



# Retired Public Employees of New Mexico

## Spring 2014 Newsletter

### Board of Directors

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Gerald L. Chávez -  
Mountainair  
President

Charles (Tony) Sayre - Deming  
1st Vice-President

Michael Clendenin - Alb.  
2nd Vice-President

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Treasurer

Stephanie Goodrich - Alb.  
Secretary

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Diana Best - Raton

Wesley Brown - Raton

Doug Crandall - Alb.

Gerald Grimm - Alb.

Sherry Kearns - Carlsbad

Daniel J. Mayfield - Alb.

Charles Miller - Raton

Loretta Naranjo-Lopez - Alb.

Don Padilla - Socorro

#### Executive Director

Pam Kileen - Albuquerque  
(505) 280-8459  
PO Box 20607  
Albuquerque, NM 87154  
rpenm@rpenm.org

### President's Report

Fellow members, I hope that the New Year has brought many blessings to you and your families.

This legislative session was quick but entertained many bills that had a direct or indirect impact on PERA retirees. Your Board of Directors stood firm in supporting bills that were in the best interest for our membership. Our Executive Director and I worked closely with our lobbyists as the session moved along in assurance that the RPENM voice was heard. Details of the session and/or particular bills are highlighted within other sections of this newsletter. I want to thank our lobbyists, Richard Romero and Sue Griffith for diligently representing RPENM as a professional, viable and effective organization.

Although we, as a Board of Directors maintain our passion to gain membership, this continues to be a challenge for RPENM. Our Executive Director, Pam Kileen is diligently working with business associates and vendors to offer exclusive benefits to our membership. We not only want to be an organization that gives a collective voice in advocacy for its membership, but we also want to be an organization that offers many unique and/or exclusive benefits to our members.

As last fiscal year ended in June, we were at approximately 4,000 members strong. This was a great accomplishment yet leaves room for tremendous growth of our organization. As President of this organization, I am making it a personal goal to sign up at least 5 new members this year. If each and every member can sign up just one person, we can double our membership within a very short time frame. I challenge our Board of Directors and each member of RPENM to sign up just 1 member in 2014. I am confident that with a collective effort, we can meet our Board of Director's goal to grow RPENM's membership reflecting a large percentage of total PERA retirees.

I want to personally invite each and every member to attend our annual Spring Membership Meeting in Albuquerque. Thank you for your support. It is through the contributions from your involvement that make RPENM a great association. I look forward to seeing you at our Spring meeting.

Sincerely,

Gerald L. Chavez, RPENM, President

## PERA Update

As a member of the RPENM Board of Directors and Vice-Chair of the PERA Board I have found that the following information from a memo to the PERA Board from Ms. Susan Pittard, PERA General Counsel, best sums up the 2014 legislative session.

**Passed and Signed by the Governor - HJC Substitute/HB 33 Judicial Retirement Changes** amends the Judicial Retirement Act (JRA) to incorporate the Administrative Office of the Court's pension reform proposal. Affects all current JRA members and retirees, as follows:

- ◆ Requires mandatory membership under JRA
- ◆ Judges who have previously retired from PERA will have their COLA suspended effective July 1, 2014 for the duration of their terms

Establishes an independent cost-of-living adjustment (COLA) for judges under the JRA, as follows:

- ◆ Suspends the COLA for all retired judges for two years (2014 and 2015)
- ◆ Beginning no later than May 1, 2016, PERA shall certify the projected funded ratio for the next succeeding year (based on the Judicial Fund's prior year actuarial valuation)
- ◆ Effective July 1, 2016, provides all eligible retirees with a 2% compounding COLA if the Judicial Fund is at or greater than the 100% funded ratio threshold and projected to continue to be at or above 100% for the next successive year
- ◆ Suspends the COLA for judges if the funded ratio falls below 100%. COLA suspensions shall only be implemented for two consecutive fiscal years
- ◆ Effective July 1, 2014, increases employee contributions 3% (from 7.5% to 10.5%)
- ◆ Effective July 1, 2015, increases employer contributions 3% (from 12% to 15%)
- ◆ Raises age and service for normal retirement for new magistrates
- ◆ Effective July 1, 2014, lowers the pension multiplier to 3.5% (from 3.75%) and prorates future service credit for future and active judges
- ◆ Increases the final average salary to 5 years (from 1) for active and future judges effective July 1, 2014
- ◆ Increases the pension maximum to 85% (from 75%)
- ◆ Increases the vesting period for future magistrates to 8 years (from 5)
- ◆ Changes form of benefit payments for future judges who take the bench on or after July 1, 2014.

**Passed and Signed by the Governor - HB 216/HJCS amends the Magistrate Retirement Act (MRA)** to incorporate the Administrative Office of the Court's

pension reform proposal. Affects all current MRA members and retirees, as follows:

- ◆ Eliminates the ability for magistrates to exempt themselves from membership as an elected official. Currently, 22 of 66 active magistrates have exempted themselves from membership under the MRA
- ◆ Requires those magistrates who have previously retired from another state system or the educational retirement system ("working retiree") to make "working retiree contributions" during their terms of office; working retirees will not be eligible to accrue a retirement benefit under the MRA
- ◆ Magistrates who have previously retired from PERA will have their COLA suspended effective July 1, 2014 for the duration of their terms.

Establishes an independent COLA for magistrates under the MRA, as follows:

- ◆ Suspends the COLA for all retired magistrates for two years (2014 and 2015)
- ◆ Beginning no later than May 1, 2016, PERA shall certify the projected funded ratio for the next succeeding year
- ◆ Effective July 1, 2016, provides all eligible retirees with a 2% compounding COLA if the Magistrate Fund is at or greater than the 100% funded ratio threshold and projected to continue to be at or above 100% for the next successive year
- ◆ Suspends COLA for magistrates if the Fund's funded ratio falls below 100%. COLA suspensions shall only be implemented for two consecutive fiscal years
- ◆ Effective July 1, 2014, increases employee contributions 3% (from 7.5% to 10.5%)
- ◆ Effective July 1, 2015, increases employer contributions 4% (from 11% to 15%)
- ◆ Raises age and service for normal retirement for new magistrates
- ◆ Active Magistrates: Effective July 1, 2014, lowers the pension multiplier to 3.5% (from 5.0%) and prorates future service credit for a "blended" pension benefit
- ◆ Future Magistrates: Lowers the pension multiplier to 3.0%
- ◆ Increases the final average salary (FAS) to 5 years (from 1) for active and future magistrates effective July 1, 2014
- ◆ Increases the pension maximum to 85% (from 75%)
- ◆ Increases the vesting period for future magistrates to 8 years (from 5)
- ◆ Changes form of benefit payments for future magistrates who take the bench on or after July 1, 2014.

Continued on page 3

### **Passed but Vetoed\* by the Governor - SB 304 Legislative**

Currently, a \$2.4 million annual appropriation is made to the Legislative Retirement Fund to finance legislative retirement benefits. SB 304 provides for a temporary diversion of this appropriation as follows: 1) a monthly distribution to the Magistrate Retirement Fund in the amount of \$80,000 for 36 consecutive months; and 2) a monthly distribution to the Judicial Retirement Fund in the amount of \$20,000 for 36 consecutive months, subject to certain conditions. **\*Reason for the veto** – Governor Martinez said the transfer would have just resulted in two overfunded pension funds. She suggested, if there is a surplus in the Legislative Retirement Fund, that the money could be better spent elsewhere such as education reform, early childhood programs and health services.

Dan Mayfield, PERA Vice-Chair

### **Retiree Health Care**

First the good news - the New Mexico Retiree Health Care Authority has increased its overall solvency to 17 years and cash reserves now approach \$340 million. Benefits have remained stable and annual premium increases have remained in the 6-8% range for the past three years with no significant increases anticipated in the near future.

Now the bad news - the overall solvency goal for NMRHCA funding is 30 years and, in order to reach that goal, it is still necessary to reduce some subsidies and to increase employee and employer contributions.

In 2012 the NMRHCA Board established a five-year plan to achieve solvency through 2043. Among the changes already enacted are the phase out of dependent children subsidies, an increase in some pharmacy co-pays and increased cost sharing for pre-Medicare retirees. Still to be implemented are an increase in the number of years worked in order to receive a full subsidy, reduced subsidies for pre-Medicare members and spouses, a phase out of the automatic \$6,000 life insurance policy for pre-2012 retirees, and the possible implementation of a wellness program to provide premium incentives for meeting certain health and wellness criteria.

The most important component in obtaining a 30-year solvency is an increase to the employee and employer contributions as reported in the RPENM winter newsletter. Unfortunately, the legislation that would have provided for the increase was passed by the House

but never got out of the Senate Finance Committee.

Although it was not critical to pass the contribution increase in 2014, it must be adopted in the near future if the NMRHCA is to achieve its solvency goal and remain a viable organization. The proposal will be reintroduced next year and all RPENM members are asked to stay in touch with their state legislators and solicit their support for this increasingly urgent legislation.

The NMRHCA now offers both statewide and nationwide Medicare Advantage plans. Over 800 members signed up for the new nationwide offering by United Health Care. The Authority expects ~1000 current and future retirees to sign up each year.

Although the plans to merge Blue Cross/Blue Shield and Lovelace are still ongoing, the merger has not yet been approved. Until the final approval, all NMRHCA retirees using any Lovelace plan remain fully insured with no change in coverage. Further, even after the merger, the only effect on retirees covered by Lovelace would be to provide them with more choices.

The Authority is soliciting proposals for a pharmacy benefit manager. In 2010, the NMRHCA Board selected Medco to replace Express Scripts. Since then Medco was bought out by Express Scripts, who is once again the incumbent pharmacy provider. The winning proposer will be selected in July or August.

NMRHCA meetings are held the first Tuesday of each month at the NMRHCA 2nd floor Board Room located at 4307 Carlisle Blvd. NE, Albq. Meetings start at 9:30am and RPENM members are welcome to attend.

Doug Crandall

### **Raffle Ticket Information**

Tickets are \$2.00 each or six for \$10.00. They can be mailed in or purchased at the 2014 Annual Spring Membership Meeting.

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 29 in order to be entered.

The winner receives half of the total sales. 25% of sales will go to the Albuquerque Chapter 5 and 25% to the state organization. The drawing will take place in Albuquerque May 2. You do not need to be present to win.

Continued on page 4

Tickets are printed inside the back cover. These can be cut out &/or copies made – as many as you wish to purchase. Good luck!

## Synopsis of 2013 Proposed By-laws Changes

Changes are indicated as *[Additions]* or *[Deletions]*

### *[Bylaw 6 REMOVAL OF BOARD MEMBER*

*Board members will comply with the RPENM Bylaws, Procedures, and Rules of Conduct or will be subjected to removal by a majority vote of the board of directors. The decision by a majority vote of the board of directors will be final.]*

### Bylaw ~~[6]~~*[7]* OFFICERS AND ELECTIONS

The RPENM Member in good standing selected to serve on the Retiree Health Care ~~[Authority of New Mexico]~~ Board of Directors*[, if serving in an appointed position (not elected by the RPENM membership) will not have voting rights or be eligible to run for election as a board officer. The RHCA representative may serve on committees as assigned by the RPENM President. The RPENM President or designee will appoint an alternate in the absence of the RHCA representative].*

The two (2) retiree members of the P.E.R.A. Board of Directors, who are members in good standing of RPENM, shall be ex officio members without voting rights*[unless in a board position election elected by the RPENM membership].*

- A. To qualify for election to the Board of Directors, the candidate must have been an active and participating member in good standing of RPENM for at least one year and have the ability and ~~[willingness]~~*[be willing]* to serve on the Board. *[Each member of the board of directors will abide in all aspects of the RPENM Bylaws, Procedures and Rules of Conduct.]*

### Bylaw ~~[7]~~*[8]* MEETINGS

### Bylaw ~~[8]~~*[9]* QUORUMS

### Bylaw ~~[9]~~*[10]* TERMS OF OFFICE

### Bylaw ~~[10]~~*[11]* VACANCIES

- A. If a vacancy occurs due to a resignation, dismissal, or the inability *[of]* an elected Board member to serve, it may be filled by the approval of the majority of the board.
- B. Absence of an elected Board member from two (2) consecutive Board Meetings, unless excused *[by the President]*, shall constitute a voluntary resignation and declaration of a vacancy to be filled as provided in Bylaw 10 A.

### Bylaw ~~[11]~~*[12]* DUTIES - OFFICERS

- A. President. ~~[Calls meetings, prepares agendas and presides over meetings, e]~~ *[Sets agenda and conducts meetings. Assigns committees and selects committee chairs, co-chairs, and members.]* Exercises leadership role, assures that motions and resolutions passed are carried out, ~~[and]~~ enforces rules, regulations and policies *[and RPENM Rules of Conduct]*. Represents RPENM in public and serves in an ex-officio capacity

on ~~[all]~~ RPENM Committees.

- B. First Vice-President. Serves as President in the absence of the President. Acts as Liaison between the Board & Chapters. *[Serves as Chair of the Membership Committee.]*

### Bylaw ~~[12]~~*[13]* DUTIES - BOARD OF DIRECTORS

### Bylaw ~~[13]~~*[14]* COMMITTEES

All committees are appointed by the President, have a minimum of 3 members in good standing, and will be chaired by an RPENM member. *[A co-chair may be appointed by the President.]...*  
*[Bylaws, Rules, and Procedures. The committee shall propose updates and changes to the corporations Bylaws, Rules, and Procedures to the board of directors. Ensure that there are no conflicts between the procedures and Bylaws and that our Bylaws and procedures fully comply with our mission statement.]*

~~[Other.]~~ The President may appoint committees as needed.

### Bylaw ~~[14]~~*[15]* REPORTS

### Bylaw ~~[15]~~*[16]* NEWSLETTER

### Bylaw ~~[16]~~*[17]* ORDER OF BUSINESS

All business shall be conducted in compliance with current editions of Roberts Rules of Order *[as a guideline only]* ~~[or as otherwise agreed to by the Board of Directors]~~.

### Bylaw ~~[17]~~*[18]* CHAPTERS

Local Chapters of RPENM may be organized in cities and counties in New Mexico for the benefit of the Association. *[A minimum of twelve (12) members will be required to form and remain a chapter in good standing.] ...*

Chapters shall not conduct business in a manner that would jeopardize the non-profit status of the corporation or engage in conduct materially and/or seriously prejudicial to the corporation's purposes and interests as determined by the RPENM Board of Directors. *[All chapter members will comply with the RPENM Bylaws, Procedures and Rules of Conduct during the course of a meeting.] ...*

### Bylaw ~~[18]~~*[19]* AMENDMENTS



## 2014 Annual Spring Membership Conference Details

Sheraton Albuquerque Uptown Hotel  
2600 Louisiana Blvd NE  
Albuquerque, NM 87110

RPENM has secured a block of rooms for the rate of \$83.00 plus 13% tax. Reservations can be made by calling Central Reservations at 1-800-325-3535 referencing the "Membership Meeting" or online at <https://www.starwoodmeeting.com/StarGroupsWeb/booking/reservation?id=1403072511&key=49F82>

Date	Start Time	End Time	Function	Room	Additional Info
5/1/14	8:30am	12:00pm	Board Meeting	Baldwin	
	3:00pm	5:00pm	Panel Discussion on Scams & Frauds - Prevention & Repair	Baldwin	Mandy Pino Center-Life Planning Law Access New Mexico NM Aging & Long Term Services
	5:30pm	8:00pm	Reception	Roxy	Hors d'oeuvres & cash bar Silent auction Area legislators invited Live music by <i>Prisma</i>
<i>Music sponsored by our lobbyists, Richard Romero &amp; Sue Griffith, LLC</i>			<i>Prisma has a wide repertoire of music that ranges from pop to Latin to American swing, even a little rock&amp; roll and blues! Sid Fendley--keyboards/vocals, Rodolfo Gonzalez--flute/EWI/vocals, Maud Beenhouwer--bass/vocals</i>		
5/1/14	8:00pm		Sandia Casino Visit	In front of hotel	Shuttle will be available
5/2/14	8:30am	12:00pm	Membership Meeting	Baldwin	Introduction of Board members Guest speakers Committee reports Raffles and drawings
5/2/14	12:00pm	1:00pm	Lunch Buffet	Roxy	Live Flamenco entertainment

### Guest Speakers, Friday May 2:

Richard J Berry, Mayor of Albuquerque (invited, not yet confirmed at time of printing)

Bill Rehm, State Representative - District 31

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

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

We would like to extend our gratitude and appreciation to our sponsors:

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Richard Romero and  
Sue Griffith, LLC - Our Lobbyists

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

# Retired Public Employees of NM Annual Membership Conference

## 52 Years of Service to PERA Retirees

Thursday & Friday

May 1 - 2, 2014



Albuquerque area Chapter 5 will be your host for this year's Annual Membership Conference. We invite you to join us and other RPENM members from around the state at:

**Sheraton Albuquerque Uptown Hotel**  
2600 Louisiana Blvd NE  
Albuquerque, NM 87110  
Phone: (505) 881-0000  
Reservations: (800)325-3535

Note: You will need to make your own room reservations. Rooms are \$83 per night (single or double) plus 13% tax. **You must tell them you are with the RPENM Membership Meeting to get this special rate!**  
Services/Amenities: two queens or king beds available, 100% non-smoking property, fitness center, indoor hot tub and heated pool, internet access, free shuttle service within surrounding area, room service, shopping adjacent to hotel. You may make your room reservation online at <https://www.starwoodmeeting.com/Book/MembershipMeetin>.

**Make Your Room Reservation by April 11, 2014**

**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).

### Thursday, May 1, 2014

8:30am-Noon Board of Directors Meeting  
Approximately Noon Lunch on Your Own  
3:00pm-5:00pm Panel Discussion  
5:30pm-8:00pm Reception & Silent Auction with Live Music by Prisma  
8:00pm Shuttle Available for Visit to Sandia Casino

### Friday, May 2, 2014

8:30am-Noon Membership Meeting  
Introduction of Board  
Guest Speakers  
Drawings & Door Prizes  
Noon-1:00pm Buffet Lunch

From the north or south: take Interstate 25 to Interstate 40 East. Continue east on I-40 and take the Louisiana Exit north. The hotel is located on the northeast corner of Louisiana and Menaul.

OR

From Interstate 40, take the Louisiana Exit north. The hotel is located on the northeast corner of Louisiana and Menaul.

## RPENM 2014 Annual Membership Conference Registration Form:

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

**Please Print Clearly**

**Registrant #1:**

Name \_\_\_\_\_ ( ) \_\_\_\_\_  
Phone \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

\_\_\_\_\_

**Registrant #2:**

Name \_\_\_\_\_ ( ) \_\_\_\_\_  
Phone \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Fill out this form and mail to:

RPENM 2014 Annual Conference  
PO Box 20607  
Albuquerque, NM 87154

**Mail this form by**  
**April 21, 2014**

**Make your check payable to:**  
RPENM

★

Name:

Address:

Phone:

WINNER NEED NOT BE PRESENT TO WIN

✂

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RAFFLE  
TICKET

PRIZE: \$5-50% OF TICKET SALES  
25% TO CHAPTER 5 (ABQ)  
25% TO STATE ORGANIZATION

**RPENM**  
Tickets are \$2.00 each or 6 for \$10.00  
May 2, 2014

★

Name:

Address:

Phone:

WINNER NEED NOT BE PRESENT TO WIN

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**RPNM**  
Tickets are \$2.00 each or 6 for \$10.00  
May 2, 2014

★

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

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

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

WINNER NEED NOT BE PRESENT TO WIN

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 May 2, 2014

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TICKET**

**PRIZE: \$5-50% OF TICKET SALES**  
 25% TO CHAPTER 5 (ABQ)  
 25% TO STATE ORGANIZATION

**RPENM**  
 Tickets are \$2.00 each or 6 for \$10.00  
 May 2, 2014

WINNER NEED NOT BE PRESENT TO WIN

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

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WINNER NEED NOT BE PRESENT TO WIN

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TICKET

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25% TO STATE ORGANIZATION

**RPENM**  
Tickets are \$2.00 each or 6 for \$10.00  
May 2, 2014

★

Retired Public Employees of New Mexico  
PO Box 20607  
Albuquerque, NM 87154-0607

Phone: 505-280-8459  
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www: [www.rpenm.org](http://www.rpenm.org)

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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