

## MEMBERSHIP

The New Mexico Educational Retirement Board (NMERB) Plan provides a Defined Benefit Plan.

Membership in the NMERB plan automatically begins when you begin employment with any entity covered by the New Mexico Educational Retirement Act (ERA) and work more than 25% of a full time equivalency (FTE) position. Each pay period, both you and your employer contribute a percentage of your salary towards your retirement. NM State laws determine the employer and employee contribution rates.

NMERB invests both the employer and employee contributions in a diversified portfolio. Asset allocation, performance, financial and actuarial information are available at [www.nmerb.org](http://www.nmerb.org) under the Investment Information link.



701 Camino de los Marquez, Santa Fe, NM 87505  
PHONE: (505) 827-8030 FAX: (505) 827-1855 fax

6201 Uptown Blvd. NE Ste. 204, Albuquerque, NM 87110  
PHONE: (505) 888-1560 FAX: (505) 830-2976

TOLL FREE: 1-866-691-2345  
[www.nmerb.org](http://www.nmerb.org)



NEW MEXICO  
EDUCATIONAL  
RETIREMENT  
BOARD

## WHEN CAN I RETIRE?

### **TIER 1: THOSE HIRED BEFORE JULY 1, 2010:**

#### **25 and Out**

You have completed 25 years of service credit, regardless of age. This can be a combination of earned plus allowed service credit.

#### **Rule of 75\* \*\***

Your age plus earned service credit totals 75.

#### **65 & 5**

You are age 65 and have completed five years of earned NM service credit.

*\*Benefit reductions apply if under age 60.*

*\*\*Allowed service credit does not count towards eligibility, but does count when calculating your benefit amount.*

### **TIER 2: THOSE HIRED ON OR AFTER JULY 1, 2010, BUT BEFORE JULY 1, 2013:**

#### **30 and Out\*\***

You have completed 30 years of earned service credit, regardless of age.

#### **Rule of 80\* \*\***

Your age plus earned service credit totals 80.

#### **67 & 5**

You are age 67 and have completed five years of earned NM service credit.

*\*Benefit reductions apply if under age 65.*

*\*\*Allowed service credit does not count towards eligibility, but does count when calculating your benefit amount.*

### **TIER 3: THOSE HIRED ON OR AFTER JULY 1, 2013:**

#### **30 and Out\*\***

You have completed 30 years of earned service credit, but will be subject to an actuarial reduction of your benefit if you retire prior to age 55; COLA at age 67.

#### **Rule of 80\* \*\***

Your age plus earned service credit totals 80.

#### **67 & 5**

You are age 67 and have completed five years of earned NM service credit.

*\*Benefit reductions apply if under age 65.*

*\*\*Allowed service credit does not count towards eligibility, but does count when calculating your benefit amount.*

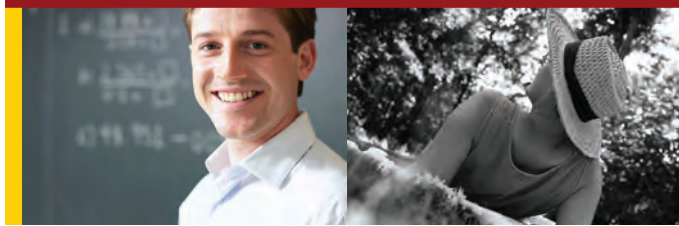
*\*Visit [www.nmerb.org](http://www.nmerb.org) for more information on benefit reductions.*

## HOW IS MY RETIREMENT BENEFIT CALCULATED?

$$\begin{aligned} & * \text{Final Average Salary} \times \text{Years of Service} \times 2.35\% \\ & = \text{Annual Benefit} \end{aligned}$$

$$\begin{aligned} \text{Example: } & \$35,000 \times 27 \times .0235 = \$22,207.50 \text{ per year} \\ & \$22,207.50 / 12 \text{ months} = \$1,850.63 \text{ per month} \end{aligned}$$

*\*Your Final Average Salary is the average of annual earnings for your highest consecutive twenty quarters.*



## WHAT ARE MY BENEFIT OPTIONS?

### **Option A - Straight Life**

Your retirement benefit is not reduced to provide a survivor's benefit after your death.

Option A provides you with the highest monthly benefit amount.

The benefit ends upon your death.

### **Option B - Joint 100% Survivor**

Your retirement benefit is reduced to provide your beneficiary with a 100% survivor's benefit after your death.

Option B provides you with the lowest monthly benefit amount.

If your beneficiary predeceases you, you will then receive the amount under Option A.

### **Option C - Joint 50% Survivor**

Your retirement benefit is reduced to provide your beneficiary with a 50% survivor's benefit after your death.

Option C provides you with a monthly amount higher than Option B but lower than Option A.

If your beneficiary predeceases you, you will then receive the amount under Option A.

## WHAT IS THE DIFFERENCE BETWEEN EARNED AND ALLOWED SERVICE CREDIT?

**Earned Service Credit** is granted for time that a member is working and contributing to the NMERB. You receive earned service credit for all the time you have been employed in New Mexico with an entity covered by the ERA. Service credit is reported in quarters.

**Allowed Service Credit** may be purchased and credited to a member's NMERB account. It can include any of the following:

- A public school or institution of higher learning anywhere in the US;
- A US Military Dependents' School;
- A federal educational program in New Mexico;
- An accredited private school or institution of higher learning in New Mexico; or
- US Military or Public Health Service Commissioned Corps.

## NMERB Web Resources

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

- Log into *myNMERB* account to access your retirement account
- Utilize calculators for retirement estimates, service credit purchases, benefit options
- Read about current NMERB events and news
- Access retirement application and related forms
- Access *The ERB Connection* (quarterly newsletter)
- Access the NMERB Statutes and Rules
- Download the NMERB Member Handbook