

PERA 2014 Board

OFFICERS

MUNICIPAL MEMBER

Ms. Patricia (Patty) French, Chair
City of Albuquerque
(505) 480-1335

RETIREE MEMBER

Mr. Dan Mayfield, Vice Chair
(505) 259-0528

EX-OFFICIO MEMBERS

Mr. James B. Lewis
State Treasurer
(505) 955-1120

Ms. Dianna J. Duran
Secretary of State
(505) 827-3600

STATE MEMBERS

Capt. Roman Jimenez
New Mexico State Police
(575) 382-2500

Ms. Paula Fisher
Children Youth & Families Dept.
(505) 841-2400

Ms. Jackie Kohlasch
Taxation & Revenue Department
(505) 383-0176

Mr. John Reynolds
Public Regulation Commission - Utility
Division
(505) 986-9163

MUNICIPAL MEMBERS

Mr. Louis Martinez
Albuquerque Bernalillo County Water
Utility Authority
(505) 768-3675

Mr. Daniel Esquibel
City of Santa Fe
(505) 490-6482

COUNTY MEMBER

Mr. Stewart Logan
San Juan County
(505) 947-5680

RETIREE MEMBER

Ms. Loretta Naranjo-Lopez
(505) 246-9601

EXECUTIVE DIRECTOR

Mr. Wayne Propst
(505) 476-9301

Letter from the Board Chair



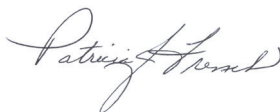
As 2014 gets underway, I would like to wish you and your families a prosperous year ahead. We know that we have much to look back on in 2013 and be thankful for. As you may have heard, the PERA Fund reached an all time high of \$14.2 billion in February. Also in October, the Board received updated actuarial valuations of all of our plans. The valuations showed that, as a result of the passage of pension reform legislation last year, PERA's unfunded liability has decreased by nearly \$1.5 billion and all of our funds have improved funded ratios. Our projected funded ratio in 2043 now stands at 108.8%.

These positive indicators are the result of a lot of hard work by the Board, the Legislature and our membership to ensure that PERA is on a sound financial footing. While we are pleased with these results, we also know that the Board must continue to be vigilant and proactive in protecting and growing our Fund and ensuring that the benefit we offer is sustainable. Having just been reelected Board Chair I want to assure you that our focus will remain on doing just that.

I would like to congratulate Dan Mayfield who was recently elected Board Vice Chair, and also welcome two new Board members, John Reynolds, who is a new State Member, and Louis Martinez, who is a new Municipal Member. I know all of our Board members are looking forward to 2014 and want to hear from you on how we can build on the successes of 2013.

Once again, thank you for your support of PERA.

Sincerely,



Patricia "Patty" French

MISSION STATEMENT

The mission of the Board of the Public Employees Retirement Association is to preserve, protect, and administer the Trust to meet its current and future obligations and provide quality services to association members.

2014 Legislative Session - Summary of Changes

On March 7, 2014 Governor Martinez signed three pieces of legislation designed to address the long-term solvency of the Judicial and Magistrate Retirement Funds. The Governor vetoed the fourth bill in the judicial and magistrate pension reform package, SB304, that would have temporarily distributed \$1.2 million from the Legislative Retirement Fund to the Judicial and Magistrate Retirement Funds.

These bills require shared sacrifice across all judicial and magistrate groups- retirees, actives and future members. Many of the changes mirror those seen by public employees and retirees under SB27 passed during the 2013 Legislative Session such as increased employee and employer contributions and increased age and service credit requirements, as well as longer final average salary and vesting requirements for new judges and magistrates. However, given the severe underfunding of the Judicial and Magistrate

“The changes are significant but were required to put these plans on a path to long term solvency.”

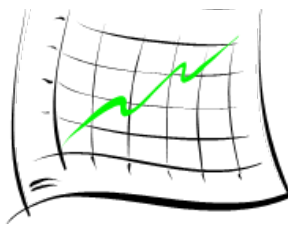
Retirement Funds, certain changes go even further than those required by SB27: retired judges and magistrates will see their Cost-of-Living Adjustment (COLAs) suspended for the next two years (July 1, 2014 and July 1, 2015) and thereafter, regular COLA payments will only be paid when the Funds are projected to be 100% funded. In addition, the bills reduce the pension multipliers for both current and future judges/magistrates, and prorate future service credit for a blended pension benefit for judges/magistrates. The bills also fix the longstanding problem of elective membership under the JRA/MRA and require all future judges/magistrates to make contributions while on the bench. Those judges /magistrates who have previously retired from PERA will also be required to suspend their PERA COLA while on the bench. Lastly, new judges/magistrates will have the same form of beneficiary payment options at retirement as other PERA retirees.

Patty French, PERA Board Chair, said, “I want to thank everyone who worked hard to pass comprehensive reform of the JRA and MRA plans. The changes are significant but were required to put these plans on a path to long term solvency. With passage of this legislation we hope to be able to focus on solidifying the progress that we’ve made on all PERA plans in future legislative sessions.”

Visit www.nmlegis.gov to view a copy of these bills (HB33, HB216 and SB160).

PERA Sees Excellent Returns in 2013

The PERA Fund had a robust 2013 calendar year with a gain of 16.42%. Rising equity markets caused the Fund to exceed its previous all-time high by rising above \$14 billion by the year-end. Despite a few challenges over the course of 2013, market volatility was modest as the S&P 500 never corrected by more than 4%. Unlike previous years, the market made only modest corrections in response to a banking crisis in Cyprus, The Federal Reserve’s Congressional testimony regarding the tapering of the Quantitative Easing (QE) bond buying program, and the federal government shutdown. The final quarter of the calendar year was particularly strong, driven by better economic data, less ambiguity on the QE taper, resolution of the government stalemate, and improving consumer, business, and investor sentiment.

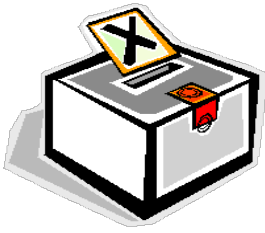


The PERA Fund is pleased to welcome its new Chief Investment Officer, Jonathan Grabel, who started with the Fund in January. Jon joins PERA from the Montgomery County Public Schools

(MCPS) system where he oversaw the defined benefit and defined contribution funds as the CIO at MCPS. Prior to MCPS Mr. Grabel was a General Partner at Baker Capital where he made late stage

venture and growth equity investments. Jon brings a diverse set of skills, including building and leading successful teams, public fund and private investing experience, and experience working with public and private boards of directors. In addition to his twenty plus years of investment experience, Jon is a Certified Public Accountant. His educational background includes an MBA from the Booth School of Business at the University of Chicago and a BA in Economics from The Wharton School at the University of Pennsylvania.

2014 PERA Board Election



It's time for the 2014 annual election for members of the PERA Board. This year there will be elections for one State and one Municipal member. These positions will be required to fill a four-year term to begin January 1, 2015. Candidates for these positions must be vested, contributing members employed by an applicable PERA-related (State or Municipal) agency.

Interested members were required to submit nominating petitions with a minimum of 150 valid signatures from members in their group (State or Municipal) by close of business on Monday, April

14, 2014. The five candidates with the highest number of nominations shall be included on the ballot in descending order according to the number of signatures received.

Ballots will be mailed to your address on record with PERA in late August. If you have moved, please send us your current address in writing to ensure you receive your ballot on time. The election will be held in September so please be sure to return your ballot to us once you receive it. It's your retirement Fund and we want you to be an active participant in PERA.



John J. Reynolds



Louis Martinez

PERA Board Election Results Announced

The PERA Board is pleased to announce the election results for the 2013 State and Municipal (non-county) elections. John J. Reynolds was elected to fill the State position and Louis Martinez was elected to fill the Municipal (non-county) position. Each term of office will last four years. The new Board members were sworn in during the Special Board Meeting held January 14, 2014.

Mr. Reynolds has been a PERA member since February 2007 with employment at the Taxation and Revenue Department as a Federal Oil and Gas Royalty Auditor. He is currently employed as an Economist in the Utility Division of the Public Regulation Commission.

Mr. Martinez became a PERA member over 16 years ago as a Geologist for the State Energy and Minerals Department. He is currently employed as the Asset/Program Manager at the Albuquerque Bernalillo County Water Utility Authority.

2013 Board members Annette Martinez-Varela and Susan Biernacki were honored for their years of service on the PERA Board at the December 19, 2013 Board meeting. Former Board member Gerald Chavez was honored for his service as well.



Pictured from left to right: Captain Roman Jimenez (2013 Vice Chair), Annette Martinez-Varela, Patricia (Patty) French (2013 & 2014 Chair), Susan Biernacki, and Gerald Chavez

Hot Off The Press - PERA Handbooks For TIER 1 and TIER 2 Members

PERA handbooks for TIER 1 and TIER 2 members are now available on PERA's website. Visit <http://www.pera.state.nm.us/publications.html> and select the handbook that applies to your membership level. Please remember TIER 1 applies to employees who had a positive account balance and/or who were actively employed with a PERA-affiliated employer as of June 30, 2013. TIER 2 members are those individuals who had a zero account balance and who are new employees with a PERA-affiliated employer on or after July 1, 2013. PERA is encouraging employers and members to utilize the online version of these handbooks as they are easy to search and locate at a moment's notice. If you require a hard copy of one of these publications please call or e-mail PERA at 1-800-342-3422 or pera-memberservices@state.nm.us.

A New Phone Number For PERA's Albuquerque Office



PERA's Albuquerque office has a new phone number. A new system with enhanced capabilities and a mini-menu will allow members to access important information and staff with the touch of a button. Please note that to reach PERA's Albuquerque office you must now dial (505) 383-6550. The fax number remains unchanged at (505) 883-4573. You can also e-mail the Albuquerque office at PERA-Albuquerque@state.nm.us with customer service inquiries.

Making your list (and checking it twice)

When it comes to lists during this time of year, the one that you can get individual help with is your retirement checklist. That's because all you have to do is call us — your local plan representatives. And with today's market conditions, we can help you understand that it's important not to think short-term when you're investing long-term. Together, we can evaluate how your account fits into your overall long-term financial strategy.

Investing involves market risk, including possible loss of principal.

Contact Customer Service or the following local representatives at 866-827-NMEX (6639)

Clayton Puckett (Central): 505-362-8814

Paul Lium (Northern): 505-321-2239

Linda Miller (Southern): 575-520-2660

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My Retirement Planning To Do List

- Make sure my beneficiary designation is on file!!
- Attend at least one deferred comp workshop in 2014
- Schedule a Retirement Check up for the beginning of 2014

