



Retired Public Employees of New Mexico

Summer 2014 Newsletter

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President's Report

This year's membership conference went well. We had a productive meeting and made some minor, yet astute changes within our bylaws that define professional expectations from Board Members. We had good discussions regarding our mission of serving and representing our membership and gained some great ideas from members' input. I want to personally thank all those members that attended and participated in our membership conference. RPENM's Board of Directors and its Executive Leadership serves you! It is through your input and contributions that we can best represent our membership. Please consider joining us for our next membership meeting in 2015.

RPENM's main goal is to keep an eye on the sustainability and solvency of our PERA retirement system, to educate and advocate for our membership as a whole. However, with this duty, we have an obligation to not only represent the best interest of our membership as a whole, but we also have a responsibility to stand up for our retirees even though circumstance may only be affecting a few. With this, and without going into too much detail, I will tell you that this past spring, some of RPENM's membership was unjustly affected by their former PERA affiliated employer (the Albuquerque Bernalillo County Water Utility Authority) in regards to a promised retirement life insurance benefit. I am proud to announce that because of RPENM's Board of Directors advocating for these retirees, and because of our organization's positive impact on the Board of Directors of the Water Authority, this employer decided to reinstate the life insurance to what it was when these former employees retired! This is a great example of RPENM at work for you.

I am proud to announce that RPENM has officially surpassed the 4,000 member mark. We will continue to focus on membership growth with the motivation of being recognized as New Mexico's largest and most effective retirement advocacy organization. Welcome aboard to all those new members, and thank you for joining our great organization. I want to thank all of our membership for their contributions in supporting our great organization. RPENM could not reach the highest level of professionalism and proficiency as a non-profit business working for you without your dues contribution. Our sacrifice and vision is what makes RPENM great.

Finally, I want to thank our Board of Directors for their confidence and support in electing me as President of RPENM for another year.

Sincerely,

Gerald L. Chavez, RPENM, President



How is PERA Doing This Year?

For the fiscal year (FY) ending June 30, 2014, I thought I would share a few important facts with you:

- Earnings on investments for 2014 were 17.35%.
- The PERA Trust Fund's balance is \$14.67 Billion – a record high!
- Total contributions to the fund from employees and employers were \$557,703,622.
- Total retiree payroll for FY'14 was \$928,259,027.
- Total PERA retirees on 6/30/14 were 35,395.
- Total active PERA members were 49,144 on 6/30/14.
- Total retirements in FY'14 were 2,113. This represents a 19.5% reduction from FY'13 total retirements of 2,525.

The PERA Board is focused on continuing strong and stable investment returns. Specifically, PERA is in the process of adjusting the composition of its investment portfolio to best position the Fund going forward. The broadly diversified investments in the PERA Fund will be reallocated to position its investments to deliver long-term, consistent returns in order to continue to reduce PERA's unfunded liability.

The next actuarial valuation will be released this fall and I anticipate an improvement in PERA's solvency. I will share those statistics with you after they are released.

Dan Mayfield,

Vice-Chair RPENM, Vice-Chair NMPERA

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Assessment Administrators

We are seeking motivated individuals to proctor assessment sessions with 4th-, 8th-, and 12th- grade students in schools for the National Assessment of Educational Progress. Must be available January 26–March 6, 2015. Paid training, paid time and mileage reimbursement for local driving, and weekly paychecks. This is a part-time, temporary position that is available at cities and small towns across the country. To apply, visit our website at www.westat.com/CAREERS and select "Search Field Data Collection Jobs." Search for your state, find the NAEP Assessment Administrator position and select the "apply to job" button. For more information e-mail NAEPrecruit@westat.com or call

NMRHCA Update

By Doug Crandall

During the NM Retiree Health Care Authority annual retreat and board meeting, all current NMRHCA Board officers were re-elected: Tom Sullivan - President, Joe Montano – Vice-President and myself as Secretary. This allows me to remain on the Executive Committee giving RPENM input in setting the agenda and a strong voice in the happenings of your health care program.

The Board formally voted on four components of the previously adopted five-year plan to assure long-term financial solvency for the RHCA fund. The new changes:

- Reduce the spousal subsidy from 40% to 30% - effective with next year's rates.
- Require both be at a minimum age of 55 to be eligible for RHCA subsidies – change to take effect in 2020.
- Full subsidy will now require 25 years of service – change to take effect in 2020.
- Phase out the free \$6000 life insurance for pre-2012 retirees - phased out over a four-year period beginning in 2017.

In 2015, the RHCA will once again be asking the legislature for an increase in employee and employer contributions; however, the proposed increase will be one half of that previously requested. This lower increase is due to a much better solvency profile than originally anticipated. The total increase will be 1.25%, which will bring in an additional \$45 million to the fund.

After applying the spousal subsidy reduction, changes in age and service and requirements and the phase out of the basic life insurance mentioned above, the RHCA is expected to be solvent through 2033. If the employee/ employer contributions proposed to the legislature are approved, solvency is extended an additional 6 years until 2039. This is excellent news considering that less than eight years ago RHCA was expected to become insolvent by 2014.

Unfortunately, premiums will be increasing beginning in January. Medicare Supplement plans will be raised 5% and non-Medicare rates will be raised 8%. Fully insured Medicare Advantage Rates have not yet been determined. Blue Cross/Blue Shield will continue to offer the Lovelace Medicare Advantage Plan.

Continued on page 3



Express Scripts has been chosen by the IBAC as the Pharmacy Benefit Manager for the next four years. The contract is a favorable one to the Retiree Health Care Authority and its members.

There is still some talk about seeking a wellness program with a premium differential component. Multiple studies have been done on wellness programs. Some showed savings but some did not. None of the studies reviewed involved retirees, specifically those retirees who are eligible for Medicare. Since almost 2/3 of all RHCA members are on Medicare, with that percentage rising, these studies may not be a good representation of our members. Both Presbyterian and Blue Cross offer voluntary wellness programs. The RHCA Board wholeheartedly endorses the idea of offering such voluntary programs. The programs have been available for several years, though participation remains quite low. We do not expect this issue to get to the full board before the fall.

On May 6, there was a bittersweet conclusion to the board meeting when the board offered a proclamation that named the NMRHCA Board Room after the late Board Chair, Alfredo Santistevan. Several current and former board members recounted fond memories of Alfredo with much of his family in attendance including his wife and children, his father and two grandchildren.

Upcoming RPENM Meetings

October 25, 2014 - Our next meeting is the Fall Board Meeting which will be held Saturday, October 25, 2014 from 9:00am-2:00pm at the RPENM office second floor conference room, 10501 Montgomery Blvd NE, Albuquerque, NM 87111. All members are welcome to attend and observe the discussions and decisions of your Board. Please contact our Executive Director if you plan to attend so we may plan appropriately (505) 280-8459 or rpenm@rpenm.org.

May 1 & 2, 2015 - The 2015 Annual Spring Membership Conference is going to be in Santa Fe with meetings to be held in the PERA Board Room; lodging options and other specifics will be announced in the December newsletter. If you are a member of one of our local chapters, you will have the chance to be awarded a financial incentive provided to each chapter to help pay for travel expenses to the conference. Registration fees have been charged for previous conferences but your Board of Directors voted to plan the 2015 conference in a way that members can **attend for free!** Mark your calendars for Friday & Saturday, May 1 & 2, 2015 and plan to join us.



Interested in Learning Computer Skills?

Reading Works is a non-profit organization that provides free one-on-one individualized instruction to adults in Basic Literacy, GED Preparation, English as a Second Language, Math and Computer Skills. We reach out to the community to form partnerships with other non-profit agencies to provide services to people who may not want to go to a community college or attend a classroom program.

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One of our own RPENM members volunteers his time as a tutor for this organization and wanted to share with all of you what they offer. Thank you Roland!



Cultivating Your Future

In order to be successful in their endeavors, organizations must be cultivated much like gardens. They create bonds between people making them feel connected to something larger than themselves. They create conversations, build communities and strengthen life-long learning as people talk about the success of their harvests, seek help when what has been planted does poorly and share ideas of various ways to meet challenges in growing. We need cultivators like you with your varied talents, skills and interests to be involved and enhance the vibrancy of RPENM.

RPENM has some local chapters around the state that are in need of new life, growth and energy. The existing active chapters will be reaching out to you soon, inviting you to their functions and meetings, so that you may become connected, share more personally in what the RPENM community has to offer and help make changes in a positive direction.

2015 is an election year for us. RPENM has six board members whose terms expire in April 2015: Diana Best, Sherry Kearns, Dan Mayfield, Don Padilla, Isabel Clendenin & Stephanie Goodrich. Even if you have never

served on a Board of Directors, but have an interest in helping to raise awareness of public retirees' issues and tend to concerns around protection of benefits, I encourage you to run for a board position. If you are interested in running, please contact me at 505-280-8459 for more information.

Bringing about organizational name recognition is sometimes a slow process. RPENM is progressing in making known the existence of our organization. Gerald Chavez' efforts were instrumental in getting life insurance benefits reinstated for a group of retirees and, through this effort, the RPENM name gained recognition. Every City of Albuquerque Councilor and Bernalillo County Commissioner knows what RPENM is and what we stand for. This is definitely a positive step forward.

I'd like to announce an important change to all of you that will continue to help us move forward and grow. It has been a very long time - nearly 10 years actually - since RPENM has had a membership dues increase. The last time was 2005 when dues went from \$12/year to \$24/year. Over the past 10 years, the cost of postage has gone up 40%, office rent and other expenses have gone up and we now contract with lobbyists who work diligently to represent you. Our Board of Directors approved



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unanimously at the Spring Board Meeting to increase dues just 50 cents/month to help cover the increased costs of carrying out our mission to give a voice to all retired public employees. Dues will now be \$30/year beginning with the 2015-2016 fiscal year. Automatic dues deductions taken from the July 2015 pension checks will be \$30. Those members who pay by check will be billed the new \$30 rate next July for the 2015-2016 year. Dues for the current 2014-2015 year will remain \$24 for any who have not yet paid. I sincerely appreciate your continued investment in us as a professional and effective retiree organization.

Lastly, in an effort to offer our members additional personal support, I now have committed open office hours. Please feel free to stop by the RPENM office on Tuesdays and Thursdays between 9:00am and 1:00pm to voice a concern, see the office, to ask a question or just to say hello.

Pam Kileen

Executive Director



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www.myAMBAbenefits.info/rpenm

Don't forget, your membership with RPENM not only gives you access to these two benefits, but also a first diagnosis cancer policy, whole life insurance policy, long-term care policy, Medicare supplement policy, medical air services association, and many more member benefits!

Contact AMBA to learn more. Benefit speakers are available for your local meetings! Please call Susan Lowry, Director of Association Relations, at 800.258.7041, ext. 110 or email Susan.Lowry@amba.info to schedule a speaker.

Association Member Benefits Advisors
1.800.258.7041

Providing the Best-in-Class Benefits to



New RPENM Member Benefits

Your membership with RPENM gives you access to many **valuable benefits!** Now you can enjoy two NEW member benefits available to all RPENM members.

Road Scholar

The not-for-profit world leader in educational travel offers 5,500 educational tours in all 50 states and 150 countries. First-time Road Scholar participants are eligible for either a \$200 gift certificate good toward any international adventure or a \$75 gift certificate good for any North American Adventure. When you sign up for a Road Scholar catalog, a gift certificate will be credited to your household for future use. To learn more visit www.roadscholar.org/AMBA

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2014 Annual Spring Membership Conference Highlights

On May 1st & 2nd, RPENM had a Board of Directors meeting and the Annual Membership meeting in Albuquerque. Albuquerque's Chapter 5 hosted the meeting this year. A big thank you goes out to all of the members who volunteered their time in planning and implementing a successful conference!

The membership in attendance voted to approve the bylaws changes presented in the Spring Newsletter. We had a panel of experts share information on identity theft, Medicare and legal services. Encouraging pre-retirees to join by opening up a Board position for an active worker was discussed.

Albuquerque Mayor Richard Berry was there to welcome everyone. He thanked RPENM for being public servants and spoke of the difficult decisions he's had to make regarding budget and furloughs. He said other cities are facing many of the same pension plan solvency problems and commended RPENM for striving to keep our retirement plans solvent.

State Representative Bill Rehm spoke of his experience as

a police officer and now his experience with the legislature. Rep. Rehm is a PERA and RPENM member and wants to protect our retirement. Issues with law enforcement in this state are a main concern for him; he hopes to introduce a bill at the next legislative session for a return to work plan for experienced retired police officers, firefighters, and social workers.

Executive Directors of PERA and NMRHCA both presented updates.

One of the results from the meetings was the election of our Executive Board. Thank you for serving!

- Gerald Chavez (Mountainair), President
- Dan Mayfield (Albuquerque), 1st Vice-President
- Michael Clendenin (Albuq.), 2nd Vice-President
- Isabel Clendenin (Albuquerque), Treasurer
- Stephanie Jorgensen (Albuquerque), Secretary

In addition to the business that was taken care of, attendees enjoyed a delightful reception and luncheon. Many took home nice door prizes and silent auction items. Congratulations to Richard Luna of Los Lunas who won \$425 in the raffle! We appreciate all of you who participated.



Diligence Against Attacks on Pensions Still Critical

Attacks and revamping of public pension plans are being attempted across the country on a regular basis. One such case is going on right now in Phoenix, AZ. This initiative has made it further than many and WILL BE on the ballot.

As was reported in a late July edition of the Phoenix Republic, a conservative political advocacy group has proposed the following ballot initiative for the November 4, 2014 election to end the Phoenix employment pension system.

PHOENIX EMPLOYEE PENSION SYSTEM BALLOT MEASURE - Proposition 487

Voters will decide whether to approve the Phoenix Pension Reform Act, which would replace the pension system for general city workers with a 401(k) style plan similar to the private sector.

Here's how the measure will read on the ballot:

Proposition 487: Proposed Amendment to the Phoenix City Charter by Initiative Petition

Amend the City Charter: Eliminate participation in the current retirement plan and **establish a defined contribution plan** for new employees; allow current employees to transfer into this plan; prohibit city contributions to any other retirement plan including deferred compensation plans, post-employment benefit plans and the police officer and firefighter retirement system.

A YES vote will amend the City Charter to change retirement plan terms as stated above.

A NO vote will have the affect of retaining the existing charter provisions governing city employee retirement plans.

RPENM has stood up and voiced our support of the proactive and insightful reform by the PERA Board. These actions have paved the road for our public retirement system to be more than adequately funded and has given PERA a stronger footing to ward off attacks on our fund. Thanks to those of you that work hard to protect our PERA retirement system!



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



Please fill out the Member information box below.

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Name*: _____

Address*: _____

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* Required information

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Members Signature

Date

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