



MARCH 2022

# ERB Connect

*The latest news from the New Mexico Educational Retirement Board*



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## **Director's Message**

BY DAVID ARCHULETA, EXECUTIVE DIRECTOR

Dear Educational Retirement Act Participants,

As Executive Director of the Educational Retirement Board, I am excited and grateful for the opportunity to support the Board of Trustees and serve our members. As the grandson and son of retired public employees and the future recipient of a public pension, I recognize and appreciate the reward this program provides. As a parent, I also recognize the hard work, dedication and perseverance that is required from everyone involved in our education system, especially given the challenges that surround us today. I now have a greater appreciation for the old proverb: "It takes a village to raise a child."

For all members, whether active, inactive or

*Director's Message continued on Page 6*

# ONLINE APPOINTMENTS AVAILABLE

BY MARIANA LA ROCHE

ERB is offering Virtual Appointments for all ERB members. Appointments allow you to speak with Retirement and Payroll Specialists face to face without having to come into our offices. Currently only Pre-retirement Counseling and Refund/Rollover consultations are offered.

You can book a Pre-retirement Counseling session if you:

- Plan to retire from 6 to 12 months from now.
- Already have a MyNMERB Account. If needed, you can go to our [website and create an account](#).
- Want to check on submitted forms or need help on how to submit forms.
- Have questions about benefit options or reciprocity.



You can book a Refund / Rollover session if you:

- Are no longer employed with an ERB employer and have questions on refunding or rolling over your benefits.

These sessions are conducted by our Payroll Specialists. They are unable to assist you with Pre-retirement questions.

*Note: Specific financial information cannot be provided virtually.*

**RETIRING IN  
6 TO 12 MONTHS?**

**BOOK YOUR  
Pre-Retirement Counseling  
Virtual Appointment today!**

[BOOK HERE](#)



## E-NOTARY, DOCUSIGN & WHAT'S NEXT IN TECH

BY LAWRENCE ESQUIBEL

The New Mexico Department of Information Technology (DoIT) began a DocuSign project in 2019. Representatives from several state agencies worked to move from the submission of physical documents to digital documents. ERB joined the DoIT project for several reasons:

1. The high number of documents we process annually.

2. The high rejection rate of documents that were submitted incorrectly.

3. The time required to process documents successfully due to the high rejection rate.

4. Due to the evolving COVID -19 situation in early 2020, we began to plan for the possibility of providing services remotely.

*DocuSign continued on Page 5*

# 2022 LEGISLATIVE UPDATE

BY DAVID ARCHULETA,  
EXECUTIVE DIRECTOR



## Senate Bill 36

On behalf of the Board of Trustees for the New Mexico Educational Retirement Board (NMERB) and its members, I would like to extend our sincerest appreciation and gratitude to the sponsors of Senate Bill 36, Senator Mimi Stewart and Representative Natalie Figueroa. The bill increases employer contributions to program an additional 1 percent beginning July 1, 2022 (FY23) and an additional 1 percent beginning July 1, 2023 (FY24), boosting total employer contributions from 15.15 percent of payroll in FY22 to 18.15 percent in FY24.

The impact of this legislation is significant to the program and its members, as it would reduce the current funding period to

33 years down from 42, as reported on June 30, 2021. Currently, total pension liabilities equal \$23.4 billion and a net pension position of \$16.3 billion (assets) resulting in a net pension liability of \$7 billion.

Again, a huge thanks to Senator Stewart for her tireless efforts to improve the sustainability of this fund as well as Representative Figueroa for her efforts. We also thank the various stakeholder groups that lobbied and testified in support of this bill. It is always a group effort and we are grateful for the support all of you provide.

Above: The Roundhouse, Santa Fe, New Mexico.  
Photo Courtesy of CMHPICTURES  
<https://www.flickr.com/photos/cmhpictures/>

## Senate Bill 36

### Legislation & ERB - Know the Impact

	<h4>Employer Contributions Increased</h4> <p>Total employer contributions will increase from 15.15% of payroll in Fiscal Year 2022 to 17.15% in Fiscal Year 2023, to 18.15% in Fiscal Year 2024 and beyond.</p>
	<h4>Funding Period Decreased</h4> <p>SB 36 will reduce the current funding period from 42 years down to 33 years.</p>
	<h4>Fund Stability Improved</h4> <p>A shorter funding period results in improved agency credit ratings, end of reductions in the cost-of-living adjustments, improved ability to withstand downturns, and possible reductions in contribution rates.</p>

## House Bill 73a

### Legislation & ERB - Know the Impact

	<b>House Bill 73a creates a new Return to Work Program for ERB Retirees</b> <p>Retiree may return to work with a local administrative unit (LAU) for 36 consecutive or non-consecutive months and continue to receive their ERB benefits provided the retiree has completed a 90 day layout period.</p>
	<b>Time and Money</b> <ul style="list-style-type: none"><li>• Nonrefundable Contributions must be paid by the Retiree and the LAU.</li><li>• There is no limit on salary or number of hours the retiree may work.</li><li>• No Service Credit is earned in the program.</li></ul>
	<b>Participation</b> <p>To participate in the program, a retiree must submit a new application to ERB and be approved prior to beginning work.</p> <p>The new application will be available soon.</p>

## House Bill 73

House Bill 73 cosponsored by Representatives Garret, Anderson and Lane creates a new category of return-to-work eligible Retirees who are allowed to receive their pension benefits, while working full-time. The bill allows for retired educational (K-12 and Higher Education) employees to return to work after a 90-day layout period for a period of up-to 36 consecutive or non-consecutive months. The bill is not expected to have a fiscal impact to NMERB, as employees and employers are both required to make non-refundable contributions to the program without earning additional service credit. Like other return-to-work categories, the bill is attempting to address a shortage of qualified educators.

# OUTSTANDING INVESTMENTS RESULTS

BY BOB JACKSHA

At the New Mexico Educational Retirement Board, investment earnings make up 56 cents of every dollar of employee pension benefits. Thus, investment performance is very important to the health of the pension fund.

For the 2021 calendar year, investments posted outstanding results, generating \$3 billion in gains. This represents a 21.42% rate of return for the year. Asset values reached a new high at \$16.7 billion. This ranked as one of the best returns for a US public pension fund for the year. It ranked in the top 3% of the InvMetrics Public Funds >\$1 billion database.

For the longer term, the fund has posted returns in excess of our 7% annual return target for all periods measured: 3 years 13.95%, 5 years 11.13%, 10 years 9.79%, 30 years 8.44%.

In addition to returns, we are equally mindful of our risk levels. Here we are also doing well because of our diversified portfolio strategy. We consistently rank in the lowest 5% of pension fund risk, as measured by the standard deviation of returns, a common measure of portfolio risk.

Complete information on investment performance may be found on the [Investments Performance](#) page of our website.





### *DocuSign continued*

5. Implementing DocuSign's e-signature for a handful of our most common retirement forms allowed us to keep our members and our staff safe while submitting these documents during the first 2 years of the pandemic.

ERB is one of the state's leaders in the adoption and advancement of the DocuSign project. It has allowed us to meet the needs of our members in a year witnessing a 40% increase in retirements.

In the 2021 legislative session an e-notary bill was passed making e-notary services legal within NM. We are currently working to implement e-Notary for a handful of forms to increase our services to our members.

“

**"DON'T SIMPLY RETIRE  
FROM SOMETHING;  
HAVE SOMETHING TO  
RETIRE TO."**

**- HARRY EMERSON FOSDICK**

## **DocuSign** and e-notary

### *What Our ERB Specialists Say*

*"DocuSign has expedited audit and processing time for staff. It drastically, reduced the amount of forms rejected for missing or incomplete information. DocuSign provides a flexible, fast and secure way for members and LAU's to submit forms.*

*I look forward to the utilization of E-notary, and the addition of more NMERB forms to DocuSign that currently require a notary."*

*- Jennifer Vigil, Retirement Specialist Supervisor*

*"The biggest benefits I have seen since the launch of DocuSign are the rejection rate of forms being reduced tremendously and the timing in which ERB received completed forms being reduced to hours or days versus weeks. DocuSign sign also makes the process of filling out and completing forms more efficient for both parties.*

*E-notary will give ERB the ability to launch additional forms that require a notary such as the Refund Application. This is a high volume form and with the application being received via DocuSign processing time and reject rate reductions will help the refunds department greatly."*

*- Nicole Jaramillo, Business Analyst*

[Click to View ERB DocuSign Forms](#)

*Director's Message continued*

retired, you have my promise to work with stakeholders, elected officials and other interested parties to pursue policies and programs that promote the sustainability of the trust fund and oppose efforts that run contrary to that purpose.

I will work hard along with our staff to identify and continuously improve the services we provide in order to ensure the accurate and timely payment of benefits. You have my solemn commitment to approach each day with integrity for myself, empathy for our members and reverence for the position.



In conclusion, I look forward to meeting members in the coming days, weeks, months and years. I also welcome your thoughts and ideas on how to improve the services we provide. I can be reached by [email](#).



## BOARD OF TRUSTEES

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