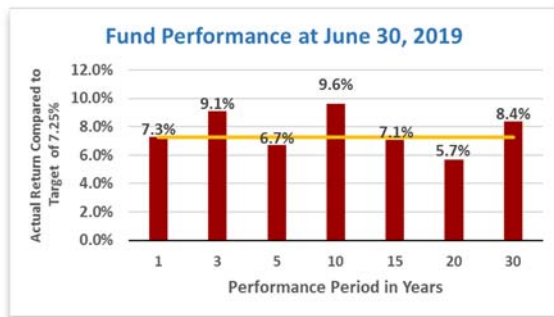


## INVESTMENTS

NMERB invests for the long term. Its **well diversified portfolio**, especially in times of investment market volatility, is the best way to ensure a secure retirement for NMERB's members.



From July 1, 1983 through June 30, 2019, NMERB's investment return, net of fees, was 9.04%. For fiscal year 2019, return net of fees was 7.29%, ranking NMERB in the top 8<sup>th</sup> percentile of its peers, for an annual investment gain of approximately \$1.04 billion. The results for the year exceeded the Fund's long-term actuarial annual return assumption of 7.25%. 2019 was the tenth consecutive fiscal year of positive investment performance.



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## FINANCIAL RESULTS

The *Summary Statements of Fiduciary Net Position* shows what NMERB owned (assets) and owed (liabilities) at the end of a fiscal year.

	2019	2018	2017
<b>Assets</b>	\$13,879,362	\$13,106,033	\$12,646,682
<b>Liabilities</b>	334,671	135,732	137,326
<b>Net Position</b>	<u>\$13,544,691</u>	<u>\$12,970,301</u>	<u>\$12,509,356</u>

The *Summary Statements of Changes in Net Position* shows the financial activity occurring during a fiscal year.

	2019	2018	2017
<b>Additions:</b>			
Contributions	\$ 709,991	\$ 676,048	\$ 688,652
Net investment income	1,037,882	900,131	1,346,747
Other income	488	2,116	3,642
<b>Total additions</b>	<u>1,748,361</u>	<u>1,578,295</u>	<u>2,039,041</u>
<b>Deductions:</b>			
Benefit payments and refunds	1,164,645	1,107,442	1,052,675
Administrative expenses	9,326	9,908	9,848
<b>Total deductions</b>	<u>1,173,971</u>	<u>1,117,350</u>	<u>1,062,523</u>
<b>Net increase</b>	<u>574,390</u>	<u>460,945</u>	<u>976,518</u>
<b>Net position</b>			
Beginning of the year	<u>12,970,301</u>	<u>12,509,356</u>	<u>11,532,838</u>
End of the year	<u>\$13,544,691</u>	<u>\$12,970,301</u>	<u>\$12,509,356</u>

### Summary of Actuarial Information:

Year	UAAL	Funded Ratio	Funding Period
2019	\$ 7,904	62.9%	47yrs
2018	\$ 7,461	63.5%	70 yrs
2017	\$ 7,363	62.9%	61 yrs
2016	\$ 6,631	64.2%	46 yrs
2015	\$ 6,542	63.7%	37 yrs

The unfunded actuarial accrued liability (UAAL) is the excess of the actuarial accrued liability over the actuarial value of assets. The funding period is a theoretical calculation of the length of time required for the UAAL to be completely paid off.

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# New Mexico Educational Retirement Board

*A Pension Trust Fund of the State of New Mexico*



## Popular Annual Financial Report

*For the Fiscal Year Ended June 30, 2019*

*For four consecutive years, NMERB has received GFOA's Award for Outstanding Achievement in Popular Annual Reporting. NMERB believes this current PAFR also meets the criteria for the prestigious annual award.*

## ABOUT THIS REPORT

This report is a summary of NMERB's services, membership, investments, and financial results, as reported in its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. All funds administered by NMERB and presented in the CAFR are included in this report.

The 2019 CAFR is presented in conformity with generally accepted accounting principles (GAAP) and, therefore, includes more detailed information than this summary, including management's discussion and analysis of financial results. The CAFR can be viewed online at [https://www.nmerb.org/Annual\\_reports.html](https://www.nmerb.org/Annual_reports.html).

## NMERB's SERVICES

NMERB provides retirement benefit services to over 161,533 members and 217 educational employers. NMERB was created by the New Mexico Educational Retirement Act to administer the Educational Employees' Retirement Plan and to provide retirement and disability benefits for public schools, institutions of higher learning, and state agencies providing educational programs. NMERB has managed the retirement assets of New Mexico's educational employees since 1957.

*Pension benefit payments made by NMERB significantly contribute to New Mexico's economy. In fiscal year 2019, gross benefit payments paid to retirees living in New Mexico's 33 counties were \$941,586,033.*



MANAGING THE RETIREMENT ASSETS OF NEW MEXICO'S EDUCATIONAL EMPLOYEES SINCE 1957

### Retirement Benefits by New Mexico County

County	Amount (thousands)
Bernalillo	\$ 345,447
Doña Ana	120,864
Sandoval	52,870
Santa Fe	49,853
San Juan	42,177
Valencia	33,644
Chaves	27,125
Eddy	24,216
San Miguel	22,043
Rio Arriba	21,887
Otero	20,170
Curry	18,922
Grant	18,792
McKinley	18,488
Lea	17,471
Taos	14,994
Socorro	14,610
Roosevelt	13,160
Lincoln	10,884
Los Alamos	7,280
Luna	6,774
Cibola	6,469
Colfax	6,266
Torrance	4,768
Quay	4,217
Sierra	4,060
Mora	4,037
Guadalupe	2,716
Union	2,113
Hidalgo	1,922
De Baca	1,301
Catron	1,223
Harding	823
Total	<u>\$ 941,586</u>

## MEMBERS AND EMPLOYERS

Total Membership Status by Year			
Status	2019	2018	2017
Retirees and beneficiaries	50,197	48,919	47,340
Active working	60,197	60,358	59,495
Inactive, vested	11,436	10,621	10,581
Inactive, nonvested	39,703	36,891	36,098
Total	<u>161,533</u>	<u>156,789</u>	<u>153,514</u>

Schedule of Contributing Employers by Year		
Employer Category	2019	2018
Charter schools	98	97
Public schools	89	89
Special schools	4	4
State agencies	11	11
Universities and colleges	15	15
Total	<u>217</u>	<u>216</u>

Fiscal Year 2019 Contribution Rates			
Wages	Member	Employer	Total
Over \$20,000	10.7%	13.9%	24.6%
\$20,000 or less	7.9%	13.9%	21.8%

## Board of Trustees

The Board of Trustees provides policy guidance and direction to NMERB. It also appoints NMERB's executive director. In 2008, the board appointed the current executive director, Jan Goodwin. The board is comprised of seven elected, appointed, and ex-officio members:

**Mary Lou Cameron**, Chair, NEA Appointee  
**H. Russell Goff**, Vice-Chair, NMAER Appointee  
**Tim Eichenberg**, Ex-Officio Member, State Treasurer  
**Donald Duszynski**, Member, AAUP Appointee  
**Larry Magid**, Member, Governor Appointee  
**Karen Trujillo**, Ex-Officio Member, PED  
 Secretary  
**Adán Delgado**, Designate for Secretary of PED

Board membership is established by the New Mexico Educational Retirement Act.