

# Retired Public Employees of New Mexico

## Winter 2012 Newsletter

### Board of Directors

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**Charles (Tony) Sayre - Deming**

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**James F. Robles - Doña Ana**

**Jeff A. Varela - Rio Rancho**

NMRHCA Board Member

#### Executive Director

**Pam Kileen - Albuquerque**

(505) 280-8459

PO Box 20607

Albuquerque, NM 87154

rpenm@rpenm.org

### A Word From the President

Greetings to all RPENM Members!

The RPENM Board has been busy since the last newsletter.

- We have employed a new Executive Director, Ms. Pamela Kileen, who came to work September 4, 2012. Pam is highly qualified for the ED position and in three months has proven herself as a great asset to RPENM.
- We have appointed a new board member. Don Padilla took the Oath of Office at the October 18, 2012 Fall Board Meeting. Don comes to us from Socorro and is a retired state employee. Don was with the NM Commission of Public Records and was the Director of the Records and Information Management Department.
- At the Fall Board Meeting the Legislative Committee recommended the board hire a lobbyist for the upcoming legislative session. The Board interviewed Mr. Richard Romero of Romero Consulting, LLC then voted to contract with Mr. Romero and partner, Ms. Sue Griffith of SG Consulting Services, LLC, for one year. They will be monitoring the legislators and PERA for the protection of RPENM.

Many thanks go out to Mike Clendenin in his service as Interim ED, the Hiring Committee, the Legislative Committee and all Board Members for getting us to this point.

I attended the RHCA Annual Meeting in Red River, July 12 & 13 and also attended the PERA Annual Board Meeting in Santa Fe on September 27. Although RPENM does not always agree with actions taken by these two boards, I must report that they are doing everything they can to protect and continue our benefits.

On September 12 Chapters 5 and 21 held a joint picnic that I attended. All in attendance enjoyed good food and fellowship. I strongly encourage more chapters to have activities such as that. With Christmas coming up you may want to have a Chapter or joint Chapter Christmas party. Chapter 18 has had a Christmas party every year for several years. They have a Chinese gift exchange and always have a good turnout.

The RPENM Board is full at this time; however, six positions are up for election at the Annual Meeting in April 2013. The Annual Meeting will be in Las Cruces; the exact date is yet to be determined. Information on running for election is included in this newsletter.

MEMBERSHIP! We must have members to survive. To get one, you have to ask

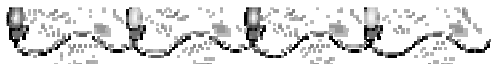
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someone.

Pam has added over 120 new members since she started as Executive Director but our number is not as high as it should be. If you know a PERA retiree who is not a member of RPENM please ask him or her to join us. Greater numbers in our membership is needed to help us keep our benefits. The money to pay for the lobbyist, the ED and expenses comes from membership dues. It would help if everyone would join RPENM.

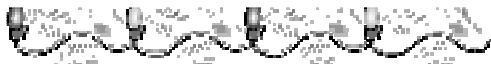
Happy Holidays and best wishes to all of you,

Charles H. Miller, President of RPENM



Let our New Year's resolution be this: we will be there for one another as fellow members of humanity, in the finest sense of the word.

Goran Persson



## PERA Announces Fiscal Year 2012 Fund Valuation Results

It's only a snapshot of PERA's funding status on a single day – July 30, 2012 – but the latest actuarial information showing PERA's unfunded liability increasing by \$1.2 billion and its funded status declining from 70.5% to 65.3% presents a sobering picture.

The fund's recently concluded actuarial valuation shows a growing gap from \$5 billion in FY11 to \$6.2 billion in FY12 between unfunded liabilities and assets in the pension trust fund.

An unfunded liability is the shortfall between the amount of money needed to pay for all current and future benefits owed to PERA members and the assets in the trust fund. The additional \$1.2 billion increase in unfunded liability was driven primarily by investment performance.

While PERA had expected an increase in liabilities due to the final "smoothing in" of investment losses from 2009 over the past five years, the one-year increase in liabilities since June 30, 2011 was greater than anticipated.

Although PERA's investment performance over the last 12 months and the first quarter of FY13 has improved, PERA cannot count on stock market returns to erase the growing plan liabilities.

"This increase in the unfunded liability should be a wake-up call to anyone who thinks the action on the pension reform package proposed by the PERA Board can wait. While the Board recognizes that its proposal isn't perfect, it is time for everyone to come together and make the necessary sacrifices to fix this problem once and for all," said Gerald L. Chavez, PERA Board Chair.

Chavez was referring to the pension reform package crafted for the upcoming legislative session to eliminate the plan's unfunded liability and reach a 100% funded level in approximately 30 years. The reform plan includes lowering the cost-of-living adjustment (COLA) for 3% compounding to 2% compounding for current and future retirees, reducing benefits for new employees, increasing vesting periods and final average salary periods and requiring additional employee and employer contributions.

PERA Board members and staff have been working closely with the interim legislative Investments and Pensions Oversight Committee (IPOC) to draft legislation incorporating PERA's pension reform proposals. IPOC-sponsored pension legislation was finalized at the Committee's Nov. 28, 2012 meeting.



In an effort to provide PERA's membership with every opportunity to be informed of Board activities and decisions, PERA has begun live voice casting the open portions of Board and Committee meetings.

Interested parties will be able to log onto PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us) and listen to meetings in real time.



## RPENM Membership and YOU!

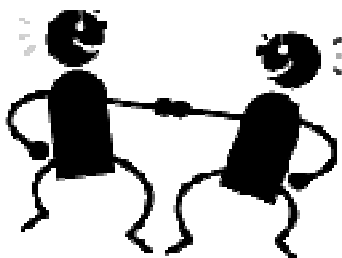
Due to the hard work and efforts of our RPENM Membership Committee and Executive Director, our membership continues to grow. A recent audit of our membership database indicates that we have approximately 3000 statewide members that are enrolled in our organization. A recent recruiting mail

out is bringing us new members daily. Since there are approximately 25,000 PERA retirees, we have lots of work to do.

Many of us contemplated our retirement years before we actually left our jobs but we never really understood how fragile our exceptional PERA retirement and RHCA health care plans could be. The soundness and sanctity of the PERA plan is important to each one of us and RPENM stands vigilant to protect it. If you know someone who is retired, or soon to be retired, urge them to join! Stephanie Jorgensen, RPENM Board Member and active member of the Membership Committee, recently signed up a new member that had been retired since 1988 and had never heard of RPENM.

Membership is essential for the growth of our organization. What can you do to help? Each and every one of us is probably aware of new retirees and current PERA employees that are eligible for our organization. Sign up a PERA friend or bring a PERA potential member to an RPENM meeting. To be eligible as a member of RPENM, you must be either an active PERA employee (you do not have to be a retiree), a PERA retiree, or a PERA beneficiary. If you wish recruiting information, please contact Executive Director, Pam Kileen, at 505-280-8459 or join through our RPENM website at [www.rpenm.org](http://www.rpenm.org). Sign up as an auto-deduction member now and receive free membership until July of 2013.

These are important times for all retirees and RPENM is the organization that will work to protect our PERA and Retiree Health Care benefits. Don't wait until a crisis happens to become active in recruiting new membership for RPENM - recruit now!



## 2013 Legislative Session

As your newly elected PERA Board member I would like to inform you that the 2013 Legislative Session may be the most important session ever for PERA members and PERA retirees. There is a good chance that some changes to PERA will be made. By joining RPENM you have already taken a step in the right direction. RPENM is the only organization in New Mexico that represents all

PERA members, active and retired. In order to support its membership RPENM has hired a lobbying firm to represent RPENM and help keep its membership informed about proposed legislation and the action that might be available to its membership. Some of you may wish to either testify before legislative committees or call your legislators in support for or against legislation.

During the 2013 legislative session the PERA Board and the Legislature will address the problem of long-term solvency for the PERA fund. RPENM will keep you informed through its website ([RPENM.org](http://RPENM.org)) as legislation is proposed and introduced. This year it will be especially important to let your legislators know who you are and what you want.

PERA and other government retirement programs have another problem in addition to solvency – PR. There is growing public sentiment against public employee pension programs. I think this sentiment has surfaced because of the poor economy and the fact that so many people have either lost their retirement program or had it severely reduced as companies file for bankruptcy and the value of IRA's decline. We must inform the public that as PERA members we contributed a large percentage of our salaries to PERA with the State or Local Government providing “matching” contributions just like private employers. Statements in the media make our PERA pensions sound like unearned “freebies” and that is simply not so.

With vigilance and a little good luck, any changes to PERA coming from the 2013 Legislative Session will be for the long-term good of all members – active and retired.

Daniel J. Mayfield



## RHCA News

As of September 30, 2012 the NM Retiree Health Care Authority (RHCA) has over \$230 million in total assets. The RHCA Board will be considering proposals from RHCA staff to extend the solvency of our program to the year 2042. While this will extend RHCA's solvency for an additional 15 years beyond our current solvency, the following proposals do bring additional sacrifice from

Continued on page 4

retirees and active employees:

1. Increase member cost for prescriptions resulting in an average increase of \$10.60/month. Projected savings of \$2.8 million and would commence in 2013.
2. Phase out RHCA subsidies for dependent children over a span of two years. This would reduce the subsidy to 50% in 2013 and 0% subsidy in 2014. Projected savings would be \$675K in 2013 and \$1.3 million in 2014 affecting 536 retirees and their dependent children.
3. Phase out Premier Plus Option (pre-medicare retirees). This would reduce the two coverage options to one higher-deductible option, reducing RHCA costs and increasing out-of-pocket rates for high utilizers. RHCA staff anticipates this would provide incentives for "better behavioral and health-care choices". Projected savings would be \$4.4 million over 5 years.
4. Reduce Pre-Medicare Spousal Subsidy. This would reduce the current pre-medicare spousal subsidy from 40% to 30% over 3 years. Projected savings would be \$2.3 million over the 3 years.

5. Adopt and recommend a 2% increase to active employer/employee contributions to RHCA. This would commence in 2015 pending legislation passing and signed by the Governor and would be phased in over 4 years. Projected revenue would be \$23 million from 2015 thru 2018.

I have taken a firm "no" position on options 2 and 4. I believe, and have proposed, the projected savings from these options can be achieved from other areas such as increasing the years of service from 20-25 for the maximum retiree subsidy and establishing a minimum retirement age for RHCA benefits.

Due to \$2.6 million in unspent ERRP funds, Pre-Medicare retirees will receive a premium credit for the month of December in the amount of \$270.00. If your monthly premium is less than this amount, the excess credit will carry over into your January premium. Happy Holidays to all of you!

Jeff A. Varela

RHCA and RPENM Board Member

Advertisement

## Membership Has Benefits!

### AMBA

Your membership with RPENM gives you access to many member only benefits. Association Member Benefits Advisors (AMBA) helps to make the following benefits available to RPENM members:

- Long Term Care
- Medicare Supplement
- Dental & Vision Plan
- Tax Deferred Annuity
- Medical Air Services Association (MASA)
- American Hearing Benefit (AHB)
- Government Employee Travel Opportunities
- La Quinta Inn & Suites Discount
- Rental Car Discounts (Budget, Avis, & Hertz)
- Dell Computer Discounts
- Apple Computer Discounts
- 1-800-FLOWERS Discounts
- AMBA TravelPERX Travel Deals

For additional information, contact our benefits provider, AMBA, at 1.800.258.7041. You can also request a speaker for your local meetings by calling Susan Lowry, AMBA National Director of Association Relations, at 800.258.7041 ext. 110.



# Are You a Leader? Do You Want to be More Involved with RPENM?

The Board of Directors for RPENM will have six (6) vacancies in the spring of 2013.

The Executive Director will mail a cover letter and candidate application forms to those Directors whose terms expire and to all Chapter Chairpersons from whom the forms will be available. They also will be available on the RPENM website or by contacting the Executive Director via phone or email.

In order to qualify, candidates must return a completed Board of Directors nomination form (including a 50 word maximum biography) and one or more nomination petition forms with signatures. Each candidate must get signatures of 20 or more members in good standing and submit them to the RPENM office via United States Postal Service to be considered valid.

If there are more than six candidates, ballots will go out to all RPENM members for voting; if six or fewer candidates, all will be elected by default and qualifying candidates will become members of the Board.

Refer to the election calendar of events on the facing page for critical procedures and dates.



## A Word from Your RPENM Executive Director

Hello RPENM Members! First I'd like to introduce myself. New Mexico has always been my home – born, raised and educated in Albuquerque. My career background has been in accounting, payroll and data/systems analysis in the corporate Human Resources world – Payroll, Benefits and Staffing. I am experienced in training/educating others in these areas and in other technical fields and have spent many hours volunteering for non-profits in event coordination. I am excited to put my skills to use in supporting and directing the

Retired Public Employees of New Mexico!

As referenced in this newsletter and as most of you, I'm certain, have heard on the news, PERA funds are not where they should be. This is not a time to panic; it is a time to act. The key to protecting your benefits is staying informed then speaking up to let legislators know how proposed changes impact you. Our legislators are readily accessible – imagine the influence retirees can have on legislators' votes if they receive hundreds or even thousands of calls, email messages or letters. I will be creating communication processes such as phone trees, email blasts and website updates to keep you informed. For those willing to speak up, or even testify in Santa Fe, please call or email me your information at (505) 280-8459 or [rpenm@rpenm.org](mailto:rpenm@rpenm.org).

The legislative information I will be sharing with members will mainly come through my regular and direct communication with our lobbyists. Richard Romero and Sue Griffith, in keeping with RPENM being a non-political, non-partisan organization, are a partnership – one republican and one democrat. The Board and I believe this team is a great fit for RPENM and will serve us well.

Since I started in September, I've been working hard to increase awareness of RPENM and the importance of membership. Attending RHCA switch enrollment seminars in different cities, presenting at City of Albuquerque pre-retirement seminars and coordinating multiple recruiting mailing efforts around the state has been just the beginning. Please share what you know about RPENM with your friends, neighbors and community.

We have four very active chapters that meet regularly and each is planning a Holiday Social. This makes me think that maybe there are many members around the state that like to let go of seriousness now and then to do something fun. After the first of the year, I'd like to begin coordinating social and possibly travel activities for interested members. A few ideas I have are museum visits, wine tastings, bus/coach trips to sporting events or Laughlin and possibly even a cruise! Please share with me what you might be interested in.

I look forward to meeting as many of you as possible at the spring membership meeting in Las Cruces.

Have a safe, wonderful, fun-filled holiday season!

Pam Kileen, Executive Director



# RPENM 2013 Election Calendar of Events

**11/27/2012**

Election Committee meets to finalize the 2013 election calendar.

**1/18/2013**

Executive Director to mail cover letter and candidate application forms to Board of Directors members whose terms expire in 2013 and all Chapter Chairpersons. The Executive Director will ensure the RPENM website has the current election calendar, nomination form and petition form available for any interested parties to view and print.

**2/28/2013**

Latest postmark date for candidate's forms. To qualify for the ballot, candidates must return a completed Board of Directors Nomination Form (including a 50-word maximum biography) and one or more Board of Directors Nomination Petition Forms by this date and only by mail (USPS). Any nomination form or petition form delivered in any manner other than via the USPS will not be considered valid. The RPENM address can be found at the bottom of this page. Each candidate will need to get the signatures of 20, or more, RPENM members in good standing to be nominated. The definition of a "member in good standing" is an RPENM member at the state level whose membership dues are up to date.

**3/18/2013**

The Election Committee will meet on this date to review all nomination forms submitted by the deadline to determine each potential candidate's eligibility.

- If the pool of eligible candidates is equal to or less than 6 (the number of positions being elected) there will not be an election. The Election Chairperson will notify the RPENM President, RPENM Executive Director, and all the candidates of this condition. The President will declare the candidates elected by acclamation at the spring membership meeting. The rest of this calendar will not apply.
- If the pool of eligible candidates is greater than 6, the Election Committee will blind draw for each candidate's ballot position, prepare a ballot information sheet and a mailing list of members to be delivered to the election vendor this same afternoon. The ballot information sheet will have the candidate's name and biography in ballot position order. The election vendor will produce and mail the ballots within one week.

**3/29/2013**

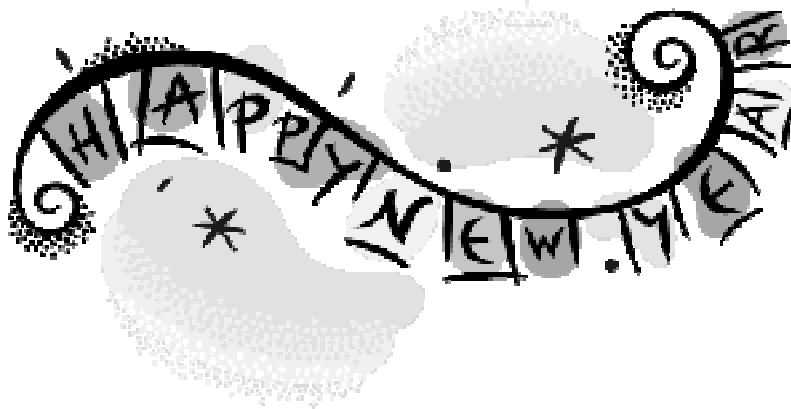
Ballots must be mailed back to our election vendor and postmarked by midnight of this date.

**4/05/2013**

The Election Committee will meet on this date at our election vendor's office for ballot counting and certification of results.

**4/8/2013**

By this date the Election Committee Chairperson will notify the RPENM President, RPENM Executive Director, and all the candidates of the election results.



RPENM wishes its current and future members a safe and happy holiday!



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# Retired Public Employees of New Mexico

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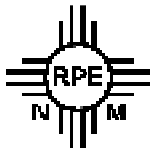
Note →

**YOUR MEMBERSHIP IS PAID!**

← Note

(Please pass this membership form on to friends or family who might want to join)

Please fill out the Member information box below.



Member Information Please Print

Name\*: \_\_\_\_\_

Address\*: \_\_\_\_\_

City\*: \_\_\_\_\_ State\*: Zip\*: \_\_\_\_\_

Telephone #: \_\_\_\_\_

Email: \_\_\_\_\_

\* Required information

[ ] Please deduct my \$24 dues payment from my July retirement distribution unless and until I notify PERA in writing to cancel this deduction.

\_\_\_\_\_  
Members Signature

\_\_\_\_\_  
Date

|\_|\_|\_|\_|\_|\_|\_|

PERA requires your last 4 digits  
Mail completed form to the address at left

Mail to: RPENM  
PO Box 20607  
Albuquerque, NM 87154-0607