



RPENM NEWS

Retired Public Employees of New Mexico

Spring 2010

Our Board of Directors

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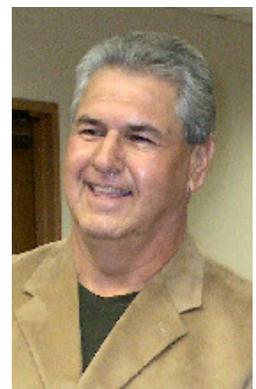
(505) 280-8459

PRESIDENT'S MESSAGE

Hello Fellow Retirees! I am hoping that this newsletter finds everyone in good health and that you had a warm winter. The Southern part of the state was quite cold and I can only imagine how it was for the rest of the state. With that said, as we look forward to spring, we are in the midst of planning RPENM's annual Spring Board and Membership meeting. This year it will be held in Gallup, May 13, 14 and 15. Details are in this newsletter. I want to encourage all of you who have the opportunity to attend.

Our agenda promises to be a very informative one. Also, it is my intent to have vacancies on the RPENM Board filled. The opportunity of being an RPENM Board Member is available to members throughout the state. Any interested person must be an active RPENM member in good standing for one year, and have the ability and willingness to serve. If this opportunity interests you, please submit your resume to me either by email at normaandcali@netzero.com or mail it to me at P.O. Box 64 La Mesa, NM 88044 by April 30, 2010.

When I was elected RPENM President, one of my main objectives was to bring RPENM representation to as much of the state as possible and it is for this reason that we are reaching out to the Gallup/Farmington area for the Spring Meeting. In my recent visit to Gallup, I found much interest in RPENM. We hope to see many of the retirees residing in this area at the meeting. By all means, all other retirees are invited and welcome to attend. I am looking forward to seeing and visiting with you in Gallup! ■



**CARLOS
TELLEZ**
President

MESSAGE FROM THE EXECUTIVE DIRECTOR

While much is changing around us, we at RPENM remain focused on our mission.....*work hard to make sure that the retirement income and benefits our members earned while in public service remain safe* as well as protect whatever we can for future retirees. As most of you know, bills pertaining to the Public Employees Retirement Association (PERA) and the New Mexico Retiree Health Care Authority (NMRHCA) were included in the legislative session. Please see the PERA and NMRHCA updates for more information. We will receive our 3% COLA this year!

For those of you who are new to RPENM, be assured that you will get real answers from a real person. You are our only business! Also, you are also eligible for useful and valuable member only benefits. Please see the Association Member Benefits Advisors (AMBA) insert that outlines the "Full Menu of Benefits."

Thanks to all of you who attended RPENM's Fall Board meeting in Las Cruces, NM. There were approximately 30 members and guests. Cynthia Borrego, PERA Chair, provided an informative presentation about the PERA fund. At that time, the fund was steadily recovering and it continues to do so. While there had been some discussion about switching from a defined benefit plan to a defined contribution plan (401K type of plan), Cynthia assured us that SO FAR this hasn't been seriously considered. I would suggest, however, that we keep this in our sights since there is national discussion about public pension plans. Please see excerpts from "States Short \$1 Trillion to Fund Retiree Benefits" in this newsletter. In addition to other business items, Association Member Benefits Advisors (AMBA) presented a new long-term health program for our membership.

Please note that this newsletter includes a phone number reference guide, *Who Do I Call*,

for the most frequently asked questions. I encourage you to put this on your refrigerator or keep it in your phone book.

We hope to see you in Gallup for all or part of the Spring Board and Membership Meeting. We will be electing new officers at the beginning of the Board meeting on May 14. At the Membership meeting, our guest speakers from PERA and the NMRHCA will have up-to-date information about your benefits. The membership will also be voting on two By Law Changes as presented in this newsletter. This will be a wonderful opportunity to meet and talk with the new RPENM officers and board members.

I am happy to report that our membership drive was a great success! We're getting very close to 4,000 members, which only represents about 15% of retirees. Our research indicated that RPENM is a very well kept secret so please help us help you by spreading the word! As always, thanks to all of you for supporting RPENM through your membership.



PATRICE CLIFFORD
Executive Director



PERA UPDATE

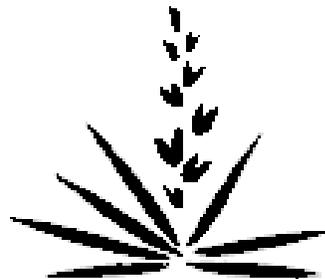
For information about the market value of the fund, please see Susan Biernacki's article in this newsletter. Susan is the Chair of the PERA Investments Committee. Please note that our investments continue to be closely monitored by the Board and the Investments Committee, which is reflected in the increased market value.

At the February 25, 2010 PERA Board meeting, the Executive Director, Terry Slattery, summed up the legislative session by stating that "we survived as well as could be expected." He had high praise for our lobbyists explaining that "what didn't pass is a tribute to them." PERA was concerned about the original version of SB18, which would have changed the make-up of the Board to include two additional members appointed by the Board and the State Auditor. In the end, PERA was unaffected by this bill. HB16, which passed, allows a beneficiary change only if the original beneficiary was not a spouse. PERA expects this bill to be signed. SB207, the Governor's Back To Work bill also passed. The final bill took away exemptions such as Chiefs of Police and Sheriffs

but still allows legislative staff who work during the session and elected officials to work without suspending their pensions. The bill grandfathers in current "return to workers" but they will have to start paying contributions to the Fund. After July 1, 2010, those who wish to return to work must sit out for 12 months and suspend their pensions and they may choose whether or not to rejoin PERA. If a person chooses to rejoin PERA and contributes to the fund, ultimately their pension will be higher. However, this bill essentially does put an end to "double dipping." The Governor has signed this bill.

Other news..... The retiree payroll increased by 86 in November bringing the total number of recipients to 27,899. Bob Gish, Chief Investment Officer, retired in the fall and by mid December PERA had received 52 applications for the position.

Patrice Clifford
PRENM Executive Director



Public Employees
Retirement Association
of New Mexico

RETIREE HEALTH CARE UPDATE



JEFF VARELA

**By Jeff Varela
RHCA Representative**

Greetings to all! The 2010 regular and special legislative sessions have concluded, and I am glad to report that the Retiree Health Care Authority (RHCA) survived both sessions with no significant impact to the agency or fund. During budget negotiations, the legislature understood the significant impact of delaying the RHCA contribution increase for active employees another year and, therefore, did not take any action on another delay. The RHCA agency budget has endured some reductions, but the impact to the agency budget will be minimal. Overall, the RHCA came out of both sessions in a good fiscal and budget position and is able to move forward with

the Board's solvency plan as presented last year. As for other legislation, the "double-dipping" bill was signed by the Governor, but I would predict we will hear more about this issue in the near future. As for the state government budget, I observed some serious debate, battles and ultimately compromise on budget cuts and certain tax increases! I give credit to those in the legislature who for 60 days didn't give up and brought ideas to the table and worked at reaching consensus. It was not an easy task for those folks, but respect is due to those men and women who commit themselves to making decisions that are not always popular! We'll see you in Gallup! ■

States Short \$1 Trillion to Fund Retiree Benefits

by Tami Luhby, senior writer for CNN Money

This article was published February 18, 2010.

"Just as they are contending with massive gaps in their operating budgets, states and localities must also deal with a \$1 trillion deficit in public employees' retirement benefits' funds, a new report found." And "The shortfall amounts to more than \$8,800 for every household in the nation," according to the Pew Center. This report was done in 2008 before the stock market plunge. The average pension plan lost about 25%. The report goes on to describe how states are addressing growing deficits in pension and retiree health care plans. Property and/or income tax increases and reduction in benefits are mentioned as well as raising the retirement age. Another "fix" is to ask current employees to contribute more to the

pension and retiree health care plans. Most states are applying the benefit reduction and retirement age changes to only new employees. In 2008, only Florida, New York, Washington and Wisconsin had fully funded pension systems. In 2009, due to the seriousness of the situation, fifteen states passed legislation to reform their pension system and sixteen are looking at changes in 2010. States continue to explore "policy reforms aimed at putting their systems on stronger fiscal funding." For now, the good news is that New Mexico is not listed as a state in "dire shape" unlike Alaska, Colorado, Illinois, Kansas, Kentucky, Maryland, New Jersey and Oklahoma. ■

A Full Menu of Benefits Available to Members of the Retired Public Employees of New Mexico



Association Member Benefits Advisors (AMBA) is a nationwide full-service agency focused on plan design, negotiations, and implementation of benefits for associations. AMBA provides expertise in evaluating benefits and providers to assist RPENM in obtaining quality benefits with flexible choices for their members.

The associations AMBA works with represents over one million members and potential members which gives us leverage in negotiating and obtaining group benefits.

Long Term Care / Home Health Care Insurance

AMBA will build a Long Term Care policy to match your own individual needs; you select the daily benefit amount, elimination period, and benefit period which best suits your needs for care. The Long Term Care Policy features include: no prior hospital stay and no waiting period for pre-existing conditions.

Long Term Care Annuity

The LTC Annuity combines a deferred fixed rate annuity with a built-in long term care rider. This annuity can provide you up to three times the annuity value in long term care benefits if you need them.

Medicare Supplement Insurance

The Senior Class Medicare Supplement Plan offers Medicare Plans A, B, C, D, F, G and J. Senior Class Plans pay for eligible expenses not paid by Medicare, and gives you the freedom to use your own physician, specialist, and medical facility.

Final Expense Whole Life Insurance

You can have peace of mind knowing that your premiums are guaranteed never to increase and your coverage is guaranteed never to decrease. Death benefits paid to your beneficiary are tax free.

First Diagnosis Cancer Insurance

This policy pays cash directly to you in one lump sum payment upon first diagnosis of internal cancer, malignant cancer, or melanoma. You can select the lump sum payment of \$10,000 to \$50,000 that best fits your needs. This policy pays in addition to Medicare and any other existing insurance you may have.

Tax-Deferred Annuity

AMBA offers a Single Premium Tax-Deferred solution for your retirement featuring tax-deferred accumulation of interest, guaranteed competitive interest rate, multiple payout options, income you won't outlive, and a nursing home waiver.

Dental Insurance

Ameritas dental insurance plan offers the freedom to use your own dentist or you may choose one in the Ameritas Dental Network for additional discounts. For information call AMBA at 800.258.7041, call Ameritas at 888.239.3336, or visit www.ameritasgroup.com/provider/dental.htm to find a dentist near you.

Vision Service Plan (VSP)

Our vision provider has a vast network of thousands of doctors located in rural and metropolitan areas throughout the nation. More than 90% of our members have access to an optometrist within 10 miles of work or home! The vision plan optometrists not only provide eye exams, but eye-wear too! This makes for a convenient, easy, one-stop-shop!

Medical Air Services Association (MASA)

Over the past 30 years Medical Air Services (MASA) has become an international company dedicated to providing life saving emergency assistance. The coverage is designed to protect members against catastrophic financial loss when emergencies arise. More information about these services offered through your membership may be obtained by contacting AMBA at 800.258.7041 ext. 110.

Identity Theft Solutions

RPENM now offers identity theft protection for members through CSIdentity Corporation. Visit www.amba.info/idtheft.html to learn more. Enroll online or by phone by calling 1.800.258.7041.

Astrum Hearing Solutions

Astrum offers you a complete hearing evaluation, warranty on digital technology aids in any style, loss and damage protection, and batteries with a complete benefit package. Use benefit #RTA000053101 when calling 866.988.5403 or visit www.astrumhearing.com.

Government Employee Travel Opportunities (GETO)

This is a unique vacation condominium and hotel, resort, program exclusively for current and retired government employees and now AMBA association members. Space available condos located worldwide are available for a flat rate of \$329 plus tax per week. Good for short notice vacations. For full details and samples of resort availability, visit www.getravelop.com or call the reservation center at 877.867.3639. Use eligibility number 823 when making condo/resort reservations

GETO **HOTEL** discounts are available for the following hotels: by using ID # 60712 when making reservations:

Days Inn-800.268.2195; Ramada-800.462.8035; Super 8 - 800.889.9706; Travelodge-800.545.5545;

Wingate Inn-877.202.8814; AmeriHost-800.996.2087; Howard Johnson-800.769.0939; and Knights Inn-800.682.1071.

Vacations-to-Go Cruises

AMBA association members can subscribe to the free weekly Vacations to Go newsletter vacations where most cruises are discounted 40-60% off the published catalogue price. Visit www.vacationstogo.com for cruise information, www.resortvacationstogo.com for resort information, and www.tourvacationstogo.com for tours or call 800.338.4962.

La Quinta Inn & Suites Discount

La Quinta Corporation now gives you a 15% discount at their La Quinta Inn and Suites locations nationwide. Please mention the eligibility code "AMBA" to receive your discount. For reservations, please call 800.531.5900 or visit www.LQ.com

Rental Car Discounts: Avis, Budget, & Hertz

Avis: Discount code AWD# G725000. Call Avis at 800.331.1212 or visit www.avis.com

Budget: Discount code (BCD) X925500. Call Budget at 800.527.0700 or visit www.budget.com

Hertz: Discount code CDP# 1860896. Call 1.800.654.2210 or visit www.hertz.com

Apple Discount*

Apple and your association have included you in a special program. You qualify for preferred pricing on some of the latest Apple products and accessories. Apple member purchase program benefits include special member discounts on apple products, quarterly promotions, free standard shipping on orders over \$50, free engraving on iPod, online custom product configuration, and simplified checkout using any combination of credit card, Apple Gift Card, or apple Instant Loan. Call 1.877.377.6362 or visit www.apple.com/eppstore/slg. When calling please identify yourself as an eligible participant purchasing from the Apple Association Member Purchase Program. *Discounts not available on all items. Visit the EPP website or call Apple to verify discounted items.

Dell Computer Discount

Members are eligible to receive discounts on Dell computers. Visit www.Dell.com/epp or call 866.257.4711 to learn about the latest discounts.

1-800-FLOWERS

Save 15% on an assortment of beautiful flowers, plants, delicious gourmet snacks and treats, extraordinary gift baskets, cuddly plush pals and unique giftware. Use code AMBA. Visit www.1800FLOWERS.com or call 1-800-FLOWERS.

Barnes & Noble Online Discounts

Members save with online discounts for books, DVD's, CD's, and more through the online member's bookstore. Save an extra 5% in addition to any online discounts on all your purchases. Orders of \$25 or more qualify for Fast & Free shipping in three business days or less (see site for details). Visit www.bn.com/amba

AMBA TravelPERX

AMBA TravelPERX brings the best values for cruises, resorts, and escorted tour vacations to the Caribbean, Mexico, Panama Canal, Europe, Alaska, South America, and Asia. Visit www.AMBATravelPerx.com, or call 1.800.480.4080.

***For more information on these benefits, please call AMBA at 1-800-258-7041 or visit www.AMBA.info.
Membership with RPENM is required in order to obtain these benefits.***

PROPOSED BY LAW CHANGES

WILL BE VOTED ON AT THE MAY 15, 2010
GENERAL MEMBERSHIP MEETING.

1. The first proposed change is to the Articles of Incorporation - ARTICLE V – Meetings. The change would allow RPENM to hold its annual meeting in the spring rather than just in the month of May each year. The change would read as follows:

ARTICLE V – MEETINGS

The annual meeting of the membership shall be held in the spring at a time and place set by the Board of Directors; with written notice of said meeting to be distributed to the membership at least thirty (30) days prior to the meeting. The Board of Directors shall meet at least twice a year, one of which shall be at the annual meeting. All meetings are open unless specified as “Executive Meeting” which are confined to the Board of Directors.

2. The second proposed change is to the By Laws, Section 9 Terms of Office. The language in the Procedures and By Laws regarding terms of office needs to be the same. The Board of Directors agreed that the language in the Procedures is clearer. The change would read as follows:

BY LAWS SECTION 9 TERMS OF OFFICE

A. Board members are elected for a term of four (4) years and may serve for two (2) consecutive terms after which they must sit out at least two (2) years before they may run for re-election.



RPENM Financial Summary

As of December 31, 2010

Total Assets

Deposit Accounts = \$61,475
CD's = 25,447

Total = \$86,904

2009 Income = \$63,573
2009 Expenses = 57,103

By Sara Brownstein, RPENM Bookkeeper

Who Do I Call?

... If I have a question about retiring? or benefits estimates? or purchasing military service?

PERA Member Services - Santa Fe 505-476-9300
or toll free in New Mexico 1-800-342-3422
PERA Albuquerque office 505-883-4503

...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 would like to receive more education about my benefits?

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 505-476-9395

...If I have questions about retirement for educators?

Educational Retirement Board 505-827-8030

...If I have questions about retiree insurance?

Retiree Health Care 505-222-6400
or toll free in New Mexico 1-800-233-2576

...If I have questions about Social Security?

Social Security 1-800-772-1213

PERA – INVESTMENT UPDATE

PERA Board Chair, Cynthia Borrego, appointed me to serve as Chair for the Investments Committee for 2010. I am honored to serve on this committee and to serve the membership.

The credit crisis that began in late 2007 and culminated in the almost complete collapse of the financial markets in the fall of 2008, showed no signs of abating into early 2009, even after the unprecedented government monetary and fiscal intervention. The economic downturn was the worst the US had experienced in over 70 years and the effects registered on a global scale. Market returns across all asset classes, with the exception of US Treasuries, recorded massive losses during 2008. PERA ended 2008 with a market value of \$8.93 billion.

By early March 2009, the market value of the PERA fund had dropped to \$7.6 billion. In mid-March, however, the equity markets began to recover. Though almost all stocks have recorded significant

gains since that time, some of the biggest winners were stocks of low-quality, low-profitability, small capitalization, illiquid companies. As of December 31, 2009 the market value of the PERA fund was \$10.6 billion, an increase of 39% from the March 9, 2009 market low. Overall, on a calendar year basis, the PERA fund realized an annual rate of return of 21.5%, and performed in the top 1/3rd when compared to its peers (other pension funds) around the country. This is excellent news for PERA and the entire membership.

By Susan Biernacki, Chair
PERA Investments Committee



RPENM CHAPTER INFORMATION

As follows, we are featuring information about three of our Chapters - Santa Fe, Deming, and, Albuquerque and contact information for other Chapters.

Chapter 8 - Santa Fe: The chairperson is Ed Shinholser (505.471.5941). They meet the 2nd Tuesday of March (business meeting), June (picnic), September (business meeting) and December (lunch at Tiny's). Please call Ed for more details.

Chapter 1 - Deming: The chairperson is Tony Sayre (575.546.3020). They meet the 2nd Monday in January, April and October at the Oddfellows Hall at 10:30. For more information, please contact Tony.

Chapter 5 - Albuquerque: The Chairperson is Betty Serna (505.873.3755). They meet the 2nd Friday of January, March, September and November at the Highland Senior Center. The board meeting is at 10:30 and the membership meeting is at 11:00. Please call Betty for more information.

Other active Chapters include:

- Chapter 2 - Las Cruces – Joe Bob Sellers, Sr. (575.526.9531)
- Chapter 7 - Roswell – Wilburn Morrow (575.622.1206)
- Chapter 10 - Carlsbad – Sherry Kearns (575.887.3837)
- Chapter 17 - T or C - James Coslin (575.894.1759)
- Chapter 18 - Raton - Charles Miller (575.445.5112)
- Chapter 20 - Gallup - Orvis Scott (505.722.6282)
- Chapter 21 - Rio Rancho - LaRue Goodheart (505.831.6507) ■

2010 RPENM ANNUAL BOARD AND MEMBERSHIP MEETING

The annual board and membership meeting will be held in Gallup, NM at the Gallup Inn from May 13 – May 15, 2010. There will be a reception on Thursday, May 13 from 5:00 – 7:00. The board meeting will be on May 14 from 9:00 – 3:00 with a reception from 5:00 – 7:00. The membership meeting will be on Saturday, May 15 from 9:00 – 12:00. The receptions and meetings will be at the:

Gallup Inn
2915 W HISTORIC HIGHWAY 66
GALLUP NM 87301-6812

To make your reservations contact the Gallup Inn at 505.722.2201 by Thursday, April 29th. Room rates are \$67.71/night and include a breakfast voucher for two.

Our guest speakers will be Terry Slattery, Executive Director, PERA and Mark Tyndall, Director of Benefits and Claims, NMRHCA.

IMPORTANT ANNUAL MEETING INCENTIVE: As a way to increase attendance at the Annual Meeting, up to three members per Chapter are eligible for \$50.00 each to help with their expenses. Members will be reimbursed through the chapter after the meeting upon the Chapter Chair's request for reimbursement, which must be submitted within thirty days after the meeting. For more information about RPENM Chapters, please see *RPENM Chapter Information* in this newsletter. ■

