# EMPLOYER NEWSLETTER
## 1st Quarter FY27

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## LAU Help

### Bring the ERB to You!

Did you know the New Mexico Educational Retirement Board (ERB) can hit the road and support your team? Whether you want to provide your staff and employees with valuable insights into their defined benefit plan and retirement options, or you need specialized training for your HR and Payroll Staff on employer reporting we are here to help.
Ready to schedule a visit? Contact our communications team today at erb.communicatios@erb.nm.gov to request a session.

### Get Ready for the New Pension System.

As we are preparing for the launch of our new pension system, we are dedicating our statewide fall visits to providing tailored, one-on-one sessions that ensure your team is ready for the transition. Our team will stop by your location to deliver short, hands-on tutorials and answer any layout or formatting questions face-to-face. Our team will be proactively reaching out to administrative leadership at each scheduled destination to coordinate these sessions, but we also welcome you to connect with us directly at erb.communications@erb.nm.gov to secure a personalized visit while we are in your region.

### ACRONYMS

ERB – Educational Retirement Board

UAT – User Acceptance Testing

PAS - Pension Administration System

LAU – Local Administrative Unit

W1 – Work Report

A1 – Adjustment File

M1 – Member Detail File

FY – Fiscal Year

## Important Things to Know

1

### Summer Payroll

As we approach the end of the current fiscal year (**July 1 – June 30**), please adhere to the following payroll requirements to ensure compliance and accurate financial reporting.

**1. Mandatory Contract Payouts**

- **Deadline:** All contracted employees must be fully paid out for their contracts by the end of **June**.
- **Fiscal Alignment:** All wages earned under the 2025–2026 contract must be reported and paid within the fiscal year ending June 30.

**2. Handling July Wage Adjustments**

If contract wages are inadvertently reported or paid in July, they cannot remain there. Correcting this requires manual intervention:

- **Form 9:** Submission of the official adjustment form.
- **Adjustment File:** A corrected payroll file to properly reallocate the wages to the June ledger.

**3. Who Should Be Paid in July?**

July payroll should be strictly limited to staff members who are **physically working** during that month (e.g., summer school staff, 12-month administrators, or custodial crews).

2

### Adjustment Files

An Adjustment File is a work report used to process corrections to an employee's account. It lists every correction required for a corresponding Form 9.

Each line on the Form 9 must have a corresponding line on the adjustment file. If you have a Form 9 and there is only 1 line needing to be corrected, then the adjustment file will have only 1 line. If there are 30 lines on the Form 9, there will be 30 lines on the adjustment file. This is how corrections to an employee's account are processed in the Pension Administration Systems.

The adjustment file must be labeled correctly for the school reporting to identify and distinguish between a Work Report (W1) and the Adjustment File (A1). Requires the 3-letter school abbreviation, 2 digit month, 4 digit year and **A1.**

**Example: ERB062026A1**

3

## Reporting Final Wages

Accurate and timely wage reporting is critical when an employee terminates employment or retires. To ensure compliance, please adhere to the following timing rules:

- **Terminating Employees:** All final wages must be reported in the actual month employment ends. No wages should be reported *after* the termination month.
- **Retiring Employees:** All final wages must be posted and reported in the month *prior* to their official retirement effective date. No wages can be reported on or after the retirement date.

**Steps for Reporting Final Wages (Work Reports & Adjustment Files)**

When processing final wages, follow these procedures based on your reporting timeline:

- **Reporting Final Wages on the Current Work Report (W1):**
    - Change the employee's status from Active (**ACT**) to Terminated (**TRM**).
    - Enter the exact termination date on the report.
- **Correcting Misreported Wages (Requiring a Form 9):**
    - If final wages are submitted in the wrong month, ERB Member Services or your School Reporting Team will request a Form 9 correction.
    - **Complete Form 9 using two distinct lines:** One line to remove the wages from the incorrect month, and a second line to place the wages into the correct reporting month.
    - **Create a corresponding Adjustment File:** Ensure every line filled out on Form 9 matches a corresponding line in your adjustment file layout.

**Completing the Refund Applications for Active Members**.

- **Active vs. Inactive Status: Members are considered "Active" if they have been employed by an ERB-contributing employer within the last 90 days. Members who have not had contributions reported for over 90 days are considered "Inactive."**
- **Employer Certification: When an active member submits a *Request for Refund and/or Rollover* form, the Local Administration Unit (LAU) authorized signer must complete the employee certification section.**
- **Reporting the Final Month: In the field box stating *"final earnings will be reported on the monthly reporting ending,"* you must input the exact calendar month the**

**employee receives their final check—even if the pay period itself straddles the following month.**

**Why this matters: Clear communication between HR and Payroll is vital. If the wrong month is listed, a contribution will accidentally post *after* the refund is issued. This kicks the funds back to the LAU as an outstanding statement balance, forcing your team to manually issue a refund check to the employee. Save yourself the extra paperwork and double-check those final payout dates!**