,096,777
End of Year Market Value		**$ 14,428,500,519**	**$ 12,707,740,926**

Section III: Plan Assets

The actuarial value of assets represents a "smoothed" value developed with the purpose of dampening the impact of market volatility on the assets used in determining valuation results. The actuarial value is first determined for the total PERA assets and is calculated by spreading the recognition of unexpected investment income over four years. The amount of unexpected investment income in each year is the difference between expected actuarial value investment income and actual market value investment income. Table III-2 provides the calculation of the actuarial value of assets for PERA.

Table III-2: Development of Actuarial Value of Assets as of June 30, 2014
(Total PERA Fund Balance)

1. Actuarial Value Beginning of Year			$ 12,467,090,908
2. Market Value End of Year			14,428,500,519
3. Revised Market Value Beginning of Year			12,724,746,717
4. Cash Flow			
a. Contributions			$ 540,296,817
b. Service Purchases			8,214,497
c. Benefit Payments and Refunds			(952,706,115)
d. Administrative Expenses			(10,336,324)
e. Net			$ (414,531,125)
5. Investment Income			
a. Market Total (2 - 3 - 4e)			$ 2,118,284,927
b. Assumed Rate			7.75 %
c. Amount for Immediate Recognition			950,136,464
d. Amount for Phased-In Recognition			1,168,148,463
6. Phased-In Recognition of Investment Income			
a. Current Year: 0.25 * 5d			$ 292,037,116
b. First Prior Year (2012/2013)	$ 577,809,753	x 25%	144,452,438
c. Second Prior Year (2011/2012)	(1,010,896,575)	x 25%	(252,724,144)
d. Third Prior Year (2010/2011)	1,250,963,970	x 25%	312,740,993
e. Total Recognized Investment Gain			$ 496,506,403
7. Audit Adjustment			$ 17,005,791
8. Actuarial Value End of Year (1 + 4e + 5c + 6e + 7)			**$ 13,516,208,441**
9. Difference Between Market & Actuarial Values			$ 912,292,078
10. Rate of Return on Actuarial Value			**11.94 %**
11. Actuarial Value as a Percentage of Market Value			**93.68 %**

Section III: Plan Assets

The actuarial valuation adjustment is the difference between the actuarial value of assets, derived in Table III-2, and the total PERA fund balances at market value. The adjustment is allocated to each division of PERA in proportion to the total PERA fund balance at market value. The portion allocated to the Legislative Division was approximately 0.25% of the total PERA fund balance and is calculated in Table III-3.

Table III-3: Allocation of Actuarial Value of PERA Assets as of June 30, 2014

	Legislative Division	PERA Totals
Member Contribution Fund	$ 765,491	$ 2,321,275,395
Employer Contribution Fund	29,412,696	3,903,358,771
Retirement Reserve Fund	5,468,626	8,203,866,353
Total Fund Balances	**$ 35,646,813**	**$ 14,428,500,519**
Actuarial Valuation Adjustment	(2,253,894)	(912,292,078)
Total Actuarial Value of Assets	**$ 33,392,919**	**$ 13,516,208,441**

The actuarial valuation assumes the rate of investment return on the assets of the Plan is 7.75% annually. This assumption is based upon the reasonable long-term expected return on the assets. In each year, the Plan will experience actuarial gains and losses due to the actual investment return of the assets. Table III-4 provides the calculation of the gain or loss due to the investment experience on the actuarial value of assets for the year ended June 30, 2014.

Table III-4: Actuarial Investment Gain (Loss) for the Year Ended June 30, 2014

1. Beginning of Year Actuarial Value of Assets (AVA)	$ 28,939,243
2. Employee and Employer Contributions	2,466,800
3. Benefit Payments	(1,591,933)
4. Interest [1 x 7.75% + (2 + 3) x 7.75% x 0.5]	2,276,692
5. Expected End of Year AVA (1 + 2 + 3 + 4)	$ 32,090,802
6. Actual End of Year AVA	33,392,919
7. Actuarial Investment Gain (Loss) (6- 5)	**$ 1,302,117**

Section IV: Plan Liabilities

The total actuarial present value of benefits is the value of all future benefits expected to be paid to current members of the Plan as of the valuation date. An actuarial cost method allocates each individual's present value of benefits to past and future years of service. The actuarial accrued liability includes the portion of the active member present value of benefits allocated to past service as well as the entire present value of benefits for retirees, beneficiaries and inactive members. The portion of the actuarial present value allocated to the future service of active members is called the present value of future normal costs. Table IV-1 presents the calculation and allocation of the actuarial present value of benefits.

Table IV-1: Allocation of the Actuarial Present Value of Benefits as of June 30, 2014

	Actuarial Accrued Liability	Present Value of Future Normal Cost	Actuarial Present Value of Benefits
Active Members			
Service Retirement	$ 11,208,684	$ 3,530,249	$ 14,738,933
Disability Retirement	-	-	-
Survivor Benefits	22,188	57,403	79,591
Total for Active Members	$ 11,230,872	$ 3,587,652	$ 14,818,524
Inactive Members	$ 454,207		$ 454,207
Retirees and Beneficiaries			
Service Retirements	$ 12,347,924		$ 12,347,924
Disability Retirements	-		-
Beneficiaries	1,800,339		1,800,339
Total for Retirees and Beneficiaries	$ 14,148,263		$ 14,148,263
Total	**$25,833,342**	**$3,587,652**	**$29,420,994**

Section IV: Plan Liabilities

Under the valuation funding method, an unfunded actuarial accrued liability (UAAL) exists to the extent that the actuarial accrued liability exceeds the actuarial value of assets as presented in Section III. The calculation of the UAAL as of the valuation date is shown in Table IV-2.

Table IV-2: Calculation of the Unfunded Actuarial Accrued Liability and Funded Ratio

	June 30, 2014	June 30, 2013
1. Actuarial Accrued Liability	$ 25,833,342	$25,127,311
2. Actuarial Value of Assets	33,392,919	28,939,243
3. Unfunded Actuarial Accrued Liability (1 - 2)	$ (7,559,577)	$ (3,811,932)
Funded Ratio (2 / 1)	129.3%	115.2%

Although the terminology used to describe the excess of the Plan's actuarial accrued liability over the Plan's actuarial value of assets is call the "unfunded" actuarial accrued liability, the calculated required annual contribution in the valuation includes an amortization payment amount sufficient to fully amortize the UAAL within 30 years.

The funded ratio of the Plan is the ratio of the actuarial value of assets to the actuarial accrued liability as of the valuation date. As of June 30, 2014, the funded ratio of the Plan is 129.3% as compared to a ratio of 115.2% as of June 30, 2013. The ratio is a commonly used measure of the funding progress and can be useful in reviewing the historical trend of a plan's funding progress. Such a review should also consider the impact to this measure over the historical period due to changes to plan benefits, changes to the actuarial assumptions and methods, and significant impact that investment experience can have on the ratio over short-term periods. We caution that no single "point in time" measure can provide a universal basis for comparing one plan's funded status to another.

Section IV: Plan Liabilities

The calculation of the Plan's actuarial assets and liabilities requires the use of several assumptions concerning the future experience of the Plan and its members. In each annual valuation, the latest year of actual experience is compared to that expected by the prior valuation. The differences are actuarial gains and losses which decrease or increase the UAAL. Table IV-3 provides the reconciliation of the UAAL.

Table IV-3: Reconciliation of the UAAL

	UAAL	Funded Ratio
1. Beginning of Year	**$ (3,811,932)**	**115.2 %**
2. Normal Cost	661,821	
3. Expected Contributions	(343,284)	
4. Interest [1 x 7.75% + (2 + 3) x 7.75% x 0.5]	(283,081)	
5. Expected End of Year (1 + 2 + 3 + 4)	$ (3,776,476)	114.5 %
6. Actuarial Experience (Gain) / Loss		
Additional Contributions (with interest)	$ (2,205,802)	8.4 %
Investment Experience	(1,302,117)	5.0 %
Gain due to Per Diem rate increase less than 3%	(325,210)	1.6 %
Liability Experience	(165,378)	0.8 %
Experience Study Assumption Changes	215,406	(1.0)%
Total Actuarial Experience (Gain) / Loss	$ (3,783,101)	
7. Actual End of Year (5 +6)	**$ (7,559,577)**	**129.3 %**

Section V: Actuarial Funding Calculation

Section IV of this report presented the Plan's actuarial accrued liability as the portion of the present value of benefits allocated to past years of service. The portion of the active members' present value of benefits allocated to future years of service is funded through annual normal cost contributions comprised of both active member and employer contributions. The portion of the total annual normal cost amount in excess of the expected amount of active member contributions is the employer portion of the Plan's normal cost. The normal cost amount was developed as of the valuation date and presented in Table V-1.

The employer's required contribution necessary to satisfy the funding policy is the dollar amount required to fund the annual normal cost of the Plan and fully amortize the UAAL over 30 years. The amortization amount calculated is expected to remain constant over the remaining amortization period. The calculation of the contribution requirement is provided in Table V-1.

Table V-1: Calculation of Required Employer Contribution for Fiscal Year Ending June 30, 2015

1. Present Value of Future Benefits	$	29,420,994
2. Present Value of Future Normal Costs		3,587,652
3. Actuarial Accrued Liability (1 - 2)	$	25,833,342
4. Actuarial Value of Assets		33,392,919
5. Unfunded Actuarial Accrued Liability (UAAL) (3 - 4)	$	(7,559,577)
6. UAAL Amortization Payment (30 years)		(631,701)
7. Total Normal Cost		743,175
8. Less: Expected Employee Contribution		63,000
9. Employer Normal Cost (7-8)		680,175
10. Expected Administrative Expenses		6,000
11. Actuarially Determined Contribution (6 + 9 + 10)	**$**	**54,474**

Section VI: Accounting Information

The tables provided in this section present information relevant for the annual financial reporting of the Fund. GASB Statement No. 67 required disclosure information will be provided in a separate supplemental report. GASB Statement No. 25 information is provided below.

Table VI-1: GASB Statement No. 25 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)
6/30/2014	$ 33,392,919	$25,833,342	$(7,559,577)	129.3 %
6/30/2013	28,939,243	25,127,311	(3,811,932)	115.2 %
6/30/2012	25,168,813	27,429,263	2,260,450	91.8 %
6/30/2011	23,508,201	26,347,359	2,839,158	89.2 %
6/30/2010	22,125,806	26,675,356	4,549,550	82.9 %
6/30/2009	21,156,210	24,345,140	3,188,930	86.9 %
6/30/2008	19,999,435	21,414,312	1,414,877	93.4 %
6/30/2007	17,142,953	19,591,914	2,448,961	87.5 %
6/30/2006	13,677,848	19,433,505	5,755,657	70.4 %
6/30/2005	11,026,880	18,198,467	7,171,587	60.6 %
6/30/2004	8,407,702	23,530,656	15,122,954	35.7 %
6/30/2003	5,826,618	7,657,178	1,830,560	76.1 %
6/30/2002	5,790,520	7,178,995	1,388,475	80.7 %
6/30/2001	5,390,186	6,872,017	1,481,831	78.4 %
6/30/2000	4,932,308	6,595,009	1,662,701	74.8 %

Table VI-2: Schedule of Employer Contributions

Fiscal Year Ended June 30	Actuarial Valuation Date	Annual Required Contribution (ARC)
2015	6/30/2014	$ 54,474
2014	6/30/2013	283,784
2013	6/30/2012	682,187
2012	6/30/2011	775,571
2011	6/30/2010	857,633
2010	6/30/2009	755,156
2009	6/30/2008	545,655
2008	6/30/2007	585,916
2007	6/30/2006	797,242
2006	6/30/2005	975,585
2005	6/30/2004	1,678,409
2004	6/30/2003	179,000 - 266,000
2003	6/30/2002	135,000 - 218,000
2002	6/30/2001	123,000 - 226,000
2001	6/30/2000	144,000 - 235,000

Table VI-3: Solvency Test

	Aggregate Accrued Liabilities For				Portion of Accrued Liabilities Covered by Actuarial Value of Assets		
Valuation Date	(1) Active Member Contributions	(2) Retirees, Survivors and Inactive Members	(3) Active Members (Employer Financed Portion)	Actuarial Value of Assets	(1)	(2)	(3)
6/30/2014	$ 765,491	$ 14,602,470	$ 10,465,381	$ 33,392,919	100.00%	100.00%	100.00%
6/30/2013	704,324	15,121,069	9,301,918	28,939,243	100.00	100.00	100.00
6/30/2012	794,178	13,223,056	13,412,029	25,168,813	100.00	100.00	83.15
6/30/2011	730,297	13,241,429	12,375,633	23,508,201	100.00	100.00	77.06
6/30/2010	711,286	14,821,946	11,142,125	22,125,806	100.00	100.00	59.17

Table VI-4: Schedule of Retirants Added to and Removed from Rolls

	Added to Rolls		Removed from Rolls		Rolls End of Year			
Valuation Date	Number Added	Annual Allowances	Number Removed	Annual Allowances	Number	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
6/30/2014	6	$ 58,860	7	$89,045	178	$ 1,547,553	(1.91)%	$ 8,694
6/30/2013	24	334,780	8	66,916	179	1,577,738	20.45 %	8,814
6/30/2012	4	64,427	6	40,989	163	1,309,874	1.82 %	8,036
6/30/2011	11	102,686	6	222,746	165	1,286,436	(8.54)%	7,797
6/30/2010	5	71,552	2	12,533	160	1,406,496	4.38 %	8,791

Table VI-5: Summary of Actuarial Methods and Assumptions

Valuation Date	June 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open
Remaining amortization period	30 years
Asset valuation method	4-year Smoothed Market
Actuarial assumptions:	
Investment rate of return (includes 3.00% inflation)	7.75%
Adminstrative Expenses	$6,000 annually
Projected increase in per diem rate	3.00%
Post-retirement benefit increases	2.00% compounded annually

Appendix A: Additional Membership Data

Table A-1: Schedule of Active Participant Data as of June 30, 2014

Nearest Age	Completed Years of Service							
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	Total
Under 30	1							**1**
30 to 34								
35 to 39	5	2						**7**
40 to 44	7	3						**10**
45 to 49	7	3						**10**
50 to 54	9	3	2		1			**15**
55 to 59	9	1	2	1	1		1	**15**
60	1	2						**3**
61	3	1	1	1	1			**7**
62	3	1						**4**
63		1		1	2			**4**
64	2	2		1	1	1		**7**
65	1		2					**3**
66			1	1	1	1		**4**
67	1	1	1	2		1	1	**7**
68		1		2				**3**
69								
70		1		1				**2**
71	2							**2**
72	1	1						**2**
73						1		**1**
74		1						**1**
75			1					**1**
76				1				**1**
77	1	1	1					**3**
78				1			1	**2**
79						1		**1**
80 & Over	2	1	1	4			2	**10**
Total	**55**	**26**	**12**	**16**	**7**	**5**	**5**	**126**

Average Age: 59.87
Average Service: 9.30

Appendix A: Additional Membership Data

Table A-2: Number of Annual Retirement Allowances of Benefit Recipients as of June 30, 2014

Type of Pension	Number	Total Annual Benefits	Average Annual Pension
Normal Retirement Pensions			
Single Life Pension Terminating Upon Death	112	$ 942,948	$ 8,419
Two Life 100% Survivor Pension			
Retired Member Recipient	34	345,815	10,171
Survivor Recipient	13	108,021	8,309
Two Life 50% Survivor Pension			
Retired Member Recipient	7	49,284	7,041
Survivor Recipient	3	15,111	5,037
Total Normal Retirement Pensions	**169**	**$ 1,461,179**	**$ 8,646**
Pre-Retirement Survivor Pensions			
Spouse Recipient	9	$ 86,374	$ 9,597
Total Pre-Retirement Survivor Pensions	**9**	**$ 86,374**	**$ 9,597**
Total Pensions Being Paid	**178**	**$ 1,547,553**	**$ 8,694**

Table A-3: Distribution of Participants Receiving Benefits as of June 30, 2014

Attained Age	Retired Member Number	Retired Member Annual Pensions	Survivor Number	Survivor Annual Pensions	Totals Number	Totals Annual Pensions
Under 40						
40 to 44	2	$ 24,933			2	$ 24,933
45 to 49	1	15,435			1	15,435
50 to 54	3	35,610	1	6,736	4	42,346
55 to 59	4	48,013			4	48,013
60 to 64	12	146,427			12	146,427
65 to 69	27	248,139	4	24,315	31	272,454
70 to 74	22	176,981	3	35,734	25	212,715
75 to 79	31	254,220	7	40,644	38	294,864
80 to 84	26	198,531	7	79,528	33	278,059
85 to 89	12	82,033	5	30,843	17	112,876
90 to 94	6	69,751	4	25,163	10	94,914
95 to 99	0	0	1	4,517	1	4,517
100 & Over						
Total	**146**	**$1,300,073**	**32**	**$247,480**	**178**	**$1,547,553**

Table A-4: Distribution of Retirees & Beneficiaries by Years of Service at Retirement

	Years of Credited Service at Retirement							
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	Total
Average Monthly Benefit*	$772	$422	$760	$800	$759	$471	$1,231	$750
Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Retirees/Beneficiaries*	4	30	41	24	22	6	20	147

* Does not include 31 retirees/beneficiaries with missing years of service at retirement.

Appendix A: Additional Membership Data

Table A-5: Distribution of Recent Retiree Ages at Retirement

	2009-10 Retirees	2010-11 Retirees	2011-12 Retirees	2012-13 Retirees	2013-14 Retirees	All Current Retirees & Beneficiaries
Number	3	5	3	20	3	178
Average Monthly Benefit at Retirement	$763	$518	$430	$1,106	$417	$531
Average Attained Age at Retirement	60.92	68.17	59.00	63.59	64.97	65.24

Table A-6: Status Reconciliation

			Pension Recipients			
	Active Members	Terminated Members*	Service Retired	Disability Retired	All Beneficiaries	Total
June 30, 2013	**119**	**18**	**149**	**0**	**30**	**316**
Increase (Decrease) From:						
Service Retirement	(1)	(3)	4			
Disability Retirement						
Deaths	(1)		(7)			(8)
Survivors					2	2
Other Pension Terminations						
Vested Terminations						
Non-Vested Terminations	(1)					(1)
New Entrants/Rehires	10					10
Data Adjustments						
June 30, 2014	**126**	**15**	**146**	**0**	**32**	**319**

*Includes 13 deferred vested members and 2 inactive members at June 30, 2014

Appendix B: Summary of Actuarial Assumptions and Methods

Actuarial Cost Methods Used for the Valuation

An actuarial cost method is a procedure for allocating the actuarial present value of benefits and expenses to time periods. The method used for this valuation is known as the entry age normal level dollar cost method and has the following characteristics:

i) The total present value of projected benefits of each individual is allocated on a level basis over service from entry age to retirement age. The portion of this present value allocated to the valuation year is the normal cost.

ii) The actuarial liability is the accumulation of past normal costs on the valuation date.

Board Funding Policy: Amortize the unfunded actuarial accrued liability (the difference between the actuarial accrued liability and accrued assets) over an open 30-year period. This is done in accordance with PERA Board funding objectives adopted October 1996. As of June 30, 2014, funding value of assets exceeded accrued liabilities. The excess was amortized over 30 years and applied as a credit to the computed employer normal cost and expected administrative expenses.

The actuarial value of assets used for funding purposes is derived as follows: prior year total actuarial value of assets for each PERA division is increased by contributions and expected investment income and reduced by refunds, benefit payments and expenses. To this amount 25% of the difference between expected and actual investment income for each of the previous four years is added. The actuarial value of assets for each division is allocated in proportion to the total PERA Fund balance at market value.

Appendix B: Summary of Actuarial Assumptions and Methods

Actuarial Assumptions Used for the Valuation
(effective June 30, 2014)

The rate of investment return: 7.75% per annum net of investment expenses.

Administrative expenses: $6,000.

The rates of separation from active membership: None.

The rates of active member disability: None.

The rate of increase in the per diem was 3.0% per annum. This assumption was first used in the June 30, 2004 valuation and was based on an observed trend in the per diem rate prior to that valuation. The current assumed per diem rate is $159.

The rate of retirement from active membership: Members were assumed to retire immediately upon satisfying age and service requirements.

It was assumed that any service rendered by a legislator prior to the valuation date and not already purchased would not be purchased.

Appendix B: Summary of Actuarial Assumptions and Methods

Mortality Assumption. The mortality assumptions are based on the RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA.

Rates are shown for sample ages in the following schedule. Note that sex distinct mortality rates are used solely for determining the funded status and contribution rate adequacy. All benefit amounts are based on merged gender mortality rates.

Sample Mortality Rates								
Pre-Retirement			Post-Retirement			Disabled		
Age	Male	Female	Age	Male	Female	Age	Male	Female
25	0.0003	0.0002	45	0.0012	0.0008	45	0.0178	0.0056
30	0.0004	0.0002	50	0.0015	0.0012	50	0.0209	0.0085
35	0.0007	0.0004	55	0.0026	0.0024	55	0.0251	0.0143
40	0.0009	0.0005	60	0.0050	0.0046	60	0.0314	0.0200
45	0.0012	0.0008	65	0.0099	0.0089	65	Uses healthy post-retirement rates upon surviving to normal retirement age.	
50	0.0015	0.0012	70	0.0169	0.0153	70		
55	0.0021	0.0022	75	0.0294	0.0243	75		
60	0.0036	0.0036	80	0.0537	0.0404	80		
65	0.0059	0.0053	85	0.0976	0.0695	85		

Miscellaneous and Technical Assumptions

Marriage Assumption:	100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses.
Pay Increase Timing:	N/A.
Decrement Timing:	Decrements are assumed to occur at the beginning of the year.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Decrement Relativity:	Decrement rates are used directly from the experience study without adjustment for multiple decrement table effects.
Incidence of Contributions:	Contributions are assumed to be received at the beginning of the year.
Normal Form of Benefit:	Straight life.
Credited Service:	Service nearest the whole year is used to determine the amount of benefit payable.

Appendix B: Summary of Actuarial Assumptions and Methods

Definitions of Technical Terms

Actuarial Accrued Liability. The difference between the actuarial present value of future benefit payments and the actuarial present value of future normal costs.

Actuarial Cost Method. A mathematical procedure for allocating the dollar amount of the "actuarial present value of future benefit payments" between future normal cost and actuarial accrued liability.

Actuarial Present Value. The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest and by probabilities of payment.

Amortization. Paying off an amount with periodic payments of interest and principal – as opposed to paying off with a lump sum payment.

Experience Gain (Loss). The difference between actual actuarial costs and anticipated actuarial costs – during the period between two valuation dates.

Normal Cost. The actuarial cost allocated to the current year by the actuarial cost method.

Unfunded Actuarial Accrued Liability. The difference between the actuarial accrued liability and the actuarial value of assets. Sometimes referred to as "unfunded accrued liability."

Appendix C: Summary of Plan Provisions

Voluntary Retirement

Plan 1 and Plan 1 Enhanced:

Age 65 with 5 or more years of credited service; age 64 with 8 or more years of credited service; age 63 with 11 or more years of credited service; age 60 with 12 or more years of credited service; or any age with 14 or more years of credited service.

Plan 2:

Age 65 with 5 or more years of credited service or any age with 10 or more years of credited service.

Superannuation Annuity

Plan 1:	\$250 a year times credited service.
Plan 1 Enhanced:	\$500 a year times credited service.
Plan 2:	11% of the per diem rate in effect, pursuant to Section 2-1-8 NMSA on the December 31 of the calendar year that the member retires multiplied by 60 and further multiplied by credited service.

Deferred Annuity

A Legislative member who terminates with 5 or more years of credited service may apply for a superannuation annuity upon reaching voluntary retirement date, provided accumulated contributions are not withdrawn. The annuity is based upon Legislative service credit at time of termination.

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 80% of the accrued normal retirement pension.

Appendix C: Summary of Plan Provisions

Survivor Pensions – Death Not In the Line of Duty

Requires 5 years of credited service. Benefit applies to members and vested former members who have not elected coverage under the Elective Survivor Pension Beneficiary provision. Pensions are paid to an eligible spouse OR eligible children. The amount of pension payable for the life of an eligible spouse is up to 80% of accrued normal retirement pension. An eligible child pension is paid if there is not an eligible spouse or following the death of an eligible spouse. The amount of pension payable to each eligible child is an equal share of 50% of accrued normal retirement pension. An eligible child is an unmarried natural or adopted child who is under age 18. 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.

Member's Contributions

Plan 1:	$100 for each year of credited service.
Plan 1 Enhanced:	$200 for each year of credited service
Plan 2:	$600 for each year of credited service.

Elective Survivor Beneficiary Pension

Applicable to members with 5 or more years of credited service and vested former members who have elected option B and designated a survivor pension beneficiary who has an insurable interest. The amount of pension is the amount of accrued normal retirement pension under optional form of payment B (100% continuation to beneficiary).

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 the line of duty. The amount of disability pension is the accrued normal retirement pension at time of disability retirement. If the disability is in the line of duty, the credited service used is the amount that would have been acquired when first eligible for normal retirement.

State's Contributions

Annual appropriations to finance portions of benefits not financed by members' contributions, determined by actuarial valuation.

Appendix C: Summary of Plan Provisions

Cost-of-Living Increases

Effective July 1, 2013, pensions are increased each July 1 by 2% subject to the following eligibility periods:

- If member retires prior to July 1, 2014, Cost-of-Living Adjustment (COLA) is payable after retirement has been in effect for at least 2 full calendar years.
- If member retires on or after July 1, 2014 but prior to July 1, 2015, COLA is payable after retirement has been in effect for at least 3 full calendar years.
- If member retires on or after July 1, 2015 but prior to July 1, 2016, COLA is payable after retirement has been in effect for at least 4 full calendar years.
- If member retires on or after July 1, 2016, COLA is payable after retirement has been in effect for at least 7 full calendar years.
- If retired on account of disability or if at least age 65, the waiting period is reduced to 1 full calendar year.