

NMERB

P.O. Box 26129, Santa Fe, NM 87502-0129

www.nmerb.org phone: 1.866.691.2345

Dear Payroll and Human Resources Staff,

NMERB has many changes to our Statutes beginning July 1, 2019.

This edition's topic: More Statute Changes

Increase of Employer Contributions Defined Benefit Plan: Employer contributions will increase by 0.25%. Therefore, employer contributions will be 14.15% beginning July 1, 2019.

Increase of Employer Contributions Alternative Retirement Plan:

Employer contributions will increase by 0.25%. Therefore, employer contributions will be 3.25% beginning July 1, 2019. (Collegiate only)

Employee Contribution threshold revised: Employee contribution rates have not been changed, only the threshold between making higher and lower employee contributions has changed. The salary threshold was previously at \$20,000, it will change to \$24,000 beginning July 1, 2019. These employees earning \$24,000 or less (based on 1.0FTE) must be reported on the work report as RU.

Anti-spiking: Anti-spiking applies only to employees whose final average salary is greater than \$60,000 and who retire on or after July 1, 2019. Salary increases from year-to-year (in Final Average Salary calculation) cannot be greater than 30%. If salary increase is greater than 30%, the salary increase over 30% is ignored in calculation of Final Average Salary. Applies only to portions of Final Average Salary earned after July 1, 2019.

Tier 4: Applies only to employees who are hired on or after July 1, 2019, or who refunded all contributions prior to July 1, 2019 and then repurchased their service credit on or after July 1, 2019.

- **Soft Minimum Retirement Age 58:** Those who retire younger than age 58 with 30 years of service credit will have a reduction in benefits to the actuarial equivalent of the employee retiring at age 58.
- **Tiered Multiplier:** Please see explanation on website homepage.

Questions or comments on this topic? nmerb.lauhhelp@state.nm.us



Upcoming Newsletters

SB 664 Beneficiary Form

Frequently Asked Questions about the NMERB Rules or Legislative Changes

Employer Reporting

Tip: www.nmerb.org

Complete explanations of these changes are currently available on our website homepage by topic.

NMERB Legal staff is working diligently to complete the new rules implementing these legislative changes. Once complete, these will be posted on our website for 30 days for public comment.

The new Contribution Rate Schedule has been posted on our website.