



**PERA**

Public Employees  
Retirement Association  
of New Mexico

**INVESTED IN TOMORROW.**

# 2021 PERA Member Handbook

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# Welcome

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Dear PERA Members,

The Board of Trustees and the staff of PERA are pleased to welcome you to your retirement Association. We hope that this handbook will be a valuable source of information throughout your career.

PERA has been a source of reliable retirement security for New Mexico's public employees since 1947. PERA administers your PERA retirement benefits. As of June 30, 2020, we have served more than 120,00 members, more than 43,000 retirees and 335 employers.

PERA staff is here to serve you and your families. We look forward to assisting you whenever you need help or have questions about your PERA retirement benefits, as well as how this plan works with Judicial, Magistrate, Legislative, and New Mexico Educational Retirement Board service credit that you have earned during previous periods of employment.

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# PERA Contact Information - Santa Fe

## Santa Fe Office

33 Plaza La Prensa  
Santa Fe, NM 87507  
(505) 476-9300 Voice  
(505) 954-0370 Fax

## Business Hours

8:00 am- 5:00 pm  
Monday - Friday  
Closed on State Holidays

Toll Free (800) 342-3422

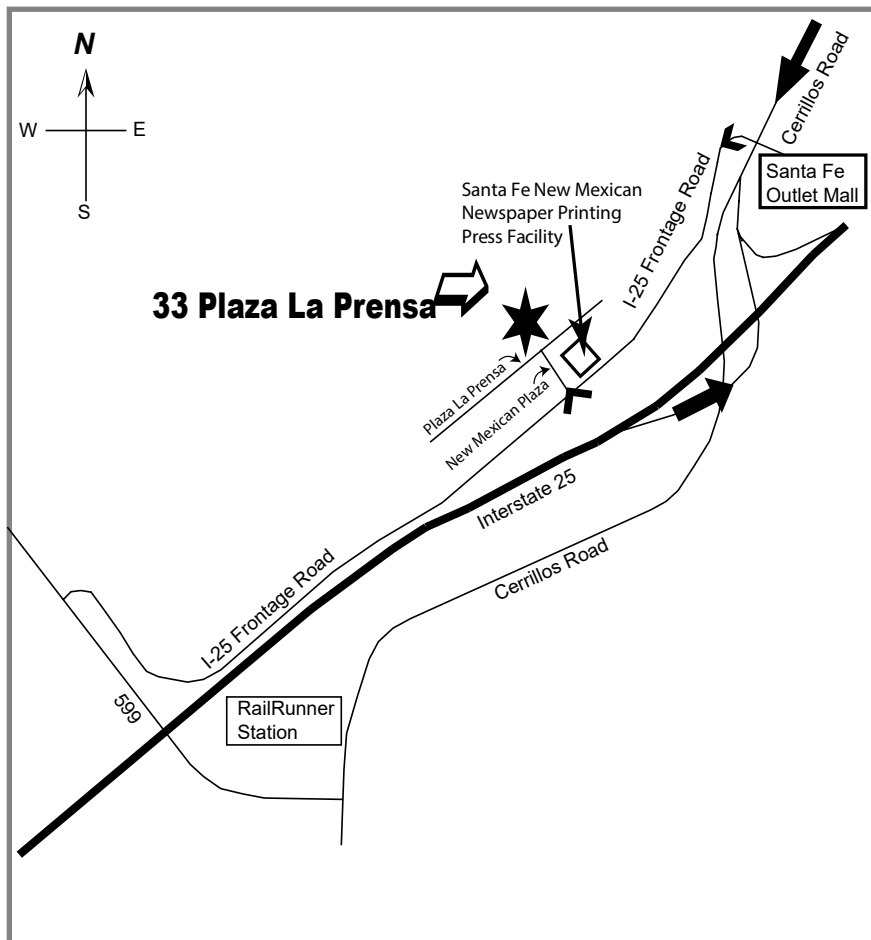
website: [www.nmpera.org](http://www.nmpera.org)

e-mail: [pera-memberservices@state.nm.us](mailto:pera-memberservices@state.nm.us)

A directory with direct telephone numbers to Santa Fe staff may be found on the PERA website on the Contact PERA page.

 @NMPERA  @NMPERA  @PERANEWMEXICO

 @NM PERA



Directions to the PERA building in Santa Fe:

Directions from downtown Santa Fe:

1: Start out on CERRILLOS ROAD SOUTH heading away from downtown.

2: Go south on CERRILLOS Rd to the traffic light at the Santa Fe Outlet Mall.

3: Turn RIGHT onto W FRONTAGE ROAD/I-25 W FRONTAGE ROAD.

4: Turn RIGHT onto NEW MEXICAN PLAZA.

5: The PERA office is located directly ahead.

6: Park in the main parking lot and enter through the front door by the flag pole.

Directions from Albuquerque:

1: Start out going NORTH on I-25  
2: Turn off at the CERRILLOS ROAD SOUTH exit.

3: Merge to the LEFT and turn LEFT onto W FRONTAGE ROAD/I-25 W FRONTAGE ROAD.

4: Turn RIGHT onto NEW MEXICAN PLAZA.

5: The PERA office is located directly ahead.

6: Park in the main parking lot and enter through the front door by the flag pole.

# PERA Contact Information - Albuquerque

## Albuquerque Office

6300 Jefferson St. NE, Suite 100  
Albuquerque, NM 87109  
(505) 383-6550 Voice  
(505) 954-0370 Fax

## Business Hours

8:00 am - 5:00 pm  
Monday - Friday  
  
Closed on State Holidays

website: [www.nmpera.org](http://www.nmpera.org)

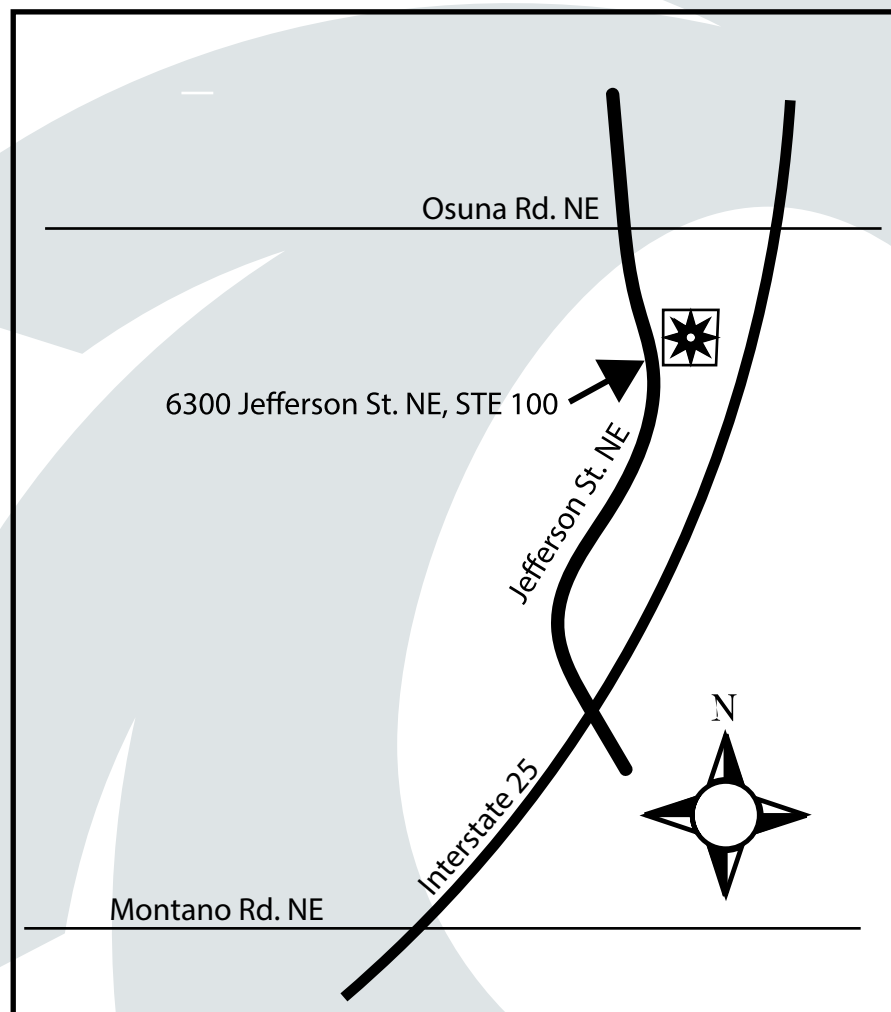
e-mail: [pera-albuquerque@state.nm.us](mailto:pera-albuquerque@state.nm.us)

 @NMPERA  @NMPERA  @PERANEWMEXICO

 @NM PERA

Directions to the PERA office in Albuquerque:

Follow I-25 to exit 229 (Jefferson St.). Take Jefferson St. NE heading north. Your designation will be on the east side of the street across from the Lowe's Home Improvement Call Center.



# Overview of PERA

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## History

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New Mexico established a retirement system for its public employees in 1947.

Today, PERA manages 31 retirement plans for state, municipal and county employees, including police, firefighters, Judges, Magistrates, Legislators and volunteer Firefighters. The Association also manages retirement plans for other political subdivisions, such as special districts and housing authorities. In 2020, the average annual pension was \$31,011.

## Defined Benefit Plan

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One of the most important benefits you receive as a public employee is membership in the Public Employees Retirement Association (PERA) of New Mexico. PERA provides a lifetime pension when you retire and a lifetime pension for your beneficiary as well, if one is chosen.

The Public Employees Retirement system is a 401a qualified government plan governed by the Public Employees Retirement Act. A public employer affiliated with PERA must deduct employee contributions each pay period from the employee's PERA-eligible salary, which are then paid into the PERA member contribution Fund. The employer also must pay employer contributions into the PERA employer's accumulation Fund each pay period.

Member contributions to the PERA member contribution Fund are generally not taxed while you are making contributions. Benefits and contributions are taxed when you receive the money either as a monthly pension or through a refund.

Since PERA is a defined benefit plan, you are guaranteed life-long monthly benefits after retirement. Benefits are paid when certain age and service credit eligibility requirements are met, regardless of the amount of member contributions paid into the plan. Your benefit

will also increase if you are eligible for a Cost-of-Living Adjustment (COLA).

The contributions you make over your career are paid out in pension benefits, on average, in the first 3-5 years of retirement. Pension payments for the rest of your lifetime are funded by the employer accumulation contribution Fund and earnings on PERA investments.

PERA also provides disability retirement, a benefit rarely offered in the private sector.

## Governance

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PERA is governed by a 12-member Board of Trustees. The Board is comprised of:

- Four members under a state coverage plan elected by state members;
- Three members under a municipal coverage plan elected by municipal members;
- One municipal member employed by a county elected by municipal members employed by a county;
- Two retired members elected by PERA retirees;
- The Secretary of State (ex officio); and
- The State Treasurer (ex officio).

The Board of Trustees appoints an Executive Director, who manages PERA's agency operations.

## The PERA Trust Fund

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The Board of Trustees oversees a Trust Fund from which retirement benefits are paid and agency operations are funded. The Board has the fiduciary responsibility to oversee Fund investment growth while managing market risk.

Additional information about PERA's investments is available on our website at: [www.nmpera.org/investments](http://www.nmpera.org/investments).



# Benefit TIERS

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Legislation established two benefit tiers under each PERA coverage plan.

You are in **TIER 1** if you:

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

You are in **TIER 2** if you:

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

## Are You a Member?

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### Membership

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If you are a state, county or municipal employee, you are probably a PERA member. PERA membership is a mandatory condition of employment with the state and affiliated public employers unless the position is excluded by the PERA Act. Employers must submit an *Application for PERA Membership* form or an *Employee Exclusion from PERA Membership* form within 30 calendar days of an employee's hire, job change or change to a part-time, seasonal or student employee position.

A *Beneficiary Designation* form also needs to be completed and submitted to PERA for all new contributing employees.

### Exclusions from PERA Membership

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A **seasonal or temporary employee** is an employee who works in a position created to last no more than nine consecutive months and designated as "seasonal" or "temporary" by the affiliated public employer. If the employee is still employed in the same position past nine

consecutive months, the employee is no longer considered seasonal or temporary. The employee must submit an *Application for PERA Membership Form* and start making member contributions at the beginning of the 10th month. The employer makes employer contributions for the employee as well. *This exclusion does not cover employees previously retired from PERA.*

A **student employee** is an employee who, during at least eight months in any calendar year, or during the period of employment, is enrolled full-time in a state-accredited school. Any person who is a regular, full-time employee is not a "student" under current rules and cannot be excluded from PERA membership.

**Elected officials** who want to be excluded may file an *Employee Exclusion from PERA Membership Elected Official* form within 24 months of taking office. This form must be filed with each new term of office. Retired members elected to public office will find additional information on page 37 of this handbook.

**Employees of a public employer at the time of its affiliation with PERA** may file an *Application for Exclusion From Membership at the Time of Employer Affiliation* form within 30 calendar days of the effective date of affiliation.

(continued page 8)

**Part-time employees**, who regularly work less than 20 hours in a 40-hour scheduled work week or fewer than 40 hours in an 80-hour pay period may file for an exclusion from membership. *This exclusion does not cover employees previously retired from PERA.*

Certain public employees in **private retirement** plans are excluded if the PERA-affiliated employer is making contributions to a private retirement program on behalf of the employee as part of a compensation arrangement and the employee files a written application for exclusion within 30 calendar days of employment. This exclusion does not cover employees previously retired from PERA.

**New Mexico Aging and Long-term Services trainees** in an employment program administered by the Aging and Long-term Services Department are excluded.

**Retired New Mexico Educational Retirement Board (NMERB) members** receiving a pension from NMERB are excluded.

**Dual Employment** - Individuals who are first employed by an NMERB-affiliated employer and then take a concurrent job with a PERA-affiliated employer while still employed by an NMERB employer are excluded from PERA membership.

## PERA Identification Number

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All PERA members are assigned a unique PERA identification number when they are hired. The PERA ID number is our way of protecting you against identity theft. Your ID number is used to locate you in our pension administration system and is cross-referenced with your social security number so that PERA can use either number for identification.

You may use either your PERA ID number or the last four digits of your social security number when contacting

PERA by mail or e-mail. This allows us to identify you quickly and provide the information you are requesting.

Once you have been assigned a computer-generated PERA ID number it cannot be changed. The number is unique to PERA and is not tied to the employee ID number assigned by your employer.

## Member Account Information

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PERA provides its members with information about their member contributions, service credit, retirement plan requirements and other valuable information.

### Annual Member Statements

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Once a year, usually in the fall, the *Annual Member Statements of Account* are sent to all PERA members with an account balance and valid mailing address. The statement shows contributions and interest posted to your account for the previous fiscal year, which ends on June 30.

Other information on the member statement includes your PERA identification number, a breakdown by fiscal year of your past service credit and salary as of June 30<sup>th</sup>.

Refund and survivor beneficiaries on file are also listed. If the beneficiary information is incorrect or outdated, you may change it by submitting a new *Beneficiary Designation* form to PERA for processing.

The total service credit shown on the member statement may be unaudited and is subject to change. Check your records to verify the service credit total provided by PERA.

You may submit a *PERA Request* form to receive a total service credit verification at any time during your career. PERA can also provide an estimate of benefits if you are within three years of retirement eligibility for your TIER and plan of membership. A *PERA Request* form is included in this handbook or can be downloaded from PERA's website at [www.nmpera.org](http://www.nmpera.org).

# Member Account Information

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## RIO - Retirement Information Online

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Your member account information is easily accessible through PERA's RIO Self Service website. Online, you have access to your account balance, service credit, a calculator to determine the cost of Air Time, and an estimate of benefits calculator.

RIO Self Service is accessible through PERA's website at [www.nmpera.org](http://www.nmpera.org). The yellow 'RIO Login' button can be found at the top of the PERA website.

To create a RIO user ID and password, you must have a personal e-mail address and be a member of the New Mexico Public Employees Retirement plan, Judicial Retirement plan, Magistrate Retirement plan, Legislative Retirement plan and/or the Volunteer Firefighter Retirement plan.

From the home page, click on the "Open an Account" link on the menu that runs across the top of the page. On the account creation page, choose a user ID and create a password. You will be asked to provide information about yourself to verify your identity. If the information you provide does not match PERA's records, please contact PERA for assistance.

To protect your RIO Self Service account, your password will expire after 120 days. If your password expires, click the "Forgot My Password" link on the Login page to reset it. If you experience any difficulty in resetting your password, contact the RIO help desk at [PERA-RIOhelpdesk@state.nm.us](mailto:PERA-RIOhelpdesk@state.nm.us).

## Once You Are Online

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Once you have created your user ID and password and have successfully logged in, you can get valuable information and update the demographic information

on your account. You can access many functions from the Member Account Home Page by clicking on the links under the "Things To Do" list on the left side of the page.

To view your account balance and service credit, print an account balance verification letter, or view your beneficiary information, click on "Member Home" link on the left side of the account home page. At the bottom of that page, you can:

- View your account details by year;
- View your latest annual statement; Print a copy of your last three *Annual Member Statements of Account*;
- View the annual cost-of-living adjustment (COLA) letter if you have retired;
- View - but NOT change - your beneficiary information; and
- Generate/print a member balance letter.

In addition to being able to view and print these documents, you are now able to opt out of receiving these documents in the mail. Click on "Review and Change Demographic Information" and then "Paper Mail Option" and "My Preferences."

Non-retired members can also change their address, telephone number and e-mail address from the "Review and Change Demographic Information" link.

Once you retire, you can also use RIO Self Service to verify that your pension benefit has been deposited as well as see the amount withheld for taxes or the insurance premiums withheld on behalf of the New Mexico Retiree Health Care Authority, if applicable.

**Please note**, you cannot change your beneficiary designation(s) online. To change your designation(s), please complete a new *Beneficiary Designation* form and send it to PERA along with any necessary supporting documentation (i.e. copy of your marriage certificate, court-endorsed copies of your final decree and marital settlement agreement, death certificate, etc.). This form is available on the PERA website, through your employer's Human Resources department, and at the back of this PERA Member Handbook.

# Vested Membership

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Vesting means that you are guaranteed a pension benefit when you meet the age and service requirements for normal retirement for your plan of membership. The service credit used for vesting must be earned while employed with a PERA-affiliated employer. Service credit earned with the New Mexico Educational Retirement Board (NMERB) does not count toward the years required

to vest with PERA.

TIER 1 and TIER 2 members are vested after earning five years of PERA service credit.

Once vested, you may be eligible for non-duty disability retirement and you may purchase certain types of service credit.

## Beneficiary Information

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Many people don't stop to consider who they named as a beneficiary at the time of hire until they begin the retirement process. But your beneficiary designation is important long before retirement. Member contributions are your money and will be paid to someone in the event of your death, either as a monthly pension benefit or as a refund. It is important you make sure PERA knows who that recipient should be. All members should complete a *Beneficiary Designation* form when they are first hired.

You may designate only one person or one organization as a refund beneficiary and only one person as a survivor beneficiary. The refund beneficiary and the survivor beneficiary can be the same person or two different people. If you are married, your spouse must give his or her consent if you choose someone other than your spouse to receive the benefit. In that instance, your spouse must sign a *Beneficiary Spousal Consent* form before a Notary Public.

The **refund** beneficiary designation is very important if you have not vested. If you die before you are vested and your death is not duty-related, your employee contributions plus interest are paid in a lump sum to your designated refund beneficiary. If you do not designate a refund beneficiary, your member contributions will be paid to your estate.

The **survivor** beneficiary designation becomes effective when you become vested or if you die from duty-related causes prior to becoming vested. Survivor pension amounts vary for non-duty-related and duty-related deaths.

You should review your designated beneficiary or beneficiaries (refund versus survivor) every year. Is it your ex-spouse, a child who is grown, or a parent who has recently passed away? Have you married, divorced or remarried? Has the child you named as beneficiary moved away and/or changed his or her name? Though unintentional, someone you designated as a beneficiary years ago may still be designated as the recipient of your PERA benefits. Many of the beneficiary forms on file with PERA are more than 20 years old. As a matter of reference, designations may be revoked at any time prior to retirement, subject to certain conditions.

A survivor pension benefit may be payable to a designated survivor beneficiary, surviving spouse, or eligible surviving children under the age of 18 in certain circumstances.

Every death situation is different. Please contact PERA for additional information.

# Contributions

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All members who participate in PERA's defined benefit plan are required to make employee contributions to the plan. The amount is a percentage of your PERA-eligible salary as determined by the coverage plan provided by your current employer (see the definition of "salary" in the glossary). Your employer also makes required contributions based on your salary. Employer contributions are not deposited into your member account and are not refundable if you quit your job and request a refund of your employee contributions, even if you are vested when you leave employment.

You cannot reduce, adjust or opt-out of making contributions and you cannot borrow from your PERA account.

Some municipal employers "pick-up" or pay a portion of employee contributions. The amount "picked-up" is credited to your member account and is refundable.

Your employee contributions are based on your gross salary before deductions. The State and many other employers have elected to defer taxes on your member contributions. Therefore, if you withdraw your member contributions, both state and federal taxes will be withheld.

The employee and employer contribution rates are listed on pages 13 and 14.

## Interest Credited to Your Account

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On June 30th of each year, interest is credited to your employee contributions at a rate set by the PERA Board. The interest rate is currently 2 percent per year. An *Annual Member Statement of Account* will be mailed and posted to your online account after interest has posted.

*Remember*, PERA must have a current mailing address for you to receive the annual statement. If you have not received an *Annual Member Statement of Account*, please check the mailing address PERA has on file for you and notify us, in writing, of any changes.

## Unremitted Contributions

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Employers are responsible for transmitting employee and employer contributions for all members to PERA. If the employer does not, the unreported contributions are called "unremitted contributions." It is important that you make sure your service credit record is correct. You can review your account on the RIO Self Service site. If there is a time period where contributions are incorrectly reported, you must provide the following information for PERA to make a determination:

- Proof of employment status. (For example, *Personnel Action Forms* showing the position status of full-time, part-time, temporary, etc.);
- Certification from the employer stating the start and end date of employment;
- Certification from the employer stating your salary history during the time in question.

## Refunding Member Contributions

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If you terminate employment, you can apply for a refund of your employee contributions and interest as long as you are not employed by another affiliated employer within 30 calendar days. You will not receive a refund of the employer contributions.

When you refund your member contributions and interest, you forfeit your service credit and all rights to any pension benefit from PERA, including disability or survivor benefits.

If you return to a PERA-affiliated employer at a later time, you will begin with zero service credit and contributions. However, you can recover the withdrawn credit by repaying the refunded amount, along with interest calculated from the date the contributions were withdrawn to the date of repayment.

All refund requests must be made by filling out a *Member Request for Refund* form or a *Member Request for Rollover*

# Contributions (continued)

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## Refunding Member Contributions (continued)

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form, available from your employer's payroll or human resources office or at PERA's offices or website ([www.nmpera.org/for-members/refund-of-contributions](http://www.nmpera.org/for-members/refund-of-contributions)).

Additionally, your employer must submit your last day of employment to PERA electronically before a refund or rollover request can be processed. If your employer requires assistance with this requirement, please ask them to contact their assigned PERA Contribution Accounting representative.

Since New Mexico is a community property state, you must submit court-endorsed copies of all final divorce decrees, marital property settlement agreements and any orders dividing retirement benefits along with the form(s) referenced above.

Refunds paid directly to a member are subject to tax. At the time of distribution PERA withholds New Mexico state tax (typically 8.5%) and federal taxes (typically 20%). Additionally, if you are under the age of 59 ½, you may also be subject to an additional 10% penalty for early withdrawal from a pension plan. You may also rollover your contributions to another qualified retirement account, and defer your tax liability.

Refund and rollover requests cannot be processed until PERA has received final payroll information from your employer and all contributions have been posted to your account. Because of these requirements, a refund or rollover of contributions normally takes up to 60 business days to process.

# PERA State Entity Contribution Rates and Pension Factors Effective July 1, 2021

Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per Year of Service		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary \$25,000 or less	Annual Salary greater than \$25,000		TIER 1	TIER 2	
State Plan 3	7.42%	9.92%	18.24%	3.0%	2.5%	90%
State Police Officer, Adult Correctional Officer, and Probation and Parole Officer Plan 1	7.60%	9.10%	25.50%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	9.92%	18.24%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	7.28%	27.37%	3.0%	3.0%	90%

# PERA Municipal Entity Contribution Rates and Pension Factors Effective July 1, 2021

Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per Year of Service		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary \$25,000 or less	Annual Salary greater than \$25,000		TIER 1	TIER 2	
Municipal Plan 1 (plan open to new employers)	7.0%	8.5%	7.65%	2.0%	2.0%	90%
Municipal Plan 2 (plan open to new employers)	9.15%	10.65%	9.80%	2.5%	2.0%	90%
Municipal Plan 3 (plan closed to new employers 6/95)	13.15%	14.65%	9.80%	3.0%	2.5%	90%
Municipal Plan 4 (plan closed to new employers 6/00)	15.65%	17.15%	12.30%	3.0%	2.5%	90%
Municipal Police Plan 1	7.0%	8.5%	10.65%	2.0%	2.0%	90%
Municipal Police Plan 2	7.0%	8.5%	15.65%	2.5%	2.0%	90%
Municipal Police Plan 3	7.0%	8.5%	19.15%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	13.85%	19.15%	3.0%	2.5%	90%
Municipal Police Plan 5	16.3%	17.8%	19.15%	3.5%	3.0%	90%
Municipal Fire Plan 1	8.0%	11.0%	11.65%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	11.0%	18.15%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.0%	11.0%	21.90%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.8%	15.8%	21.90%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.2%	19.2%	21.90%	3.5%	3.0%	90%
Municipal Detention Officer Plan 1	16.65%	18.15%	17.30%	3.0%	3.0%	90%



# Service Credit

## Earning Service Credit

Service credit is awarded for any calendar month when you begin employment on or before the 16th of the month or terminate employment on or after the 15th of the month.

In addition, a full-time PERA member must receive and be reported to PERA as having earned 50 percent or more of your regular monthly salary to receive service credit for that month.

If you were a vested part-time employee on June 30, 2014, you will earn a month of service credit when you work 20 or more hours per week, totaling 40 or more hours in an 80-hour pay period.

Effective July 1, 2014, the rules for non-vested part-time employees changed. You must work 30 or more hours per week, totaling 60 or more hours in an 80-hour pay

period to earn one month of service credit. If you work a minimum of 20 but less than 30 hours per week, totaling between 40 and less than 60 hours in an 80-hour pay period, you will earn one month of service credit for every two consecutive calendar months worked.

You cannot earn more than 12 months of service credit in a calendar year. If, for example, you work full time for one affiliated employer, and in the same month, part-time for another affiliated employer, you will receive only one month of service credit.

This also applies if you are first employed by a PERA-affiliated employer and then later work for an Educational Retirement Board-covered employer at the same time. If you are considering dual employment and have questions, please contact PERA.

Number of Months	Conversion Factor
1	.0833
2	.1667
3	.2500
4	.3333
5	.4167
6	.5000
7	.5833
8	.6667
9	.7500
10	.8333
11	.9167
12	1.0000

# Service Credit Enhancement - TIER 1 Only

## Enhanced Service Credit

TIER 1 members of State Police Officer, Adult Correctional Officer, and Probation and Parole Officer Coverage Plan 1 and the Municipal Detention Officer Coverage Plan 1 earn a 20 percent enhancement of service credit. TIER 1 State Police majors, deputy chiefs and the chief are excluded from earning the enhancement. PERA-affiliated employers are required to certify your employment/ position(s) in one of these plans before enhanced service credit is awarded.

For every five months worked in a position under an enhanced service credit plan, TIER 1 members who meet the requirements in this section, will earn one month of enhanced service credit. The time you have actually worked plus the 20 percent enhanced service credit is equal to the total amount of service credit earned under an enhanced plan.

Service Credit Table for PERA Plans With Enhanced Service Credit			
Actual Employment in Years and Months	+	Earned Enhanced Service Credit	= Total Accrued Years and Months of Service Credit
25 years		+ 5 years	= 30 years
22 years, 3 months		+ 4 years, 5 months	= 26 years, 8 months
20 years, 10 months		+ 4 years, 2 months	= 25 years
16 years, 8 months		+ 3 years, 4 months	= 20 years
14 years, 2 months		+ 2 years, 10 months	= 17 years
11 years, 8 months		+ 2 years, 4 months	= 14 years
9 years, 2 months		+ 1 year, 10 months	= 11 years
6 years, 8 months		+ 1 year, 4 months	= 8 years
4 years, 2 months		+ 10 months	= 5 years
1 year, 8 months		+ 4 months	= 2 years
1 year, 3 months		+ 3 months	= 1 year, 6 months
10 months		+ 2 months	= 1 year

# Purchased Service Credit

A PERA member must be vested (see page 10) to be eligible to purchase other types of service credit permitted by the PERA Act, with the exception of withdrawn or forfeited service credit. As a reminder, reciprocal service with another state system does not count toward the vesting period needed to purchase service credit.

The three most-frequently purchased service credit types are Withdrawn or Forfeited, non-intervening Military, and Air Time.

As related to the cost calculation of non-intervening Military and Air Time service credit, final average salary is determined based on your PERA TIER of membership. Final average salary for TIER 1 members is based on the average of the member's highest 36 consecutive months of salary at the time of purchase. For TIER 2 members, final average salary is based on the average of the member's highest 60 consecutive months of salary.

## Withdrawn or Forfeited Service Credit

If you withdrew your member contributions and interest and forfeited service credit when you left PERA-affiliated employment in the past, you may buy back this time when you return to a PERA-affiliated employer and have earned at least one month of service credit or you become a current contributing member of a NMERB-covered employer.

To reinstate withdrawn or forfeited service credit, you must repay PERA the amount originally withdrawn *plus interest* from the day the contributions were withdrawn to the day the amount is repaid beginning with the most recently forfeited service credit.

Interest rates are as follows:

- Forfeited service prior to 12/31/83 – 5.25%.
- Forfeited service from 1/1/84 to 12/31/01 – 10%.
- Forfeited service from 1/1/02 to 12/31/14 – 8%.
- Forfeited service from 01/01/15 to 12/31/2016 - 7.75%.
- Forfeited service from 01/01/2017 to present - 7.25%.

You may purchase withdrawn service in one lump-sum payment or in yearly increments. You may purchase less

than one year of service credit only to reach retirement eligibility and you submit a completed retirement kit. The service credit forfeited when you withdrew the accumulated member contributions will be reinstated when PERA receives your full payment.

The interest paid to reinstate forfeited service credit will not be refunded if you leave employment following the repayment and request a refund of your member contributions.

## Military Service Credit

If you are called to active military duty while employed by a PERA affiliate and return to PERA-affiliated employment within 90 calendar days of discharge, you may be granted military service credit for free. PERA will grant free (also known as intervening) military service credit for the active duty service time once the required forms have been submitted to PERA with a copy of a DD214 form reflecting honorable discharge.

PERA membership must be maintained during the time of military service deployment to earn free military service credit. The PERA Board ratifies free military service credit awards.

Non-intervening active military service may be purchased by vested members who served in the military before working for a PERA employer or when a member voluntarily enlists in the armed services while still an active PERA member.

A maximum of 60 months of active military service may be purchased. If you have less than 60 months of active military service, you may purchase up to the years and months of active service stated on your DD214 form. You may purchase active military service one month at a time up to the total of active service, not to exceed 60 months.

You are responsible for paying PERA both the employee and employer contribution amounts for non-intervening military service credit. If you request a refund of your contributions following a purchase, only the employee contributions tied to the purchase cost will be refunded.

Example of Military and Certain Other Types of Purchased Service Credit cost calculation:

Member works for the State of New Mexico under State General Plan 3	
Employee Contribution Rate	9.92%
Employer Contribution Rate	18.24%
Final Average Salary	\$2,200
Employee contribution rate x final average salary	9.92% x \$2,200 = \$218.24
Employer contribution rate x final average salary	18.24% x \$2,200 = \$401.28
\$218.24 + \$401.28 = \$619.52 cost per month of service credit	

## Air Time

Once you are vested, you are eligible to purchase up to 12 months of additional service credit known as Air Time. Air Time may be purchased all at once or in monthly increments any time prior to retirement. Members covered by the Public Employees, Judicial and Magistrate Retirement plans are eligible to purchase Air Time.

Air Time may be purchased so that you can achieve your pension maximum or to qualify for retirement earlier than you would otherwise be eligible.

Air Time can only be used to increase the years of service credit. It cannot be used to determine your final average

salary or to qualify for a higher pension factor. The amount paid for Air Time is not considered part of final average salary because it is not wages earned.

**Important!** Once Air Time has been purchased, the entire amount paid is non-refundable if you leave employment following the purchase and request a refund of your contributions. You are urged to carefully consider purchasing Air Time.

The following are three examples of the cost to purchase Air Time using different ages and different retirement plans.

Date of Estimate	July 1, 2021
Date of Birth	December 24, 1991
Final Average Salary	\$2,400.00
Months of Credited Service	96 months/8.0 years
Retirement Coverage Plan	State General Plan 3
Cost per Month of Air Time	\$835.00
Cost for 12 Months of Air Time	\$10,020.00

Date of Estimate	July 1, 2021
Date of Birth	September 15, 1959
Final Average Salary	\$3,467.00
Months of Credited Service	216 months/18.0 years
Retirement Coverage Plan	Municipal Plan 2
Cost per Month of Air Time	\$1,047.00
Cost for 12 Months of Air Time	\$12,564.00

Date of Estimate	July 1, 2021
Date of Birth	May 17, 1964
Final Average Salary	\$3,000.00
Months of Credited Service	228 months/19.0 years
Retirement Coverage Plan	Municipal Fire Plan 5
Cost per Month of Air Time	\$1,876.00
Cost for 12 Months of Air Time	\$22,512.00

# Other Types of Purchased Service Credit

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Several other kinds of service credit are available for purchase. These service credit types include:

- Civilian Prisoner of War;
- Cooperative Work Study Programs;
- Certain prior employment by a Utility Company, Library, Museum, Transit Company or by a Non-profit Organization;
- New PERA-Affiliated Public Employer (Prior Service);
- Employment with the Federal Government.

Further details about these types of service credit can be found on pages 48 and 49.

## Request Purchase Cost

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If you are interested in purchasing service credit, please fill out the *PERA Request* form available on the PERA website at [www.nmpera.org](http://www.nmpera.org) or the back of this handbook and submit it with any supporting documentation to PERA for processing. Please allow up to 60 business days to receive a written response to your request.

Once PERA has processed your request, a cost estimate will be mailed to your address on record. The amount paid for service credit cannot be used for the purpose of calculating final average salary. The purchased service credit can only be used to satisfy service credit requirements for retirement eligibility or to enhance your final retirement benefit.

You may rollover funds from an Internal Revenue Code Section 457, 403b, 401k, IRA or another 401a qualified account to purchase service credit.

You may also use a combination of other retirement funds and personal funds. For example, you could rollover funds from a 401k and write a check for the balance of the amount due to PERA.

***All service credit purchases must be completed before you retire.*** Once you have retired, you can no longer purchase service credit. The only exception is if, as a retiree, you suspend your pension and become a currently employed, contributing PERA member.

# Retirement Eligibility Requirements - TIER 1

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## Normal Retirement - TIER 1

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

### 25-Year Retirement Plans

- State General Coverage Plan 3
- Juvenile Correctional Officer Coverage Plan 2
- Municipal General Coverage Plans 1, 2, 3 and 4
  - Municipal Police Coverage Plans 1 and 2
  - Municipal Fire Coverage Plans 1 and 2

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

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

- State Police Officer, Adult Correctional Officer, and Probation and Parole Officer Coverage Plan 1
  - Municipal Detention Officer Coverage Plan 1

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

### 20-Year Retirement Plans

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

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

# Retirement Eligibility Requirements - TIER 2

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## Normal Retirement – TIER 2

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

### General Plan Members

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

Rule of 85 (members must have five or more years of service credit; and sum of age at the time of retirement and years of service credit must equal 85); or  
Age 65 with 5 or more years of service credit.

### Public Safety Plan Members

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

25 years of service credit at any age; or  
Age 60 with 5 or more years of service credit.

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

# Deferred & Disability Retirement

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## Deferred Retirement

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If you leave employment and have earned the minimum number of years of service credit required for normal retirement, but have not yet reached the minimum age needed to retire, you can leave your contributions on account with PERA. When you have met the age requirement for your TIER and last plan of membership, you will be eligible to draw a deferred pension benefit.

For example, a **TIER 1** State General Member who has 11 years of service credit and is 60 years of age would have to wait until age 63 to receive a deferred pension.

Another example includes a **TIER 2** Municipal General Member who has 11 years of service credit and is 60 years of age would have to wait until age 65 to receive a deferred pension.

Once you reach both the age and service credit requirements for normal retirement in your TIER of membership, you can apply for a benefit. Certain survivor and disability pension benefits are also available. (See Survivor Beneficiary information on page 10 and Disability Retirement on this page.)

## Disability Retirement

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PERA provides a retirement benefit for employees who must leave service prior to retirement age because of a disability.

All PERA members are eligible to apply for a duty disability retirement beginning the first day of employment with a PERA employer. The PERA Board determines if a disability is duty-related based on certain medical and legal requirements.

If you are a vested member of PERA you are eligible to apply for non-duty disability retirement. As a vested member, you will remain eligible for non-duty disability as long as you do not withdraw your employee contributions from PERA.

Please contact PERA's Death & Disability Division at (800) 342-3422 or by email at [pera-death&disability@state.nm.us](mailto:pera-death&disability@state.nm.us) for additional information.



# Retirement Time Schedule

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The following is a general time frame for the PERA retirement process:

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Any time during your career, you may verify your service credit with PERA. Once you have done this, check your *Annual Member Statement of Account* each year to verify your service credit by logging into RIO Self Service.

- Three years from retirement, you can submit a request for an estimate of benefits. An estimate of benefits will provide the information you need to start estimating your retirement income, as well as identify the date you may be eligible for retirement.
- One year from retirement, request an updated estimate of benefits. This estimate will provide you with the information you need to choose the option you want to be paid under. This is very important because once you retire, you may only change your payment option or beneficiary under certain limited circumstances. Otherwise, to change your payment option or beneficiary, you would have to voluntarily stop your pension payments, return to work for a PERA employer for three or more years and then re-retire with a new beneficiary or payment option.
- At least sixty days before your retirement date, submit your completed *Application for Pension* form and supporting documents. This includes the required form and corresponding documents listed on page 24. You may submit your retirement documents earlier, up to six months before your retirement date.

- On the last working day of the month in which you retire, PERA will release your pension benefit payment for direct deposit into the account designated on your retirement application. If your first pension benefit payment includes reciprocity service credit with the Educational Retirement Board (NMERB), the NMERB portion of your benefit will be paid directly by NMERB via a separate direct deposit.

## Sample Time Schedule:

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Termination Date: December 31, 2022

Retirement Date: January 1, 2023

Request service credit verification: Any time in career

Request first estimate of benefits: January 2020

Request second estimate of benefits: January 2022

Submit retirement paperwork: anytime from June to October 2022

In this scenario, the retiring member should anticipate receiving the first PERA pension benefit payment as a direct deposit the last working day of January 2023. If your retirement includes New Mexico Educational Retirement Board (NMERB) service credit, then the NMERB portion of your benefit will be paid directly by NMERB via a separate direct deposit.

# How to Retire from PERA

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## Retirement Eligibility

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Your effective date of retirement is the first day of the month after you have completed all of the following:

1. You meet the age and service credit requirements of the plan you are retiring from; and
2. Your retirement application is filed and complete, including all required documentation; and
3. You have terminated employment with all State retirement systems.

Your completed *Application for Pension* should be filed with PERA no earlier than six months, but no later than

60 calendar days, before your effective retirement date. PERA must receive all of the information listed below. If we do not receive your application and all of the required information before your selected retirement date, your retirement will be postponed to the first of the month following the date your application is complete. By following the procedures outlined on this page, you will be able to receive your benefits at the earliest possible time. It should include the following documentation from you and your beneficiary:

## Form and supporting documentation to be provided by retiring member:

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1. *Application for Pension* form
2. Copy of your driver's license, birth, or baptismal certificate
3. Copy of your marriage certificate (if married)
4. Copy of your Social Security card
5. Court-endorsed copies of all your divorce decrees, marital settlement agreements, and any orders related to the division of retirement benefits.

Please note that every page of the documents you provide should have your social security or ID number on it. The *Application for Pension* form referenced above can be obtained by visiting the 'Forms' tab on PERA's website at [www.nmpera.org](http://www.nmpera.org) and scrolling to the 'Kits' section, visiting either of PERA's offices or by calling PERA to request the forms be mailed to your address on file.

## Your beneficiary's documentation:

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- Copy of your beneficiary's driver's license, birth, or baptismal certificate
- Copy of your beneficiary's Social Security card

## In addition, PERA will request the following information directly from your employer:

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- Employment termination date
- Statement of final wages
- Statement of final PERA contributions

If PERA does not receive your application and all of the required information before your selected retirement date, your retirement will be postponed to the first of the month following the date your application is complete.

# How to Retire from PERA

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## Supporting documentation for proof of age:

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In lieu of a driver's license, birth, or baptismal certificate, you and/or your beneficiary may prove your age by submitting a religious record of birth established before the age of 5, a current passport, or a current New Mexico Motor Vehicle Division issued identification card. Alternatively, you may use any two of the following documents showing the date of birth:

1. copy of a life or automobile insurance policy; identification card;
2. current voter registration or voter identification record;
3. tribal census record;
4. childhood immunization record made prior to age eighteen (18) years;
5. military record (such as a DD214), including a valid United States active-duty, retiree or reservist military
6. birth certificate of child showing age of parent;
7. physician's or midwife's record of birth;
8. immigration record;
9. naturalization record; or
10. Social Security record.

## Supporting documentation for proof of marriage:

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For a designated beneficiary to be identified as a spouse, a copy of a marriage certificate, other proof of marital status acceptable in a court of law or any two of the following documents showing marital status:

- (a) financial institution or bank record;
- (b) joint real estate deed or mortgage;
- (c) insurance policy.

Additionally, if you are retiring with reciprocal service credit from the New Mexico Educational Retirement Board (NMERB), you will need to complete the following forms:

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- *NMERB Authorization Agreement for Direct Deposit Services*
- *NMERB State and Federal Tax Deduction Form*

The NMERB forms referenced above can be obtained by contacting PERA or by visiting [www.nmerb.org](http://www.nmerb.org). Completed

NMERB forms should be submitted with your Application for Pension to PERA. PERA will coordinate with NMERB on the retiree's behalf. Thereafter, reciprocal retirees should contact each State retirement system to request changes to demographic, tax and direct deposit information.

## Changes after the submission of an Application for Pension and deferred retirement:

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All changes to your Application for Pension must be made in writing and received by PERA before your effective PERA retirement date. Such changes may include a new effective retirement date, a different beneficiary or a different Form of Payment (if applicable).

For a deferred pension (leaving your contributions on account after terminating affiliated employment until you meet required age and service credit requirements), you should submit your complete Application for Pension at least 60 calendar days before your eligible birthdate.

# How Pension Benefits are Calculated

The base monthly benefit PERA provides is based on a statutorily defined formula, not on how much you have contributed during your career.

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

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

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

## Common Benefit Calculation Terminology:

### Years of Service Credit

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The years and months of service credit earned or purchased during your PERA career.

### Pension Factor

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

### Final Average Salary

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

### Monthly Benefit

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This amount is your benefit under Form of Payment A, a straight life annuity that provides a monthly benefit for your lifetime only.

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

### Blended Pension

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Pension reform legislation passed in 2013 changed the way pensions are calculated for members who earn service credit under more than one coverage plan after July 1, 2013. The calculation for **service credit earned through June 30, 2013** remains the same:

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

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

# How Pension Benefits are Calculated

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## Blended Pension (continued)

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If you worked for more than one PERA-affiliated employer and the pension factor was the same for each coverage plan, that factor applies.

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

If you worked for PERA-affiliated employers with different pension factors after July 1, 2013, you will have a blended pension.

*For example*, If you are a **TIER 1** Municipal General Member with a minimum of three (3) years of service credit in Plan 3 (3 percent pension factor), earned on or before June 30, 2013, and after July 1, 2013 you move to an employer belonging to Municipal General Member Plan 2, (2.5 percent pension factor), all of your service credit earned under Municipal General Member Plan 3 will have a 3 percent pension factor and all of your service credit under Municipal General Member Plan 2 will have a 2.5 percent pension factor.

## Service Credit Verification and Benefit Estimates

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On request, PERA will audit your account to verify service credit. If you are within three years of retirement eligibility, you may request an estimate of benefits. When auditing your account or preparing a benefit estimate, PERA staff also determines the pension factor(s) that will be used to calculate your monthly pension benefit. Requests for a benefit estimate must be in writing and can take up to 60 business days to complete, depending on the audit complexity of your file.

Whenever you contact PERA to verify your service credit, provide a retirement calculation or to purchase service credit, it is important to notify PERA of all service credit you may have including non-refunded service credit earned with NMERB. PERA will contact NMERB to determine your eligibility for reciprocal service credit.

## Benefits Estimate Sample - Blended Pension

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

Block L is your estimated gross (pre-tax and pre-insurance) monthly pension benefit under Form of Payment A based on the factors you have entered. While this worksheet gives you a general idea of your monthly pension, you should not base your decision to retire solely on this estimate because factors may exist to cause the estimate to be inaccurate.

## Maximizing Your Retirement Benefit

There are several important ways you can maximize your retirement benefit. Here are some ways to help.

- The easiest way to increase your benefit is to work for a longer period of time. Currently, members can earn up to 90 percent of their final average salary. This is a great incentive to extend your retirement date.
- As your compensation increases, so does your final salary used in the benefit formula. Promotions and other salary increases could result in a higher benefit amount. This is especially important during the highest 36 or 60 consecutive months during your career depending on your TIER of membership which is used for final average salary purposes.
- Purchasing withdrawn service credit, military service credit, air time and other permissible service credit can add to the total service credit at the time of retirement, which generates a higher pension.

# Form of Payment Options

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

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

## Form of Payment A - Straight Life Option

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Provides a monthly payment to you for your lifetime. You receive the maximum allowable retirement benefit under your coverage plan, which provides a monthly benefit for your lifetime only. All payments stop the first day of the month following your death. A one-time lump sum refund of unpaid member contributions and interest will be issued at the time of your death to the designated refund beneficiary on account with PERA or to your estate if a refund beneficiary is not designated.

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

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Provides a monthly payment to you for your lifetime. Upon your death, your beneficiary will receive the same amount for the rest of his/her life. The benefit amount is based on your age and the age of and relationship to your beneficiary at the time of retirement. This form of payment amount is less than the amount under Forms of Payment A and C because the value of your monthly retirement benefit is reduced to provide the same benefit to your survivor beneficiary. If your survivor beneficiary dies before you, your retirement benefit adjusts to the Form of Payment A amount when PERA is notified and receives your beneficiary's death certificate. You may choose only one person to be your survivor beneficiary with this Form of Payment. If you name a beneficiary other than your spouse

who is more than 10 years younger than you, the percentage paid to the beneficiary will be adjusted to meet Internal Revenue Code requirements.

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

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

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

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

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

# Form of Payment Options/Deselection

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## Selecting a Form of Payment

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You select a payment option at the time of retirement. This election must be made on the *PERA Application for Pension* form. It requires either notarized spousal consent or a notarized affirmation stating you are not married, depending on your marital status at the time of retirement.

If you do not select a form of payment in a timely manner, PERA will begin making payments under:

- Form of Payment A if you are not married at the time of retirement, or;
- Form of Payment C with your spouse as survivor beneficiary, if you are married at the time of retirement.

## Form of Payment Changes

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

- If you are reemployed by a PERA employer, your pension is suspended by law, except for limited exclusions. If you become a regular, contributing employee again and work and make contributions for a minimum of three years, you can re-retire and choose a new form of payment and/or a new survivor beneficiary.
- If you selected Form of Payment B or C with your spouse as your beneficiary and your spouse provides a notarized, written statement relinquishing his/her designation as survivor beneficiary, you can designate a new beneficiary under Form of Payment B or C.
- If you selected Form of Payment B or C at the time of retirement, but due to the death of or divorce from your originally designated beneficiary, a member can designate a new beneficiary under Form of Payment B or C. This option requires that the retire receive a minimum of one month's pension under Form of Payment A prior to electing a new beneficiary and/or form of payment. This option cannot be used to circumvent an existing, valid court order regarding a division of your pension benefits.

- If you selected Form of Payment B or C and designated someone other than your spouse or your former spouse as beneficiary, you can select a new survivor beneficiary under Form of Payment B or C or revoke your previous beneficiary designation and receive your pension under Form of Payment A, provided your original beneficiary is still alive.

## Beneficiary Deselection

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Unless prohibited by court order, you are allowed a one-time irrevocable option to change your survivor beneficiary after you retire if you originally selected Form of Payment Option B or C and meet one of the qualifications listed in the 'Form of Payment Changes' section on this page.

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

As a reminder, you may choose only one person to be your survivor beneficiary. If you name a survivor beneficiary other than your spouse who is more than 10 years younger than you at the time of designation, the percentage paid to the beneficiary will be adjusted to meet Internal Revenue Code requirements.



# Deselection Process

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Provided you meet certain statutory requirements, the process for changing your Survivor Beneficiary post-retirement requires the following documentation. All pertinent information must be provided before a calculation will be provided.

- Contact PERA for the appropriate deselection form.
- Provide proof of age for new survivor beneficiary. See page 25 of this handbook for acceptable proof-of-age documents.
- Submit a copy of the new beneficiary's social security card.
- Submit a check or money order for \$100 made payable to PERA.
- Submit a Spousal Consent Form (if applicable).
- Submit Divorce Documentation (if applicable).

Each time you request that PERA recalculate the benefit amount for a beneficiary, the charge is \$100 for each different survivor beneficiary you submit.

**NOTE:** The payment is not refundable even if you decide not to name a new beneficiary after you receive the calculation of pension benefit amounts under Forms of Payment B and C. The payment covers the cost of

actuarially calculating the benefits and must be paid whether or not you decide to go forward with naming a new survivor beneficiary.

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

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

# The Reciprocity Act

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

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

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

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

## PERA Retirees Re-employed by Employers Covered by the Educational Retirement Board (NMERB)

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PERA retirees who become employed with an NMERB-related employer will not be required to pay NMERB contributions nor will they accrue service. PERA retirees are also eligible to receive a COLA while employed with a NMERB employer.

PERA retirees do have the option to suspend their PERA pension benefit and becoming a contributing member of NMERB. This action would allow the PERA member to accrue service credit tied to the employee contributions being withheld during employment, however the member is not eligible to draw a pension at the same time he/she is accruing service credit and TIER statuses are non-transferrable.

PERA retirees considering suspending pension benefits should contact NMERB for additional information about possible benefits and applicable conditions relating to potential future employment. As a reminder, members retire from the last system (PERA or NMERB) the member is employed with, which may subject the member to different retirement eligibility requirements.

If the PERA retiree does not suspend his/her pension, the member will not accrue NMERB service credit.

# Divorce and Your PERA Benefits

In New Mexico, PERA retirement benefits are generally considered community property subject to division in a divorce. PERA can only administer a division of your retirement benefits if a court orders PERA to pay your former spouse a portion of your retirement benefits directly and the order has been received and approved by PERA's Office of General Counsel.

A division of PERA benefits is only payable when a member retires or refunds his or her contributions. Your former spouse may only receive a lump-sum payment from your PERA account if you terminate employment with all PERA-affiliated employers and request a refund of your employee contributions and interest. If you remain employed or end your employment and leave your member contributions on account, a lump-sum payment cannot be paid to your former spouse. Instead, when you retire, PERA will administer a court-ordered division of your retirement benefits by issuing a payment to your former spouse each month your pension benefit is payable.

How long your former spouse will receive payments depends on the terms of the court order and which Form of Payment you select. If you elect Form of Payment A, your former spouse will receive payments during your life. If you elect Form of Payment B or C, your former spouse will generally receive payments over your life and the life of the person you have designated as your survivor beneficiary. If you elect Form of Payment B or C and designate your former spouse as your survivor beneficiary, payments will be made for the lifetime of your former spouse.

The share of the community property interest paid to your former spouse will reduce the amount you would receive if you refund your contributions. If you retire, your monthly benefit will be reduced by the share of community property interest paid to your former spouse.

The amount your former spouse receives will be determined either by agreement of the parties or by a judge's decision in your divorce proceeding. The court may order that a certain percentage or dollar amount of your PERA benefits be paid to your former spouse.

PERA cannot determine the value of your future retirement benefits, but can provide a monthly history of your member contributions account balance. Please consult an actuary, accountant or other financial professional when computing the value of your future retirement benefits.

## Orders Dividing

The terms of an order dividing PERA retirement benefits may also affect your ability to name a survivor beneficiary when you retire. If an order dividing PERA retirement benefits specifies that you must elect a specific Form of Payment and a specific survivor beneficiary, you must comply with the terms of the order. If the order does not address electing a specific Form of Payment or beneficiary, you can elect any Form of Payment and designate any survivor beneficiary you choose.

PERA cannot change the terms of a court-ordered division of your retirement benefits. A new court order signed by a judge must be submitted to PERA to allow any modifications.

Finally, you should be aware that you do not need to have an order dividing PERA retirement benefits as a part of your divorce proceeding. Depending on your particular financial situation and the circumstances of your divorce settlement, you may be able to address dividing your retirement benefits in another way. For example, you could divide other property so that you retain sole ownership of your retirement account. An attorney can advise you on your options.

To protect your privacy, New Mexico law prohibits disclosing information from a PERA member's file except for the coverage plans that apply to a member, amounts of retirement plan contributions made by members and their employers and gross pension amounts paid to a PERA retiree. To access any other information from your PERA file, your current spouse, former spouse or attorney must provide PERA with a notarized authorization to release form approved by PERA.

# Direct Deposit

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Direct deposit is mandatory for all new PERA retirees.

PERA still mails paper checks each month to retirees and beneficiaries who do not have direct deposit. Every month, missing checks are reported to PERA as stolen or lost in the mail because PERA was not notified of a new address. The best way to prevent this from happening to you is to have your pension benefit directly deposited into your bank account.

If you are currently receiving a paper check and wish to start having your pension payment direct deposited, or are currently receiving a direct deposit from PERA and need to update your account and/or routing number, complete a *PERA Direct Deposit* form available either online or by contacting PERA. You will also need to provide a copy of a voided check or direct deposit authorization form from your financial institution.

PERA will accept a faxed or scanned copy of your direct deposit form or you can mail or hand-deliver the form to either of PERA's offices. Please remember to attach a voided check or deposit slip from your financial institution to the form when you submit it.

If PERA receives your enrollment or change in direct deposit information by the 15th of the month, the change/enrollment will be effective for that month. If the information is received after the 15th of the month, your pension benefit will be direct deposited the following month.

*PERA does not send out paper advice slips showing the amount direct deposited to your account. Retirees who have an online account through RIO Self Service can view past direct deposit or mailed check information.*

## Taxes on Your Benefits\*

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Your retirement benefits (except those contributions that have already been taxed) are considered taxable income. You have a choice of how you want PERA to handle your taxes:

- Do not withhold federal and/or New Mexico state taxes from your benefit. With this option, you are responsible for paying taxes owed;
- Withhold federal tax based on your marital status and the number of withholding exemptions you choose. Remember, the more exemptions you claim, the less money will be withheld for taxes;
- Withhold NM state tax based on marital status. Exemption withholding options changed in January 2020. See important note later in this section if you reside outside of NM.
- Calculate your withholding based on the exemptions above and add an additional specific dollar amount; or
- Withhold an exact dollar amount.

If you cannot decide how you should handle the taxes, please consult a tax professional. If you live outside of New Mexico you do not have to pay New Mexico state income taxes on your pension payments. If you live in a state that has income tax, however, you may have to pay that state its income tax. PERA is unable to withhold other states' income taxes. Consult a tax professional or contact the state you live in regarding that state's income tax requirements.

You may change your withholding status at any time. A new *PERA Tax Deduction* form received by the 15th of the month will be effective for the payment made on the last working day of that month.

\*Beginning in February, 2022, PERA will require retirees to complete and submit an updated IRS W-4 form.

# 1099R Information

Retirees and beneficiaries receiving a pension payment from PERA will be issued a 1099R form each year. The 1099R is the form used to report the total amount and type of distributions made to a retiree or a beneficiary in a particular tax year to the IRS, similar to the W-2 form you received from your employer while you were working. PERA mails the 1099R forms on or before the last working day in January.

If you made PERA contributions after you paid taxes, these contributions are called non-deferred contributions

and are kept separate in your PERA account because you do not have to pay income tax on these contributions when you begin receiving your pension payments. The non-deferred contributions will be amortized over a specific number of years, reducing the taxable income you receive each year. The taxable amount and the non-taxable amount found in box five on your 1099R form should add up to the total gross distribution.

## Cost-of-Living Adjustments (COLA)

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

For reciprocity retirees with Educational Retirement Board (NMERB) benefits, the COLA is calculated only on the PERA benefit portion. NMERB will calculate the COLA on the NMERB benefit portion when you are eligible to receive it.

### COLA Eligibility

There is a two full-calendar year COLA eligibility period for members who retire under normal retirement.

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

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

### COLA Amount

Beginning July 1, 2020, eligible COLA recipients will receive a 2% non-compounding additional payment for three years (FYs 21, 22, 23). These additional payments are commonly referred to as a 13<sup>th</sup> check.

Effective July 1, 2023, eligible COLA recipients will receive a profit-share, compounding COLA based on PERA's funded status and investment returns. The profit-share COLA will be calculated using the following guidelines:

- PERA funded ratio less than 100%, COLAs up to 3%;
- PERA funded ratio over 100%, COLAs up to 5%;
- Ensures a minimum COLA of 0.5%.

Eligible retirees who meet the following criteria are excluded from the profit-sharing COLA and will instead receive an annual 2.5% compounding COLA:

- Normal retired members who worked a minimum of 25 years whose pension benefit is less than \$25,000 annually; or
- Disability retired members whose pension benefit is less than \$25,000 annually; or
- Normal retired members who were 75 years of age on or before June 30, 2020.

# Cost-of-Living Adjustments (COLA) for Re-employed Retirees

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## COLA Provisions Changed for Retirees Elected or Appointed as a Judge or Magistrate

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As of July 1, 2014, COLA increases are suspended for retirees who are elected or appointed to a position as judge or magistrate as defined under the Judicial Retirement Act and the Magistrate Retirement Act. A re-employed retiree's COLA will be reinstated once they return to retired status.

## PERA Retirees Re-employed by Employers Covered by the New Mexico Educational Retirement Board (NMERB)

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Eligible PERA retirees who return to work for an NMERB-covered employer are eligible to receive COLAs.

Additional information pertaining to PERA retirees returning to work for an NMERB related employer on or after July 1, 2019 can be found on page 32.

## Reporting Forms

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The *Application for a Re-employed PERA Retiree* form is used to report when a PERA retiree is re-employed. An *Employer's Certification of Termination for a Re-employed PERA Retiree* form is used when the retiree terminates employment.

The *Application for a Re-employed PERA Retiree* form allows PERA to track a re-employed retiree's employment and verify that contributions have been paid.

The *Employer's Certification of Termination for a Re-employed Retiree* form is submitted to PERA by the employer as proof that a re-employed retiree has terminated employment.

# Returning to Work After Retirement

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The laws that govern retirees returning to work for a PERA affiliate have changed over the years.

## Retirees Hired on or Before June 30, 2010

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Retirees who were re-employed before July 1, 2010, were grandfathered in under the laws in place when they were re-employed and continue to receive both a pension and a salary. These reemployed retirees will be grandfathered in for as long as they continue working for the employer who hired them without a break in service.

Re-employed retirees are required to make employee contributions. The PERA affiliated employer also makes the required employer contribution. Employee and employer contributions made during re-employment are nonrefundable and are retained in the PERA Fund.

## Retirees Hired on or After July 1, 2010

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A retiree who returns to work with a PERA-affiliated employer on or after July 1, 2010, must suspend his/her pension.

If a retiree has completed a 12-month break in service from his or her retirement date, neither the re-employed retiree nor the employer makes PERA contributions and the re-employed retiree does not accrue service credit.

## PERA Retirees Who Return to Work for a New Mexico Educational Retirement Board (NMERB) Entity

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PERA retirees do have the option to suspend their PERA pension benefit and become a contributing member of NMERB. This action would allow the PERA member to

accrue service credit tied to the employee contributions being withheld during employment, however the member is not eligible to draw a PERA pension at the same time he/she is accruing service credit.

PERA retirees considering suspending pension benefits should contact NMERB for additional information about possible benefits and applicable conditions relating to potential future employment. As a reminder, members retire from the last system (PERA or NMERB) the member is employed with which may subject the member to different TIER and retirement eligibility requirements.

If the PERA retiree does not suspend his/her pension, the member will not accrue NMERB service credit or become eligible to draw a reciprocal (PERA & NMERB) pension benefit.

## Exemptions to Return-to-Work Provisions for PERA Retirees

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The only retirees who are exempt, or excluded, from the return-to-work provisions are:

- A retired member employed by the legislature for legislative session work;
- A retired member employed in certain positions with the Aging and Long-Term Services Department;
- A retired member employed temporarily as a precinct poll worker for a municipal election or an election covered by the Election Code;
- A retired member who is elected to serve a term of office and files a timely exclusion form.; or
- A retired member who returns to work for a PERA-affiliated employer on a contract approved by PERA's Office of General Counsel. See page 38 for additional information.

# Returning to Work After Retirement

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**Note:** Retirees who are elected to office are responsible for notifying their employer that they want to exempt themselves and for completing the *Employee Exclusion from PERA Membership PERA Retiree - Elected*

*Official form* and ensuring that it is submitted to PERA within 30 calendar days of taking office. The exemption is for the elected official's term of office and must be filed for each additional term of office.

## Providing Services as an Independent Contractor

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Retirees may provide services to a PERA-covered employer as an independent contractor. A professional services agreement or contract must be submitted to PERA's Legal Division at least 15 working days before the effective date of the contract. PERA evaluates the contract to determine whether you are an "employee" or an "independent contractor." PERA utilizes the common-law control test in the Social Security Handbook to determine your status. In this evaluation, PERA considers whether or not the work you are contracting to perform is a continuation of a former employment relationship among many other factors.

A clear scope of work must be established in a professional services agreement. As an independent contractor, you must have your own state tax identification number and bill the employer directly. Compensation must be stated hourly or by a defined project. Independent contractors are not paid through the employer's payroll system and do not accrue employee benefits such as annual and sick leave or overtime. The

professional services agreement must contain a release that holds the employer harmless of any liability or claims arising from the agreement.

Renewals, amendments and modifications to a previously approved post-retirement contract must also be submitted to PERA for evaluation at least 15 working days before the effective date of the renewal, amendment or modification.

You will be notified in writing of PERA's determination of whether you are an employee or an independent contractor. If PERA determines that you are an employee and you disagree with PERA, you have the right to appeal the determination.

### Who to Contact

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Please contact the PERA Legal Division if you have questions about becoming an independent contractor after you retire at: (505) 476-9354.

## How to Increase Your Pension Benefits

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You may voluntarily suspend your pension and become a PERA member at any time after your retirement. Your total service credit and final average salary will be recalculated at the time of re-retirement, potentially providing increased retirement benefits. You must earn three or more years of service credit to become eligible to

select a different form of payment at re-retirement. The recalculated pension shall never be less than the amount of the suspended pension benefit.



# RIO Self Service Online Account Information for Retirees

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You still have access to your PERA information online even after retirement. If you have not already created a user ID and password, go to the PERA website's home page at: [www.nmpera.org](http://www.nmpera.org) and click on the RIO Login button at the top of the page to get started.

## Changing Your Demographic Information

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As a PERA retiree, you may change your telephone number and email address online. Changes to your mailing address must be done in writing to PERA. You may submit your address change to PERA by fax at (505) 954-0370, email at [pera-memberservices@state.nm.us](mailto:pera-memberservices@state.nm.us) or by mail to the address on pages 4-5 or 51-52.

## Viewing Pension Benefit Information

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

Clicking on this option provides the current pension payment information. You can also review and print an *Income Verification Letter*. This is a useful tool for those retirees who need verification of their retiree income from PERA.

## PERA Retiree Newsletters

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PERA publishes an edition of *La Voz* with information specifically for retirees and beneficiaries. *La Voz* is mailed to your home and posted on PERA's website multiple times a year. Any time there is important information concerning issues affecting PERA retirees such as Board elections and legislative changes, PERA will notify you in *La Voz* and with articles posted on the PERA website at: [www.nmpera.org](http://www.nmpera.org) as well as our social media channels.

Since PERA mails the retiree edition of *La Voz* to you, it is important to keep PERA updated if you change your address. Please notify PERA of the address change by completing and submitting a *Change in PERA Records* form.

# Retirement Planning

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Only you can decide the perfect time for you to retire. Your spouse, significant other, friends, family, co-workers, and employer may have an opinion on the topic, but only you can decide if you are ready mentally, physically and financially for retirement. There are some items to consider when planning for retirement.

## Post-Retirement Insurance

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PERA does not offer or provide post-retirement medical, dental, vision or life insurance. If you are employed with a PERA-affiliate who also participates in the New Mexico Retiree Health Care Authority (NMRHCA), you may have access to post-retirement insurance provided that you meet NMRHCA's requirements. Some of PERA's employers offer post-retirement insurance to their retiring employees. In some cases, you may be eligible to participate in Medicare. It is important to research your options before you commit to a retirement date to ensure you do not have a lapse in coverage. You need to have a realistic understanding of the cost of post-retirement insurance for planning purposes. If the cost is more than you anticipated, it may be time to research other options such as whether or not a spouse or significant other can cover you on his/her employer's insurance plan.

## Social Security Benefits

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PERA's pension benefits are not affected by Social Security benefits, however in certain circumstances your Social Security benefit may be reduced if you receive a PERA benefit. It is important to note that some of PERA's members do not contribute to Social Security based on an agreement between their employer and the Social Security Administration. As part of your retirement planning, you are encouraged to learn how Social Security works, any benefits you may be eligible to apply for, any applicable age reductions, and the steps you need to take to begin receiving benefits. To learn more, please visit Social Security's website at [www.socialsecurity.gov](http://www.socialsecurity.gov), call 1-800-772-1213 or visit a local Social Security office.

## Financial Status

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Have you considered:

- Your pre-retirement debt situation – Is your mortgage, any vehicles, and/or credit card debt paid in full? Can your spouse continue to make the payments if you pass away post-retirement?
- Your spouse/ significant other's finances – Does your spouse/ significant other have a retirement and/ or insurance benefits of his or her own? Can he/ she survive without your pension benefits?
- Your dependent children – Do you have any dependent children who rely on your income and/or insurance benefits? Will you need to cover educational expenses for your dependent children post-retirement?
- Long-term care – Have you considered the expense tied to long-term care for either you, your spouse/significant other or your parent(s)?
- A will or living trust – Do you have a will or living trust in place?

## Additional Retirement Savings

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The majority of PERA's affiliated employers offer additional ways to save money pre-retirement, including PERA's SmartSave Deferred Compensation Plan. It is never too late to save more money so that the next chapter of your life can be all that you hope and dream it will be.

# PERA's SmartSave Deferred Compensation Plan

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The State of New Mexico, through PERA, offers employees of participating PERA-affiliate employers, the PERA SmartSave Deferred Compensation Plan. Established in 1981, PERA SmartSave is a supplemental retirement plan under IRS section 457b. Plan participants make tax-deferred or Roth\* retirement contributions beyond those associated with the defined benefit plan. With a low administrative fee, a diverse spectrum of investment options and active PERA Board oversight, the PERA SmartSave Plan is an excellent option to enhance your retirement.

An employee may participate in PERA SmartSave at any time following the date of employment and is 100% vested at all times. Participation in the Plan is voluntary. An eligible employee may participate by completing an enrollment form or online through the Plan's website, [PERASmartSave.Voya.com](https://PERASmartSave.Voya.com). An independent contractor or a consultant is not eligible to participate in the Plan.

## Administrative Fee

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The PERA SmartSave Plan charges an annual administrative fee that pays for PERA's direct costs for managing the Plan, the Plan's third-party administrator Voya and investment consultant. The annual fee is a hybrid structure consisting of \$40 per participant plus 0.135% of the participant's assets, capped at \$104 for those with large account balances. The fee is paid directly from your account(s) balance and is applied quarterly. There are no additional transaction fees, no sales loads or commissions. All fees are fully disclosed to participants in their quarterly statements.

## Investment Choices

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The PERA SmartSave Deferred Compensation Plan is 100% self-directed. You choose the investment options from a variety of stocks, bonds, and other mutual funds in the fund line up. For the less experienced investor, the fund line up also offers a default investment option, the NM LifeCycle Portfolios, that provides custom

diversification and asset allocation based on your age. . You have full control over how your money is invested and you may make changes to your fund selection at any time. (Each mutual fund may have specific rules on trading which are included in the prospectus of each mutual fund.)

The PERA SmartSave Plan also offers a self-directed brokerage option that allows you to invest in funds outside of the Plan's fund line up. You must meet minimum qualifications to participate in this option and additional fees apply.

An independent investment consultant is contracted by the PERA Board to provide investment consultation services to the PERA Board on behalf of the Plan.

## Investment Education and Retirement Planning

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A third-party administrator is contracted with the PERA Board to provide record keeping, enrollment, education, and other administrative services for the Plan. The PERA SmartSave website, [PERASmartSave.Voya.com](https://PERASmartSave.Voya.com), provides a wealth of information such as: educational brochures, videos, and various tools and calculators to help you understand the investment options and how to manage your account. Retirement specialists are available statewide to present educational group seminars or to assist you directly with your account.

## Contributions

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Unlike your defined benefit plan, you choose your own contribution amount. The minimum contribution amount is \$10 per pay period and is deducted from your paycheck. You can choose the traditional tax-deferred option, which means you are not taxed on your contributions or investment earnings until you begin taking payments from your account. Or you may choose the Roth\* option, which means your contribution is on an after-tax basis and qualified investment earnings and

# PERA's SmartSave Deferred Compensation Plan

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distributions in retirement are tax free after you have met the five-year seasoning period. You may increase, decrease or suspend your contribution amount at any time (unless your employer has restrictions on changes). The maximum contribution amount, set by IRS guidelines, is currently \$19,500 per calendar year. If you are age 50 or older, you may use the Age 50 Catch-Up provision which allows an additional \$6,500 this calendar year over the normal contribution amount. If you are within three years of Normal Retirement Age, you may be eligible for the Special Catch-Up provision which allows a contribution amount up to two times the normal maximum. A retirement specialist can help you determine if you qualify for either catch-up option.

Participants can rollover assets from other eligible retirement plans into their PERA SmartSave Plan account. Eligible retirement plans include: another 457b, 401a, 401k, 403b or traditional IRA. Consolidating eligible retirement plans allows you to manage all of your investments in one place.

\*The Roth option is only available if your employer has opted in. See a list of participating employers on page 56.

## Loans and Unforeseeable Emergencies

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As a PERA SmartSave Deferred Compensation Plan participant, you may be eligible to take a loan from your plan account. You will be obligated to repay the loan plus interest in monthly installments within a specified period of time. Interest paid on your loan is applied directly back to your plan account.

If you experience an unforeseeable emergency, you may be eligible for a taxable withdrawal from your plan account.

Additional information on loans or emergency withdrawals can be obtained from [PERASmartSave.Voya.com](https://PERASmartSave.Voya.com).

## Purchasing Service Credit

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If you have inquired with PERA on the cost of air-time, military or withdrawn service credit, you may use your PERA SmartSave funds to complete the purchase. Instructions for using these funds for your purchase are provided in the PERA purchase agreement packet (see page 19). Distributions for the purchase of service credit are transferred from your SmartSave account directly to PERA and are not taxable nor tax reportable until you begin receiving PERA pension payments.

## Contact Information

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If you would like to participate in the PERA SmartSave Deferred Compensation Plan or for additional information, please email [PERA-SmartSave@state.nm.us](mailto:PERA-SmartSave@state.nm.us), call the Voya Service Center at (833) 424-SAVE (7283) or visit [PERASmartSave.Voya.com](https://PERASmartSave.Voya.com). A PERA SmartSave Enrollment form can also be found at the end of the handbook.

# Legal/Disclosure Information

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## Correction of Errors and Omissions

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If an error or omission results in an overpayment to a member or a member's beneficiary, PERA must correct the error or omission and adjust all overpayments accordingly. PERA must recover all overpayments made for a period of up to one year before the date the error or omission was discovered.

A person who is paid more than an amount due them as a result of fraudulent information provided by the member or the beneficiary is liable for repaying that amount to PERA plus interest on the amount, currently set at 10 percent.

Additional costs include all collection costs, including attorney fees if necessary. Recovery of such overpayments extends back to the date the first payment was made based on the fraudulent information.

Statements of fact or law made by PERA Board members or employees of the Board or Association do not preclude the Board or the Association from acting in accordance with statutes that apply.

## Member Handbook Notice

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This member handbook is intended solely as a convenient guide for members concerning PERA procedures and benefits. As a result, the information in this handbook is of a general nature and may not apply to all situations. Future changes in the Public Employees Retirement Act or in the rules and regulations of the Association may make some information obsolete.

Neither PERA nor the PERA Board of Trustees provides professional financial or tax-related services. Members should consult with a financial planner or tax advisor as needed.

In all situations, the provisions of the Public Employees Retirement Act and the rules and regulations of the Association control and override any statement or information contained in this member handbook.

This handbook is not a contract. It is not intended to, and cannot be considered to, create any contractual obligation on the part of PERA.

This handbook is intended to provide information to our members about how their retirement plan works and the benefits of being a PERA member. Reproduction for personal use by members and employers is not only permitted, but encouraged.

# More Information About PERA

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## Helpful Tips

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Remember to keep your *Beneficiary Designation* form current. This form is available at the end of this handbook, from your employer, you may request it directly from PERA Member Services or download it from the PERA website at: [www.nmpera.org](http://www.nmpera.org).

If you move, please submit a *Change in PERA Records* form to PERA. This will ensure that your *Annual Member Statement of Account*, *Cost-of-Living Adjustment (COLA) letter*, Board election ballot, La Voz newsletter, and other important documents reach you in a timely manner. Non-retired members can also update address(es) online through the RIO Self Service feature on the PERA website: <https://perass.state.nm.us/SelfService>

If you are divorced, it is important that you retain court-endorsed copies of all related documents. These documents must be submitted to PERA in the event of a request for a refund or retirement.

Your retirement will be effective on the first day of the month after the following is complete:

- Your completed, signed application and all required documentation is filed with PERA;
- PERA verifies your service credit and age; and
- Your employment with your PERA affiliated-employer and NMERB affiliated-employer ends.

## Sources of Benefit Information

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Benefit information is available in the following ways:

- [www.nmpera.org](http://www.nmpera.org);
- Handbooks and brochures (on the PERA website or by calling (800) 342-3422);
- Informational videos posted on PERA's YouTube channel (see the PERA contact information pages 4-5 or 50-51);
- Informational seminars (schedule posted on the PERA website);
- *La Voz* newsletters, published twice a year and available on the PERA website and through your employer or mailed to retirees and pension beneficiaries; *Annual Member Statement of Account* for active members; and
- Contacting PERA (see the PERA contact information pages 4-5 or 50-51).

# Glossary

**“Accumulated member contributions”** means amounts deducted from the salary of a member and credited to the member’s individual account, together with interest if any, credited to that account; it also includes repaid withdrawn contributions not including interest paid thereon, or amounts paid to purchase service credit as allowed under the PERA Act.

**“Active duty”** for purposes of acquiring service credit under NMSA 1978, Section 10-11-7, as amended, for periods of active duty with uniformed service of the United States, means full-time duty in the active uniformed service of the United States, including full-time training duty, annual training duty, and attendance while in the active military service, at a school designated as a service school by law or by the secretary of the military department concerned. “Active duty” does not include full-time national guard duty, which is training or other duty performed by a member of the air or army national guard of a state or territory, for which the member is entitled to pay from the United States or for which the member has waived pay from the United States. “Active duty” includes duty in the full-time military service reserve components activated pursuant to a federal call to duty, deployment for a peacekeeping mission or other declared national emergency.

**“Adult correctional officer member”** means a member who is employed as an adult correctional officer or an adult correctional officer specialist by a state correctional facility of the corrections department or its successor agency.

**“Adult probation and parole officer member”** means a member who is employed as a probation and parole officer by the corrections department or its successor agency.

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

**“Another retirement program”** means retirement plans established by the Judicial Retirement Act, Magistrate Retirement Act, and the Educational Retirement Act.

**“Association”** means the public employees retirement association established under the Public Employees Retirement Act.

**“Cost-of-living adjustment hurdle rate”** means the investment rate of return required to fund a cost-of-living adjustment in excess of one-half percent, as determined by the Association’s actuaries.

**“Educational retirement system”** means that retirement system provided for in the Educational Retirement Act.

**“Elected official”** means a person elected to a public office by registered voters, who is paid a salary; “elected official” includes a person who is appointed to fill an unexpired term of an elected public office, and is paid a salary.

**“Filed”** means that PERA has received the complete document as evidenced by a writing on the document indicating the date of receipt by PERA.

**“Funded ratio”** means the ratio of the actuarial value of the assets of the fund to the actuarial accrued liability of the Association for payments from the fund, as determined by the Association’s actuaries.

**“Hazardous duty member”** means a member who is a juvenile correctional officer employed by the children, youth and families department or its successor agency.

**“Juvenile correction officer”** means a member who is employed as a juvenile correctional officer by the children, youth and families department or its successor agency.

**“Juvenile probation and parole officer member”** means a member who is employed as a juvenile probation and parole officer by the children, youth and families department or its successor agency.

**“Leave office”** means an elected official’s successor has been duly elected or appointed and qualified for office, or an elected official has died.

**“Legal representative”** means “personal representative” as defined in the Probate Code of New Mexico which includes executor, administrator, successor personal representative, special administrator and persons who perform substantially the same functions under the law governing their status, or an attorney or a person acting pursuant to a power of attorney for a member, retired member or beneficiary.

**“Member”** means a currently employed, contributing employee of an affiliated public employer, or a person who has been but is not currently employed by an affiliated public employer, who has not retired

# Glossary

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and who has not received a refund of member contributions.

**“Municipal detention officer member”** means a member who is employed by an affiliated public employer other than the state who has inmate custodial responsibilities at a facility used for the confinement of persons charged or convicted of a violation of a law or ordinance. “Municipal detention officer” includes both juvenile and adult municipal detention officers.

**“Municipal fire member”** means any member who is employed as a firefighter by an affiliated public employer, is paid a salary and has taken the oath prescribed for firefighters. The term shall not include volunteer firefighters or any civilian employees of a fire department.

**“Municipal police member”** means any member who is employed as a police officer by an affiliated public employer, who is paid a salary, and who has taken the oath prescribed for police officers. The term shall not include volunteers, hazardous duty members, or employees who do not perform primarily police functions including, but not limited to jailers, cooks, matrons, radio operators, meter checkers, pound employees, crossing guards, police judges, park conservation officers, and game wardens. A member who is employed by an affiliated public employer both as a police officer and as a non-police officer employee shall be regarded as a police member if more than 50 percent of the member’s total salary is paid as a police officer.

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

**“Permissive service credit”** means service credit recognized by the retirement system for purposes of calculating a member’s retirement benefit, which is available only by making a voluntary additional contribution which does not exceed the amount necessary to fund the benefit attributable to such service credit.

**“Preceding calendar year”** means the full calendar year preceding the July 1 on which pensions are being adjusted.

**“Private retirement program”** for the purpose of exclusion from membership under NMSA 1978, Section 10-11-3(B)(5) means a retirement program of the affiliated public employer that meets the

internal revenue service minimum standards regarding benefits as outlined in 26 C.F.R. Section 31.3121(b) (7)F of the Employment Tax Regulations and IRS Rev. Proc. 91-40.

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

**“Reenlistment”** as used in NMSA 1978, Section 10-11-6(A)(3), means enlistment or voluntary entry into one of the armed services as either enlisted personnel or as a commissioned officer.

**“Refund beneficiary”** means a person designated by the member, in writing, in the form prescribed by the association, as the person who would be refunded the member’s accumulated member contributions payable if the member dies and no survivor pension is payable or who would receive the difference between pension paid and accumulated member contributions if the retired member dies before receiving in pension payments the amount of the accumulated member contributions.

**“Retired member”** means a person who is being paid to a normal, deferred or disability pension on account of that person’s membership in the Association. “Retired member” shall not include any persons receiving a pre-retirement survivor pension, post-retirement survivor pension, or reciprocity retirement pension where the payer system is not PERA, or any other person unless specifically included by definition as a “retired member.”

**“Salary”** means the base salary or wages paid a member, including longevity pay, for personal services rendered an affiliated public employer. “Salary” shall not include overtime pay, unless the overtime payment is required for a regular scheduled tour of duty as set forth in Section 207(k) of Title 29 of the United States Code and is made on the regular payroll for the period represented by that payment, allowances for housing, clothing, equipment or travel, payments for unused sick



# Glossary

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leave, unless the unused sick leave payment is made through continuation of the member on the regular payroll for the period represented by that payment, and any other form of remuneration not specifically designated by law as included in salary for Public Employees Retirement Act purposes. Salary in excess of the limitations set forth in Section 401(a)(17) of the Internal Revenue Code of 1986, as amended, shall be disregarded. The limitation on compensation for eligible employees shall not be less than the amount that was allowed to be taken into account under the state retirement system acts in effect on July 1, 1993. For purposes of this subsection, “eligible employee” means an individual who was a member of a state system before the first plan year beginning after December 31, 1995.

**“Smoothed investment rate of return”** means a calculation made by spreading the difference between the expected actuarial value in investment income and the actual market value investment income over a smoothing period, as determined by the Association’s actuaries.

**“State legislator member”** means a person who is currently serving or who has served as a state legislator or lieutenant governor and who has elected to participate in a state legislator member coverage plan. A former legislator or former lieutenant governor may be a “state legislator member” whether or not currently receiving a pension under a state legislator member coverage plan.

**“State system”** means a retirement program provided for in the Public Employees Retirement Act, Magistrate Retirement Act, or Judicial Retirement Act.

**“State police member”** means any member who is an officer of the New Mexico state police and who has taken the oath prescribed for such officers.

**“Survivor beneficiary”** means a person who receives a pension or who has been designated to be paid a pension as a result of the death of a member or retired member.

**“Terminate employment”** means that a member has a complete break in service and an absolute cessation of employment with all affiliated public employers and Educational Retirement System employers, including employment as an elected official, as evidenced by a personnel action form or other equivalent document, and the member is not reemployed by an affiliated public employer

for 30 days; or upon the date of death of a member. A break in service for a return-to-work retiree is 12 consecutive months.

**“TIER 1 member”** means a current, active member employed by a PERA affiliate on June 30, 2013, an inactive member with employee contributions on account on June 30, 2013 (i.e. terminated employment, but did not refund), and a retired member on June 30, 2013.

**“TIER 2 member”** means a member who is first hired on or after July 1, 2013 and a member who refunded his or her employee contributions on or before June 30, 2013 and returned to work for a PERA affiliate on or after July 1, 2013.

# Appendix - Other Types of Service Credit

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Description of the additional types of service credit available for purchase.

## Cooperative Work Study Programs

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If you were appointed to participate in a cooperative work study training program established jointly by a state agency and a state post-secondary educational institution, you may purchase credited service for up to 5 years of participation.

The cost of cooperative work study service credit is the full actuarial present value of the amount of the increase in the employee's pension as a consequence of the purchase as determined by PERA. This is the same formula used to determine the cost of "air time" service credit, see page 18 for additional information.

- You must submit a copy of your school transcripts during the school phase.
- You must submit certification from the school, stating the start and end dates for each semester of your school phase.
- You must submit personnel action forms for the work phases of the employment.
- You must be vested with PERA before you can purchase this time.

## Employed By Utility Company, Library, Museum, Transit Company or by a Nonprofit Organization

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If you were employed by a utility company, library, museum, transit company or by a nonprofit organization administering federally funded public service programs, which was taken over by an PERA-affiliated public

employer, or you were employed by an entity created by a joint powers agreement between two or more affiliated public employers for the purpose of administering or providing drug or alcohol addiction treatment services whether or not the drug or alcohol addiction treatment center is subsequently taken over by a PERA-affiliated public employer, you may purchase service credit for the period of employment subject to the following conditions:

- You pay PERA the employer and employee contributions based on your current retirement plan;
- You must be vested with PERA before you can purchase this time; and
- The aggregate amount of credited service purchased does not exceed five years.

## Civilian Prisoner of War

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If you were a civilian prisoner of war captured while in the service to the United States as an employee of the federal government or as a contractor with the federal government, you may purchase service credit for the period of internment as a civilian prisoner of war. The cost formula is the same as the cost to purchase military service credit. In order to purchase this time a member must:

- Provide proof of employment with the federal government or as a contractor;
- Provide proof of the period of internment; and
- Must be vested with PERA before you can purchase this time.

# Appendix - Other Types of Service Credit

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## New PERA-Affiliated Public Employer (Prior Service)

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When an employer becomes a new affiliated employer with PERA, you may purchase service for employment with that employer prior to the affiliation date once you have vested with PERA. You must pay PERA for both the employer and member contributions based on your final average salary when buying this type of service credit. The cost to purchase this type of service credit is based upon the contributions associated with the retirement plan that you are currently covered under and your final average salary for your TIER of membership.

You may purchase prior service after you have left the employment of the new PERA-affiliated employer and are now employed by a different PERA-affiliated employer as long as you are vested at the time of the purchase. The cost formula is the same as the one used to calculate military service credit in the example on page 18.

## Employment with the Federal Government

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If you have 15 or more years of PERA credited service and are employed by the United States government within 30 calendar days of leaving employment with a PERA-affiliated public employer, you can continue to make contributions to earn PERA service credit. You must sign a contract with PERA, within 90 calendar days of leaving employment with a PERA-affiliated employer, to pay the employee and employer contributions based on your final average salary at the time of termination. You must make monthly payments to earn service credit with PERA until you qualify for retirement. If you miss one payment, the contract is cancelled and you must wait until you reach normal age and service requirements in order to apply for your deferred pension. For further information about the contract, please contact the PERA Contribution Accounting Bureau.

# PERA Contact Information - Santa Fe

## Santa Fe Office

33 Plaza La Prensa  
Santa Fe, NM 87507

(505) 476-9300 Voice  
(505) 954-0370 Fax

Toll Free (800) 342-3422

website: [www.nmpera.org](http://www.nmpera.org)

e-mail: [pera-memberservices@state.nm.us](mailto:pera-memberservices@state.nm.us)

A directory with direct telephone numbers to Santa Fe staff may be found on the PERA website on the Contact PERA page.

 @NMPERA  @NMPERA  @PERANEWMEXICO

 @NM PERA

## Business Hours

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

Closed on State Holidays

Directions to the PERA building in Santa Fe:

Directions from downtown Santa Fe:

1: Start out on CERRILLOS ROAD SOUTH heading away from downtown.

2: Go south on CERRILLOS Rd to the traffic light at the Santa Fe Outlet Mall.

3: Turn RIGHT onto W FRONTAGE ROAD/I-25 W FRONTAGE ROAD.

4: Turn RIGHT onto NEW MEXICAN PLAZA.

5: The PERA office is located directly ahead.

6: Park in the main parking lot and enter through the front door by the flag pole.

Directions from Albuquerque:

1: Start out going NORTH on I-25

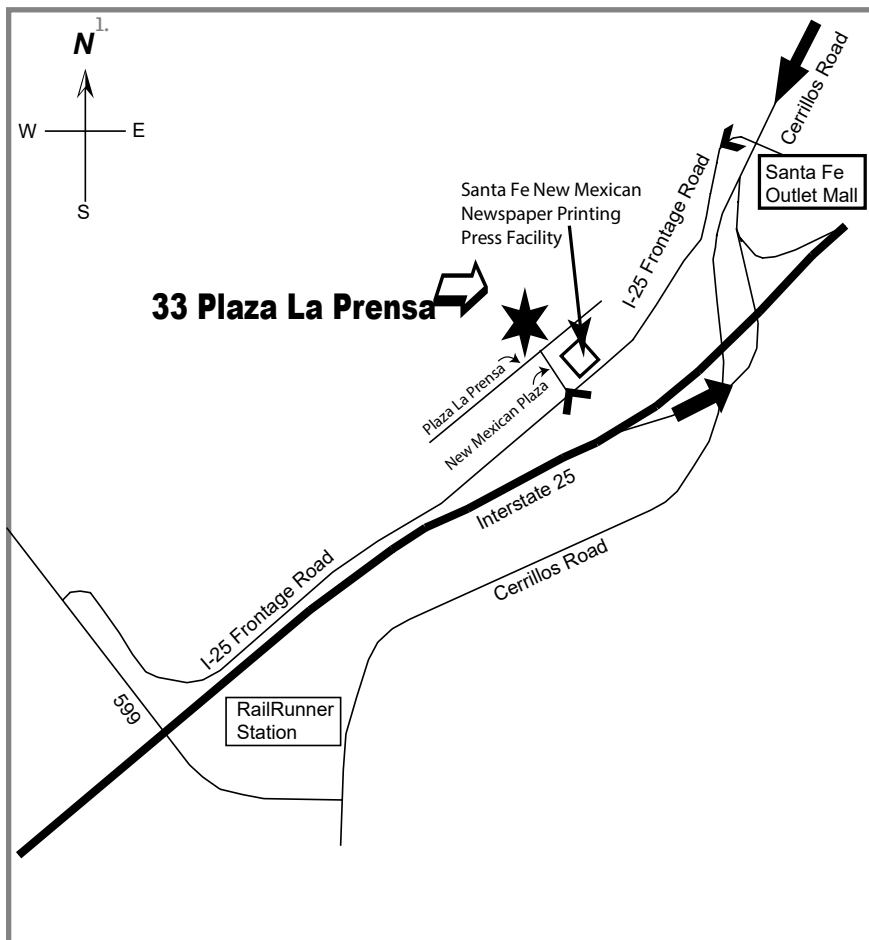
2: Turn off at the CERRILLOS ROAD SOUTH exit.

3: Merge to the LEFT and turn LEFT onto W FRONTAGE ROAD/I-25 W FRONTAGE ROAD.

4: Turn RIGHT onto NEW MEXICAN PLAZA.

5: The PERA office is located directly ahead.

6: Park in the main parking lot and enter through the front door by the flag pole.



# PERA Contact Information -Albuquerque

Albuquerque Office  
6300 Jefferson St. NE, Suite 100  
Albuquerque, NM 87109  
(505) 383-6550 Voice  
(505) Fax

Business Hours  
8:00 am - 5:00 pm  
Monday - Friday  
  
Closed on State Holidays

website: [www.nmpera.org](http://www.nmpera.org)

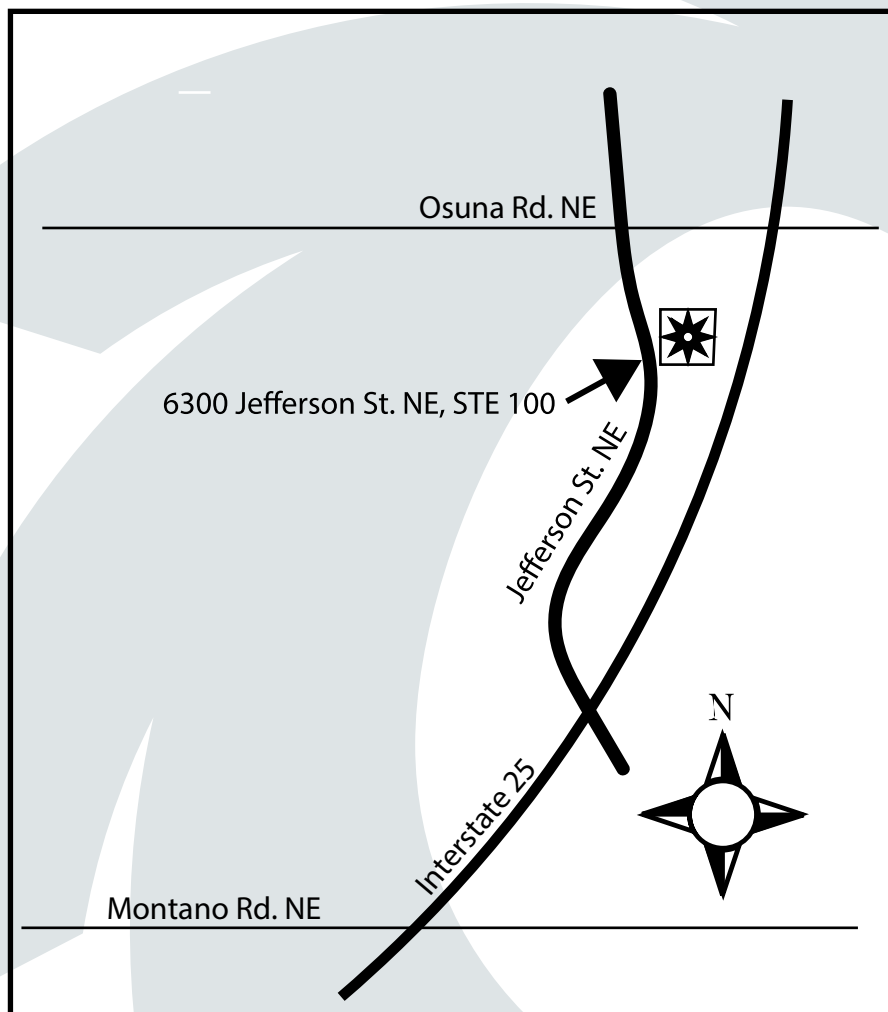
e-mail: [pera-albuquerque@state.nm.us](mailto:pera-albuquerque@state.nm.us)

 @NMPERA  @NMPERA  @PERANEWMEXICO

 @NM PERA

Directions to the PERA office in Albuquerque:

Follow I-25 to exit 229 (Jefferson St.). Take Jefferson St. NE heading north. Your designation will be on the east side of the street across from the Lowe's Home Improvement Call Center.



# Who Do I Call?

... If I have questions about retiring? or	
... If I have questions about benefit estimates? or	
... If I have questions about purchasing service credit?	
PERA Member Services-Santa Fe	(505) 476-9300
PERA Albuquerque office	(505) 383-6550
Or toll free	(800) 342-3422
... If I have questions about deferred compensation?	
Deferred Compensation	(833) 424-SAVE (7283)
Website	PERASmartSave.Voya.com
... If I have questions on disability retirement or survivor benefits?	
Member Services-Santa Fe	(505) 476-9300
... If I have questions about requesting a retirement seminar in my city?	
Outreach Bureau-statewide	(505) 476-9388
E-mail	PERA-Training@state.nm.us
... If I have questions about PERA investments Portfolio holdings?	
PERA's Public Records Request Division	(505) 476-9300
... If I have questions about refunds?	
Member Services - Santa Fe	(505) 476-9300
... If I have questions about retirement for public school and university employees?	
New Mexico Educational Retirement Board (NMERB) - Santa Fe	(505) 827-8030
NMERB Albuquerque Office	(505) 888-1560
Or toll free	(866) 691-2345
Website	<a href="http://www.nmerb.org">www.nmerb.org</a>
... If I have questions about retiree insurance?	
New Mexico Retiree Health Care- Santa Fe	(505) 476-7340
New Mexico Retiree Health Care - Albuquerque	(505) 222-6400
Or toll free	(800) 233-2576
Website	<a href="http://www.nmrhca.org">www.nmrhca.org</a>
E-mail	<a href="mailto:customerservice@state.nm.us">customerservice@state.nm.us</a>
... If I have questions about social security?	
Social Security	(800) 772-1213
Website	<a href="http://www.ssa.gov">www.ssa.gov</a>
... If I have questions about taxes?	
IRS	(800) 829-1040
Website	<a href="http://www.irs.gov">www.irs.gov</a>
New Mexico Taxation and Revenue Department	(505) 827-0700
Website	<a href="http://www.tax.newmexico.gov">www.tax.newmexico.gov</a>



33 Plaza La Prensa  
 Santa Fe, NM 87507  
 (505) 476-9300 phone  
 (505) 954-0370 fax  
[www.nmpera.org](http://www.nmpera.org)

### BENEFICIARY DESIGNATION FORM

Instructions: Please print or type in dark ink. This form must be completed in its entirety and returned to PERA via fax or by email to [noreply.records@state.nm.us](mailto:noreply.records@state.nm.us) for processing. Required fields are in **BOLD ITALICS**. Members are encouraged to review the instructions and guidance provided with these forms.

CHECK ONE:  New Form  Change in Existing Information

<b>MEMBER INFORMATION</b>				
<b>SOCIAL SECURITY NUMBER or PERA ID NUMBER</b>			<b>DATE OF BIRTH</b> (mm/dd/ccyy)	
<b>FIRST NAME</b>		<b>MI</b>	<b>LAST NAME</b>	
<b>MAILING ADDRESS</b>		<b>HOME or CELL TELEPHONE NO.</b>		
<b>CITY</b>	<b>STATE</b>	<b>ZIP</b>	<b>EMAIL</b>	
<b>MARITAL STATUS</b> <input type="checkbox"/> NEVER BEEN MARRIED <input type="checkbox"/> MARRIED <input type="checkbox"/> DIVORCED <input type="checkbox"/> WIDOWED Marriage or divorce after the date this form is completed may revoke your beneficiary designation(s).				
<b>SPOUSAL CONSENT</b>				
<input type="checkbox"/> Check here if you are married and designating someone other than your spouse. If this box is checked, you must submit a separate completed <i>Beneficiary Spousal Consent Form</i> for this designation to be effective.				
<b>SURVIVOR BENEFICIARY INFORMATION – You May Only Choose One Person. You may NOT split between more than one person.</b>				
I designate the following person to be my survivor beneficiary to receive a monthly pension payable for life in the event of my death prior to retirement. If I have less than the minimum number of years to meet retirement eligibility when I die, this monthly pension will be payable only if my death is duty related as provided by law.				
<b>NAME</b>	<b>RELATIONSHIP</b>	<b>SSN/FED TAX ID</b>	<b>DATE OF BIRTH</b>	<b>ADDRESS/PHONE NUMBER</b> <input type="checkbox"/> Same as above
<b>REFUND BENEFICIARY INFORMATION – You May Only Choose One Person Or Organization. You may NOT split between more than one person or organization.</b>				
If no survivor pension is payable, I designate the following person <u>or</u> organization to be my refund beneficiary to receive a refund of my accumulated member contributions. If I do not designate a refund beneficiary, I understand the refund amount will be paid to my estate.				
<b>Person</b>				
<b>NAME</b>	<b>RELATIONSHIP</b>	<b>SSN/FED TAX ID</b>	<b>DATE OF BIRTH</b>	<b>ADDRESS/PHONE NUMBER</b> <input type="checkbox"/> Same as above
<b>OR Organization</b>				
<b>ORGANIZATION NAME</b>	<b>ADDRESS/PHONE NUMBER</b>		<b>TAX ID #</b>	
<b>MEMBER AUTHORIZATION</b>				
I hereby declare that all the information provided is true and complete to the best of my knowledge.				
<b>SIGNATURE OF MEMBER</b>			<b>DATE OF SIGNATURE</b> (mm/dd/ccyy)	

To be completed by a PERA member prior to retirement

September 2019

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**PERSONAL INFORMATION** (please print clearly using black or blue ink)

NAME: \_\_\_\_\_ SOCIAL SECURITY NUMBER: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ APT: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

DAY PHONE: \_\_\_\_\_ EVENING PHONE: \_\_\_\_\_

E-MAIL: \_\_\_\_\_ DATE OF BIRTH: \_\_\_\_/\_\_\_\_/\_\_\_\_

EMPLOYER NAME (required): \_\_\_\_\_

PRIMARY BENEFICIARY: \_\_\_\_\_  
Include: Name, Date of Birth, and Relationship

**EMPLOYEE CONTRIBUTION ELECTION**

You may elect to contribute to PERA SmartSave by selecting the dollar amount of your gross salary you want deducted from your wages on a per pay period basis. The total minimum contribution is \$260 annually and total maximum contribution is \$19,500 annually (or maximum IRS limits).

Pre-tax contribution amount: \$ \_\_\_\_\_ / per pay period

Roth contribution amount: \$ \_\_\_\_\_ / per pay period  
(If your employer does not offer the Roth option, only your pre-tax contribution will be processed at this time. See page 2.)

**INVESTMENT FUND ELECTION**

Choose from pre-defined options based on your birth year and a common retirement age of 65:

Name:	Birth Date Range:
<input type="checkbox"/> New Mexico Conservative Portfolio	Before 1957
<input type="checkbox"/> New Mexico LifeCycle 2025 Portfolio	1958 - 1962
<input type="checkbox"/> New Mexico LifeCycle 2030 Portfolio	1963 - 1967
<input type="checkbox"/> New Mexico LifeCycle 2035 Portfolio	1968 - 1972
<input type="checkbox"/> New Mexico LifeCycle 2040 Portfolio	1973 - 1977
<input type="checkbox"/> New Mexico LifeCycle 2045 Portfolio	1978 - 1982
<input type="checkbox"/> New Mexico LifeCycle 2050 Portfolio	1983 - 1987
<input type="checkbox"/> New Mexico LifeCycle 2055 Portfolio	1988 - 1992
<input type="checkbox"/> New Mexico LifeCycle 2060 Portfolio	1993 or after

**Please note:** If you wish to select your own asset allocation, you may do so via the participant website **after** your account is established.

**AUTHORIZATION**

By signing this form, I authorize my employer to reduce my salary by the amounts indicated in the Employee Contribution Election section of this form and I allow the Plan to set up my account with the contribution source(s). I understand if I do not complete one of the Investment Funds Election sections, my contributions will default to the target date fund closest to the year I reach age 65. I understand this change will become effective on the first available pay period of next month per IRS guidelines.

*I hereby certify that the information I furnished herein is true, accurate and complete.*

PARTICIPANT SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

## MAILING INSTRUCTIONS

Please submit your completed form to:

**VIA FAX:**

Voya Financial  
Attn: PERA SmartSave  
1-844-299-2373

**VIA MAIL DELIVERY:**

Voya Financial  
Attn: PERA SmartSave  
P.O. Box 389  
Hartford, CT 06141

**VIA OVERNIGHT DELIVERY:**

Voya Financial  
Attn: PERA SmartSave  
One Orange Way  
Windsor, CT 06095

If you have any questions or need to obtain additional plan or account information, please go online at [PERASmartSave.voya.com](http://PERASmartSave.voya.com) or call the PERA SmartSave Service Center at 1-833-424-7283 (SAVE) (TTY/TTD users call 1-800-579-5708). Customer Service Associates are available Monday through Friday, 7:00 A.M. to 7:00 P.M. Mountain Time (excluding stock market holidays).

## POTENTIAL IMPACT AND BALANCE

Deferral Per Pay	Paycheck Impact	Annual Deferral	Accumulation 10 Years	Accumulation 20 Years	Accumulation 30 Years
\$25	\$18.75	\$650	\$9,304	\$27,605	\$63,607
\$50	\$37.50	\$1,300	\$18,607	\$55,210	\$127,214
\$75	\$56.25	\$1,950	\$27,911	\$82,815	\$190,821
\$100	\$75.00	\$2,600	\$37,214	\$110,420	\$254,428

This table shows the cumulative value of 26 biweekly deferral amounts over 10, 20, and 30 years, assuming a compound annual rate of 7% and a 25% federal tax rate, for a single person with an annual salary of \$38,000 and one deduction for federal tax purposes. Actual investment returns will vary from year to year, and the value of your account after the specified periods of years shown in the table may be less or more than the amounts shown. This illustration is hypothetical and is not intended to serve as a projection of the investment results of any specific investment. If fees and expenses were reflected, the returns would have been less.

## EMPLOYERS THAT OFFER THE ROTH OPTION

Voya Plan #	Plan Name
626101	ALBUQUERQUE BERNALILLO CO WATER UTIL DIST
626102	ALBUQUERQUE PUBLIC SCHOOLS
626105	BERNALILLO COUNTY
626111	CITY OF ALAMOGORDO
626126	CITY OF LAS CRUCES
626153	EL VALLE DE LOS RANCHOS W AND S DIST
626189	RIO ARRIBA COUNTY
626194	SANTA CLARA HOUSING AUTHORITY
626205	STATE OF NEW MEXICO
626244	VILLAGE OF TAOS SKI VALLEY



33 Plaza La Prensa  
 Santa Fe, NM 87507  
 (505) 476-9300 phone  
 (505) 954-0370 fax  
[www.nmpera.org](http://www.nmpera.org)

## PERA REQUEST FORM

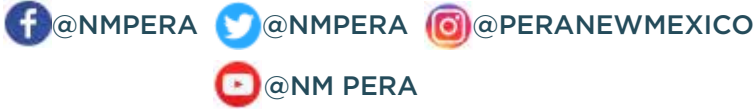
Instructions: Please print or type in dark ink. This form must be completed in its entirety and returned to PERA via fax or by email to [noreply.records@state.nm.us](mailto:noreply.records@state.nm.us) for processing. Required fields are in **BOLD ITALICS**.

MEMBER INFORMATION – PRINT CLEARLY		
<b>SOCIAL SECURITY NUMBER or PERA ID NUMBER</b>		
<b>FIRST NAME</b>	<b>MI</b>	<b>LAST NAME</b>
<b>MARITAL STATUS</b> <input type="checkbox"/> NEVER BEEN MARRIED <input type="checkbox"/> MARRIED <input type="checkbox"/> DIVORCED <input type="checkbox"/> WIDOWED		
<b>MAILING ADDRESS</b>		<b>HOME or CELL TELEPHONE NO.</b>
<b>CITY</b>	<b>STATE</b>	<b>ZIP</b>
<b>Check to receive e-mail correspondence</b> Yes <input type="checkbox"/> No <input type="checkbox"/>	<b>EMAIL</b>	
<b>DATE OF BIRTH</b>	<b>GENDER</b> <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	
PRESENT EMPLOYER		
REQUEST FOR INFORMATION (PLEASE CHECK ALL THAT APPLY)		
<input type="checkbox"/> Send Retirement Kit – Retirement forms are also available on the PERA website.		
<input type="checkbox"/> Estimate of benefits: Requested for retirement on [up to 2 dates] _____		
1. Beneficiary Name _____ Beneficiary SSN _____ Relationship to Member _____ Date of Birth _____		
2. Reciprocity (check all plans that apply) <input type="checkbox"/> PERA <input type="checkbox"/> JRA <input type="checkbox"/> MRA <input type="checkbox"/> ERA		
<input type="checkbox"/> Total Service Credit Verification (check all plans that apply) <input type="checkbox"/> PERA <input type="checkbox"/> JRA <input type="checkbox"/> MRA <input type="checkbox"/> ERA <input type="checkbox"/> VFF		
<input type="checkbox"/> Purchase of Withdrawn Service: <input type="checkbox"/> Cost of All Years <input type="checkbox"/> _____ Year(s) only <small>Requests for less than yearly increments will be done if Application for Pension has been submitted to PERA.</small>		
<input type="checkbox"/> Purchase of “Air Time” Service		
<input type="checkbox"/> Purchase of Military Service <b>(Copy of DD214 must be attached with discharge status)</b>		
<input type="checkbox"/> Purchase of Prior Service <b>Name of Employer with Prior Service</b> _____ <small>PERA will contact the employer with the prior service with instructions on the information needed.</small>		
<ul style="list-style-type: none"> <li>• PERA will provide two requests annually, visit our website <a href="http://www.nmpera.org">www.nmpera.org</a> for additional requests.</li> </ul>		
<small>Allow 30-45 days to process your estimate, service credit verification or purchase agreement. Requests with ERB service credit could take additional time to process.</small>		
<b>SIGNATURE OF MEMBER</b>		<b>DATE</b>

July 2019

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Toll Free (800) 342-3422  
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**Public Employees  
Retirement Association  
of New Mexico**

Updated September 2021