



# ***PERA MEMBER HANDBOOK***

General Information For:  
Active Members  
The Retirement Process  
Retired Members and Beneficiaries



PUBLIC EMPLOYEES RETIREMENT  
ASSOCIATION OF NEW MEXICO

Updated September 2010

PUBLIC EMPLOYEES RETIREMENT  
ASSOCIATION OF NEW MEXICO

# ***PERA Member Handbook***



Public Employees  
Retirement Association  
of New Mexico

This handbook contains information for:

- Active Members,
- The Retirement Process,
- PERA Sponsored Deferred Compensation (457) Plan and
- Retired Members and Beneficiaries.

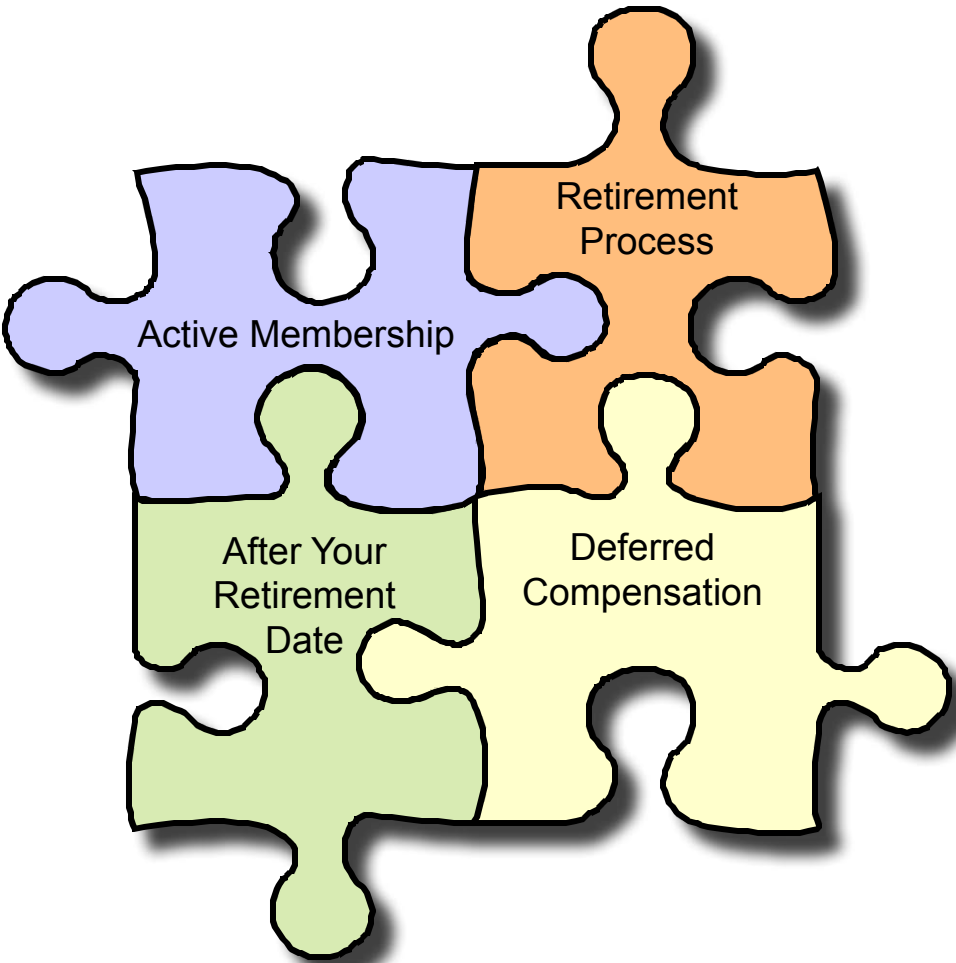
### ***PERA Mission Statement***

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.

Updated September 2010



Working together to put the pieces of your retirement puzzle together.



## *Important Note*

This member handbook is intended solely as a convenient guide for members concerning PERA procedures and benefits. As a result, the information in the 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 of the Association may make some information obsolete.

In all situations, the provisions of the Public Employees Retirement Act and the rules 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.



# Table of Contents

Welcome .....	1
PERA Contact Information and Map - Santa Fe Office .....	2
PERA Contact Information and Map - Albuquerque Office .....	3
<b>ACTIVE MEMBERSHIP</b>	
PERA Provided Benefits .....	5
Plan Provisions .....	5
Service Credit .....	6
PERA Plans-Contribution Rates, Pension Factors and Percentage Rates .....	7-8
Service Credit Table for PERA Plans With Enhanced Service Credit .....	9
Service Credit Conversion Factors .....	10
Interest Credited to Your Account .....	10
Purchasing Service Credit .....	10-12
Refund of Member Contributions .....	12
Survivor Pensions .....	13
Annual Member Statements .....	14
RIO Self Service Online Account Information for Active Members .....	15
Member Employment Information .....	16
Refund Beneficiary Designation Form .....	18
Survivor Beneficiary Designation Form .....	20
Change in PERA Records Form .....	22
PERA Request Form .....	24
<b>THE RETIREMENT PROCESS</b>	
How to Retire from PERA .....	27-28
Retirement Time Schedule .....	29
Normal Retirement Eligibility Requirements .....	30
Benefits Estimate Worksheet .....	31
Form of Payment Options .....	32-34
The Reciprocity Act .....	34-35
Disability Retirement .....	36-37
Divorce and Your PERA Benefits .....	37-38



# Table of Contents

## AFTER YOUR RETIREMENT DATE

Return to Work After Retirement .....	41
How to Increase Your Pension Benefits .....	42
PERA Retiree Newsletters .....	42
Direct Deposit .....	43
Taxes on Your Benefits .....	43-44
Cost-of-Living Adjustments (COLA) .....	44
1099R Information .....	45
RIO Self Service Online Account Information for Retired Members .....	45
PERA Tax Deduction Form .....	46
PERA Direct Deposit Authorization Form .....	48-49

PERA SPONSORED DEFERRED COMPENSATION (457) PLAN .....	51-53
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## INFORMATION ABOUT PERA

General Information About PERA and Its Governing Body .....	55
PERA ID Number .....	56
Glossary .....	57-58
Helpful Tips .....	59
Who Do I Call? .....	60
Notes .....	62-63

## Sources of Benefit Information

Benefit information is available in the following ways:

- Website: [www.pera.state.nm.us](http://www.pera.state.nm.us)
- Handbooks and brochures, on the PERA website or call 1-800-342-3422
- Informational Seminars, schedule posted on the PERA website
- “La Voz” newsletters, published quarterly available on the PERA website and through your employer or mailed to retirees and pension beneficiaries
- Annual Member Statements for active members
- Contacting a PERA benefits counselor, see the PERA contact information
- Cost-of-Living Adjustment (COLA) increase notification letters to retirees and pension beneficiaries



# Welcome

Welcome to PERA, New Mexico's public employees retirement system. PERA was established by the New Mexico Legislature in 1947 and is today one of the finest public retirement systems in the nation. Over 310 state and local government agencies and 373 volunteer firefighter departments provide pension benefits to their employees through PERA.

As executive director of PERA, I want you to know that the focus of my staff and the PERA Board is to provide responsive, quality service to all PERA participants.

Our secure and successful investment program is carefully monitored to ensure that your pension funds are safe and that sufficient funds will be available to pay your pension benefits when you retire. The PERA fund continues to be a model of stability and wise investing. The fund was at \$10.2 billion as of June 30, 2010.

If you have any questions about PERA or your retirement program, please feel free to give us a call. We'll be happy to help!



Terry Slattery, CEBS  
EXECUTIVE DIRECTOR



# PERA Contact Information - Santa Fe

## **Santa Fe Office**

P.O. Box 2123  
33 Plaza La Prensa (87507)  
Santa Fe, NM 87504-2123  
505-476-9300 Voice  
505-476-9401 Fax

## **Business Hours**

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

Closed on State Holidays

Toll Free in New Mexico 1-800-342-3422

website: [www.pera.state.nm.us](http://www.pera.state.nm.us)

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

A directory with direct telephone numbers to Santa Fe staff is located on the Contact Us page on the PERA website.

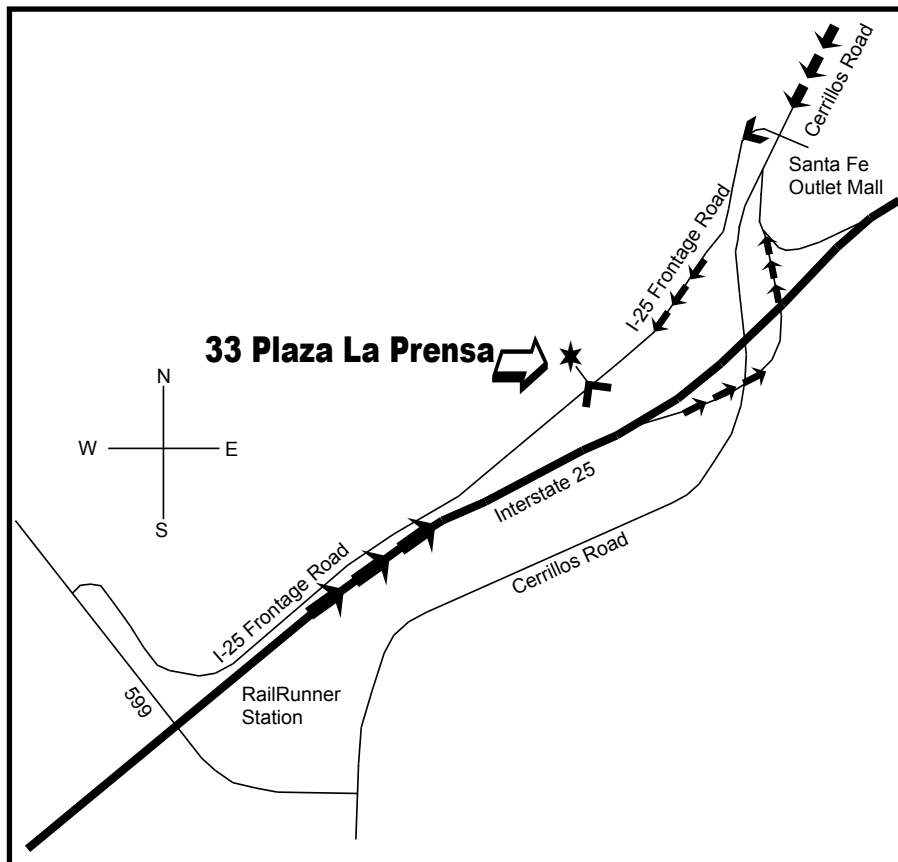
Directions to the PERA building in Santa Fe:

Directions from the former PERA Building at 1120 Paseo de Peralta:

- 1: Start out going WEST on PASEO DE PERALTA/ NM-589 W toward OLD SANTA FE TRAIL.
- 2: Turn LEFT onto CERRILLOS ROAD/NM-14 S.
- 3: Turn RIGHT onto W FRONTAGE ROAD/I-25 W FRONTAGE ROAD.
- 4: Turn RIGHT onto NEW MEXICAN PLAZA.
- 5: Go forward into the PERA parking lot.

Directions coming from Albuquerque:

- 1: Start out going NORTH on I-25
- 2: Turn off at the CERRILLOS ROAD/NM-14 S Exit.
- 3: Merge to the LEFT, Turn LEFT onto W FRONTAGE ROAD/I-25 W FRONTAGE ROAD.
- 4: Turn RIGHT onto NEW MEXICAN PLAZA.
- 5: Go forward into the PERA parking lot.





# PERA Contact Information - Albuquerque

## *Albuquerque Office*

2500 Louisiana Blvd. NE, Suite 420  
Albuquerque, NM 87110  
505-883-4503 Voice  
505-883-4573 Fax

## *Business Hours*

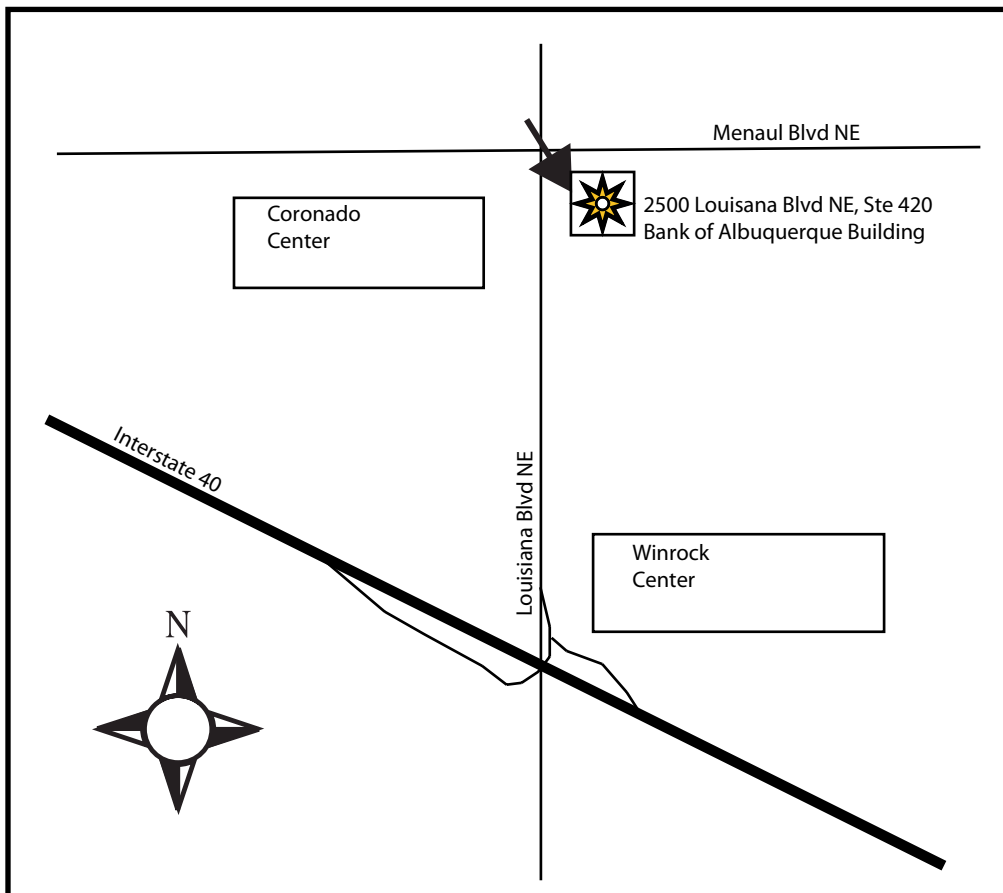
8:00 am - 5:00 pm  
Monday - Friday  
Closed on State Holidays

website: [www.pera.state.nm.us](http://www.pera.state.nm.us)

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

## Directions to the PERA office in Albuquerque:

At the southeast corner of Menaul Blvd NE and Louisiana Blvd NE in the Bank of Albuquerque building on the 4th floor in Suite 420. This is directly east of Coronado Center.





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## PERA Provided Benefits

PERA is a defined benefit plan governed by the New Mexico Public Employees Retirement Act. In a defined benefit plan, retirement benefits are paid when certain eligibility requirements (a combination of age and service credits) are met by the member, regardless of the amount of contributions paid into the plan. A public employer affiliated with PERA must deduct employee contributions each pay period from the employee/member's wages. These contributions are paid into the PERA member contributions fund. The employer also must remit employer contributions into the PERA employer's accumulation fund each pay period. The primary PERA benefit is a pension (monthly payment) that may be paid to a member for normal or disability retirement. Another benefit is a pension that may be paid under certain circumstances to a beneficiary upon the member's death.

## Plan Provisions

### ***PERA Membership***

PERA membership is a mandatory condition of employment with the state and affiliated public employers. Employees of the state and of affiliated public employers must complete a *PERA Application for Membership* or *PERA Exclusion From Membership Form* within 30 days of hire, job change or change to a part-time, seasonal or student employee. *Refund Beneficiary Designation* and *Survivor Beneficiary Designation Forms* should also be completed and submitted to PERA for all new contributing employees.

### ***Active Members - Exclusions from PERA Membership***

***Seasonal or Temporary Employee*** – An employee who works in a position designated as “seasonal” or “temporary” by the affiliated public employer and created to last no more than 9 consecutive months. An employee exclusion from membership form must be filed with PERA within 30 days of the date of employment.

***Student Employee*** – An employee who, during at least 8 months in any calendar year, or during the period of employment, is enrolled at an educational institution with academic credits that would be accepted by a state educational institution or a public school district and is carrying at least 12 credit hours. Any person who is a regular, full-time employee is not a “student” for purposes of exclusion from PERA membership.

***Elected Officials*** who are not PERA retirees and want to be excluded may file an *Exclusion From PERA Membership Elected Official Form* within 24 months of taking office. This form must be filed with each new term of office. Prior to filing an exclusion with PERA, the elected official shall be a member.

***Employees of a Public Employer at the time of its affiliation*** with PERA may file for an exclusion from membership within 30 days of the effective date of affiliation.

***Part-Time Employees*** – Employees who regularly work less than 20 hours in a 40-hour scheduled workweek are excluded from membership.



# Service Credit

## ***Five or More Years of Service - Vested Membership***

Vesting means you have earned 5 or more years of service credit with PERA. Service credit with the Educational Retirement Association (ERA) does not count toward vesting with PERA. If you terminate your employment with at least 5 years of service credit and leave your accumulated member contributions on deposit with PERA, you are eligible to receive a deferred pension when you meet the age and service requirements for normal retirement. (See page 30 for details.) In addition, certain survivor and disability pension benefits are available. (See pages 13 and 36 for details.)

If you terminate employment after earning 15 or more years of PERA service credit in order to accept employment with the federal government within 90 days of termination, you may be eligible to continue PERA membership by paying combined member and employer contributions based on your salary at the time you terminate employment. If you have questions about this provision, contact the PERA Contribution Accounting Department.

## ***Service Credit***

Service is credited for any calendar month you begin employment on or before the 16th of the month or terminate employment on or after the 15th of the month. In addition, you do not earn service credit for any month in which you receive less than 50% of your regular monthly salary or are paid for less than 80 hours in that month.

No member may earn more than 12 months of service in a calendar year (except for members in the State Police and Adult Correctional Officers Plan and the Municipal Detention Officers Plan whose credited service is enhanced by 20%). If, for example, you work full time for one affiliated employer, and in the same month, part time for another, you still receive only one month of service credit during the month. This also applies if you are employed by a PERA-affiliated employer and an ERA-affiliated employer in the same month. If you are considering dual employment and have questions, please call PERA.

## ***Furlough Days***

Furlough days do not effect service credit for a given month of service unless you do not meet the criteria mentioned above.

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

As an employee, you contribute to your retirement a percentage of your salary specified under the coverage plan of your current employer. Your affiliated public employer also contributes at a specified percentage. The employer contributions are not deposited in the member account and are not available for refund if the member requests a refund of their member contributions. Some employers “pick up” or pay a portion of the employee contributions. The amount “picked up” is credited to the employee contribution and is refundable.

Your contributions are based on your gross salary before deductions. The state and many other affiliated employers have elected to defer taxes on your contributions. Therefore, if you withdraw your contributions, both state and federal taxes will be withheld if your member contributions have been tax deferred. The contribution rates by employee and by employer are listed on pages 7 and 8.



## Contribution Rates and Pension Factors

Plan	Employee Contribution Percentage	Employer Contribution Percentage	Pension Factor Per Year Of Service Credit	Maximum Pension As A Percent Of Final Average Salary
State Plan 1 (applicable before 10/87)	3.83%	11.48%	2.0%	60% 2.0% x 30 years = 60%
State Plan 2 (applicable after 10/87)	6.18%	13.83%	2.5%	75% 2.5% x 30 years = 75%
State Plan 3 (applicable after 12/96) <u>(as of July 1, 2009)</u>	7.42% <u>8.92%</u>	16.59% <u>15.09%</u>	3.0%	80% 3.0% x 26 years, 8 months (.6667) = 80%
State Hazardous Duty Plan 1 (applicable before 12/96)	4.0%	21.5%	2.5%	100% 2.5% x 40 years = 100%
State Hazardous Duty Plan 2 (applicable after 12/96) <u>(as of July 1, 2009)</u>	4.78% <u>6.28%</u>	25.72% <u>24.22%</u>	3.0%	100% 3.0% x 33 years, 4 months (.3333) = 100%
State Police and Adult Correctional Officers Plan 1 (Service Credit x 20% Enhancement) <u>(as of July 1, 2009)</u>	7.6% <u>9.1%</u>	25.1% <u>23.6%</u>	3.0%	80% 3.0% x 26 years, 8 months (.6667) = 80%
Municipal Plan 1	7.0%	7.0%	2.0%	60% 2.0% x 30 years = 60%
Municipal Plan 2	9.15%	9.15%	2.5%	75% 2.5% x 30 years = 75%
Municipal Plan 3 (closed 6/95)	13.15%	9.15%	3.0%	80% 3.0% x 26 years, 8 months (.6667) = 80%
Municipal Plan 4 (closed 6/00)	15.65%	11.65%	3.0%	80% 3.0% x 26 years, 8 months (.6667) = 80%
Municipal Detention Officer Plan 1 (Service Credit x 20% Enhancement)	16.65%	16.65%	3.0%	80% 3.0% x 26 years, 8 months (.6667) = 80%



## Contribution Rates and Pension Factors

Plan	Employee Contribution Percentage	Employer Contribution Percentage	Pension Factor Per Year Of Service Credit	Maximum Pension As A Percent Of Final Average Salary
Municipal Police Plan 1	7.0%	10.0%	2.0%	60% 2.0% x 30 years = 60%
Municipal Police Plan 2	7.0%	15.0%	2.5%	100% 2.5% x 40 years = 100%
Municipal Police Plan 3*	7.0%	18.5%	2.5%	100% 2.5% x 40 years = 100%
Municipal Police Plan 4*	12.35	18.5%	3.0%	80% 3.0% x 26 years, 8 months (.6667) = 80%
Municipal Police Plan 5*	16.3%	18.5%	3.5%	80% 3.5% x 22 years, 11 months (.9167) = 80%
<hr/>				
Municipal Fire Plan 1	8.0%	11.0%	2.0%	60% 2.0% x 30 years = 60%
Municipal Fire Plan 2	8.0%	17.5%	2.5%	100% 2.5% x 40 years = 100%
Municipal Fire Plan 3*	8.0%	21.25%	2.5%	100% 2.5% x 40 years = 100%
Municipal Fire Plan 4*	12.8%	21.25%	3.0%	80% 3.0% x 26 years, 8 months (.6667) = 80%
Municipal Fire Plan 5*	16.2%	21.25%	3.5%	80% 3.5% x 22 years, 11 months (.9167) = 80%

*\* 20-Year Plans  
See page 30 for an explanation.*

## SERVICE CREDIT TABLE FOR PERA PLANS WITH ENHANCED SERVICE CREDIT

<u>Actual Employment in Years and Months</u>	<u>Earned Enhanced Service Credit</u>	<u>Years and Months of Service Credit Needed for Retirement</u>
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

For every 5 months of time worked on the job in an enhanced service plan, you will earn 1 month of enhanced service credit for a total of 6 months of service credit. Add the time you have actually worked plus the 20% enhanced service credit to equal the total amount of service credit you have under these enhanced plans.

### ***Calculating Enhanced Service Credit***

- |  |          |
|--|----------|
| A. Actual years and months of service credit earned in enhanced retirement plan    | A. _____ |
| B. 20% enhancement on service credit   | B. _____ |
| C. Sub Total (Lines A + B)   | C. _____ |
| D. Other service credit without the enhancement (service with other PERA agencies) | D. _____ |
| E. Any service credit that has been purchased                                      | E. _____ |
| F. Sub Total (Lines D + E)   | F. _____ |
| G. Add lines C + F for total service credit  | G. _____ |

### Months Of Service Credit Conversion Factor Table

<u>No. of Months</u>	<u>Conversion Factor</u>
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

### ***Interest Credited to Your Account***

Each year, interest on your contributions at a rate set by the Board is credited to your account balance as of June 30. A member statement of your account balance will be mailed to you after interest has been posted. **Remember that PERA must have a current mailing address for you as of June 30 for you to receive your annual statement.** Currently, interest accrues at 5.25% per year.

## Purchasing Service Credit

### ***Service Prior to Affiliation***

Employment with an affiliated public employer after July 31, 1947, but before the date the public employer became an affiliated public employer, may be purchased as PERA service after you have acquired at least 5 years of service credit. Please contact PERA to obtain the cost and conditions for this purchase.

### ***Uniformed Service***

Military service may be eligible for PERA service credit. Uniformed service is divided into two categories by the Public Employees Retirement Act: (1) intervening uniformed service and (2) non-intervening uniformed service. Uniformed service which is used to obtain or increase a benefit from another state retirement program cannot be credited to you under PERA.





Intervening Uniformed Service occurs when you are called to active duty and leave employment with an affiliated public employer and then promptly return to employment with an affiliated public employer upon discharge. Those months of uniformed service may be credited to you, free of contributions, upon your request and certification to PERA by your employer.

Contributions during this time should not be made by you or your employer if you receive differential pay. If your employer makes contributions from your annual or sick leave while you are on an active tour of duty you will receive normal service credit for that time but not free service credit. Uniformed service following voluntary enlistment is not eligible for free service credit. This includes joining any branch of the armed forces.

Non-Intervening Uniformed Service is all other active uniformed service. You may be eligible to purchase up to 5 years (less any free uniformed service credit for which you have already received credit) of active duty, uniformed service if:

- ✓ You have at least 5 years of PERA service credit; and
- ✓ You pay PERA the purchase cost which is based on the amount of service time to be purchased, and your final average salary at the member contribution rate and employer contribution rate of your plan at the time of purchase. The purchase agreement provided by PERA upon request is good for 60 days from when the member is informed of the cost.

You can obtain further information about credit for uniformed service by contacting PERA. *The portion of the purchase cost for the employer contribution rate will **not be refunded** to you if you subsequently terminate membership and withdraw your accumulated member contributions.*

### ***Reinstatement of Forfeited Service Credit***

Service credit that was forfeited by withdrawing your accumulated contributions following a termination of employment may be reinstated by paying PERA the amount withdrawn, plus interest, from the date of withdrawal to the date of repayment. Interest is calculated at the rate set by the Board. Repayment of all withdrawn contributions may be made in a lump sum payment or you may purchase forfeited service in yearly increments. In order to purchase forfeited service, you must be a current member of PERA or a current contributing member of the Educational Retirement Association. Please contact PERA in writing to find out how to reinstate forfeited service credit.

*Interest paid to PERA to reinstate forfeited service credit cannot be later refunded and is not included in your member account balance.*

### ***Buying Additional Service Credit (“Air Time”)***

Vested members can purchase up to 12 months of service credit for time that is not tied to any employment. “Air time” can be purchased in increments of a month or for the entire year. The purchase agreement provided by PERA upon request is good for 60 days from when the member is informed of the cost. Members covered in the Public Employees, Judicial and Magistrate Retirement Acts are eligible to purchase air time. The amount used to purchase air time cannot be used to determine final average salary.

*The whole cost of purchasing air time is **nonrefundable and is not included in your member account balance**, so members should take this into consideration when purchasing this type of service credit.*



### ***Cooperative Work Study Programs***

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

A member must be vested with five or more years of credited service acquired as a result of employment with an affiliated public employer to be eligible to purchase the cooperative work study service credit. 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.

Members must provide a copy of their student transcript showing proof of the work study programs and that the member received academic credit for the training program. A copy of the employer's Personnel Action Form showing the position and rate of pay must also be provided to determine the cost of the cooperative work study service credit.

### ***Other Service***

You may be eligible to purchase service credit for service under some other federally funded programs listed in the PERA Act or if you were a civilian prisoner of war. Contact PERA to obtain additional information about credit for such service.

## **Refunds of Member Contributions**

Upon terminating employment you may apply for a refund of your accumulated member contributions and interest, if you are not employed by another affiliated public employer for 30 days. A refund of your contributions will mean forfeiting service credit and any rights to a deferred pension as well as disability and survivor benefits. Employer contributions made on your behalf are retained by PERA and not available for refund. All refund requests must be made on a *PERA Termination Notice* form which is available from your payroll or human resources office. Because New Mexico is a community property state, you must submit copies of all divorce decrees and marital property settlement agreements to PERA along with the *PERA Termination Notice*. Refunds are subject to all applicable state and federal tax laws. You may "roll over" your contributions to certain other kinds of eligible retirement accounts. If you are interested in rolling over your contributions, please contact PERA.

When you withdraw your member contributions, you forfeit all of your service credit. You will not be eligible for a retirement pension unless the withdrawn contributions are repaid, along with interest, calculated from the date of withdrawal to the date of repayment. 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. Therefore, a refund or rollover of contributions normally takes a minimum of 60 days to process.



## Survivor Pensions

If a member dies before retiring, certain survivor pensions are available from PERA, depending on the particular circumstances of the member. In general, these survivor pensions provide for the following:

### ***Death in The Line of Duty***

A survivor pension is paid to your eligible spouse and your eligible children (under age 18) if you die in the line of duty and you have not elected coverage under the Designated Survivor Pension Beneficiary provisions. A spouse is eligible if he or she was married to you at the time of your death.

### ***Death Not in The Line of Duty***

If you are vested (earned 5 or more years of service credit) and die, but not in the line of duty, a pension will be paid to your eligible spouse or to your eligible children (under age 18) if you did not elect coverage under the Designated Survivor Pension Beneficiary provisions. A spouse is eligible if he or she was married to you at the time of your death.

### ***Survivor Beneficiary Designation***

Submitting a *PERA Survivor Beneficiary Designation Form* will allow you to designate a beneficiary to receive a monthly survivor pension if you die before retirement and you are not married, or if you wish to designate someone other than your spouse. If you are married, you must have your spouse's consent to designate someone other than your spouse. You may change your designated survivor beneficiary at any time prior to your death or retirement.

If you have less than 5 years of PERA service credit, a survivor pension will be payable only if your death is in the line of duty. Otherwise, a lump-sum refund of your employee contributions and interest will be made to the beneficiary named on the *PERA Refund Beneficiary Designation Form* you submitted. If there is not a *PERA Refund Beneficiary Designation Form* on file, then the account will be refunded to your estate.

If you would like to know more about the rules used to calculate survivor pension benefits, please contact PERA.

# Annual Member Statements

Annual Member Statements are sent to all members who have an account balance with PERA as of June 30 of each year. The statements are mailed once a year in the fall. The information in your statement indicates your contributions and interest posted to your account for that fiscal year. The PERA fiscal year is from July 1 through June 30.

Other information on your member statement is a breakdown by fiscal year of your past service credit and salary. PERA also reports to you the name(s) of the refund and survivor beneficiaries on file for you. If the beneficiary information is incorrect, you must submit a new *PERA Refund Beneficiary Designation Form* and/or *Survivor Beneficiary Designation Form* to PERA for processing.

The total service credit shown on the Member Statement may be unaudited and subject to change. Check your records to verify the service credit total provided by PERA. You may submit a *PERA Request Form* requesting a total service credit verification at any time during your career. You may request an estimate of benefits if you are within 3 years of retirement eligibility. A *PERA Request Form* can be obtained by download at [www.pera.state.nm.us](http://www.pera.state.nm.us); by e-mailing [pera-memberservices@state.nm.us](mailto:pera-memberservices@state.nm.us) and requesting that a *PERA Request Form* be e-mailed to you; by picking up this form at either of PERA's offices located at 33 Plaza la Prensa in Santa Fe or 2500 Louisiana Blvd., NE, Suite 420 in Albuquerque or by requesting a form be mailed to you.

In 2009, PERA added a new section that gives your birth date, the retirement plan you are under and your total service credit as of June 30 of that year. The retirement qualifications for all PERA retirement plans are also listed. You are able to look up the plan you are under to see the age and service credit requirements and when you qualify for retirement. You must meet both the age and service requirements to qualify for retirement.

Your Annual Member Statements are available online. If you did not receive yours through the normal mailing in the fall, you may reprint your statement from the RIO Self Service feature on the PERA website. Plus, you have the option of going paperless. You must have an online account and sign up for this feature through RIO Self Service.



# RIO Self Service Online Account Information

PERA has made your member account information more accessible. You have more control of your information through the PERA RIO Self Service website. You have access to your account balance, service credit and different calculators such as the cost for “air time” and an estimate of benefits. RIO Self Service is available through the PERA website at [www.pera.state.nm.us](http://www.pera.state.nm.us). Access to RIO Self Service is a button at the top left side of the PERA website. Click on RIO Self Service and you will be off and running.

## ***Getting Your User ID and Password***

To create a user ID and password for our site, you must be a member of the New Mexico Public Employees Retirement plan, Legislative Retirement plan, Judicial Retirement plan, Magistrate Retirement plan or Volunteer Firefighters Retirement plan and have an e-mail account. From the home page, click on the “Open an Account” link located on the main menu which runs across the top of the page. On the account creation page, you will choose a user ID and create a password. You will also be asked to provide information about yourself in order to verify your identity. If you are unable to provide information about yourself which matches PERA records, you may call PERA user administration at 1-866-845-9029 to obtain assistance.

## ***Going Paperless***

Through the RIO Self Service website, you may reprint your Annual Member Statements, print an account balance letter and after retirement reprint your Cost-Of-Living Adjustment Letter.

## ***Changing Your Demographic Information***

Once you have your user ID and password and have successfully logged on, you may change your address, telephone number and/or e-mail address. You may also view your account balance, print an account balance verification letter and view your beneficiary information by clicking on View Member Accounts under the Things To Do list on the left side of the screen. This page will show your account balance and service credit. Also on this page, you may also reprint a copy of your last Annual Member Statement by clicking on Annual Summary. This will generate a new Annual Member Statement which will show your account balance, yearly breakdown of your service credit by fiscal year and your beneficiary information. If you need to change your beneficiary information, you will need to submit new beneficiary forms to PERA.

The RIO Self Service website is also useful after you retire. You may log in each month to verify your pension deposit amount along with the amount that was withheld for taxes.



## Member Employment Information

### EMPLOYMENT 1

Employer Name \_\_\_\_\_

Hire Date \_\_\_\_\_ Termination Date \_\_\_\_\_

Employment Status\* \_\_\_\_\_

### EMPLOYMENT 2

Employer Name \_\_\_\_\_

Hire Date \_\_\_\_\_ Termination Date \_\_\_\_\_

Employment Status\* \_\_\_\_\_

### EMPLOYMENT 3

Employer Name \_\_\_\_\_

Hire Date \_\_\_\_\_ Termination Date \_\_\_\_\_

Employment Status\* \_\_\_\_\_

### EMPLOYMENT 4

Employer Name \_\_\_\_\_

Hire Date \_\_\_\_\_ Termination Date \_\_\_\_\_

Employment Status\* \_\_\_\_\_

### EMPLOYMENT 5

Employer Name \_\_\_\_\_

Hire Date \_\_\_\_\_ Termination Date \_\_\_\_\_

Employment Status\* \_\_\_\_\_

Use this area to keep track of your employment hire and termination dates.

\* Full-time, Part-time, Term, Temporary, Seasonal, Student, etc.







PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO

PUBLIC EMPLOYEES RETIREMENT BOARD

P.O. Box 2123, Santa Fe, New Mexico 87504-2123
(505) 478-9300 voice www.pera.state.nm.us

REFUND BENEFICIARY DESIGNATION FORM

Instructions: Please print or type in dark ink. The original of this form must be completed in its entirety and returned to PERA for processing. Required fields are in BOLD ITALICS. No correction fluid will be allowed on this form.

Change in Existing Information

MEMBER INFORMATION PLEASE PRINT CLEARLY

Form section for Member Information including Social Security Number, Date of Birth, First Name, MI, Last Name, Address Type, Home Telephone No., Street Address, Business Telephone No., Email Address, City, State, ZIP, Gender, and Marital Status.

BENEFICIARY INFORMATION

Person as a Refund Beneficiary

If you are married and wish to designate someone other than your spouse as the refund beneficiary, the spousal consent below must be signed by him or her.

Table for Beneficiary Information with columns: NAME, RELATIONSHIP, SSN, DATE OF BIRTH, ADDRESS/PHONE NUMBER.

Organization as a Refund Beneficiary

Table for Organization as a Refund Beneficiary with columns: ORGANIZATION NAME, ORGANIZATION ADDRESS/PHONE NUMBER, ORGANIZATION TAX ID #.

If I die and no pension is payable under the PERA Act, I designate the person or organization named above as my refund beneficiary to receive the refund of my member contributions. The first five (5) years of employment and service credit are the most important to have a REFUND BENEFICIARY designation on file at PERA.

SPOUSAL CONSENT

I, \_\_\_\_\_ spouse of \_\_\_\_\_, consent to his/her decision to designate \_\_\_\_\_ as a refund beneficiary.

Signature of Member's Spouse \_\_\_\_\_ Date: \_\_\_\_\_

MEMBER AUTHORIZATION

I hereby declare that all the information provided is true and complete to the best of my knowledge and that the spousal signature is the signature of my spouse.

Form section for Member Authorization with fields for SIGNATURE OF MEMBER and DATE OF SIGNATURE (mm/dd/yyyy).

NOTARIZATION OF MEMBER'S SIGNATURE

Notary section including State of New Mexico, County of, Subscribed and sworn to (or affirmed) before me by, My Commission Expires, Notary Public Telephone No., and Notary Signature.







PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO

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(505) 478-9300 voice

[www.pera.state.nm.us](http://www.pera.state.nm.us)

New form  Change in Existing Information

**SURVIVOR BENEFICIARY DESIGNATION FORM**

Instructions: Please print or type in dark ink. The **original** of this form must be completed in its entirety and returned to PERA for processing. Required fields are in **BOLD ITALICS**. No correction fluid will be allowed on this form.

MEMBER INFORMATION		PLEASE PRINT CLEARLY	
<b><i>SOCIAL SECURITY NUMBER</i></b> <b><i>or PERA ID NUMBER</i></b>		<b><i>DATE OF BIRTH</i></b> (mm/dd/yyyy)	
<b><i>FIRST NAME</i></b>	<b><i>MI</i></b>	<b><i>LAST NAME</i></b>	
<b><i>ADDRESS TYPE</i></b> <input type="checkbox"/> PERMANENT <input type="checkbox"/> TEMPORARY <input type="checkbox"/> MAILING		<b><i>HOME TELEPHONE NO.</i></b>	
<b><i>STREET ADDRESS</i></b>		BUSINESS TELEPHONE NO.	
		EMAIL ADDRESS	
<b><i>CITY</i></b>	<b><i>STATE</i></b>	<b><i>ZIP</i></b>	<b><i>GENDER</i></b> <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE
<b><i>MARITAL STATUS</i></b> <input type="checkbox"/> NEVER BEEN MARRIED <input type="checkbox"/> MARRIED <input type="checkbox"/> DIVORCED <input type="checkbox"/> WIDOWED <i>Marriage or divorce after the date this form is completed and submitted to PERA will affect your survivor beneficiary designation. Please contact PERA if either event occurs.</i>			
BENEFICIARY INFORMATION			
I hereby designate the person named below as my survivor beneficiary to receive a monthly pension payable for life in the event of my death prior to retirement. I understand that if I have less than 5 years of service credit when I die, this monthly pension will be payable <u>only</u> if my death is duty related. If I am married and designate someone other than my spouse as survivor beneficiary, the spousal consent section of this form will be completed and signed by my spouse.			
<b><i>NAME</i></b>	<b><i>RELATIONSHIP</i></b>	<b><i>SSN</i></b>	<b><i>DATE OF BIRTH</i></b>
			<b><i>ADDRESS/PHONE NUMBER</i></b>
SPOUSAL CONSENT			
I, _____ spouse of _____, consent to his/her decision to designate _____ as a survivor beneficiary.			
Signature of Member's Spouse _____		Date: _____	
MEMBER AUTHORIZATION			
I hereby declare that all the information provided is true and complete to the best of my knowledge and that the spousal signature is the signature of my spouse			
<b><i>SIGNATURE OF MEMBER</i></b>			<b><i>DATE OF SIGNATURE</i></b> (mm/dd/yyyy)
NOTARIZATION OF MEMBER'S SIGNATURE			
State of New Mexico	)		
	)	SS:	
County of _____	)		
Subscribed and sworn to (or affirmed) before me by _____ on this the _____ day of _____, _____.			
My Commission Expires _____		Notary Public Telephone No: _____ - _____ - _____	
Notary Signature _____			

No correction fluid will be allowed on this form.

April 2010





PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO

PUBLIC EMPLOYEES RETIREMENT BOARD

P.O. Box 2123, Santa Fe, New Mexico 87504-2123

(505) 476-9401 fax (505) 476-9300 voice

[www.pera.state.nm.us](http://www.pera.state.nm.us)

**CHANGE IN PERA RECORDS**

Instructions: Please print or type in dark ink. Required fields are in **BOLD ITALICS**

<b>MEMBER INFORMATION (Must be completed in all cases)</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>NAME CHANGE/CORRECTION</b>			
<b>CURRENT FIRST NAME</b>	<b>MI</b>	<b>LAST NAME</b>	
<b>PREVIOUS FIRST NAME</b>	<b>MI</b>	<b>LAST NAME</b>	
<b>EFFECTIVE DATE OF CHANGE</b> (mm/dd/ccyy)			
<b>ADDRESS CORRECTION</b>			
<b>ADDRESS TYPE</b> <input type="checkbox"/> PERMANENT <input type="checkbox"/> TEMPORARY <input type="checkbox"/> MAILING			<b>HOME TELEPHONE NO.</b>
<b>STREET ADDRESS</b>			<b>BUSINESS TELEPHONE NO.</b>
<b>CITY</b>	<b>STATE</b>		<b>ZIP</b>
<b>PROVINCE</b>	<b>POSTAL CODE</b>		<b>COUNTRY</b>
<b>EFFECTIVE DATE OF CHANGE</b> (mm/dd/ccyy)			<b>E-MAIL ADDRESS</b>
<b>MARITAL STATUS CHANGE/CORRECTION</b>			
<b>MARITAL STATUS/EFFECTIVE DATE OF CHANGE</b> (mm/dd/ccyy)			
<input type="checkbox"/> MARRIED    /    / <input type="checkbox"/> DIVORCED    /    / <input type="checkbox"/> WIDOWED    /    /			
<b>SOCIAL SECURITY NUMBER CHANGE/CORRECTION</b>			
<b>OLD SOCIAL SECURITY NUMBER</b>	<b>NEW SOCIAL SECURITY NUMBER</b>	<b>EFFECTIVE DATE OF CHANGE</b>	
<b>MEMBER AUTHORIZATION</b>			
<b>SIGNATURE OF MEMBER</b>			<b>DATE</b>





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(505) 476-9401 fax (505) 476-9300 voice

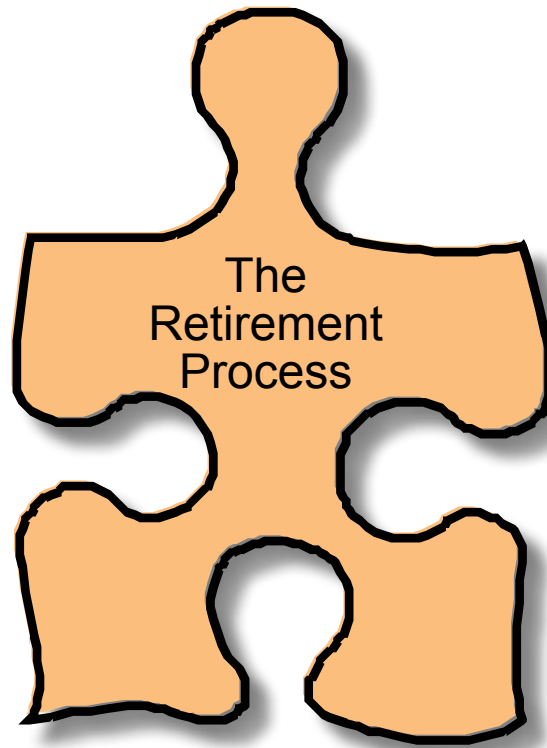
[www.pera.state.nm.us](http://www.pera.state.nm.us)

**PERA REQUEST FORM**

Instructions: Please print or type in dark ink. Required Fields are in **BOLD ITALICS**

<b>EMPLOYEE INFORMATION</b>		
<b>SOCIAL SECURITY NUMBER or PERA ID NUMBER</b>		
<b>FIRST NAME</b>	<b>MI</b>	<b>LAST NAME</b>
<b>ADDRESS TYPE</b> <input type="checkbox"/> PERMANENT <input type="checkbox"/> TEMPORARY <input type="checkbox"/> MAILING		<b>HOME TELEPHONE NO.</b>
<b>STREET ADDRESS</b>		<b>BUSINESS TELEPHONE NO.</b>
		<b>EMAIL ADDRESS</b>
<b>CITY</b>	<b>STATE</b>	<b>ZIP</b>
<b>DATE OF BIRTH</b>		<b>GENDER</b> <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE
<b>PRESENT EMPLOYER</b>		
<b>REQUEST FOR INFORMATION (PLEASE CHECK ALL THAT APPLY)</b>		
<input type="checkbox"/> Send Retirement Kit		
<input type="checkbox"/> Estimate of benefits: Requested for retirement on (date(s)) _____		
1. Beneficiary Name _____		
Social Security Number _____ 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"/> Purchase of Withdrawn Service: <input type="checkbox"/> Cost of All Years <input type="checkbox"/> _____ Year(s) only		
<input type="checkbox"/> Approximate dates of withdrawn service _____		
<input type="checkbox"/> Purchase of Military Service ( <b>Copy of DD214 must be attached</b> )		
<input type="checkbox"/> Purchase of "Air Time" Service ( <b>Copy of last pay stub must be attached</b> )		
<input type="checkbox"/> Purchase of Prior Service ( <b>Attach information on dates of employment and salary</b> )		
<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		
<i>Please allow 30-45 days to process your estimate, service credit verification or purchase agreement.</i>		
<b>SIGNATURE OF MEMBER</b>		<b>DATE</b>





					D	I	V	O	R	C	E				
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I									M				L		M
V						R		B	E	N	E	F	I	T	S
O						I			N				N		
R	E	C	I	P	R	O	C	I	T	Y			E		





# How to Retire from PERA

A *PERA Retirement Kit*, which contains instructions and a retirement application, is available from the PERA offices in Santa Fe and Albuquerque or may be obtained by writing to:

PERA Member Services  
P. O. Box 2123  
Santa Fe, NM 87504-2123

or by calling (505) 476-9300 (Santa Fe), (505) 883-4503 (Albuquerque) or toll free in New Mexico 1-800-342-3422. You may also download the forms from our website at [www.pera.state.nm.us](http://www.pera.state.nm.us). Click on the button “Forms” then scroll down the list to find the form you need.

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;
2. Your retirement application is filed and complete, including all required documentation; and
3. You have terminated employment with your PERA employer.

Your complete *Application for Pension* should be filed with PERA no earlier than 1 year and at least 60 days prior to your effective retirement date. We must have all the information listed below before we can process your retirement application. If we do not receive your application and all of the required information prior to your selected retirement date, your retirement will be postponed to the first of the month following the date your application is complete.

- Proof of age for yourself and your beneficiary. Acceptable documents are a birth certificate, a baptismal certificate, religious record of birth established before age 5 years, current passport, a current New Mexico driver’s license or a current New Mexico motor vehicle division issued identification card, or any **two** of the following documents showing the date of birth:
  1. copy of a life or automobile insurance policy;
  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 identification card;
  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 records.



- For any 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 records;
  - (b) joint real estate deeds or mortgages; or
  - (c) insurance policies.
- Beneficiary's social security number on the *Application for Pension Form*
- Divorce decrees and marital settlement agreements (if applicable)
- *Application for Pension Form*
- *Spousal Consent Form* or *Affirmation of Marital Status Form*
- *PERA Tax Deduction Form*
- *PERA Direct Deposit Form*

All changes to your retirement application that affect your retirement status **must** be in writing. Such changes may include: a new retirement effective date, a different beneficiary or a different "Form of Payment" option. It is **your** responsibility to see that PERA receives and processes any desired changes prior to the retirement effective date. If PERA receives a written change request after the retirement effective date but prior to the mailing of your first benefit check, PERA will process your request and move your retirement effective date to the first of the following month after making the requested change to your retirement application. You could possibly lose your original first month of pension payment. It is important to submit all your paperwork and changes prior to your retirement date.

For a deferred pension (leaving your contributions on account until you qualify with age and service requirements), you should also submit your complete retirement application at least 60 days before your retirement date.

# Retirement Time Schedule

This is a general time frame for the PERA retirement process:

- \* **Any time during your career**, you may verify your service credit with PERA. Once you have done this, check your Annual Member Statement each year to keep track of your service credit.
- \* **3 years from retirement**, ask for an estimate of benefits. An estimate of benefits will allow you to start estimating your retirement income, plus the estimate of benefits will tell you when you qualify for retirement.
- \* **1 year from retirement**, request an estimate of benefits. From this estimate you will choose your form of payment option. This will be very important because once you retire, you may only change your benefit option or beneficiary one time post-retirement under certain limited circumstances as stated on pages 33 and 34. Otherwise to change your payment option or beneficiary you would voluntarily stop your pension payments, return to work for a PERA employer for 3 years and then you may reretire with a new beneficiary and/or payment option.
- \* **60 days prior to your retirement date**, submit your completed *Application for Pension*. This includes all of the documents listed on pages 27 and 28. If you want to submit your retirement documents earlier, you may do so. The earliest PERA will accept retirement paperwork is 1 year prior to your retirement date.
- \* **5-6 weeks after your retirement date**, you are scheduled to receive your first pension payment by check in the mail. Your first pension payment is always a paper check and is mailed to you on the last working day of your retirement month.
- \* **Starting the 2nd month of retirement**, you will receive your second pension payment by direct deposit the last working day of the month.

## Sample Time Schedule:

Termination Date - December 31, 2013      Retirement Date - January 1, 2014

- Request Service Credit Verification - Any time in Career
- Request First Estimate of Benefits - January 2010
- Request Second Estimate of Benefits - January 2013
- Submit Retirement Paperwork - Anytime from January - October 2013
- Receive First Pension Check by Mail - 5-6 weeks after your retirement date, longer if your retirement includes ERB service credit.
- Receive First Direct Deposit Pension Payment - Last working day of February 2014



# Normal Retirement Eligibility Requirements

You must meet one of the following age and service requirements to qualify for retirement under PERA:

**Prior to July 1, 2010, Age and Service Credit Eligibility Requirements for an Individual Who Initially Became a Member in Municipal General Member Coverage Plans 1, 2, 3 and 4 and in State General Member Coverage Plan 3:**

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.

**After July 1, 2010, Age and Service Credit Eligibility Requirements for an Individual Who Initially Became a Member\* And is Not a Peace Officer\* in Municipal General Member Coverage Plans 1, 2, 3 and 4 and in State General Member Coverage Plan 3:**

Any age with 30 or more years of service credit; or  
Any age if the sum of the member's age plus years of service equals 80 or more; or  
Age 67 with 5 or more years of service credit.

\*Peace Officer means any employee of the state or a municipality with a duty to maintain public order or to make arrests for crime, whether that duty extends to all crimes or its limited to specific crimes, and who is not specifically covered by another coverage plan. Positions considered to be Peace Officers include Special Investigators for the Department of Public Safety, Motor Transportation Officers for the Department of Public Safety and Conservation Officer for the Game and Fish Department.

No changes were made to the pension factors, member and employer contribution percentages, the pension maximums or the computation of the final average salary.

Police or fire members participating in one of the coverage plans shown below are eligible for normal retirement at any age with 20 or more years of service credit.

**Police and Fire Member 20-Year Coverage Plans**

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

If you are a member participating in the State Police and Adult Correctional Officers Plan 1 or Municipal Detention Officer Plan 1, you belong to a 25-year plan with a 20% enhancement of the service credit earned in that plan. See page 10 for more information.

**Note:** Legislators, Judges, Magistrates and Volunteer Firefighters have different age and service requirements as well as benefit calculation provisions. Please request information on these plans from PERA.



## Benefits Estimate Worksheet

You can estimate your normal PERA retirement pension under the “Form of Payment A” option using the this worksheet (see Form of Payment Options on pages 32-34 for more information). The example below is based on a member retiring with 25 years of service credit under State General Member Coverage Plan 3 with a final average monthly salary of \$2,544.

<u>Benefits Estimate</u>		
	Example Calculations	For Your Calculations
A. Plan maximum	<u>80%</u>	_____
B. Pension Factor	<u>3%</u>	_____
C. Years of Service	<u>25</u>	_____
D. Multiply “B” x “C” =	<u>75%</u>	_____
E. Final Average Salary	<u>\$2,544</u>	_____
F. Use The Smaller of Line “A” or Line “D”	<u>75%</u>	_____
G. Multiply “F” x “E” =	<u>\$1,908</u>	_____

Line G is your estimated monthly pension 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 your own estimate since factors may exist which could cause this estimate to be inaccurate. You should ask PERA for an estimate if you are seriously considering retirement within 3 years. Requests for an estimate of benefits must be in writing and take approximately 30 - 45 days for a response, depending upon the audit complexity of your file.



## Form of Payment Options

When you apply for retirement under PERA, you must choose a form of payment option. The option you choose determines whether or not income is provided for a beneficiary after your death. If you want to provide income 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 your named survivor beneficiary. PERA uses the age you are nearest retirement. If you are 55 years and 6 months old, then PERA will calculate your age as 56. Regardless of which payment option you choose, a benefit payment is payable to you for the duration of your life.

The four options available to you are as follows:

### ***Form of Payment A***

**Straight Life Option.** Provides a monthly benefit to you for your lifetime only. Upon your death, all payments stop on the first day of the month following your death.

### ***Form of Payment B***

**Joint Survivor Option (100%).** Provides a monthly benefit to you for your lifetime. When you die, your beneficiary will receive that same amount for the rest of his or her life. Your monthly benefit amount is less than form of payment A because the value of your monthly retirement benefit is reduced to provide that same benefit to your beneficiary. If your survivor beneficiary dies before you, your retirement benefit is changed to the form of payment A amount when PERA is notified and receives the death certificate.

### ***Form of Payment C***

**Joint Survivor Option (50%).** Provides a monthly benefit to you for your lifetime. When you die, your beneficiary will receive half the amount you were receiving for the rest of his or her life. Your pension benefit amount is less than form of payment A, but more than form of payment B, 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 is changed to the form of payment A amount when PERA is notified and receives the death certificate.

### ***Form of Payment D***

**Temporary Joint Survivor Option (for retirees with unmarried minor children under the age of 25).** Provides a monthly benefit to you for life. When you die, the same total amount is shared by your eligible children until the last child reaches age 25. Once a child turns 25 or marries, the benefits stop. Your pension 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. Once the youngest eligible child reaches age 25, your pension amount will change to form of payment A.

In all four options, you, the retiree, will receive at least all of the contributions you paid into your account and the interest your account has earned. If you die before your contributions and interest have been paid in benefits and no survivor pension is payable, the employee contributions and interest remaining in your account will be paid to your refund beneficiary or your estate, whoever was designated on the *Application for Pension Form*.



## ***Selection of Form of Payment***

You must select a payment option at the time of your retirement. This election must be made on a PERA *Application for Pension Form* and will require either a completed notarized *PERA Spousal Consent Form* consenting to the form of payment and beneficiary selected or a notarized *Affirmation of Marital Status Form* stating you are not married at the time of retirement.

If you do not select a form of payment, PERA will begin 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 pension beneficiary, if you are married at the time of retirement.

The amount of your retirement pension is based on your:

- Final Average Salary (FAS), the average of the highest 36 consecutive months of your salary;
- Service Credit, the years and months you worked for PERA-affiliated employers; and
- Pension Factor, the percentage associated with the coverage plan under which you retire.

## ***Form of Payment Changes***

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

- If you selected form of payment B or C with your spouse as the beneficiary and you and your spouse are later divorced, you may change to form of payment A only if a court order so provides. Contact PERA for additional information.
- If your beneficiary dies before you, your form of payment will be changed to form of payment A after PERA receives notice of the death and receives a copy of the death certificate.
- If you are reemployed by a PERA employer, suspend your pension and become a regular contributing employee again. If you work for at least 3 years, you can reretire with a new option and/or new survivor beneficiary.

## ***One-Time Beneficiary Deselection Option***

After May 19, 2010 the law allows you a one time opportunity to change the beneficiary you chose when you retired if you named someone other than your spouse as your beneficiary under Form of Payment B or C and your named beneficiary is still living. If you choose to deselect your current survivor beneficiary, you have two options:

- You may change to Form of Payment A. Your pension amount will increase and pension payments will end when you die: or
- You may name another survivor beneficiary under the same Form of Payment (i.e. B or C). If you choose to designate a new beneficiary, your pension amount will be recalculated based on actuarial tables. Your pension may be reduced depending on the ages and life expectancies of you and the new beneficiary at the time the pension is recalculated.



### ***Form of Payment Example***

The following example shows the effect of selecting form of payment A, B or C for a PERA member retiring under State General Plan 3 based upon these criteria:

<ul style="list-style-type: none"><li>• Retiree's age - 60</li><li>• 25 years of service credit</li><li>• A final average salary of \$2,546</li><li>• Beneficiary's date of birth and age at the time of member's retirement - Age 59</li></ul> <p style="text-align: center;"><u>Form of Payment Options</u></p> <p>Option A - Straight Life With No Beneficiary = \$1,909 Member Pension Benefit</p> <p>Option B - Joint Survivor, 100% = \$1,585 Member Pension Benefit and \$1,585 Beneficiary Survivor Benefit</p> <p>Option C - Joint Survivor, 50% = \$1,732 Member Pension Benefit and \$866 Beneficiary Survivor Benefit</p>
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## **The Reciprocity Act**

Service credit earned under the different retirement systems in New Mexico may be used to count toward retirement eligibility. Even though you are using service credit from other retirement systems [Educational Retirement Act (ERA), the Judicial Retirement Act (JRA) or the Magistrate Retirement Act (MRA)], the service credit you earned under each system will be calculated using the formula for that system and you may not receive your whole pension amount at the time of retirement. When you qualify to receive the reciprocal portion, you will see the increase reflected in your pension check.

When you are retiring with reciprocity service, you retire under the state system of your last employer. So if you worked for an ERA employer in the past and now you are working for a PERA employer, you would be retiring with PERA.

Whenever you contact PERA to review your account or provide a calculation for retirement or the purchase of service credit, it is important to notify PERA of all the service credit you may have. This will allow PERA to contact ERA to verify your service credit and include your ERA service credit in all the calculations. If you have service credit under more than one PERA coverage plan or under ERA, JRA or MRA, you should be aware that different provisions regarding service credit apply. Subject to certain statutory restrictions, the Reciprocity Act allows PERA members to





use service earned under ERA, JRA and MRA as well as that earned under PERA in determining retirement eligibility and calculating pension benefits. Any PERA member who was employed under two or more of these Acts should contact PERA to determine his or her eligibility for reciprocal service credit under this Act.

# Disability Retirement

## ***General Conditions***

All PERA members are eligible to apply for a duty disability benefit beginning the first day of employment with a PERA-affiliated employer. The PERA Board determines if a disability is duty related based on certain legal requirements. When you become vested, you are also eligible to apply for a non-duty disability benefit. As a vested member, you will remain eligible for non-duty disability unless you withdraw your contributions from PERA. For you to apply for this benefit, you must submit a completed *Initial Application for Disability Retirement* available on the PERA website or by requesting the forms over the phone.

## ***Disability Review***

Your disability application and supporting evidence are reviewed by a Disability Review Committee, which includes medical doctors and PERA Board members. You must submit reports of medical examinations and provide all information requested by PERA. The Disability Review Committee is responsible for reviewing applications and determining whether or not disability benefits are granted. An applicant has appeal rights if he or she disagrees with the determination of the committee.

Disability retirements may be subject to reevaluation until the retired member reaches normal retirement. If, on reevaluation, the committee finds that you are no longer disabled, disability pension payments will be discontinued.

## ***Social Security Administration (SSA) Benefits***

If eligible, you are required to apply for federal Social Security Administration (SSA) disability benefits within 30 days of receiving PERA disability. If federal SSA benefits are approved for the same medical condition, your PERA benefits will be automatically continued. However, if you are denied federal SSA benefits after all appeals, your PERA benefits will be automatically discontinued.

## ***Annual Earnings Statement***

A disability retiree must submit an annual statement of “earnings from gainful employment” to PERA by July 1 of each year. PERA rules require submission of your federal Internal Revenue Service tax return or other proof of earnings.

Disability pension payments will be suspended if the tax return or other proof is not received by PERA or if the amount of the retiree’s earnings from employment in the previous calendar year exceeds \$15,000.

## ***Disability Pension Amount***

If the Disability Review Committee determines that you are eligible to receive a disability pension, the benefit will be calculated under the terms of your coverage plan. In the case of duty disability, the service credit used in the calculation is the amount you would have had if you had continued employment to your first eligibility date for normal retirement. In the case of a non-duty disability, your actual service credit at the time of termination from your employer is used in the calculation.



### ***Your Right to Appeal a Denial of a Claim for Disability Benefits***

You will be notified in writing if your claim for a benefit has been denied. The notification will contain the reason your claim was denied. You then have 90 days to appeal the denial. Your appeal must contain a statement explaining why the denial is improper. An administrative hearing of your appeal will be scheduled within 60 days of receiving the appeal. For further information about the appeal process, please contact the PERA disability administrator.

## **Divorce and Your PERA Benefits**

### ***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 directly pay your former spouse a portion of your retirement benefits and the order has been received and approved by PERA's Office of General Counsel. Such a division may only be made when a pension or refund is payable according to the terms of the PERA Act. Benefits are payable when: 1) a member meets the requirements to retire and applies for a pension; or 2) a member terminates employment with a PERA-affiliated public employer and requests a refund of member contributions.

For this reason, your former spouse may only receive a lump sum payment from your PERA account if you terminate employment with all PERA-affiliated public employers and you request a refund of your accumulated member contributions. If you remain employed with a PERA-affiliated public employer or terminate 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 separate payment for the proper amount to your former spouse each month your pension is payable. The duration of payments to your former spouse depends on the terms of the court order and which form of payment option you elect. 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 survivor beneficiary. If you elect form of payment B or C and designate your former spouse as your survivor beneficiary, payments will be made over the life of your former spouse.

The share of the community property interest paid to your former spouse will reduce the amount of your refund if you terminate employment or your monthly benefit when you retire. The amount paid to your former spouse 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 accrued PERA benefits as of the date of divorce be paid to your former spouse.

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



The terms of an order dividing PERA retirement benefits may also affect whom you may name as your survivor beneficiary when you retire. If an order dividing PERA Retirement Benefits specifies that you must elect a specific form of payment and designate a specific survivor beneficiary, you must comply with the terms of the order. However, if the order does not address the election of a specific form of payment, you will be free to elect any form of payment and designate any survivor beneficiary at retirement.

PERA cannot change the terms of a court-ordered division of your retirement benefits. It would take another court order signed by a judge to allow any modifications. In addition, after the first pension payment is made, certain modifications are barred by New Mexico law.

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 the division of your retirement benefits in another way, such as dividing other property so you retain sole ownership of your retirement account. You should discuss this possibility with your attorney.

To protect your privacy, New Mexico law prohibits the disclosure of any information from a PERA member's file except applicable coverage plans, amounts of retirement plan contributions made by members and affiliated public employers and pension amounts paid. In order to access any additional information from your PERA file, your current spouse, your former spouse or your respective attorney(s) must present PERA with your written prior release and consent in a form prescribed by PERA.

This information is a summary of New Mexico statutes and PERA rules and is not intended to provide complete information concerning division of PERA retirement benefits in a divorce. You or your attorney may request a copy of PERA's model order dividing retirement benefits with instructions by contacting PERA's Office of General Counsel at 505-476-9354. This information as well as frequently asked questions regarding divorce and your PERA retirement benefits is also available online at PERA's website [www.pera.state.nm.us](http://www.pera.state.nm.us).







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# Return To Work After Retirement

As of July 1, 2010, there are new rules for PERA affiliates who reemploy PERA retirees. This includes retirees who were employed prior to July 1, 2010 and are already on payroll. Different rules apply to retired judges and magistrates. A judge retiring under the Judicial Retirement Act or magistrate retiring under the Magistrate Retirement Act will have his or her pension suspended if he or she returns to work for a PERA affiliate. The retired judge's or magistrate's pension resumes when he or she terminates employment with a PERA affiliate.

## ***Retirees Hired Before July 1, 2010***

- Retirees who are reemployed by PERA affiliates **before** July 1, 2010 will be grandfathered in under the laws in place when they were reemployed.
- The reemployed retirees will continue to receive both a pension and a salary.
- These reemployed retirees will be grandfathered in as long as they continue working without a break in service with their employer.

## ***Employee contribution payment change***

- Effective July 1, 2010, reemployed retirees must begin paying the employee contribution portion on his or her salary.
- The PERA affiliate will continue to pay the employer contribution amount on behalf of the employee.
- Employee contributions made during reemployment are nonrefundable and stay in the PERA fund.

## ***Retirees Hired On or After July 1, 2010***

Effective July 1, 2010, the pension of a retiree who returns to work for a PERA affiliate will be suspended by law. If the retiree has completed a 12-month break in service from the date of retirement, service credit is not accrued for the re-employment and neither the employer nor the employee makes PERA contributions.

## ***Exemptions To Return To Work Requirements For PERA Retirees***

The only exemptions from the return to work law after July 1, 2010 are for:

1. Legislative session workers; and
2. Elected officials.

NOTE:

- The previous exemption for chiefs of police and undersheriffs was deleted.
- There is no exemption for public safety/law enforcement officers.
- There is no exemption for seasonal, part-time or temporary employees.

Different rules apply to retired judges and magistrates. A judge retiring under the Judicial Retirement Act or magistrate retiring under the Magistrate Retirement Act will have his or her pension suspended if he or she returns to work for a PERA affiliate. The retired judge's or magistrate's pension resumes when they terminate employment with a PERA affiliate.



## ***Reporting Form***

The revised *Application for a Reemployed PERA Retiree Form* is to be used effective July 1, 2010. A *Termination Notice for a Reemployed PERA Retiree Form* is to be used upon termination from employment. The termination notice will allow PERA to track employment of reemployed retirees and verify that contributions have been made.

## **How to Increase Your Pension Benefits**

You may voluntarily suspend your pension in order to accrue additional or reciprocal service credit under PERA or another state system (ERA, JRA or MRA) and to re-retire in the future with enhanced retirement benefits.

Under this provision, a retired employee who suspends his or her pension once again becomes an active contributing PERA member. You must notify PERA in writing if you wish to suspend your pension. The employer needs to have the retired member fill out a new *PERA Application for Membership Form*. If the retired member is not making contributions, the employer needs to begin deducting them. The employer also makes contributions on behalf of the employee.

## **PERA Retiree Newsletters**

PERA publishes an edition of “La Voz” specifically for retirees and beneficiaries. We mail the retiree edition to your home address four times a year. Anytime there is important information concerning issues effecting PERA retirees such as Board elections and changes in legislation, we will notify you in “La Voz.”

Since we mail the retiree edition of “La Voz” to you, it is important to keep PERA updated on your address. If you have a change in address, you may either contact PERA in writing or go to the RIO Self Service website and update your address online.





## Direct Deposit

PERA mails almost two thousand paper checks each month to retirees and beneficiaries who do not have direct deposit. Every month a few checks are reported to PERA as missing due to stolen checks or lost mail because PERA was not notified of a new address. The best way to prevent these things from happening to you is have your pension check direct deposited. There are many advantages to having direct deposit.

- First, it is impossible to lose or for someone to steal a direct deposit. Your money will always be available to you on the last working day of the month.
- Second, if you go on vacation, your pension payment will automatically go to your financial institution even when you are away from home.
- Third, you do not have to wait for the U. S. Postal Service to deliver your check. The postal service always has slow times of the year and with direct deposit you do not have to worry about when you will receive your pension payment.

To start having your pension payment direct deposited, you need to complete a *PERA Direct Deposit Form* available by calling PERA at 1-800-342-3422 and asking for a *PERA Direct Deposit Form* be sent to you or by logging onto the PERA website at [www.pera.state.nm.us](http://www.pera.state.nm.us). Once you are on the PERA website, look under Retiree Info on the PERA home page. You may print out a *PERA Direct Deposit Form* from there. You need to complete the top portion of the form, then take the form to your financial institution and have them complete the bottom portion of the form. You must send the original form to PERA. Remember to attached a voided deposit slip with your form. Changes to direct deposit information must be submitted to PERA by the 9th of each month to take effect for that month. Otherwise the change will take effect the following month.

PERA does not send out a monthly pay advices stating the amount direct deposited into your account. For those retirees who have an online account through RIO Self Service, you may log on to your account and follow the instructions to view your past direct deposit or mailed check information.

## Taxes on Your Benefits

Your retirement benefits (except those contributions that had already been taxed) are considered taxable income. You have a choice on how you want PERA to take care of your taxes. You may have PERA withhold the taxes and pay the federal government on your behalf or you may decide to pay the taxes on your own. You need to indicate on the *PERA Tax Deduction Form* how you want the taxes withheld. You may instruct PERA to:

- Not withhold federal and/or New Mexico state taxes from your benefit. If you choose this option, you may be responsible for paying taxes.
- Withhold federal and/or New Mexico state taxes 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.
- Calculate your withholding based on the exemptions above plus an additional specific dollar amount.
- Withhold an exact dollar amount.



If you cannot decide how you should handle the taxes, you should consult a tax expert. Remember, if you live outside the state of New Mexico, you do not have to pay New Mexico state income taxes on your pension payments but if you live in a state that has an income tax, you may have to pay that state its income tax. PERA will not be able to withhold other states income taxes. You should check with the state you live in if you would owe state income taxes.

You may change your withholding status at any time. PERA must receive your new *PERA Tax Deduction Form* by the 9th of the month to be effective for that month.

## Cost-Of-Living Adjustments (COLA)

Once you have been retired for two full-calendar years (January 1 through December 31) you will receive a 3% Cost-of-Living Adjustment (COLA) effective July 1 of the following year. For example, if you retired effective August 1, 2010, your first COLA will be paid on the July payroll for the year 2013.

If you retire due to a disability or if you are at least age 65 prior to your first COLA eligibility date, the two-calendar-year waiting period is reduced to one full-calendar year. The COLA will be paid July 1 of the following year.

COLA recipients receive a notification letter each July advising them of the increase in their pension payments.

### Example: Normal Retirement

Member terminates employment on April 30, 2010

Member retires on May 1, 2010; wait until January 1, 2011 to start first calendar year

COLA awarded in July 2013

2010						May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2011	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
2013	Jan	Feb	Mar	Apr	May	Jun	Jul						

COLA awarded after 38 months

Member terminates employment December 31, 2010

Member retires on January 1, 2011; January 1, 2011 also starts the first calendar year

COLA awarded in July 2013

2010													
2011	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
2013	Jan	Feb	Mar	Apr	May	Jun	Jul						

COLA awarded after 30 months



## 1099R Information

For all retirees and beneficiaries receiving a pension payment from PERA, you will receive a 1099R form from PERA. The 1099R is the form you use to report your taxable income to the IRS. This is like the W-2 form you received from your employer while you were working. PERA mails out 1099R forms by the last working day of January of each year.

Some retirees made PERA contributions after taxes were paid called non-deferred contributions. These contributions are kept separate in your PERA account because when you start receiving your pension payments, PERA will not tax you again on these monies. The non-deferred contributions will be amortized over a specific number of years, reducing the taxable income you receive each year. When you add the taxable amount and non-taxable amount found in box 5 of your 1099R form, it should add up to your total gross distribution.

## RIO Self Service Online Account Information For Retirees

You still have access to your PERA information online even after retirement. If you have not already created a user ID and password, refer to page 15 for directions or go to the PERA home page at [www.pera.state.nm.us](http://www.pera.state.nm.us) and click on the RIO Self Service button to get started.

### ***Changing Your Demographic Information***

If your pension payments are direct deposited, you may change your address online. If it is after the 20th of the month, the PERA system will not accept a change unless it is effective as of the first of the following month. If you receive your pension checks in the mail, you will need to submit all change of address information in writing to PERA.

### ***Viewing Pension Check Information***

After you have logged into 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 the specific check, find the month you want to view and click on details located to the right. This will show you all the information for that specific check.

### ***Current Check Information***

Clicking on this option gives you the current pension payment information. Also available in this section is the ability to Review and Print an Income Verification Letter. This is a useful tool for those members who need verification from PERA for your retirement income. Now it is available online at the click of a mouse button.



PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO

PUBLIC EMPLOYEES RETIREMENT BOARD

P.O. Box 2123, Santa Fe, New Mexico 87504-2123  
 (505) 478-9401 fax (505) 478-9300 or 1-800-342-3422 voice  
[www.pera.state.nm.us](http://www.pera.state.nm.us)

**TAX DEDUCTION FORM**

Instructions: Please print or type in dark ink. The original of this form must be completed in its entirety and returned to PERA for processing. Required Fields are in ***BOLD ITALICS***. Additional instructions are on the back page.

**Check One:**  **New**  **Change to Existing Information**

First	Middle Initial	Last
<b>NAME</b>		

<b>SOCIAL SECURITY NUMBER or PERA ID NUMBER</b>				
Street	City	State	Zip Code	
<b>ADDRESS</b>				

<b>TELEPHONE or CELLULAR NUMBER</b>
-------------------------------------

**CHECK ONLY THE APPLICABLE BOXES**

- Do not deduct federal withholding tax from my benefits.
- Do not deduct New Mexico state withholding tax from my benefits. (If you are living out-of-state, please check this box. PERA cannot withhold other States income taxes.)

I realize that I am liable for payment of federal and state income tax on the taxable portion of my pension and that I may be subject to tax penalties under the estimated tax payment rules if my payments of estimated tax withholdings are not adequate.

- The following exemptions are being claimed, and I want PERA to determine the amount, if any, of federal/New Mexico state income tax to be withheld in accordance with the tax tables and exemptions claimed below:
 

<input type="checkbox"/> Married rate	<input type="checkbox"/> Single rate
Exemptions claimed: _____ 1 for yourself	_____ 1 for your spouse
_____ 1 if you are 65 or older	_____ 1 if your spouse is 65 or older
_____ 1 if you are blind	_____ 1 if your spouse is blind
_____ Other _____	
_____ Total exemptions claimed	

- In addition to the withholding on my exemptions, I want the following additional amount withheld from each monthly payment  
 Federal \$ \_\_\_\_\_ New Mexico State \$ \_\_\_\_\_
- Instead of withholding based on exemption, I want the following amount withheld from each monthly payment.  
 Federal \$ \_\_\_\_\_ New Mexico State \$ \_\_\_\_\_

**AUTHORIZATION**

I submit this PERA Tax Deduction Form specifying what deductions I authorize to be made from my retirement benefit for federal and New Mexico state income tax purposes.

**SIGNED** \_\_\_\_\_ **DATE** \_\_\_\_\_





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[www.pera.state.nm.us](http://www.pera.state.nm.us)

**DIRECT DEPOSIT AUTHORIZATION FORM**

Instructions: Please print or type in dark ink. The original of this form must be completed in its entirety and returned to PERA for processing. Required Fields are in **BOLD ITALICS**. Additional instructions are on the back page.

**Check One:**  **New**  **Change in Existing Information**

<i>NAME</i>	First Middle Initial Last	
<i>SOCIAL SECURITY NUMBER or PERA ID NUMBER</i>		
<i>ADDRESS</i>		
	City	State Zip Code
<i>TELEPHONE or CELLULAR NUMBER</i>		
<i>FINANCIAL INSTITUTION NAME</i>		<b>Check One</b>
<i>ACCOUNT NUMBER</i>		<input type="checkbox"/> Savings <input type="checkbox"/> Checking

I authorize PERA to make credit and debit entries to my account at the above named financial institution. I agree to notify PERA immediately upon discovery of any errors resulting from transactions under this authorization and of any changes that may affect these instructions. I agree to hold PERA and the State of New Mexico harmless from any and all loss, cost, damage or expenses suffered as a result of errors in credit or debit entries caused by persons not employed by PERA. I direct the above named financial institution to refund to PERA any deposits made to my account after my death in accordance with the agreement set forth below.

<i>YOUR SIGNATURE</i>	<i>DATE</i>
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**FINANCIAL INSTITUTION CERTIFICATION**

**Agreement of Depository Financial Institution**

In accordance with the authorization of the depositor, we hereby agree to credit and debit to depositor's account benefit payments and corrections made by the New Mexico Public Employees Retirement Association without depositor's endorsement. We further agree to repay and refund to PERA on demand, the total amount of any such payments received and deposited to the account of the depositor, the due date of which occurs subsequent to the death of the depositor, and agree to accept the certification of PERA as sufficient evidence of the date of death of the depositor. By signature hereon we have verified the account number of the depositor.

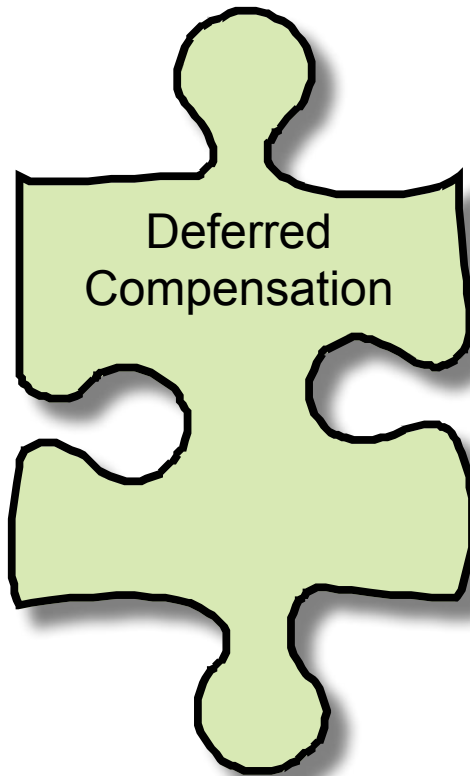
<i>FINANCIAL INSTITUTION ROUTING NUMBER</i>	<i>NAME OF FINANCIAL INSTITUTION</i>
	<i>MAILING ADDRESS</i>
	<i>BUSINESS TELEPHONE NUMBER</i>
	<i>FINANCIAL INSTITUTION REPRESENTATIVE SIGNATURE</i>

ATTACH A VOIDED DEPOSIT SLIP HERE  
 (used to verify your bank account number)

## INSTRUCTIONS FOR COMPLETING DIRECT DEPOSIT AUTHORIZATION

- Step 1      Check “New” if this is the first time you are filling out this form.  
Check “Change” if you are changing existing information you have already provided PERA.
- Step 2      Print your First Name, Middle Initial and Last Name.  
Print your Social Security Number and or your PERA ID Number.  
Print your Address, City, State and Zip Code.  
Print your telephone or cellular number.  
Print the name of your bank or financial institution.  
Print your account number you want your pension payment to be direct deposited into.  
Check either box for the type of account. (Checking or Savings)
- Step 3      Sign and date the document.
- Step 4      Take the PERA Direct Deposit Form to your financial institution. Have a representative from your financial institution prepare the “Financial Institution Certification” at the bottom of the form and verify your account number. The authorized financial institution representative must provide the following:  
                Financial Institution Routing Number  
                Name of the Financial Institution  
                Mailing Address  
                Business Telephone Number  
                Authorized Financial Institution Representative’s Signature
- Step 5      Attach a voided deposit slip. (This will be used to verify the account number.)
- Step 6      After you have completed steps 1 through 5, please return or mail the original Direct Deposit Form to PERA by the ninth (9th) of the month. If the Direct Deposit Form is received after the ninth (9th) of the month the change to your direct deposit information will take effect the following month.

# PERA Sponsored Deferred Compensation (457) Plan



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	V			U		P						O
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## About Deferred Compensation

The State of New Mexico offers the State of New Mexico Deferred Compensation Plan to help enhance your retirement. The deferred compensation 457(b) plan was established in 1981 for participation by public employees. The State of New Mexico Deferred Compensation Plan is a supplemental retirement plan that provides you with tax-deferred contributions above and beyond those associated with your defined benefit plan. With low administrative fees, a diverse spectrum of investment options and active PERA Board oversight, the plan is an excellent investment option.

An employee may participate in the State of New Mexico Deferred Compensation Plan at any time following the date of employment and shall be 100% vested at all times. Participation in the Plan is voluntary and an eligible employee may participate by completing a Participation Agreement with the third-party administrator. An independent contractor or a consultant is not eligible to participate in the Plan.

### ***Administrative Fees***

A low administrative fee is taken directly from your account(s) and is assessed quarterly. Fees are taken at a flat rate and are not based on the balance of your account. There are no transaction fees and no sales loads or commissions. All fees are fully disclosed to participants in the quarterly statements.

### ***Investment choices***

The State of New Mexico Deferred Compensation Plan is self-directed and offers a variety of investment choices such as stocks funds, bonds funds, and other mutual funds to help you create a diversified retirement plan. In addition, the plan offers custom, diversified LifeCycle portfolios. The LifeCycle portfolios are administered by the third party administrator according to direction provided by the PERA Board, based on advice from the investment consultant. 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, which are included in the prospectus of each mutual fund.

A self-directed brokerage option is also available through the deferred compensation plan account, which includes taxable and tax-exempt mutual funds, equities, publicly-traded limited partnerships, taxable and tax-exempt fixed income products, foreign securities and options. Alternative investments are not permitted.

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 and retirement planning education***

A third-party administrator is under contract with the PERA Board to perform record keeping, enrollment, education, and other administrative duties for the plan. A custom website is available to allow you access to online tools, calculators, educational brochures and work site workshops designed to help you understand your deferred compensation plan, the investment options available to you and how to manage your account up to, and throughout, retirement. Retirement specialists are also available statewide to assist you.



## ***Contributions***

You can participate in the plan for as little as \$10 per pay period (a total of \$260 per year), which is automatically deducted from your payroll check. Your contributions are pre-tax and any earnings have the opportunity to grow tax-deferred. You can increase, decrease or suspend your payroll deferral amount at any time, unless your employer has restrictions on changes. The Internal Revenue Service sets maximum limits that apply to the amounts you are allowed to defer into your account.

Special catch-up provisions may apply if you are within three years of the year in which you will attain Normal Retirement Age under the Plan or if you are 50 years or older. A retirement specialist can assist you to determine if you qualify for either catch-up option.

Eligible rollover distributions are permitted from other eligible retirement plans. Rollover distributions may be permitted from an IRA, 403(b) or 401(k). This lets you manage all of your investments in one place.

## ***Distributions***

If you leave your employment or your employment ends because of retirement or permanent disability, there are several options available to you. You may leave your money where it is and delay your benefit payment, take it in a lump sum, make systematic withdrawals, or roll your money over to another plan or into an IRA. You can change the frequency of your payments as often as you need. When you withdraw your funds or start to receive distributions, you will have to pay taxes and you will need to complete federal and state income tax withholding forms for the year the distributions are made. Payments made to you are reported on Form 1099R. There are no penalties from the amount withdrawn from your 457 account. If you are planning to separate from employment, contact a deferred compensation retirement specialist to receive assistance in planning your distributions.

## ***Unused Sick Leave/Vacation Days***

When you separate from service as a result of retirement or termination, you maybe entitled to receive payment(s) for eligible accrued annual and/or sick leave (greater than a certain number of hours) as part of your final paycheck. You can invest these payments into your deferred compensation account on a tax-deferred basis and delay paying taxes until you are ready to make withdrawals from your account. Please note that payment(s) for eligible accrued sick and/or annual leave vary by employer. Call your Human Resources Department for details.

## ***Loans and Unforeseeable Emergencies***

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

If you experience an unforeseeable emergency you may be eligible to take withdrawals that may help address your everyday concerns. Additional information can be obtained from the Third Party Administrator for the plan.



### ***Purchasing Service Credits***

As a participant in the State of New Mexico Deferred Compensation Plan, you are permitted to use your deferred compensation plan assets to purchase forfeited service credit or certain additional service credit (military time, airtime) towards retirement. Distributions for purchase of service credits are transferred from your deferred compensation account directly to PERA and are not taxable or tax reportable until you begin receiving PERA pension payments.

### ***Beneficiaries***

You may control who receives your benefits if you die before your deferred compensation account is paid out by having a beneficiary form on file. The State of New Mexico Deferred Compensation Plan Beneficiary Form is separate from any beneficiary designation forms you have completed for the state's pension plan.

### ***When You Retire or Leave Your Job***

If you are not ready to take any portion of your deferred compensation account upon separation from service, you can leave it invested and delay your benefit payment until a future date. However, you must begin taking a Required Minimum Distribution, as defined by the Internal Revenue Service, no later than April 1st of the year following the year you turn 70 ½ or sever from employment, whichever is later.

You can continue to monitor your investments on the website as long as you maintain a balance in your account. You may continue to review your account, change your investment options and review transaction history of your investments. You will continue to receive personal attention from retirement specialists through retirement.

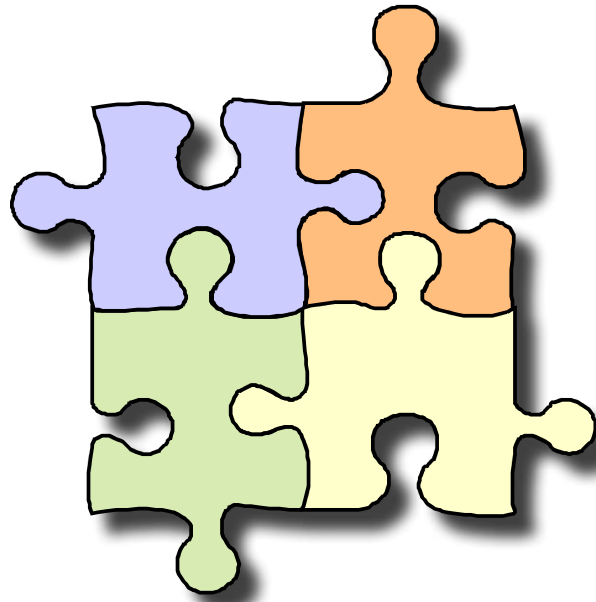
### ***It's Never Too Late to Start!***

It is never too late to enroll in the State of New Mexico Deferred Compensation Plan. The Plan offers you the opportunity to defer the payment of current income taxes on amounts deferred into your account until you separate from service or until you reach the age of 70 ½ or as long as you are still working. You also may be eligible to use one of the special catch-up provisions available. Once you've separated from service, your deferred compensation account may be used to pay your retiree health insurance premiums or mortgage payment while you wait to receive your PERA pension or payment from other savings vehicles to begin.

### ***Contact Information***

For additional information about the State of New Mexico Deferred Compensation 457(b) Plan call PERA's Deferred Compensation Plan Manager at (505) 476-9395.

# Information About PERA



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## About PERA

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

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

In 1955, PERA had 217 pension recipients who received an average annual pension of \$1,161. By 1960, PERA recorded 593 pension recipients with an annual pension payroll of \$717,200, averaging \$1,209 per retiree per year. In 1961, the plan was again improved to provide benefits of up to 50% of a member's final average salary.

Today there are 31 plans covering municipal employees, county employees, state employees, municipal police, municipal firefighters, judges, magistrates, legislators, volunteer firefighters and special districts and authorities created by the legislature. As of June 30, 2009, the pension payroll for all plans was \$613,531,946. PERA has 61,366 members and 26,590 retirees and beneficiaries. The average annual pension amount in fiscal year 2009 ranged from a low of \$1,313 for volunteer firefighters, a midrange of \$26,840 for state police employees, to \$57,877 for members of the judicial plan.

## PERA Governing Body

PERA is governed by a Board of Trustees consisting of 12 members. The State Treasurer and Secretary of State are ex-officio members. Eight members of the Board are elected by the active membership of the Association. Four of the eight members are Municipal Division members, one of whom is employed by a county. The remaining four are State Division members. Two board members are PERA retirees elected to the Board by the retired members. Members elected to the Board serve staggered 4-year terms.

Board elections are held in accordance with published Association rules. Copies of election rules and procedures can be obtained from PERA.



## PERA ID Number

The PERA ID numbers are our way to protect you against identity theft. Your ID number is used to locate you in our pension administration system in a quick and efficient manner. Your social security number and PERA ID number are cross-referenced in our system so we can use either number to identify you.

Your PERA ID number along with the last four digits of your social security number are on every piece of correspondence PERA sends to you, including your tax information. When contacting PERA you may use either your social security number or your PERA ID number. Using your PERA ID number when you contact PERA whether by mail or e-mail, lets us identify you quicker and reduces the time that your request waits until we can identify you in our system.

If you do not know your PERA number, it is on your member statement after your name and address. Once you have been assigned a computer generated ID number, you are not able to change it. Plus, this number is unique to PERA and is not coordinated with your current employer ID number.



# Glossary

A. **“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.

B. **“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.

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

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

E. **“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, who is paid a salary.

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

G. **“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.

H. **“Hazardous duty member”** means a juvenile correctional officer employed by the children, youth and families department or its successor agency, but does not include any member who is a “police member” or a “fire member”. A hazardous duty member shall, however, be considered a state policeman for federal Social Security Act purposes.

I. **“Leave office”** means an elected official’s successor has been duly elected or appointed and qualified for office, or upon the date of death of an elected official.

J. **“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.

K. **“Municipal detention officer”** 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.

L. **“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.



M. **“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 fifty percent of the member’s total salary is paid as a police officer.

N. **“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 which 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.

O. **“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.

P. **“Retired member”** means a person who is being paid 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”.

Q. **“Salary”** means the base salary or wages paid a member, including longevity pay, for personal services rendered to an affiliated public employer. “Salary” includes a member’s fixed, periodical compensation from full or part time employment; shift differentials; and wages paid while absent from work on account of vacation, holiday, injury or illness, which means payment made by continuing the member on the regular payroll. “Salary” includes incentive pay that is not temporary and becomes part of member’s base salary. “Salary” also includes temporary promotions, temporary salary increases, but no other temporary differentials. “Salary” shall not include overtime pay, allowances for housing, clothing, equipment or travel, payments for unused sick 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. “Salary” also does not include lump sum payments which are not part of the member’s fixed periodical compensation, such as lump sum annual and sick leave or occasional payments to elected officials for attending meetings, allowances for any purpose, employer contributions to a private retirement program, or other fringe benefits, even if they are paid to or for a member on a regular basis, and any other form of remuneration not specifically designated by law as included in salary for Public Employees Retirement Act purposes.

R. **“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.

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

T. **“Terminate employment”** means that a member has a complete break in service and an absolute cessation of employment with all affiliated public 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.



## Helpful Tips

- ✓ Make use of PERA's Interactive Voice Response system by calling (800) 342-3422 statewide or (505) 476-9300 in the Santa Fe area for the following information:
  - Active members may obtain the current balance and refund information for their member contributions in their account.
  - Retirees may obtain pension and deduction amounts for their retirement benefits.
- ✓ Remember to keep your *Refund Beneficiary Designation* and *Survivor Beneficiary Designation* forms information current. These forms are available from your employer, or you may request them directly from PERA Member Services or download them from the PERA website at [www.pera.state.nm.us](http://www.pera.state.nm.us).
- ✓ If you move, please submit a change of address to PERA in writing. This will ensure that your Annual Member Statement, Cost-of-Living Adjustment (COLA) letter, board election ballot, "La Voz" newsletter and other important documents reach you in a timely manner.
- ✓ All retirement applications, supporting forms and additional documents should be submitted to PERA 60 days prior to your estimated date of retirement.
- ✓ If you are divorced, make certain 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 following:
  - Filing your completed, signed application and all required documentation with PERA;
  - PERA verifies your service credit and age; and
  - Termination of employment with your PERA affiliated-employer.



## 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 military service or withdrawn service?		
PERA Member Services-Santa Fe	505-476-9300	
PERA Albuquerque office	505-883-4503	
Or toll free in New Mexico	1-800-342-3422	
... If I have questions about deferred compensation?		
Deferred Compensation	505-476-9395	
... 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?		
Liaison Officer-statewide	505-476-9306	
Albuquerque metro area	505-883-4503	
... If I have questions about PERA investments?		
Investments	505-476-9337	
... If I have questions about refunds?		
Administrative Services	505-476-9300	
... If I have questions about retirement for public school and university employees?		
Educational Retirement Board (ERB) - Santa Fe	505-827-8030	
ERB Albuquerque Office	1-866-691-2345	
<a href="http://www.nmerb.org">www.nmerb.org</a>		
... If I have questions about retiree insurance?		
New Mexico Retiree Health Care	505-986-8556	
Or toll free in New Mexico	1-800-233-2576	
<a href="http://www.nmrhca.state.nm.us">www.nmrhca.state.nm.us</a>		
... If I have questions about social security?		
Social Security	1-800-772-1213	
<a href="http://www.ssa.gov">www.ssa.gov</a>		





# NOTES

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Updated September 2010

Toll Free in New Mexico 1-800-342-3422

Website: [www.pera.state.nm.us](http://www.pera.state.nm.us)

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

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