

How to Retire with NMERB



NMERB MISSION. Providing secure retirement benefits for New Mexico's educational employees—past, present, and future.

NMERB VALUES. Innovation, Integrity, Respect, Service, Quality, and Stewardship

NMERB VISION. To be an effective and trusted manager of New Mexico's retirement system.

NMERB Locations

- **Santa Fe Office:**(505)827-8030.
- Physical location: 701 Camino de los Marquez, Santa Fe, NM 87505.
- Mailing Address: PO Box 26129 Santa Fe, NM 87502.
- General Fax:(505)827-1855
- **Toll-Free:**1(866)691-2345

- **Albuquerque Office:**(505)888-1560
- Address: 6201 Uptown Blvd. NE, Suite 204, Albuquerque, NM 87110.

- **MEMBER help email:** ERB-memberhelp@state.nm.us
- **NMERB Website:** www.nmerb.org

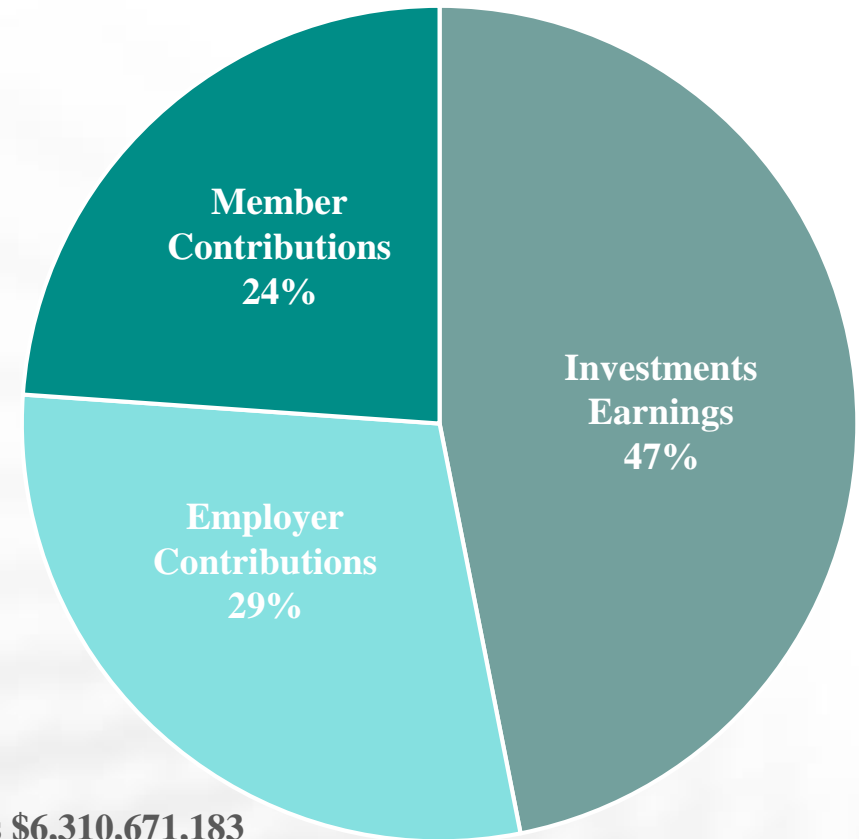
Defined Benefit Plan

NMERB provides secure pension benefits for life. Your contributions at work!

- NMERB administers a Defined Benefit (DB) qualified plan under IRS code section 401(a).
- This is a LIFETIME benefit plan for you and a designated beneficiary (if you so choose).

***This graph shows how the NMERB benefits are funded.**

***NMERB Sources of Revenue 1990-2015**



- Investment Earnings \$6,310,671,183
- Employer Contributions \$3,931,198,422
- Member Contributions \$3,215,459,900

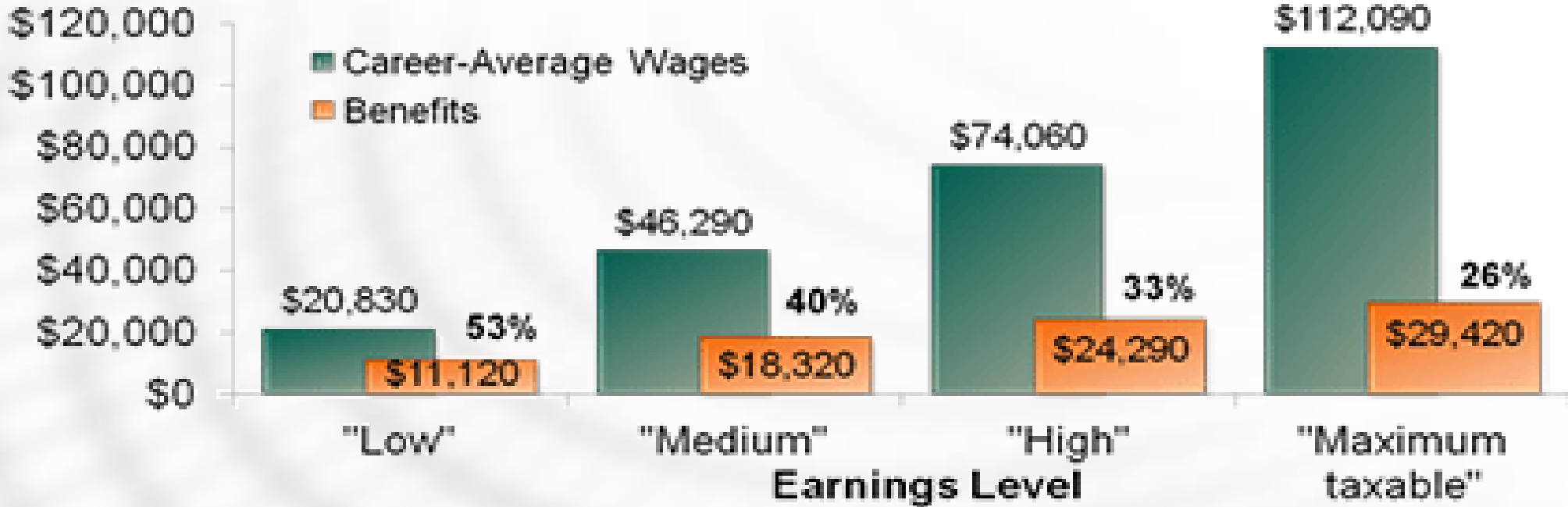
Retirement income is a Three-legged stool

Retirement Stability



Retiree Income Replacement

Replacement Rates for Retired Worker Age 65, 2015



Source: Social Security Administration, 2015. "Replacement Rates For Hypothetical Retired Workers." Actuarial Note #2015.9. Baltimore, MD: Social Security Administration, Office of the Chief Actuary.

MY NMERB Member Self-Service



NEW MEXICO
EDUCATIONAL
RETIREMENT
BOARD

Log In

User Name

Password

Log In

[Register](#) | [Forgot Password](#)

Retirement Estimate

Log into your ERB account at www.nmerb.org. Click on "My NMERB Account" and follow instructions to register.

SSN: XXX-XX-7568

Name:

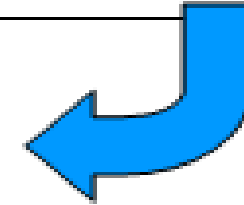
Retirement Date: 07/01/2016 

Member DOB: 01/17/1962 

Beneficiary DOB: 05/15/1960 

Check if Spouse:

Benefit Estimator



Actual

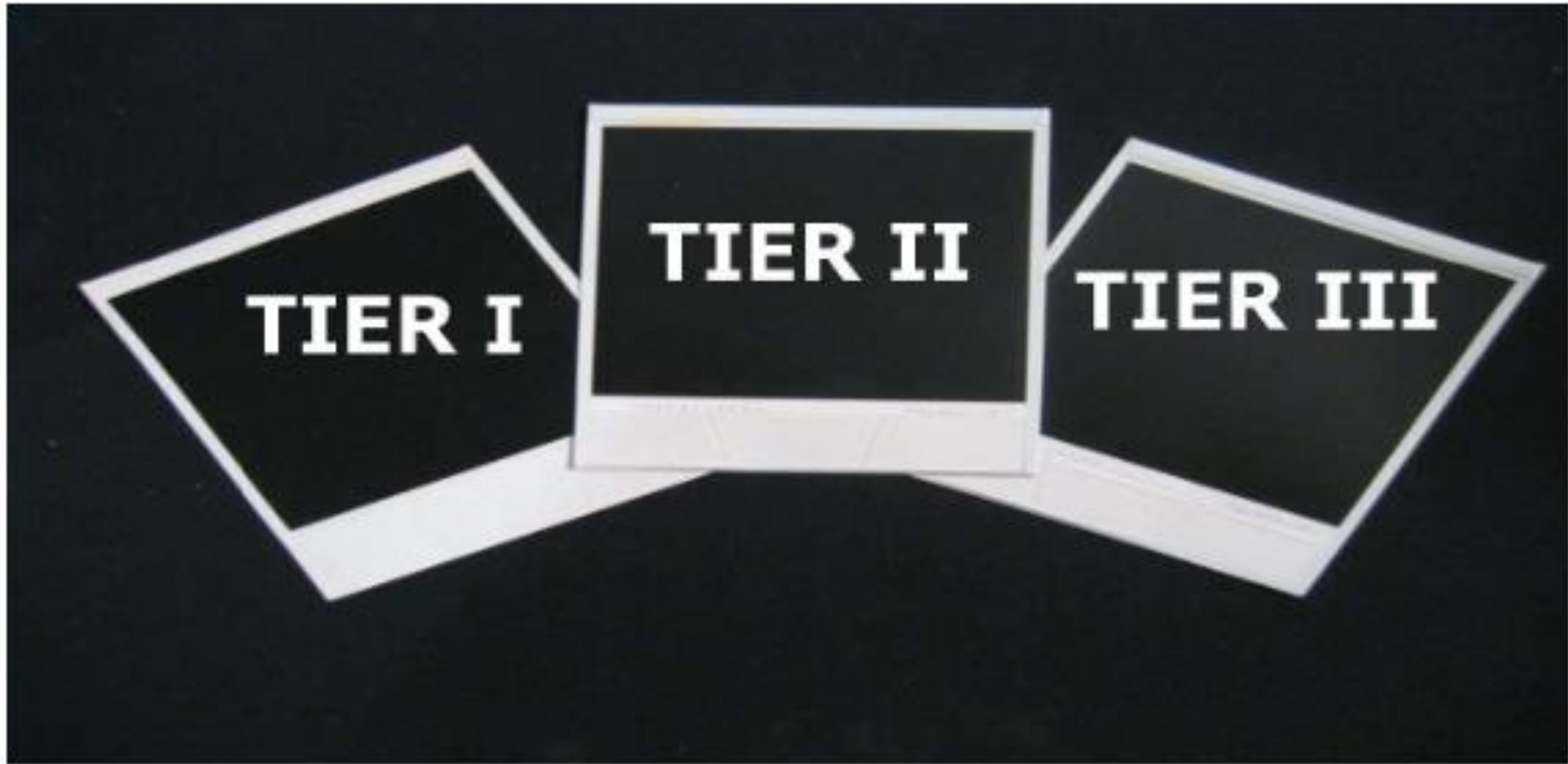
Earned Credits:	23.5
Allowed Credits:	0.00
Total Credits:	23.5
Estimated Fas:	\$56,346.24
OptionA Est:	\$2,141.90
OptionB Est:	\$1,990.04
OptionC Est:	\$2,063.29

Estimated

Earned Credits:	<input type="text" value="25.50"/>
Allowed Credits:	<input type="text" value="0.00"/>
Total Credits:	<input type="text" value="25.5"/>
Estimated Fas:	<input type="text" value="56,346.24"/>
OptionA Est:	\$2,813.79
OptionB Est:	\$2,614.29
OptionC Est:	\$2,710.52

When can I retire?

Retirement Eligibility is Determined by your original employment date.



You'll qualify to retire under one of three criteria:

- **Twenty-five and Out**
- **Rule of 75**
- **Sixty-five and Five**

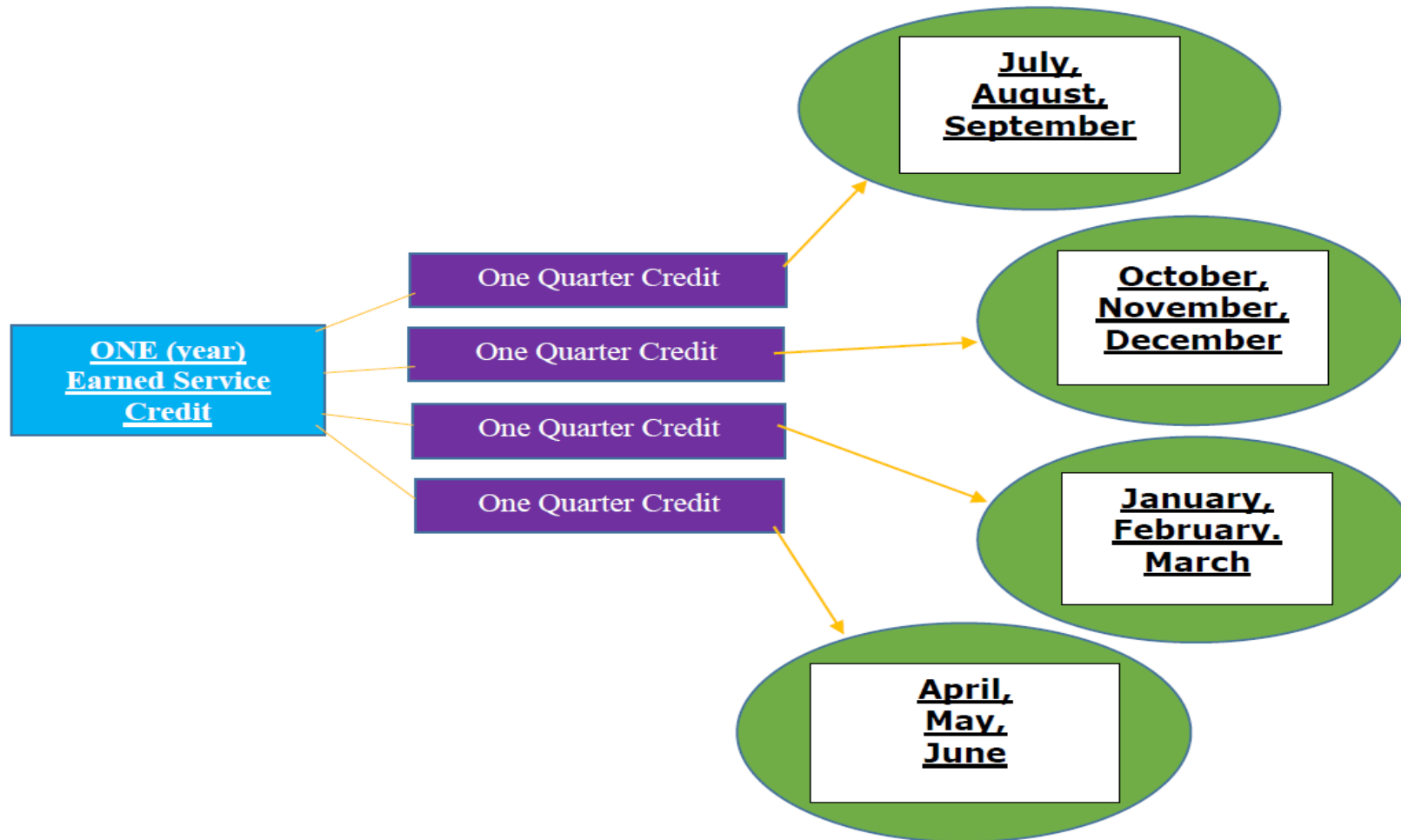
You'll qualify to retire under one of three criteria:

- **Thirty and Out**
- **Rule of 80**
- **Sixty-seven and Five**

What is Service Credit?

- **Earned Service Credit**
- **Withdrawn Service Credit**
- **Allowed Service Credit**
- **Teaching service, Military Service, Commissioned Corps of the Public Health Services**

Earned Service Credit



Your benefit is based on three components:

- **Final average salary (FAS)** is calculated using the highest consecutive five years.
 - The last 20 quarters before retirement with, or without, breaks in service.
 - Or, the highest 20 consecutive quarters whenever it occurs in your career (without breaks in service).
- **Your earned and allowed service credits in years.**
- **The 2.35 percent NMERB pension factor:**
- **Final Average Salary (FAS) (x) years (X) 2.35% (=) Annual benefit**

TIER I: What will my benefit look like?

**This chart is based on a high five consecutive salary of \$55,000 and an example of Option A only.*

Minimum Age	Years of Service	Annual Benefit	Monthly Benefit	Permanent Reduction
65	Five years	\$6,462.50	\$538.54	No reduction
65	Ten years	\$12,925.00	\$1,077.08	No reduction
60	Fifteen years	\$19,387.50	\$1,615.62	No reduction
55	Twenty years	\$22,748.00 <i>(before the reduction \$25,850.00)</i>	\$1,895.66	12 % reduction
50	Twenty-five years	\$32,312.50	\$2,692.70	No reduction
60	Thirty years	\$38,775.00	\$3,231.25	No reduction
60	Thirty-five years	\$45,237.50	\$3,769.79	No reduction
70	Forty years	\$51,700.00	\$4,308.33	Very close to 100% of FAS

Tier II: What will my benefit look like

**This chart is based on a high five consecutive salary of \$55,000 and an example of Option A only.*

Minimum Age	Years of Service	Annual Benefit	Monthly Benefit	Permanent Reduction
67	Five years	\$6,462.50	\$538.54	No reduction
70	Ten years	\$12,925.00	\$1,077.08	No reduction
65	Fifteen years	\$19,387.50	\$1,615.62	No reduction
60	Twenty years	\$22,748.00 <i>(before the reduction \$25,850.00)</i>	\$1,895.66	12 % reduction
55	Thirty years	\$38,775.00	\$3,231.25	No reduction
70	Forty years	\$51,700.00	\$4,308.33	Very close to 100% FAS

You have options

You MUST choose one of three retirement payment options. Your choice is irrevocable.

OPTION A

- Straight Life
- NO LIFETIME Survivor Benefit

OPTION B

- Joint 100% Survivor Benefit--LIFETIME

OPTION C

- Joint 50% Survivor Benefit--LIFETIME

Retirement Estimate

STATE OF NEW MEXICO
Educational Retirement Board
PO Box 26129
SANTA FE, NEW MEXICO 87502-0129
PHONE: (505) 827-8030 FAX: (505) 827-1855

Member Information

Name: _____ **SSN:** _____
DOB: August 9, 1952 **Age:** 61.75

Retirement Information

Effective Date: July 1, 2015 **Final Average Salary:** \$59,129.82 **Total Service Credit:** 27.00

Service Credit Breakdown

Estimated Addt'l Earned Service: 0.00 **Estimated Addt'l Allowed Service:** 0.00
Earned Service Purchase: 0.00 **Allowed Purchased:** 0.00
Earned Service: 27.00

Beneficiary Information

Name: _____ **SSN:** _____
DOB: November 7, 1953 **Age:** 60.75

Benefit Information

Final Average Salary	X	Total Service Credit	X	=	Gross Annual Benefit
\$59,129.82		27.00		0.0235	\$37,517.87
Gross Annual Benefit	/	12	=	Unadjusted Monthly Benefit	
\$37,517.87				\$3,126.49	
Unadjusted Monthly Benefit	X	Factor	=	Adjusted Monthly Benefit	
\$3,126.49		100%		\$3,126.49	

<u>Option</u>	<u>Member</u>	<u>Beneficiary</u>	<u>QDRO</u>
A	\$3,126.49	\$0.00	\$0.00
B	\$2,512.76	\$2,512.76	\$0.00
C	\$2,786.02	\$1,393.01	\$0.00

Effective Date of Retirement

Retirement Timeline for July 1

Month	To Do List
January	<ul style="list-style-type: none"><input type="checkbox"/> Contact NMERB for a Request of Benefit Estimate.<input type="checkbox"/> Complete Section 1 of the online Retirement Application.
February/March	<ul style="list-style-type: none"><input type="checkbox"/> Retirement Pack.
April	Return all forms.
July	<ul style="list-style-type: none"><input type="checkbox"/> NMERB places you on payroll.<input type="checkbox"/> You'll receive your first benefit payment on the last working day of the month as a paper check.<input type="checkbox"/> You'll receive direct deposit after that period.

Retirement Timeline for January 1

Month	To Do List
August	<ul style="list-style-type: none"><input type="checkbox"/> Contact NMERB for a Request of Benefit Estimate.<input type="checkbox"/> Complete Section 1 of the online Retirement Application
September/October	<ul style="list-style-type: none"><input type="checkbox"/> Retirement packet
November	<ul style="list-style-type: none"><input type="checkbox"/> Return forms
January	<ul style="list-style-type: none"><input type="checkbox"/> NMERB places you on payroll.<input type="checkbox"/> You'll receive your first benefit payment on the last working day of the month as a paper check.<input type="checkbox"/> You'll receive direct deposit after that period.

Each NMERB member is UNIQUE



**New Mexico Educational Retirement Board
(NMERB)**



**Public Employees Retirement Association
(PERA)**



List of Resources

- Please visit www.nmerb.org for the NMERB Handbook and to access your **NMERB Self-Service Login**.
- **Member Help Email:** ERB-MemberHelp@state.nm.us (This email is for all general inquiries and member help issues including: Member Self-Service Login issues, Request of Benefit Estimates, and inquiries for purchasing of service credit.)
- **NM Retiree Health Care Authority**, please visit: www.nmrhca.state.nm.us or call 1-800-233-2576
- **NM PERA** for more information please visit: www.nmpera.org or call Santa Fe: 505-476-9300 or Albuquerque: 505-383-6550.
- **Social Security Administration** please visit: www.ssa.gov or call 1-866-571-8130

Five Ways to Prepare your Finances for Retirement

- **Start cutting your living expenses down to size.**
- **Get off the debt merry-go-round for good.**
- **Cut your house payment in half or less.**
- **Be ready for healthcare sticker shock.**
- **Emergencies won't stop when you retire. Be prepared.**

- Visit www.NMERB.org and create a Member Self-Service Login
- One to two years from your desired retirement date estimate your benefit using the benefits calculator on the Website.
- Twelve months from retirement request an Estimate of Benefit from NMERB.
- Review your personal finances and speak to your local Social Security Office, New Mexico Retiree Health Care Authority (if applicable), and a tax preparer.
- Finalize all purchases of withdrawn or allowed service credit.
- Eight to twelve weeks prior to your estimated retirement date submit your Retirement Documents to your employer's HR office.

**Keep Calm
and Carry On!**