



RETIREMENT – WHAT YOU NEED TO KNOW



ERB's Commitment to You

- ERB is charged with providing secure retirement benefits to employees of New Mexico public schools, institutions of higher learning, and certain employees at state agencies who work in educational programs.
- A lifetime benefit plan for you and designated beneficiary (depending on your benefit option choice).
- No maximum benefit – the longer you work, the higher your benefit payment.



Today's Topics

ERB & You

- MyNMERB Account
- Member Services
- Resources

Retirement

- Eligibility
- Considerations before retiring
- Application Process

Return to Work Program – Tips for success



ERB & YOU - MyNMERB Account, Member Services Team, & Resources



MyNMERB Account

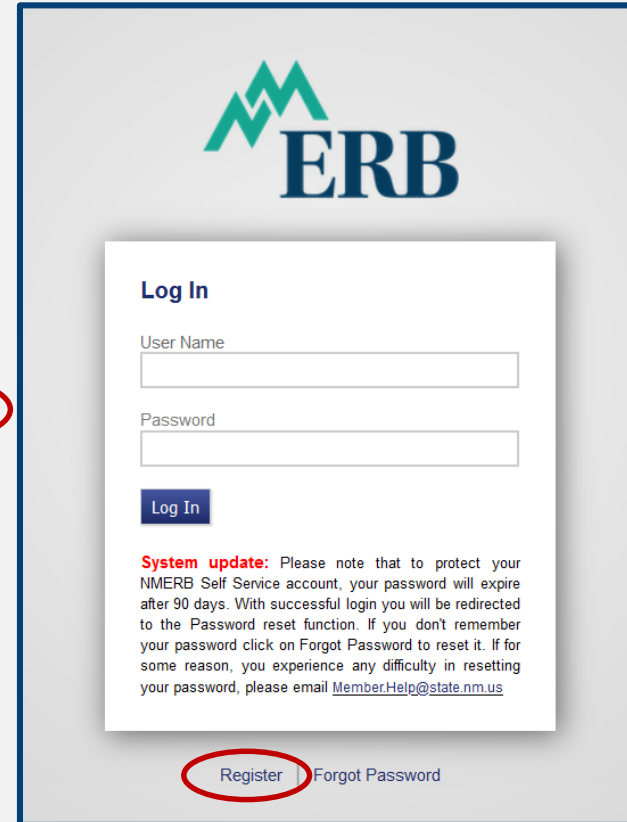
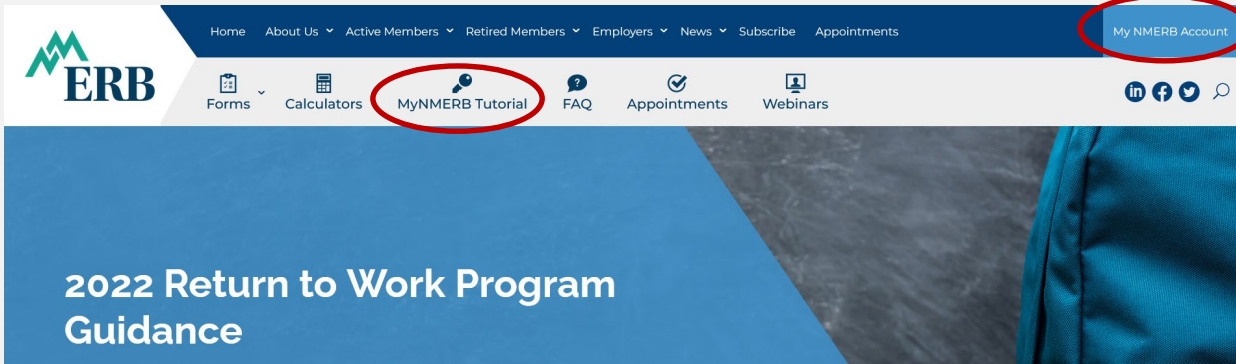
- You can monitor your progress towards retirement through your personal **MyNMERB** account.
- Once you have a registered account, your MyNMERB account allows you to:
 1. View your Work History
 2. Use Purchase Estimators for:
 - a) Sick leave purchase
 - b) Allowed purchase
 - c) Military purchase
 3. Use the Benefit Estimator



MyNMERB Account - Instructions

Click the light blue button on the NMERB website Home page to access the login screen or to register an account.

A tutorial is available if you need more assistance.



Member Services

The ERB Team of Retirement Specialists is trained and here to support you on your retirement journey. We offer Pre-retirement counseling sessions that can be scheduled on the website.

Contact Member Services

Email: member.help@state.nm.us

Toll Free: 1-866-691-2345

Locations

Albuquerque Office
8500 Menaul Blvd NE Suite B-450
Albuquerque, NM 87112
Fax 1-505-830-2976

Santa Fe Office
701 Camino De Los Marquez
Santa Fe, NM 87502
Main fax 1-505-827-1855



Resources

NMRHCA (NM Retiree Health Care Authority)

www.nmrhca.org

customerservice@state.nm.us or 1-800-233-2576

PERA (NM Public Employee Retirement Association)

www.nmpera.org

PERA-MemberServices@state.nm.us

1-800-342-3422

Social Security Administration: www.ssa.gov or 1-800-772-1213

Federal Taxes: www.irs.gov

New Mexico Taxes: www.tax.newmexico.gov



RETIREMENT – Eligibility, Considerations, & Application Process



Eligibility - Find Your Tier

Except for the Tier 1, “25 and out” rule, allowed service counts toward benefit calculation only, *NOT towards retirement eligibility.*

Tier 1 (hired prior to July 1, 2010)

25 and out 25 years at any age - Earned + Allowed Service

Rule of 75* Age + Earned Service = 75 or more

65 and 5 Age 65 or older and 5 years or more Earned Service

Tier 2 (hired July 1, 2010 - June 30, 2013)

30 and out 30 years of Earned Service at any age

Rule of 80* Age + Earned Service = 80 or more

67 and 5 Age 67 or older and 5 years or more Earned Service

Tier 3 (hired July 1, 2013 - June 30, 2019)

30 and out 30 years of Earned Service

Rule of 80* Age + Earned Service = 80 or more

67 and 5 Age 67 or older and 5 years or more Earned Service

Tier 4 (hired on or after July 1, 2019)

Visit [NMERB.org](https://www.nmerb.org) or contact [Member Services](#) for more information.



Annual Benefit Calculation: Tiers 1, 2, & 3

Final Average Salary (FAS)

(The average of your highest consecutive 60 months gross salaries)

X

Years of Service

X

2.35% (multiplier set by state statute)

= Gross annual benefit

/ by 12

= Gross monthly benefit



Know Your Retirement Options (All Tiers)

Option A

Highest monthly benefit amount

Refund beneficiary – **No** lifetime benefit for beneficiary

Only option that you can have more than one beneficiary

Only option that the beneficiary can be an estate, charity or organization

Option B

Reduced benefit - least monthly benefit amount

Lifetime benefit for one beneficiary - 100% matching option (after your death)

Age provisions for non-spouse

Option C

Reduced benefit - less than A, more than B

Lifetime benefit for one beneficiary - 50% matching option (after your death)



Considerations

Age Reductions

- Rule of 75 (Tier 1) - Permanent reduction in benefits if under age 60
- Rule of 80 (Tiers 2,3,4) – Permanent reduction in benefit if under age 65
- Working longer will minimize or get rid of age reductions

Personal Finances

- Savings, Debt, & Other income such as Social Security
- Property & Other Assets

Healthcare Options and Cost

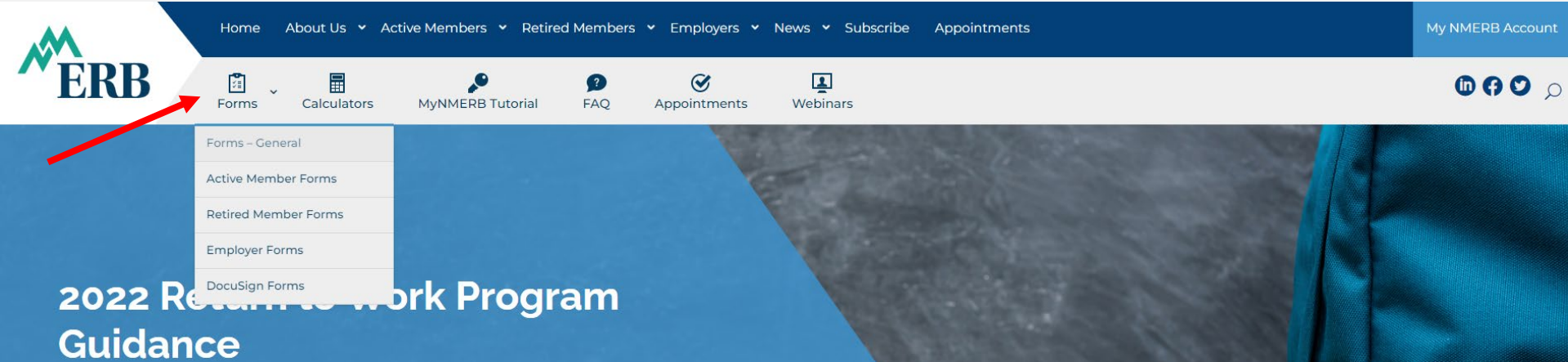
These are not included in your estimate and are your responsibility to research, select, and set up with a third party:

- NMRHCA – monthly premiums (applies to most employers)
- Employer’s Healthcare - check with your Employer HR for your options
- Spouse’s healthcare



Forms

Forms are available on the NMERB website - www.nmerb.org



The screenshot shows the NMERB website header. The navigation bar includes links for Home, About Us, Active Members, Retired Members, Employers, News, Subscribe, and Appointments. A 'My NMERB Account' link is located on the right. The main navigation menu contains icons and labels for Forms, Calculators, MyNMERB Tutorial, FAQ, Appointments, and Webinars. The 'Forms' menu is expanded, showing a list of options: Forms - General, Active Member Forms, Retired Member Forms, Employer Forms, and DocuSign Forms. A red arrow points to the 'Forms' menu item. Below the navigation bar, a banner for '2022 Retirement Work Program Guidance' is partially visible.

Within one year of eligibility, use the **Request for Benefit Estimate Form** from the Forms page of the NMERB website to request a formal estimate.

- The estimate is only for informational purposes. There is no obligation to the chosen retirement date.



Application Process – Steps to follow

Step 1 Get the Retirement Application

- ▶ You can get the application directly from your Employer, NMERB website Forms page, or by contacting NMERB at 1-866-691-2345.

Step 2 Complete the Retirement Application (Available with DocuSign.)

Page 1 Member Completion Unless you are completing the application through DocuSign, ERB requires the original application be submitted with a wet signature.

Page 2 Employer Certification (Your employer completes this portion).
Check with your Payroll or Human Resources Benefits office for assistance.
Inactive employees who terminated 90 days or more are not required to submit page 2.

Page 3 Proof of Age for you (Copies are accepted.)
State or Federal issued document that shows your name and date of birth.

Proof of Age for your beneficiary (Copies are accepted.) This is required when you request Option B and C calculations on Page 1 of Retirement Application.



Application Process – Steps to follow

Step 3 Application Submission

- Contact NMERB with any questions when you are completing the forms. We are here to assist you in any way we can.
- Carefully review all information, including your:
 - Date of birth
 - Phone number
 - Email address
 - Employer information
- Submit your completed application 60 to 90 days prior to your retirement date.
 - Submit all pages of your application together.
- Once your application is received and processed, an ERB analyst will begin processing your final retirement documents.
 - Your Final Retirement Packet will be mailed approximately 30 days prior to your retirement date. **This is dependent on the complexity of your account.*



Five Forms in Your Retirement Packet

Final Selection of Benefits form (Must be notarized.)

- Use this form to select your pension payment option.
- You will not be able to modify this option once it's submitted.
- If you select option A - complete Part I. (Do not complete Part II.)
- If you select option B or C - complete Part II. (Do not complete Part I.)

Direct Deposit Authorization Form (Original forms only. Faxed copies are not accepted.)

- A voided check or verification from bank is required. No deposit slips are accepted.
- Do not forget to sign the form.

Federal and NM Tax Deduction form

- Complete both Federal and State Withholding Election.
- NMERB cannot give any tax guidance, please consult with a tax professional.



Five Forms in Your Retirement Packet

Permanently Reduced Rate Calculation Notice (If applicable)

- This form acknowledges that you understand that based on your age your retirement benefits will be permanently reduced.
- Your signature is required if your benefit is calculated at a reduced rate.

Returning to Work after Retirement Notice

- Whether you think you will return to work or not, it is important that you read and sign NMERB's return to work notice.
- Your signature acknowledges that you understand your options for returning to work.
- Failure to follow NMERB's policies can result in suspension of your benefit.



Payroll and COLA

Payroll

Upon receipt of your final retirement documents, you will be placed on Payroll.

Benefit payments are directly deposited on the last business day of the month

Ex: If you retire July 1, 2022, your first pension payment is July 31, 2022

If you retire with NMPERA Reciprocity you will receive two separate direct deposits - one from NMERB and one from NMPERA.

Cost of Living Adjustment

COLA is variable and based on the Consumer Price Index (CPI) and funding level.

Tier 1 and 2 - Begins on the last business day in July of the year you turn 65 or July 1 of the year following your effective retirement date, whichever is later.

Tier 3 and 4 - Begins on the last business day in July of the year you turn 67 or July 1 of the year following your effective retirement date, whichever is later.



RETURN TO WORK PROGRAMS - Tips for Success



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Return To Work Programs & You

Return to Work (RTW) Program – 36 months

NMERB retirees may return to employment under this Return to Work Program without affecting their retirement benefit if they maintain compliance with Section 22-11-25.1 and Rule 2.82.5.18 NMAC.

- A ninety consecutive day layout period is required and the retiree may work a maximum of thirty-six consecutive or non-consecutive months.
- There is no limit on earnings or FTE under this Return to Work Program.
- Retirees under this Return to Work Program shall make nonrefundable employee contributions to the NMERB fund.
- Employers will continue to make the employer contributions for retirees who participate in the Return to Work Program as specified in the statute.

Return to Work Program – 12 Consecutive Month Layout Period

NMERB retirees may return to employment under this Return to Work Program without affecting their retirement benefit if they maintain compliance with Section 22-11-25.1 NMSA 1978 and Rule 2.82.5.15 NMAC.

- A twelve consecutive month layout period is required.
- Retirees under this Return to Work Program shall make non-refundable employee contributions to the NMERB fund.
- Employers will continue to make the employer contributions for retirees who participate in this Return to Work Program as specified in the statute.



More Return To Work Programs

Return to Work Program - Less Than \$15,000

NMERB retirees may return to employment earning less than \$15,000 per year without affecting their retirement benefit if they maintain compliance with Section 22-11-25.1 NMSA 1978 and Rule 2.82.5.17 NMAC.

- A ninety consecutive day layout period is required.
- Contributions (retiree or employer) are not required.

Return to Work Program – .25 FTE or Less

NMERB retirees may return to employment (includes “substitution”) at a level of .25 FTE or less without affecting their retirement benefit if they maintain compliance with Section 22-11-25.1 NMSA 1978 and Rule 2.82.5.16 NMAC.

- Working .25 FTE or less (FTE is combined with multiple employers) is required.
- A layout period is not required.
- Contributions (retiree or employer) are not required.

To view the RTW Comparison Table on the following page, visit the NMERB website at:
<https://www.nmerb.org/rtw-comparison-table/>.



ERB Return To Work Comparison Table

Question	RTW .25 FTE or less	RTW less than \$15,000	RTW Program	RTW 36 Months
Must retirement benefit be suspended to participate?	No	No	No	No
Application required prior to beginning employment?	✓	✓	✓	✓
Employee Contribution Required	No	No	✓	✓
Employer Contribution Required	No	No	✓	✓
Are contributions made during time working in RTW program refundable?	N/A	N/A	No	No
Layout Period Required?	No	90 days from Retirement Date	12 consecutive months from Retirement Date	90 days from Retirement Date
Can I purchase service credit while working under a RTW provision or for time worked in the RTW program?	No	No	No	No
Must employer and employee make contributions to RHCA while working under a RTW provision?	✓	✓	✓	✓
Are there any penalties for violating the RTW program rules?	Yes, the retiree will be required to pay back all pension payments plus interest received during the period of ineligibility.			
Do RTW provisions apply to retirees who participated in the Alternative Retirement Plan (ARP)?	✓	✓	✓	✓

ERB News & Announcements

NMERB Website

www.nmerb.org

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Thank you for your time!

Happy
Retirement

