

# Retired Public Employees of New Mexico

## Spring 2013 Newsletter

### Board of Directors

#### Officers

Charles Miller - Ratón

President

Charles (Tony) Sayre - Deming

1st Vice-President

Diana B. Best - Ratón

2nd Vice-President

Isabel T Clendenin - Alb.

Treasurer

Stephanie Jorgensen - Alb.

Secretary

#### Board Members

LaRue Goodheart - Alb.

Oscar Jordan - Santa Fe

Sherry Kearns - Carlsbad

Daniel J. Mayfield - Alb.

Loretta Naranjo-Lopez - Alb.

PERA Board Member

Don Padilla - Socorro

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

### President's Message

Greetings to you all!

Thank you for allowing me to be your President for the past year. It has been a very productive year for RPENM. Following is a list of some of the accomplishments for the 2012-2013 year. This took a combined effort of the entire Board, the new Executive Director, Pam Kileen, and the Membership. Thanks to all of you.

1. Had the most comprehensive audit of the RPENM financial records that has been completed in several years
2. Secured a current PERA retiree membership list replacing the 2008 out of date list. This was critical to increasing our membership
3. Supported the PERA bill. Although, on a personal level, each of us does not want the 1% reduction to our COLA, it is critical to help the solvency of the fund for all future retirees. We will pressure PERA to get the 1% reinstated within a few years
4. Contracted with Robert Romero and Sue Griffith as our lobbyists to represent RPENM in Santa Fe during the 2013 legislative session. They were instrumental in increasing statewide exposure for RPENM through their lobbying efforts
5. Improved communications to all RPENM Board members, committee members and chapter members regarding RPENM activities and the 2013 legislative session
6. Hired a new professional Executive Director, Ms. Pamela Kileen
7. Established RPENM rapport with State Legislature, Retiree Health Care Authority and PERA officials through personal meetings and with written communications initiated by the President and Executive Director
8. Ensured that the membership received 3 informative and newly formatted RPENM newsletters in a 12-month period. RPENM Board received regular updates on RPENM activities through oral and electronic communications
9. Scheduled two special board meetings to hire a lobbyist and to discuss goals for RPENM
10. President and Executive Director attended important Investment Pension & Oversight Committee, RHCA and PERA meetings across the state representing RPENM
11. Furnished the new office and saved funds by utilizing the facility for the fall

Continued on page 2

2012 Board Meeting.

Again, I express, this took the effort and cooperation of us all.

Sincerely,

Charles Miller, President

## PERA Pension Reform Passes; Final Stop on Governor's Desk

Note: this article was current as of March 20, 2013, when the RPENM newsletter was printed. For the most current information on PERA pension reform, please visit [www.pera.state.nm](http://www.pera.state.nm).

The New Mexico House of Representatives passed legislation endorsing PERA's pension reform proposals that affect retirement benefits of PERA's 31,000 retirees and beneficiaries and 55,400 active members.

On March 13, SB 27 passed the House with a bipartisan vote of 48 to 17. The bill passed the New Mexico Senate by a vote of 38 to 4. The bill now goes to Governor Susana Martinez for her consideration. In previous discussions, the Governor indicated support for the legislation when employer contributions were decreased from 1.5% to .4% in the Senate.

"The PERA Board wants to thank all of the legislators who have supported pension reform by voting for this crucial bill," said PERA Board Chair Patricia (Patty) French. "We know that everyone is not happy with the changes in retirement benefits but the Board's goal is to protect the retirement fund and ensure that benefits are paid for generations to come. We particularly appreciate the hard work of our sponsors, Senator George Munoz and Representative Lucky Varela."

SB 27 was introduced this legislative session in response to PERA's \$6.2 billion unfunded liability and the plan's funded status of 65.3%.

Chair French also acknowledged the hard work that PERA Board members had done over the last year by meeting with members, retirees, employers and other interested parties about the proposed pension reform changes. Once SB 27 was introduced, several amendments were made to the bill to accommodate concerns that came forward in those discussions.

While the Cost-of-Living Adjustment (COLA) will be reduced from 3% to 2% compounding for retirees,

retirees who are receiving \$20,000 or less yearly would receive a 2.5% COLA. Retirement eligibility for public safety groups was changed from a rule of 75 (age and years of service credit combined to equal 75) to eligibility to retire at any age with 25 years of service credit.

There is a phased-in seven-year waiting period for active members to receive a COLA when retiring. The COLA for active members will also be reduced from 3% to 2% at retirement, unless the pension is \$20,000 or less.

New hires in general member plans will have to work longer under a rule of 85 and will have a longer waiting period to be eligible to receive a COLA. The final average salary period used to calculate a pension will be extended from three years to five years. In addition, vesting to be eligible to receive a pension is extended from five years to eight years.

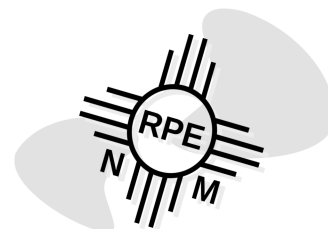
New hires in the public safety plans will have the seven-year COLA eligibility period, a five-year period to calculate a pension and a vesting period of 6 years instead of the current 5 years.

All employees will see a 1.5% contribution increase when the bill is enacted. Unlike state employees who paid "employer swaps" of 1.5% and 1.75% over the past several years, this will be the first employee increase for municipal employees in a decade. The "swaps" were passed by the legislature to assist in balancing the state budget shortfall.

The 1.5% employee contribution increase will not apply to members earning \$20,000 or less a year.

The pension maximum an employee can earn has been increased from 80% to 90% of final average salary for all plans.

"With these changes, the PERA members will have a safe and secure retirement plan for many decades to come," Board Chair French stressed.



## Spring is here...

or so the calendar shows. This brings about thoughts of newness, growth and change of which we have much: new Board members, new social/travel activities, overall membership growth and potential change in benefits.

We have six positions open on the RPENM Board this year and ballots were mailed March 11. Make your vote count! Fill out your ballot selecting anywhere from one to six candidates and mail it in by March 29. The election committee will meet on April 5 for ballot counting and certification of results. Candidates will be notified of the results by April 8 then new Board members will be sworn in, officers elected and all introduced to the members attending the Annual Spring Membership Meeting.

I've been busy lately planning what I hope will be an enjoyable Annual Spring Membership Meeting on April 16, 17 & 18. Only \$30 buys you mingling time at a reception with hors d'oeuvres and cash bar, the latest information on what impacts RPENM members, snacks during the meetings, an Italian buffet lunch, a tour of the NM Farm & Ranch Heritage Museum (<http://www.nmfarmandranchmuseum.org/>) complete with wine tasting, a chance to win one of the many door prizes and the opportunity to hear from and ask questions of our knowledgeable guest speakers. A registration form is enclosed and will also be posted on our website. In addition to the registration form for the Membership Meeting, you

will find a page of six raffle tickets. The drawing for this raffle will be held on April 18 in Las Cruces but the winner need not be present to win. We have many new members in the southern part of the state whom I hope, along with our longer term members, will find it convenient to attend and then help rebuild their local chapter.

New members? Yes! Nearly 400 have joined in the past six months. Welcome to all of you! The membership committee has reached out to Albuquerque and its surrounding areas, Santa Fe and across the whole southern third of the state. Over the next three months we will cover the remainder of the state.

Do we have any gamblers out there among us? Do you enjoy having someone else do all the planning for short getaway trips? I have been working with a tour company on coach trips to Laughlin, NV and Cripple Creek, CO. Specifics will be included in your goodie bags at the Membership meeting then sent out at a later date to those who are not attending.

Your RPENM Board of Directors will be concentrating some of their efforts on revitalizing all of our local chapters. Being part of these brings about camaraderie and is a very effective means of communication for members. I was lucky enough to be invited to the holiday parties of three of our chapters and thoroughly enjoyed all!

Pam Kileen

Your RPENM Executive Director



## Raffle Ticket Information

Tickets are \$1.00 each or six for \$5.00. They can be mailed in or purchased at the Annual Spring Membership Meeting in Las Cruces.

For entering by mail, please make checks payable to RPENM and mail with the ticket stubs to:

RPENM Raffle, PO Box 20607, Albuquerque, NM 87154. Mailed in tickets must be received by April 14 in order to be entered.

The winner receives half of the total sales. 25% of sales will go to the Las Cruces Chapter and 25% to the state organization. The drawing will take place in Las Cruces April 18. You do not need to be present to win.

Tickets are printed on the reverse side of this page. These can be cut out &/or copies made – as many as you wish to purchase. Good luck!

★

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

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

Phone: \_\_\_\_\_

WINNER NEED NOT BE PRESENT TO WIN

RAFFLE  
TICKET

PRIZE: \$\$-50% OF TICKET SALES  
25% TO LAS CRUCES CHAPTER  
25% TO STATE ORGANIZATION

**RPENM**  
Tickets are \$1.00 each or 6 for \$5.00  
April 18, 2013

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

Phone: \_\_\_\_\_

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## 2013 Annual Spring Membership Meeting Details

Hotel Encanto de Las Cruces  
705 South Telshor Blvd  
Las Cruces, NM 88011

RPENM has secured a block of rooms for the rate of \$84.00 plus 12.5625% tax and \$2.50/room/night fee. Reservations can be made by calling the hotel directly at 575-522-4300 or 866-383-0443 and identifying yourself as a member of Retired Public Employees of NM.

Date	Start Time	End Time	Function	Room	Additional Info
4/16/13	5:30pm	7:30pm	Registration & Reception	San Rafael B	Hors d'oeuvres & cash bar
4/17/13	8:30am	12:00pm	Board Meeting	Tularosa	
	12:00pm	1:00pm	Lunch Buffet	San Augustin	Italiano!
	1:00pm	2:30pm	Board Meeting, Cont.	Tularosa	
	3:00pm	5:00pm	Social Activity – Tour and Wine Tasting (4100 Dripping Springs Road)	NM Farm & Ranch Heritage Museum	3 miles from hotel; south on Telshor, left on University; hotel will provide shuttle for those who do not want to drive
4/18/13	8:30am	1:00pm	Membership Meeting	Guadalupe	Introduction of Board Members Guest speakers Committee reports AMBA update Raffles and drawings

### Guest Speakers:

Ken Miyagishima, Mayor of Las Cruces

Mark Tyndall, Executive Director, NM Retiree Health Care Authority (NMRHCA)

Wayne Propst, Executive Director, Public Employees Retirement Association of New Mexico (PERA)

Senator John Arthur Smith

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REGISTRATION FORM IS ON THE BACK OF THIS PAGE  
CUT ON THE DOTTED LINE AND MAIL IN BOTTOM PORTION

# RPENM's 51st Year of Service to NM PERA Retirees

Tuesday Evening, Wednesday & Thursday  
April 16 - 18, 2013



RPENM Board of Directors will be your host for this year's Annual Membership Meeting. We invite you to join us and other RPENM members from around the state at:

**Hotel Encanto de Las Cruces**  
**705 South Telshor Blvd**  
**Las Cruces, NM 88011**  
**Phone: (575) 522-4300**  
**Reservations: (866)383-0443**

Note: You will need to make your own reservations. Rooms are \$84 per night (single or double) plus 12.5625% tax and \$2.50/room/night fee.

**You must tell them you are with Retired Public Employees of NM to get this special rate!** Services/Amenities: double and king beds available, entirely non-smoking property, remodeled fitness center, free internet access, heated outdoor pool and jacuzzi, express check in/out, pet friendly, room service, cable/satellite TV.

**Make Your Room Reservation by April 6, 2013**

**Have a question or need more information?** Contact Pam Kileen, Executive Director, at (505) 280-8459 or e-mail us at [rpenm@rpenm.org](mailto:rpenm@rpenm.org).

## Schedule

### Tuesday, April 16, 2013

5:30pm-7:30pm Registration and Reception

### Wednesday, April 17, 2013

8:30am-Noon Board of Directors Meeting  
Noon-1:00pm Buffet Lunch  
1:00pm-2:30pm Board of Directors Meeting  
3:00pm-5:00pm Museum Tour/Wine Tasting

### Thursday, April 18, 2013

8:30am Membership Meeting  
Introduction of Board  
Guest Speakers  
Drawings & Door Prizes  
1:00pm Adjourn

## How To Get There ...

From the north: Take I-25 South to Las Cruces and take Exit # 3 onto Lohman Ave. Go Left over the overpass and take a Right on Telshor Blvd. Drive up the hill. Hotel Encanto de Las Cruces is on the left at the intersection of Foothills Drive and Telshor Blvd.

OR

Take I-10 to I-25 and take I-25 North. Then make a right on exit # 3 Lohman Ave. Turn right onto Telshor Blvd. Drive up the hill. Hotel Encanto de Las Cruces is on the left at the intersection of Foothills Drive and Telshor Blvd.

## RPENM 2013 Annual Meeting Registration Form:

**Registration Fee: \$30 per person**

**Please Print Clearly**

**Registrant #1:**

( )  
Name \_\_\_\_\_ Phone \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
\_\_\_\_\_

Fill out this form and mail to:

RPENM 2013 Annual Meeting  
PO Box 20607  
Albuquerque, NM 87154

**Registrant #2:**

( )  
Name \_\_\_\_\_ Phone \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**Mail this form by**  
**April 6, 2013**

**Make your check payable to:**  
RPENM

# NMRHCA Update

## The Case for Retiree Health Care

The New Mexico Retiree Health Care Authority (NMRHCA) continues to improve its financial position. NMRHCA's Board of Directors and the state legislature have enacted changes over the past 5 years that extended the program's solvency by 15 years (from 2014 to 2029). While challenges still remain, NMRHCA is committed to providing a solid, affordable health care benefit. Here's why that is so important.

NMRHCA provides coverage to over 53,000 retired public employees and educators and collects contributions from well over 100,000 active employees working for about 300 employers across New Mexico. NMRHCA made benefit payments of about \$250 million this last year. As such, NMRHCA is a central part of any discussion regarding New Mexico's retiree community.

Retirement planners (Fidelity and Nationwide) estimate that couples retiring this year will need, on average, \$240,000 to cover medical expenses throughout retirement (\$10,740 per year). It is difficult to imagine how a public employee's salary or a retiree's pension can accommodate those expenses without support. Providing that support is the purpose of NMRHCA.

Additionally, a recent survey found that the average retiree who receives at least some health insurance coverage from a former employer pays premiums of \$552 per month if under 65 and \$227 if over 65. Premiums through NMRHCA average under \$200 and \$125, respectively (premiums are higher for spouses). Benefits through NMRHCA also provide some coverage not even available commercially such as full plan payment through Medicare Part D's "donut hole".

NMRHCA greatly appreciates the sacrifices that retired public employees are making to improve the financial health of NMRHCA as well as PERA (and by extension, the state as a whole). We will continue to work together in ensuring retiree health benefits are available for many years to come.

## Legislative Update

As part of the NMRHCA Board's five year strategic plan, legislation increasing the contributions of active employees and employers was approved through the interim Investment, Pension and Oversight Committee (IPOC) and sponsored by its chairman, Senator George Munoz. Together with targeted benefit changes, the contribu-

tion increases would extend NMRHCA's solvency through 2043. We thank Senator Munoz for his support of NMRHCA in carrying Senate Bill 71. SB71 passed through its committee referrals but did not make it to a vote on the Senate floor prior to the end of the session. We will continue to work with the legislature in making sure that there is a balanced approach of shared sacrifice in extending the solvency period of NMRHCA's programs.

## Administrative Update

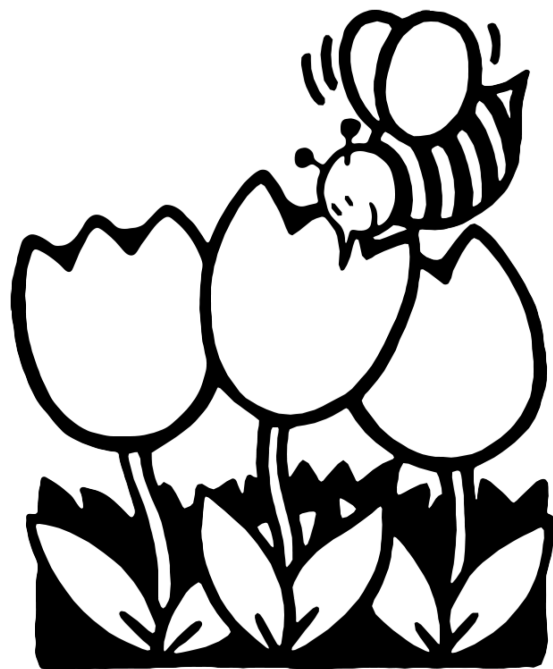
NMRHCA has been making additions to its leadership team. NMRHCA is pleased to welcome Mr. David Archuleta as its new Deputy Director. Mr. Archuleta brings a wealth of experience working with both the budget and legislative processes in state government and is a wonderful asset to the agency. A new Chief Financial Officer will be selected over the next several weeks as well.

We would like to thank Jeff Varela (your representative on NMRHCA's Board of Directors) and RPENM for their continued support of our mission and look forward to working together in the future.

Mark Tyndall

Executive Director

NM Retiree Health Care Authority



# Retired Public Employees of New Mexico

PO Box 20607

Albuquerque, NM 87154-0607

Phone: 505-280-8459

E-mail: [rpenm@rpenm.org](mailto:rpenm@rpenm.org)

www: [www.rpenm.org](http://www.rpenm.org)

Non-Profit  
Organization  
US Postage Paid  
Albuquerque, NM  
Permit 798

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