



PERA

Public Employees
Retirement Association
of New Mexico

Magistrate Member Handbook

Member Prior to 07/01/2014

Welcome



Dear Magistrate Members,

The PERA Board of Trustees and staff invite you to celebrate PERA's 75th anniversary. PERA has been and continues to be a source of reliable retirement security for New Mexico's public employees since August 1, 1947.

PERA has made significant progress since it was first created by the New Mexico Legislature. In 1947, members were required to contribute 3.5% of their gross salary and their employers matched with an equal amount. The maximum annuity any member could expect to receive was \$150 per month.

Today, PERA is a 401(a) qualified governmental plan that is governed by the New Mexico Public Employees Retirement Act and offers 31 different coverage plans, two tiers of membership and is comprised of 335 participating public employers. PERA's plans currently cover state, municipal and county employees, police, firefighters, judges, magistrates, legislators, and volunteer firefighters.

PERA has been a source of reliable retirement security for New Mexico's public employees since 1947. PERA administers your Judicial Retirement benefits. Pension reform for the Judicial Retirement Plan became effective July 1, 2014. As of June 30, 2021, there were approximately 193 members covered under the Magistrate Retirement Act.

PERA staff is here to serve you and your families. We look forward to assisting you whenever you need help or have questions about your Magistrate retirement benefits, as well as how this plan works with PERA and Educational Retirement Board service credit that you may have earned during previous periods of employment.

Thank you to all of our members and public employers as we look forward to the next 75 years. Please reach out to PERA if you have any questions. We hope that this handbook will be a valuable source of information throughout your career.

Greg Trujillo
EXECUTIVE DIRECTOR

Table of Contents

Welcome	1
PERA Contact Information - Santa Fe	4
PERA Contact Information - Albuquerque	5
Overview of PERA	6
PERA Identification Number	7
Member Account Information.....	7
Annual Member Statements	7
RIO - Retirement Information Online.....	7
Magistrate Membership	7
Beneficiary Information	9
Vested Membership	9
Contributions.....	10
Interest Credited to Your Account	10
Unremitted Contributions	10
Refunding Member Contributions.....	10
Earning Service Credit	11
Purchased Service Credit	11
Withdrawn or Forfeited Service Credit	11
Military Service Credit	11
Air Time	12
Request Purchase Cost.....	12
Retirement Eligibility Requirements	13
Normal Retirement - Magistrate	13
Deferred Retirement	13
Disability Retirement	13
Retirement Time Schedule.....	14
How to Retire from PERA.....	15
Retirement Eligibility	15
Required Documentation	15
How Magistrate Pension Benefits are Calculated.....	16
How Magistrate Pension Benefits are Calculated.....	16
Magistrate Retirement - Terminology Defined.....	17
Maximizing Your Retirement Benefit	17

Table of Contents

Magistrate Pension Benefits	18
One-Time Beneficiary Deselection	18
Deselection Process	18
The Reciprocity Act	19
Divorce and Your PERA Benefits.....	20
Direct Deposit.....	21
Taxes on Your Benefits.....	21
1099R Information	22
Cost-of-Living Adjustments (COLA)	23
Cost-of-Living Adjustments (COLA) Suspension for Re-employed Retirees.....	23
Returning to Work After Retirement.....	24
Providing Services as an Independent Contractor.....	25
How to Increase Your Pension Benefits	26
RIO Self Service Online Account Information for Retirees	26
Retirement Planning.....	27
PERA's Smart Save Deferred Compensation Plan.....	28
Legal / Disclosure Information	30
More Information About PERA.....	31
Sources of Benefit Information.....	31
Glossary.....	32
Who Do I Call?	34
Beneficiary Designation Form	35
PERA Smart Save Deferred Compensation Enrollment Form	37
PERA Request Form.....	39

PERA Contact Information - Santa Fe

Santa Fe Office

33 Plaza La Prensa
Santa Fe, NM 87507

(505) 476-9300 Voice
(505) 954-0370 Fax

 @NMPERA  @NMPERA  @PERANEWMEXICO

 @NM PERA

Toll Free (800) 342-3422

website: www.nmpera.org

e-mail: pera-memberservices@state.nm.us

A directory with direct telephone numbers to Santa Fe staff may be found on the PERA website on the About PERA page.

Business Hours

8:00 am- 5:00 pm
Monday - Friday

Closed on State Holidays

Directions to the PERA building in Santa Fe:

Directions from downtown Santa Fe:

1: Start out on CERRILLOS ROAD SOUTH heading away from downtown.

2: Go south on CERRILLOS Rd to the traffic light at the Santa Fe Outlet Mall.

3: Turn RIGHT onto W FRONTAGE ROAD/I-25 W FRONTAGE ROAD.

4: Turn RIGHT onto NEW MEXICAN PLAZA.

5: The PERA office is located directly ahead.

6: Park in the main parking lot and enter through the front door by the flag pole.

Directions from Albuquerque:

1: Start out going NORTH on I-25

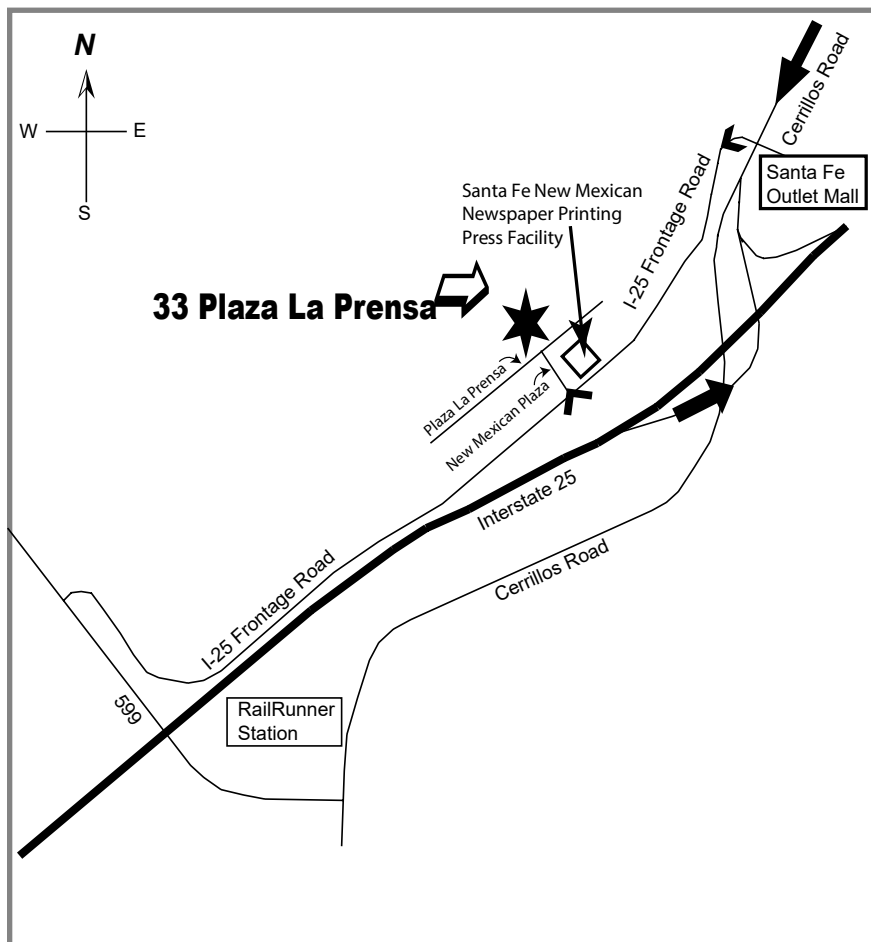
2: Turn off at the CERRILLOS ROAD SOUTH exit.

3: Merge to the LEFT and turn LEFT onto W FRONTAGE ROAD/I-25 W FRONTAGE ROAD.

4: Turn RIGHT onto NEW MEXICAN PLAZA.

5: The PERA office is located directly ahead.

6: Park in the main parking lot and enter through the front door by the flag pole.



PERA Contact Information - Albuquerque

Albuquerque Office

6300 Jefferson St. NE, Suite 100
Albuquerque, NM 87109

(505) 383-6550 Voice
(505) 954-0370 Fax

 @NMPERA  @NMPERA  @PERANEWMEXICO

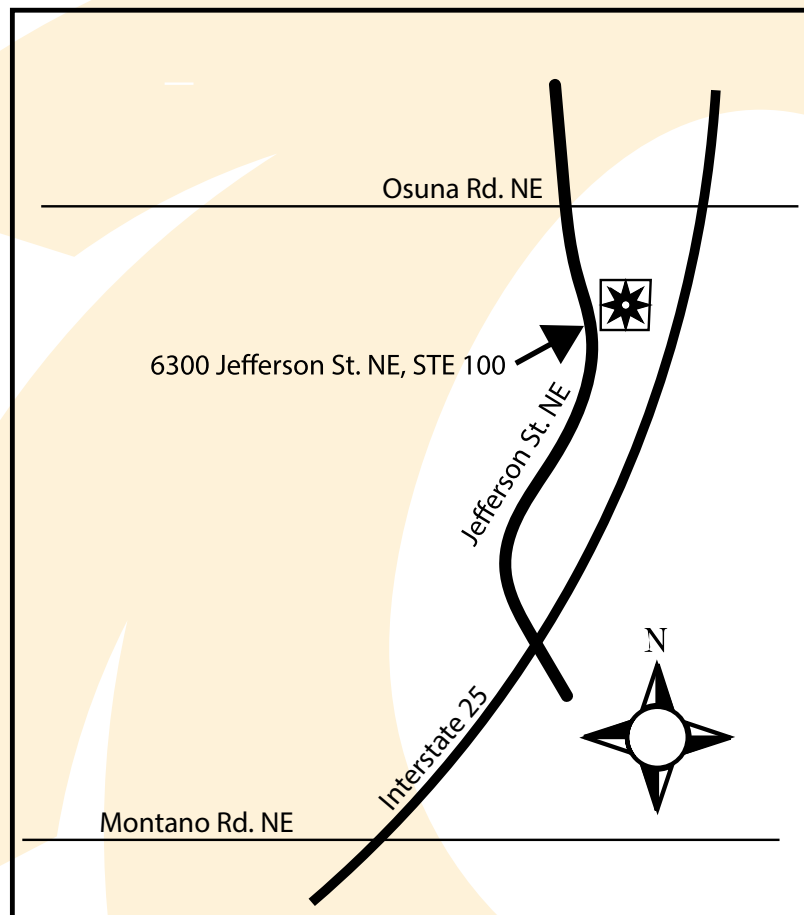
 @NM PERA

website: www.nmpera.org

e-mail: pera-albuquerque@state.nm.us

Directions to the PERA office in Albuquerque:

Follow I-25 to exit 229 (Jefferson St.). Take Jefferson St. NE heading north. Your designation will be on the east side of the street across from the Lowe's Home Improvement Call Center.



Overview of PERA

History

New Mexico established a retirement system for its public employees in 1947.

Today, PERA manages 31 retirement plans for state, municipal and county employees, including police, firefighters, Judges, Magistrates, Legislators and volunteer firefighters. The association also manages retirement plans for other political subdivisions, such as special districts and housing authorities. In 2018, the average annual Magistrate pension was \$35,700.

Defined Benefit Plan

One of the most important benefits you receive as a Magistrate is membership in PERA under the Magistrate Retirement Act (MRA). If eligible, the Magistrate Retirement Act provides a lifetime pension when you retire and a lifetime pension for your beneficiary as well, if one is chosen.

PERA/MRA is a 401a qualified government plan governed by the New Mexico Magistrate Retirement Act. A public employer affiliated with PERA must deduct employee contributions each pay period from the employee's wages. These contributions are paid into the PERA member contribution fund. The employer also must pay employer contributions into the PERA employers accumulation fund each pay period.

Member contributions to PERA are generally not taxed while you are making contributions. Benefits and contributions are taxed when you receive the money either as a monthly pension or through a refund.

Because PERA is a defined benefit plan, you are guaranteed life-long monthly benefits after retirement. Benefits are paid when certain age and service credit eligibility requirements are met, regardless of the amount of member contributions paid into the plan. Your benefit will also increase if you are eligible for a Cost-of-Living Adjustment (COLA).

The contributions you make over your career are paid out in pension benefits, on average, in the first 3-5 years of retirement. Pension payments for the rest of your lifetime are funded by employer contributions and earnings on PERA investments.

PERA also provides disability retirement, a benefit rarely offered in the private sector.

Governance

PERA is governed by a 12-member Board of Trustees. The Board is comprised of:

- Four members under a state coverage plan elected by state members;
- Three members under a municipal coverage plan elected by municipal members;
- One municipal member employed by a county elected by municipal members employed by a county;
- Two retired members elected by PERA retirees;
- The Secretary of State (ex officio); and
- The State Treasurer (ex officio).

The Board of Trustees appoints an Executive Director, who manages PERA's agency operations.

The PERA Trust Fund

The Board of Trustees oversees a trust fund from which retirement benefits are paid and agency operations are funded. The Board has the fiduciary responsibility to oversee which investments will bring growth to the fund while managing market risk.

Additional information about PERA's investments is available on our website at: www.nmpera.org/investments

PERA Identification Number

All PERA members are assigned a unique PERA identification number when they are hired. The PERA ID number is our way of protecting you against identity theft. Your ID number is used to locate you in our pension administration system and is cross-referenced with your social security number so that PERA can use either number for identification.

You may use either your PERA ID number or the last four digits of your social security number when contacting

PERA by mail or e-mail. This allows us to identify you quickly and provide the information you are requesting.

Once you have been assigned a computer-generated PERA ID number, it cannot be changed. The number is unique to PERA and is not tied to the employee ID number assigned by your employer.

Member Account Information

PERA provides its members with information about their member contributions, service credit, retirement plan requirements and other valuable information.

Annual Member Statements

Usually in autumn the *Annual Member Statements of Account* are sent to all PERA members with an account balance and valid mailing address. The statement shows contributions and interest posted to your account for the previous fiscal year, which ends on June 30.

Other information on the member statement includes your PERA identification number, a breakdown by fiscal year of your past service credit and salary as of June 30.

Refund and survivor beneficiaries on file are also listed.

If the beneficiary information is incorrect or out-dated, you may change it by submitting a new *Beneficiary Designation Form* to PERA for processing.

The total service credit shown on the member statement may be unaudited and subject to change. Check your records to verify the service credit total provided by PERA.

You may submit a *PERA Request Form* to receive a total service credit verification at any time during your career. PERA can also provide a benefit estimate if you are within three years of retirement eligibility. A *PERA Request Form* is included in this handbook or can be downloaded from PERA's website at www.nmpera.org.

PERA Membership

- Membership is mandatory for all Magistrates, whether elected or appointed.
- Magistrates previously retired under any state system or the educational retirement system are required to make contributions. Service credit may not be accrued nor purchased and their contributions are refundable when the Magistrate

leaves the bench.

- Magistrates previously retired from PERA will have their cost-of-living adjustments (COLA) suspended for the duration of their terms.

Beneficiary Information

Most people don't stop to consider who they named as a beneficiary at the time of hire until they start the retirement process. But a beneficiary designation is important long before retirement. Member contributions are your money and will be paid to someone in the event of your death, either as a monthly pension benefit or as a refund. It is important you make sure PERA knows who that recipient should be. All members should complete a *Beneficiary Designation Form* when they are first hired.

You may designate only one person or one organization as a refund beneficiary and only one person as a survivor beneficiary. The refund beneficiary and the survivor beneficiary can be the same person. If you are married, your spouse must give his or her consent if you choose someone other than your spouse to receive the benefit. In that instance, your spouse must sign a *Beneficiary Spousal Consent Form* before a Notary Public.

The refund beneficiary designation is very important if you have not vested. If you die before you are vested and your death is not duty-related, your employee contributions plus interest are paid in a lump sum to your designated refund beneficiary. If you do not designate a refund beneficiary, your member contributions will be paid to your estate.

The survivor beneficiary designation becomes effective after you have become vested or if you die from duty-related causes before being vested. Survivor pension amounts vary for non-duty-related and duty-related deaths.

You should check your designated beneficiary or beneficiaries every year. Is it your ex-spouse, your children who are grown, or a parent who has recently passed away? Have you married, divorced or remarried? Has the child you named as beneficiary moved away or changed his or her name? Though unintentional, someone you designated as a beneficiary years ago may still be designated as the recipient of your PERA benefits. Many of the beneficiary forms on file with PERA are more than 20 years old. A lot can change in that time.

A survivor pension benefit may be payable to a designated survivor beneficiary, surviving spouse, or eligible surviving children under the age of 18 in certain circumstances.

Every death situation is different. Please contact PERA for additional information.

Vested Membership

Vesting means that you are guaranteed a pension benefit when you meet the minimum age and service credit requirements for normal retirement. The service credit used for vesting must be earned while employed with a PERA-affiliated employer. Service credit earned with the Educational Retirement Board (ERB) does not count toward the years to vest with PERA.

For Magistrates who first took the bench on or before June 30, 2014, you are a vested member of the Magistrate Retirement Plan when you have earned five (5) years of Magistrate service credit.

Contributions

Statutory Contribution Rates	Employer	15.00%
	Docket Fees	6.69%*
	Employee	10.50%

*For Fiscal Year 2018. Reflects \$25.00 from each civil case docket fee and \$10.00 from each civil jury fee paid.

Interest Credited to Your Account

Each year, interest on your employee contributions is credited to your account balance as of June 30. The interest rate is set by the PERA Board and is currently 2 percent per annum. An *Annual Member Statement of Account* will be mailed and posted to your online account after interest has posted.

Remember, PERA must have a current mailing address for you to receive the annual statement. If you have not received an *Annual Member Statement of Account*, please check the mailing address PERA has on file for you and notify us, in writing, of any changes.

Unremitted Contributions

Employers are responsible for transmitting employee and employer contributions for all PERA members. If the employer does not, the unreported contributions are called “unremitted contributions.” It is important that you make sure your service credit record is correct. If there is a time period where contributions are incorrectly reported, you must provide the following information for PERA to make a determination:

- Proof of employment status. (For example, *Personnel Action Forms* showing the position status of full-time, part-time, temporary, etc.);
- Certification from the employer stating the start and end date of employment;
- Certification from the employer stating your salary history during the time in question.

Refunding Member Contributions

If you terminate employment, you can apply for a refund of your contributions and interest as long as you are not employed by another affiliated employer within 30 calendar days. You will not receive a refund of the employer contributions.

When you refund your member contributions and interest, you forfeit your service credit and all rights to any pension benefit from PERA, including disability or survivor benefits.

If you return to a PERA-affiliated employer, you will start with zero service credit and contributions. However, you can recover the withdrawn credit by repaying the withdrawn amount, along with interest calculated from the date the contributions were withdrawn to the date of repayment.

All refund requests must be made by filling out a *Member Request for Refund/Rollover Form*, available from your employer’s payroll or human resources office or at PERA’s offices or website (www.nmpera.org/for-members/refund-of-contributions). Additionally, effective October 1st, 2017, your employer must submit your last date of employment electronically through employer reporting files to PERA. If your employer requires assistance with this requirement, please ask them to contact their assigned PERA Contribution Accounting representative.

Because New Mexico is a community property state, you must submit court-endorsed copies of all final divorce decrees, marital property settlement agreements and

Contributions (continued)

any orders dividing retirement benefits along with the form referenced above.

Refunds paid directly to a member are subject to tax. At the time of distribution PERA withholds New Mexico state tax (typically 8.5%) and federal taxes (typically 20%). Additionally, if you are under the age of 59 ½, you may also be subject to an additional 10% penalty for early withdrawal from a pension plan. You may

also rollover your contributions to another qualified retirement account.

Refund and rollover requests cannot be processed until PERA has received final payroll information from your employer and all contributions have been posted to your account. Because of these requirements, a refund or rollover of contributions normally takes up to 60 working days to process.

Earning Service Credit

Service credit is awarded for any calendar month when you begin employment on or before the 16th of the month or terminate employment on or after the 15th of the month.

In addition, a full-time PERA member must receive 50 percent or more of your regular monthly salary to receive service credit for that month.

You cannot earn more than 12 months of service credit in a calendar year. If, for example, you work full time for

one affiliated employer, and in the same month, part-time for another affiliated employer, you still receive only one month of service credit.

This also applies if you are first employed by a PERA-affiliated employer and then later work for an Educational Retirement Board-covered employer at the same time. If you are considering dual employment and have questions, please contact PERA.

Months of Service Credit Conversion Factor Table	
Number of Months	Conversion Factor
1	.0833
2	.1667
3	.2500
4	.3333
5	.4167
6	.5000
7	.5833
8	.6667
9	.7500
10	.8333
11	.9167
12	1.0000

Purchased Service Credit

Magistrates must be vested with 5 years of service credit to be eligible to purchase other types of service credit permitted by the Internal Revenue Code, with the exception of withdrawn or forfeited service credit. Reciprocal service with another state system does not count toward the vesting period needed to purchase service credit.

The three most-frequently purchased service credit types are Withdrawn or Forfeited, non-intervening Military, and Air Time.

Withdrawn or Forfeited Service Credit

Magistrates who withdrew member contributions and interest and forfeited service credit during separation from PERA-affiliated employment in the past, may buy back this time when the Magistrate returns to a PERA employer and has earned at least one month of service credit or the Magistrate becomes a current contributing member of an Educational Retirement Board-covered employer.

To reinstate withdrawn or forfeited service credit, the Magistrate must repay PERA the amount originally withdrawn *plus interest* from the day the contributions were withdrawn to the day the amount is repaid.

Interest rates are as follows:

- Forfeited service prior to 12/31/83 – 5.25%.
- Forfeited service from 1/1/84 to 12/31/01 – 10%.
- Forfeited service from 1/1/02 to 12/31/14 – 8%.
- Forfeited service from 01/01/15 to 12/31/2016 - 7.75%.
- Forfeited service from 01/01/2017 to present - 7.25%.

Magistrates may purchase less than one year of service credit only to reach retirement eligibility. The service credit forfeited when you withdrew the accumulated member contributions will be reinstated when PERA receives your payment.

The interest paid to reinstate forfeited service credit will not be refunded if you again quit and request a refund of your member contributions.

Military Service Credit

If you are called to active military duty while employed by a PERA affiliate and return to PERA-affiliated employment within 90 calendar days of discharge from military service, you may be granted service credit for free. PERA will grant free (or intervening) military service credit for the active duty time once the required forms have been submitted to PERA with a copy of the DD214 form.

PERA membership must be maintained during the time of actual military service to earn free military service credit. The PERA Board ratifies free military service credit awards.

Non-intervening active military service may be purchased by vested members who served in the military before working for a PERA employer or when a member voluntarily enlists in the armed services while still a PERA member.

A maximum of 60 months of active military service may be purchased as certified on one or more DD214 forms reflecting honorable discharge status. If you have less than 60 months of active military service, you may purchase up to the years and months of active service stated on your DD214 form. You may purchase active military service one month at a time up to the total of active service, not to exceed 60 months.

The purchase cost for each year of service credit purchased shall be the increase in the actuarial present value of the pension of the member under the Magistrate Retirement Act, as determined by the association.

Important! Seventy-five percent of the purchase cost shall be considered to be employer contributions and shall not be refunded to the member in the event the member terminates employment and requests a refund of member contributions.

Purchased Service Credit (continued)

Air Time

Vested Magistrates may purchase up to 12 months of additional service credit known as Air Time. Air Time may be purchased all at once or in monthly increments any time before retirement.

Air Time may be purchased so that you can achieve your pension maximum or to qualify for retirement earlier than you would otherwise be eligible.

Air Time can only be used to increase the years of service

credit. It cannot be used to determine your final average salary or to qualify for a higher pension factor. The amount paid for Air Time is not considered part of final average salary because it is not wages earned.

Important! Once Air Time has been purchased, the entire amount paid is not refundable if you quit and request a refund of your contributions. You are urged to carefully consider purchasing Air Time.

Request Purchase Cost

If you are interested in purchasing service credit, please fill out the *PERA Request Form* available on the PERA website at www.nmpera.org or page 39 of this handbook and submit it with any supporting documentation to PERA for processing. Please allow up to 60 business days to receive a written response to your request.

Once PERA has processed your request, we will mail the cost calculation to your address on record. The amount paid for service credit cannot be used for the purpose of calculating final average salary. The purchased service credit can only be used to satisfy service credit requirements for retirement eligibility or to enhance your final retirement benefit.

You may rollover funds from an Internal Revenue Code Section 457, 403b, 401k, IRA or another 401a qualified account to purchase service credit.

You may also use a combination of other retirement funds and personal funds. For example, you could rollover funds from a 401k and write a check for the balance of the amount due to PERA.

All service credit purchases must be made before you retire. Once you have retired, you can no longer purchase service credit. The only exception is if, as a retiree, you suspend your pension and become a currently employed, contributing PERA member, your *Annual Member Statement of Account* each year to verify your service credit by logging into RIO Self Service.

Retirement Eligibility Requirements

Normal Retirement - Magistrate

Members are eligible to retire from PERA when they meet the age and service credit requirements for the plan they participate in. The normal age and service credit retirement eligibility requirements for **Magistrate who became** members on or before June 30, 2014 are listed below:

Any age with 24 or more years of service credit; or
Age 60 or older with 15 or more years of service credit; or
Age 65 with 5 or more years of service credit.

Deferred & Disability Retirement

Deferred Retirement

If you quit your job and have earned the minimum number of years of service credit required for normal retirement but have not yet reached the minimum age needed to retire, you can leave your contributions on account with PERA and be eligible for a deferred retirement once the age is met.

For example, a **Magistrate** who has 15 years of service credit and is 58 years of age would have to wait until age 60 to receive a pension.

Another example includes a **Magistrate** who has 6 years of service credit and is 60 years of age would have to wait until age 65 to receive a pension.

Once you reach both the age and service credit requirements for normal retirement for Magistrates, you can apply for a benefit. Certain survivor and disability pension benefits are also available. (See Survivor Beneficiary information on page 8 and Disability Retirement on this page.)

Disability Retirement

PERA provides a retirement benefit for employees who must leave service before retirement age because of a disability.

All PERA members are eligible to apply for a duty disability retirement beginning the first day of employment with a PERA employer. The PERA Board determines if a disability is duty-related based on certain medical and legal requirements.

If you are a vested Magistrate with 5 or more years of service credit, you are eligible to apply for non-duty disability retirement. As a vested member, you will remain eligible for non-duty disability as long as you do not withdraw your employee contributions from PERA.

Please contact PERA's Disability Administrator at (800) 342-3422 for additional information.

Retirement Time Schedule

The following is a general time frame for the PERA retirement process:

Any time during your career, you may verify your service credit with PERA. Once you have done this, check your *Annual Member Statement of Account* each year to verify your service credit by logging into RIO Self Service.

- Three years from retirement, you may ask for an estimate of benefits. An estimate of benefits will provide the information you need to start estimating your retirement income, as well as identify when you qualify for retirement.
- One year from retirement, request an updated estimate of benefits. This estimate will provide you with the information you need to choose the option you want to be paid under. This is very important because once you retire, you may only change your payment option or beneficiary one time under certain limited circumstances. Otherwise, to change your payment option or beneficiary, you would have to voluntarily stop your pension payments, return to work for a PERA employer for three or more years and then re-retire with a new beneficiary or payment option.
- Sixty days, but not more than six months, before your retirement date, submit your completed *Application for Pension* documents. This includes all the required forms and corresponding documents listed on page 15. You may submit your retirement documents earlier, up to six months before your retirement date.

- On the last working day of the month you retire, PERA will deposit your pension benefit payment into the account designated on your completed *PERA Direct Deposit Authorization Form*. If your first pension benefit payment includes reciprocity service credit with the Educational Retirement Board (ERB), the ERB portion of your benefit will be paid directly by ERB via a separate direct deposit.

Sample Time Schedule:

Termination Date: December 31, 2019

Retirement Date: January 1, 2020

Request service credit verification: Any time in career

Request first estimate of benefits: January 2017

Request second estimate of benefits: January 2019

Submit retirement paperwork: anytime from June to October 2019

Receive first PERA pension benefit payment as a direct deposit the last working day of January 2018. If your retirement includes Educational Retirement Board (ERB) service credit, then the ERB portion of your benefit will be paid directly by ERB via a separate direct deposit.

How to Retire from PERA

You are a member of
one of the best
retirement plans in the
country.

A *PERA Retirement Kit*, which contains instructions and a retirement application, is available on PERA's website at www.nmpera.org. You can pick up a retirement kit at PERA's Santa Fe Office at 33 Plaza La Prensa or the Albuquerque Office at 2500 Louisiana Blvd. NE, Suite 400.

You may also request that a retirement kit be mailed or e-mailed to you by calling the Santa Fe Office (505) 476-9300, the Albuquerque Office at (505) 383-6550 or toll free at (800) 342-3422.

Retirement Eligibility

Your effective date of retirement is the first day of the month after you have completed all of the following:

- You meet the age and service credit requirements of the plan you are retiring from; and
- Your retirement application is filed and complete, including all required documentation; and
- You have terminated employment with your PERA employer as well as with all employers covered by the Judicial Retirement plan, the Magistrate Retirement plan and the Educational Retirement plan.

Your completed *Application for Pension Form* should be filed with PERA no earlier than six months, but no later than 60 calendar days, before your effective retirement date. PERA must receive all of the information listed below. If we do not receive your application and all of the required information before your selected retirement date, your retirement will be postponed to the first of the month following the date your application is complete.

Required Documentation

The following documentation is needed to complete your retirement application:

1. Proof of age for you and your beneficiary. Acceptable documents are a birth certificate, a baptismal certificate, religious record of birth established before age 5 years, current passport, a current New Mexico driver's license or a current New Mexico Motor Vehicle Division issued identification card, or any two of the following documents showing date of birth:
 - Copy of a life or automobile insurance policy;
 - Current voter registration or voter identification card;
 - Tribal census record;
 - Childhood immunization record made prior to age 18;
 - Military record (such as DD214), including a valid United States active duty, retiree or reservist military identification card;
 - Birth certificate of child showing the age of the parent;
 - Physician's or midwife's record of birth;
 - Immigration record;
 - Naturalization record; or
 - Social security records.
2. For any designated beneficiary to be identified as a spouse, a copy of the marriage certificate, other proof of marital status acceptable in a court of law, or any two of the following documents showing marital status:
 - Financial institution or bank records;
 - Joint real estate deeds or mortgages; or
 - Insurance policies.
3. A copy of your and your beneficiary's social security card(s).
4. Court-endorsed divorce decrees, marital settlement agreements, and any orders dividing your retirement.
5. *Application for Pension Form*.
6. *Spousal Consent Form - Judicial/ Magistrate Retirement* (only if naming someone other than the Magistrates spouse as pension beneficiary) or *Affirmation of Marital Status Form*.
7. *PERA Tax Deduction Form*.
8. *PERA Direct Deposit Authorization Form*.

All changes to your retirement application **must** be made in writing and received by PERA before your effective PERA

How to Retire from PERA (continued)

retirement date. Such changes may include a new effective retirement date, a different beneficiary or a different Form of Payment option.

you meet your age and service credit requirements), you should also submit your complete retirement application at least 60 calendar days before your retirement date.

For a deferred pension (leaving your contributions on account after terminating affiliated employment until

How Magistrate Pension Benefits are Calculated

The base monthly benefit for a member on or before July 1, 2014 is the sum of:

1. **Part I** – For service credit earned on or before June 30, 2014, the amount of pension is equal to (based on annual salary of \$84,349.18):

75% of last 12 months of salary	X	.05	X	Years of Service (not to exceed 15) plus 5 years	=	Part I Benefit
\$ 63,261.89	X	.05	X	(6.000 years + 5 years)	=	\$ 34,794.04
Your Part I Calculation:						
\$	X	.05	X	(_____ + 5 years)	=	\$

+

2. **Part II** – For service credit earned on or after July 1, 2014:

Final Average Salary	X	3.50%	X	Service Credit Earned 07/01/2014 through Term Date	=	Part II Benefit
\$ 81,010.40	X	3.50%	X	5.000	=	\$ 14,176.82
Your Part II Calculation:						
\$	X	3.50%	X		=	\$

=

3. **Total** – Combine results from calculations in Part I and Part II, not to exceed 85% of one-sixtieth of the highest 60 consecutive months of salary. Base monthly benefit shall not be less than the benefit earned as of June 30, 2014:

Part I Benefit	+	Part II Benefit	=	/	12	Total Gross Monthly Benefit*
\$34,794.04	+	\$ 14,176.82	=	/	12	\$ 4,080.91
Your Total Calculation:						
\$	+		=	/	12	\$

* Subject to statutory limits of MRA Pension Maximum.

Magistrate Retirement Calculation - Terminology Defined

Years of Service Credit

The years and months of service credit earned or purchased during your Magistrate career.

Pension Multiplier

The pension factor is stated in the coverage plan, or plans, you belonged to during your PERA career. For service credit earned on or before June 30, 2014, the annual pension multiplier is 5.00% For service credit earned on or after July 1, 2014, the annual pension multiplier is 3.50%

Blended Pension

A blended pension benefit is calculated using the service credit the Magistrate has earned from July 1, 2014, through the member's last date of employment using the provisions of NMSA 10-12C-9 (sample benefit calculation provided on page 16 of this handbook).

Maximizing Your Retirement Benefit

There are several important ways you can maximize your retirement benefit. Here are some ways to help.

- The simplest way to increase your benefit is to work for a longer period of time. As of July 1, 2014, members can earn up to 85 percent of their final average salary. This is a great incentive to extend your retirement date.
- As your compensation increases, so does your final salary used in the benefit formula. Promotions and other salary increases could result in a higher benefit amount. This is especially important during the last twelve and highest 60 consecutive months during your career used for annual and final average salary purposes.
- Purchasing withdrawn service credit, military service credit, air time and other permissible service credit can add to the total service credit at the time of retirement, which generates a higher pension.

Annual Salary

A **Magistrates'** annual salary is defined as the Magistrates' last twelve months of salary during your Magistrate career.

Final Average Salary

A **Magistrates'** Final Average Salary (FAS) is the average of the highest 60 consecutive months of salary earned during a Magistrate's career.

Pension Maximum

Effective July 1, 2014, the pension maximum is 85% of the average of the Magistrate's highest 60 consecutive months of salary earned. The pension payable shall not be less than the benefit earned as of June 30, 2014.

Magistrates Survivor's Pension Benefits

A Magistrate's surviving spouse or designated beneficiary receives a pension equal to 75% of the retired Magistrate's pension for life, subject to the Internal Revenue Code requirements for a non-spouse beneficiary more than 10 years younger than the retiring Magistrate.

You may choose only one person to be your survivor beneficiary at the time of retirement. If you are married at the time of retirement and elect to name someone other than your spouse as your beneficiary, your spouse must consent in the presence of a notary. Regardless of which payment option you choose, a benefit payment is payable to you for your lifetime.

Important Note You will receive at least all of the contributions you paid into your account and the interest the account has earned. If you die before your contributions and interest have been paid in benefits and no survivor pension is payable, the member contributions and interest remaining in your account will be paid to your refund beneficiary or your estate.

Changes to Beneficiary Designation

The beneficiary designated at the time of retirement may not be changed after the date the first pension payment is made, except in the following instances:

- If you provide written revocation of designated beneficiary. If you are married and deselecting your spouse, your spouse must provide notarized spousal consent.
- If you retired with your spouse as beneficiary and you and your spouse are later divorced, you may remove your spouse as beneficiary only if a court order provides for it.
- If your beneficiary dies before you, you are required to notify PERA and provide your beneficiary's original death certificate. You may select a new beneficiary as specified in the one-time beneficiary deselection section that follows.

One-Time Beneficiary Deselection

You are allowed a one-time opportunity to change your survivor beneficiary named when you initially retired. If you were divorced prior to retirement and named your former spouse as your beneficiary, you may only change your beneficiary if there is no court order requiring the election of a specific form of payment or designation of a specific survivor beneficiary.

A retiree whose survivor beneficiary dies can also name a new survivor beneficiary. You are eligible to make the one-time change to your survivor beneficiary selection provided PERA was notified of your survivor beneficiary's death and the beneficiary's death certificate was provided to PERA.

The one-time change to a new survivor beneficiary is irrevocable.

Deselection Process

The process for changing your Survivor Beneficiary post-retirement requires the following documentation. All pertinent information must be provided before a calculation will be provided.

- Contact PERA for the appropriate deselection form.
- Proof of age for new survivor beneficiary. See page 15 of this handbook for acceptable proof-of-age documents.
- Submit a check or money order for \$100 made payable to PERA.
- Submit a copy of the new beneficiary's social security card.
- Submit a Spousal Consent Form (if applicable).
- Submit Divorce Documentation (if applicable).

Each time you request that PERA recalculate the benefit amount for a beneficiary, the charge is \$100 for each different survivor beneficiary you submit.

Deselection Process (continued)

Allow PERA 30 to 45 business days to process and respond to your request. You will then receive information on the survivor beneficiary pension amount and an Agreement for Selecting a New Beneficiary.

Return the completed form to PERA if you decide to name a new beneficiary. If the Agreement is received by PERA by the ninth day of the month, the revised pension payment will be effective for that month. If an Agreement is received after the ninth day of the month, the revised pension payment amount will be effective with the following month's pension benefit payment.

If you name a beneficiary other than your spouse who is more than 10 years younger than you, the percentage paid to the beneficiary will be adjusted to meet Internal Revenue Code requirements.

NOTE: The payment is not refundable even if you decide not to name a new beneficiary after you receive the calculation of pension benefit amounts reflecting a new beneficiary designation. The payment covers the cost of actuarially calculating the benefits and must be paid whether or not you decide to go forward with naming a new survivor beneficiary.

The Reciprocity Act

Service credit earned under different state retirement systems (the Educational Retirement plan, Judicial Retirement plan and Magistrate Retirement plan) may be combined toward retirement eligibility and used to calculate pension benefits. The non-refunded, non-overlapping service credit earned under each respective system, however, will be calculated using the formula for that system. Because there may be different age and service requirements for each of the different plans and tiers, you may not receive your combined pension amount when you retire from MRA/ PERA. When you qualify to receive the reciprocal portion, the increase will be included in your pension benefit.

Members with reciprocal service credit apply for and retire under the state system of their last employer. So, if you worked for an Educational Retirement Board (ERB) employer in the past and are now working for a Magistrate or PERA employer, you will retire through PERA's system.

Effective July 1, 2017, new reciprocity retirees will receive a separate pension payment from PERA and ERB. If you retire with combined PERA and ERB service credit, the ERB portion of your monthly benefit will be paid directly by ERB. This means that reciprocity retirees will receive two direct deposits into their checking/ banking institution account, one from PERA and one from ERB, on the last business day of the month.

Whenever you contact PERA to verify your service credit, provide a retirement calculation or to purchase service credit, it is important to notify PERA of all service credit you may have. PERA can then contact ERB to determine your eligibility for reciprocal service credit.

Divorce and Your PERA Benefits

In New Mexico, PERA retirement benefits are generally considered community property subject to division in a divorce. PERA can only administer a division of your retirement benefits if a court orders PERA to pay your former spouse a portion of your retirement benefits directly and the order has been received and approved by PERA's Office of General Counsel.

A division of PERA benefits is only payable when a member retires or refunds his or her contributions. Your former spouse may only receive a lump-sum payment from your PERA account if you terminate employment with all PERA-affiliated employers and request a refund of your employee contributions and interest. If you remain employed or end your employment and leave your member contributions on account, a lump-sum payment cannot be paid to your former spouse. Instead, when you retire, PERA will administer a court-ordered division of your retirement benefits by issuing a payment to your former spouse each month your pension benefit is payable.

The share of the community property interest paid to your former spouse will reduce the amount you would receive if you refund your contributions. If you retire, your monthly benefit will also be reduced by the share of community property interest paid.

The amount your former spouse receives will be determined either by agreement of the parties or by a Judge's decision in your divorce proceeding. The court may order that a certain percentage or dollar amount of your PERA benefits be paid to your former spouse.

PERA cannot determine the value of your future retirement benefits, but can provide a monthly history of your member contributions account balance. Please consult an actuary, accountant or other financial professional when computing the value of your future retirement benefits.

Orders Dividing

The terms of an order dividing PERA retirement benefits may also affect your ability to name a survivor beneficiary when you retire. If an order dividing PERA retirement benefits specifies that you must elect a Form of Payment and a specific survivor beneficiary, you must comply with the terms of the order. If the order does not address electing a specific Form of Payment, you can elect any Form of Payment and designate any survivor beneficiary you choose.

PERA cannot change the terms of a court-ordered division of your retirement benefits. It would take another court order signed by a Judge to allow any modifications. In addition, certain modifications are barred by New Mexico law after the first pension payment is made.

Finally, you should be aware that you do not need to have an order dividing PERA retirement benefits as a part of your divorce proceeding. Depending on your particular financial situation and the circumstances of your divorce settlement, you may be able to address dividing your retirement benefits in another way. For example, you could divide other property so that you retain sole ownership of your retirement account. An attorney can advise you on your options.

To protect your privacy, New Mexico law prohibits disclosing information from a PERA member's file except for the coverage plans that apply to a member, amounts of retirement plan contributions made by members and their employers and pension amounts paid. To access any other information from your PERA file, your current spouse, former spouse or attorney(s) must provide PERA with a written prior release and consent in a form approved by PERA.

Direct Deposit

Effective January 1, 2014, direct deposit became mandatory for all new PERA retirees.

PERA still mails paper checks each month to retirees and beneficiaries who do not have direct deposit. Every month, missing checks are reported to PERA as stolen or lost in the mail because PERA was not notified of a new address. The best way to prevent this from happening to you is to have your pension benefit directly deposited into your bank account.

If you are currently receiving a paper check and wish to start having your pension payment direct deposited, or are currently receiving a direct deposit from PERA and need to update your account and/ or routing number, complete a *PERA Direct Deposit Form* available either online or by contacting PERA. After you complete the top portion of the form you will need to take the form to your financial institution and have your financial institution complete the bottom portion of the form.

PERA will accept a faxed or scanned copy of your direct deposit form or you can mail or hand-deliver the form to either of PERA's offices. Please remember to attach a voided check or deposit slip to the form when you submit it.

If PERA receives your enrollment or change in direct deposit information by the 15th of the month, the change/ enrollment will be effective for that month. If the information is received after the 15th of the month, your pension benefit will be direct deposited the following month.

PERA does not send out paper advice slips showing the amount direct deposited to your account. Retirees who have an online account through RIO Self Service can view past direct deposit or mailed check information.

Taxes on Your Benefits

Your retirement benefits (except those contributions that have already been taxed) are considered taxable income. You have a choice of how you want PERA to handle your taxes:

- Do not withhold federal and/or New Mexico state taxes from your benefit. With this option, you are responsible for paying taxes owed;
- Withhold federal and/or New Mexico state taxes based on your marital status and the number of withholding exemptions you choose. Remember, the more exemptions you claim, the less money will be withheld for taxes;
- Calculate your withholding based on the exemptions above and add an additional specific dollar amount; or
- Withhold an exact dollar amount.

If you cannot decide how you should handle the taxes, please consult a tax expert. If you live outside of New Mexico you do not have to pay New Mexico state income taxes on your pension payments. If you live in a state that has income tax, however, you may have to pay that state its income tax. PERA is not able to withhold other states' income taxes. Consult a tax expert or check with the state you live in regarding that state's income tax requirements.

You may change your withholding status at any time. A new *PERA Tax Deduction Form* received by the 15th of the month will be effective for the payment made on the last working day of that month.

1099R Information

Retirees and beneficiaries receiving a pension payment from PERA will be issued a 1099R form each year. The 1099R is the form used to report the total amount and type of distributions made to a retiree or a beneficiary in a particular tax year to the IRS. This is like the W-2 form you received from your employer while you were working. PERA mails the 1099R forms by the last working day in January.

If you made PERA contributions after you paid taxes, these contributions are called non-deferred contributions

and are kept separate in your PERA account because you do not have to pay income tax on these contributions when you begin receiving your pension payments. The non-deferred contributions will be amortized over a specific number of years, reducing the taxable income you receive each year. The taxable amount and the non-taxable amount found in box five on your 1099R form should add up to the total gross distribution.

Cost-of-Living Adjustments (COLA)

Beginning May 1, 2016 and every May 1st thereafter, the PERA Board shall certify the actuarially funded ratio of the fund as of June 30th of the preceding year.

- If the funded ratio is equal to or greater than 100%, a COLA will be payable starting with the July pension payment.
- If the funded ratio of the fund is below 100%, a COLA will not be payable unless the COLA has already been suspended two consecutive years. Thereafter, the COLA suspension based on funded status will resume.
- COLA amount is 2% of pension inclusive of all prior adjustments.

COLA Eligibility

There is a seven full-calendar year COLA eligibility period for members who retire under normal retirement:

A full-calendar year is January 1 through December 31. Eligible COLA recipients receive a notification letter in July each year advising them of the increase in their pension payments.

If you retire due to a disability or if you are at least age 65 prior to your first COLA eligibility date, the COLA eligibility period is reduced to one full-calendar year. The COLA will be paid the July following the full-calendar year.

Cost-of-Living Adjustments (COLA) Suspension for Re-employed Retirees

As of July 1, 2013, the COLA Provisions Changed for Re-employed Retirees

COLA increases are suspended for re-employed retirees who are grandfathered in and are receiving a pension and a salary from a PERA-covered employer. A re-employed retiree's COLA will be reinstated once they return to retired status.

As of July 1, 2014, the COLA Provisions Changed for Retirees Elected or Appointed as a Judge or Magistrate

COLA increases are suspended for retirees who are elected or appointed to a position as Judge or Magistrate as defined under the Judicial Retirement Act and the Magistrate Retirement Act. A re-employed retiree's COLA will be reinstated once they return to retired status.

PERA Retirees Re-employed by Employers Covered by the Educational Retirement Board

All PERA retirees who went to work for an ERB-covered employer on or before June 30, 2013 will continue to receive COLAs.

The COLA for PERA retirees who are re-employed by an ERB-covered employer on or after July 1, 2013 was suspended beginning with the 2014 COLA. A re-employed retiree's COLA will be reinstated the July after they return to retired status.

Exclusions

The COLA-suspension provisions do not apply to retirees excluded by law from PERA's return-to-work provisions, including retirees who are:

- Employed by the legislature for legislative session work;
- Employed temporarily as a precinct poll worker for a municipal election or an election covered by the Election Code; or
- Elected to serve a term as an elected official and who have timely filed an exclusion form.

COLAs will be paid automatically to these retirees.

Reporting Forms

The *Application for a Re-employed PERA Retiree Form* is used to report when a PERA retiree is re-employed. An *Employer's Certification of Termination for a Re-employed PERA Retiree Form* is used when the retiree terminates employment.

The *Application for a Re-employed PERA Retiree Form* allows PERA to track a re-employed retiree's employment and verify that contributions have been paid.

The *Employer's Certification of Termination for a Re-employed Retiree Form* is submitted to PERA by the employer as proof that a re-employed retiree has terminated employment and is once again eligible to receive COLAs.

Returning to Work After Retirement

The laws that govern retirees returning to work for a PERA affiliate have changed over the years. As of July 1, 2013, the following restrictions apply:

Retirees Hired on or After July 1, 2010

Effective July 1, 2010, the pension of a retiree who returns to work for a PERA affiliate is suspended.

If a retiree has completed a 12-month break in service from his or her retirement date, neither the re-employed retiree nor the employer makes PERA contributions and the re-employed retiree does not accrue service credit.

Exemptions to Return-to-Work Provisions for PERA Retirees

The only retirees who are exempt, or excluded, from the return-to-work provisions are:

- A retired member who is elected to serve a term of office and files a timely exclusion form.

Note: Retirees who are elected to office are responsible for notifying their employer that they want to exempt themselves and for completing the *Employee Exclusion from PERA Membership PERA Retiree - Elected Official Form* and ensuring that it is submitted to PERA within 30 calendar days of taking office. The exemption is for the elected official's term of office and must be filed for each term of office.

Providing Services as an Independent Contractor

Retirees may provide services to a PERA-covered employer as an independent contractor. A professional services agreement or contract must be submitted to PERA's Legal Division at least 15 working days before the effective date of the contract. PERA evaluates the contract to determine whether you are an "employee" or an "independent contractor." PERA utilizes the common-law control test in the Social Security Handbook to determine your status. In this evaluation, PERA considers whether or not the work you are contracting to perform is a continuation of a former employment relationship among many other factors.

A clear scope of work must be established in a professional services agreement. As an independent contractor, you must have your own state tax identification number and bill the employer directly. Compensation must be stated hourly or by a defined project. Independent contractors are not paid through the employer's payroll system and do not accrue employee benefits such as annual and sick leave or overtime. The

professional services agreement must contain a release that holds the employer harmless of any liability or claims arising from the agreement.

Renewals, amendments and modifications to a previously approved post-retirement contact must also be submitted to PERA for evaluation at least 15 working days before the effective date of the renewal, amendment or modification.

You will be notified in writing of PERA's determination of whether you are an employee or an independent contractor. If PERA determines that you are an employee and you disagree with PERA, you have the right to appeal the determination.

Who to Contact

Please contact the PERA Legal Division if you have questions about becoming an independent contractor after you retire at: (505) 476-9354.

RIO Self Service Online Account Information for Retirees

You still have access to your PERA information online even after retirement. If you have not already created a user ID and password, go to the PERA website's home page at: www.nmpera.org and click on the RIO Login button at the top of the page to get started.

Changing Your Demographic Information

As a PERA retiree, you may change your telephone number and e-mail address online. Changes to your mailing address must be done in writing to PERA. You may submit your address change to PERA by fax at (505) 954-0370, e-mail at pera-membervservices@state.nm.us or by mail to the address on page 4.

Viewing Pension Benefit Information

After you have logged on to your online account, click on Pension Check Information, click on the year you want to view from the drop down list, then click on OK. To see the details of a specific benefit payment, find the month you want to view and click on Details located to the right. This will show all the information for that specific benefit payment.

Clicking on this option provides the current pension payment information. You can also review and print an *Income Verification Letter*. This is a useful tool for those retirees who need verification of their retiree income from PERA.

PERA Retiree Newsletters

PERA publishes an edition of *La Voz* with information specifically for retirees and beneficiaries. *La Voz* is mailed to your home and posted on PERA's website three times a year. Any time there is important information concerning issues affecting PERA retirees such as Board elections and legislative changes, PERA will notify you in *La Voz* and with articles posted on the PERA website at: www.nmpera.org.

Since PERA mails the retiree edition of *La Voz* to you, it is important to keep PERA updated if you change your address. Please notify PERA of the address change by either contacting PERA in writing or by going to the RIO Self Service website and updating your address online.

Retirement Planning

Only you can decide the perfect time for you to retire. Your spouse, significant other, friends, family, coworkers, and employer may have an opinion on the topic, but only you can decide if you are ready mentally, physically and financially for retirement. There are some items to consider when planning for retirement.

Post-Retirement Insurance

PERA does not offer or provide post-retirement medical, dental, vision or life insurance. If you are employed with a PERA-affiliate who also participates in the New Mexico Retiree Health Care Authority (NMRHCA), you may have access to post-retirement insurance provided that you meet NMRHCA's requirements. Some of PERA's employers offer post-retirement insurance to their retiring employees. In some cases, you may be eligible to participate in Medicare. It is important to research your options before you commit to a retirement date to ensure you do not have a lapse in coverage. It is important to have a realistic understanding of the cost of post-retirement insurance for planning purposes. If the cost is more than you anticipated, it may be time to research whether or not a spouse or significant other can cover you on his/her employer's insurance plan.

Social Security Benefits

PERA's pension benefits are not affected by Social Security benefits, however your Social Security benefit may be reduced if you receive a PERA benefit. It is important to note that some of PERA's members do not contribute to Social Security based on an agreement between their employer and the Social Security Administration. As part of your retirement planning, you are encouraged to learn how Social Security works, any benefits due to you, any applicable age reductions, and the steps you need to take to begin receiving benefits. To learn more, please visit Social Security's website at www.ssa.gov, call 1-800-772-1213 or visit a local Social Security office.

Financial Status

Have you considered:

- Your pre-retirement debt situation – Is your mortgage, any vehicles, credit card debt paid in full? Can your spouse continue to make the payments if you pass away post-retirement?
- Your spouse/ significant other's finances – Does your spouse/ significant other have a retirement and/ or insurance benefits of his or her own? Can he/ she survive without your pension benefits?
- Your dependent children – Do you have any dependent children who rely on your income and/ or insurance benefits? Will you need to cover educational expenses for your dependent children post-retirement?
- Long-term care – Have you considered the expense tied to long-term care for either you, your spouse/ significant other or your parent(s)?
- A will or living trust – Do you have a will or living trust in place?

Additional Retirement Savings

The majority of PERA's affiliated employers offer additional ways to save money pre-retirement, including PERA's Smart Save Deferred Compensation Plan. It is never too late to save more money so that the next chapter of your life can be all that you hope and dream it will be.

PERA's Smart Save Deferred Compensation Plan

The State of New Mexico, through PERA, offers employees of participating PERA-affiliate employers, the PERA Smart Save Deferred Compensation Plan. Established in 1981, PERA Smart Save is a supplemental retirement plan under IRS section 457b. Plan participants make tax-deferred retirement contributions beyond those associated with the defined benefit plan. With a low administrative fee, a diverse spectrum of investment options and active PERA Board oversight, the PERA Smart Save Plan is an excellent option to enhance your retirement.

An employee may participate in PERA Smart Save at any time following the date of employment and is 100% vested at all times. Participation in the Plan is voluntary. An eligible employee may participate by completing an enrollment form with PERA or the Plan's third-party administrator. An independent contractor or a consultant is not eligible to participate in the Plan.

Administrative Fee

The PERA Smart Save Plan charges an annual administrative fee that pays for PERA's direct costs for managing the Plan, the Plan's third-party administrator and investment consultant. Effective October 1, 2019, the annual fee is a hybrid structure consisting of \$40 per participant plus 0.135% of the participant's assets, capped at \$104 for those with large account balances. The fee is paid directly from your account(s) balance and is applied quarterly. There are no additional transaction fees, no sales loads or commissions. All fees are fully disclosed to participants in their quarterly statements.

Investment Choices

The PERA Smart Save Deferred Compensation Plan is 100% self-directed. You choose the investment options from a variety of stocks, bonds, and other mutual funds in the fund line up. The fund line up also offers custom LifeCycle Portfolios that provide diversification across several asset classes. You have full control over how

your money is invested and you may make changes to your fund selection at any time. (Each mutual fund may have specific rules on trading which are included in the prospectus of each mutual fund.)

The PERA Smart Save Plan also offers a self-directed brokerage option that allows you to invest in funds outside of the Plan's fund line up. You must meet minimum qualifications to participate in this option and additional fees apply.

An independent investment consultant is contracted by the PERA Board to provide investment consultation services to the PERA Board on behalf of the Plan.

Investment Education and Retirement Planning

A third-party administrator is contracted with the PERA Board to provide record keeping, enrollment, education, and other administrative services for the Plan. The PERA Smart Save website, PERASmartSave.voya.com, provides a wealth of information such as: educational brochures, videos, and various tools and calculators to help you understand the investment options and how to manage your account. Retirement specialists are available statewide to present educational group seminars or to assist you directly with your account.

Contributions

Unlike your defined benefit plan, you choose your own contribution amount. The minimum contribution amount is \$10 per pay period and is deducted from your paycheck, tax-deferred. This means you are not taxed on your contributions or investment earnings until you begin taking payments from your account. You may increase, decrease or suspend your contribution amount at any time (unless your employer has restrictions on changes). The maximum contribution amount, set by IRS guidelines, is currently \$18,000 per calendar year. If you are age 50 or older, you may use the Age 50 Catch-

PERA's Smart Save Deferred Compensation Plan

up provision which allows an additional \$6000 this calendar year over the normal contribution amount. If you are within three years of Normal Retirement Age, you may be eligible for the Special Catch-Up provision which allows a contribution amount up to two times the normal maximum. A retirement specialist can help you determine if you qualify for either catch-up option.

Participants can rollover assets from other eligible retirement plans into their PERA Smart Save Plan account. Eligible retirement plans include: another 457b, 401a, 401k, 403b or traditional IRA. Consolidating eligible retirement plans allows you to manage all of your investments in one place.

Loans and Unforeseeable Emergencies

As a PERA Smart Save Deferred Compensation Plan participant, you may be eligible to borrow a loan from your plan account. You will be obligated to repay the loan plus interest in monthly installments within a specified period of time. Interest paid on your loan is applied directly back to your plan account.

If you experience an unforeseeable emergency, you may be eligible for a taxable withdrawal from your plan account.

Additional information on loans or emergency withdrawals can be obtained from PERA, the Plan's third-party administrator, or PERASmartSave.voya.com.

Purchasing Service Credit

If you have inquired with PERA on the cost of air-time, military or withdrawn service credit, you may use your PERA Smart Save funds to complete the purchase. Distributions for the purchase of service credit are transferred from your Smart Save account directly to PERA and are not taxable or tax reportable until you begin receiving PERA pension payments.

Voya Retire® Mobile App

The Voya Retire® mobile app allows you to access your account, perform most transactions, and is available for both Apple and Android devices. Search "Voya Retire" in your favorite app store.

Contact Information

If you would like to participate in the PERA Smart Save Deferred Compensation Plan or for additional information, call PERA's deferred compensation plan manager at (505) 476-9386, the Voya Service Center at 833-424-SAVE (7283), or visit PERASmartSave.voya.com.

Legal / Disclosure Information

Correction of Errors and Omissions

If an error or omission results in an overpayment to a member or a member's beneficiary, PERA must correct the error or omission and adjust all overpayments accordingly. PERA must recover all overpayments made for a period of up to one year before the date the error or omission was discovered.

A person who is paid more than an amount due them as a result of fraudulent information provided by the member or the beneficiary is liable for repaying that amount to PERA plus interest on the amount, currently set at 10 percent.

Additional costs include all collection costs, including attorney fees if necessary. Recovery of such overpayments extends back to the date the first payment was made based on the fraudulent information.

Statements of fact or law made by PERA Board members or employees of the Board or association do not preclude the Board or the association from acting in accordance with statutes that apply.

Member Handbook Notice

This member handbook is intended solely as a convenient guide for members concerning PERA procedures and benefits. As a result, the information in this handbook is of a general nature and may not apply to all situations. Future changes in the Public Employees Retirement Act or in the rules and regulations of the association may make some information obsolete.

Neither PERA nor the PERA Board of Trustees provides professional financial or tax-related services. Members should consult with a financial planner or tax advisor as needed.

In all situations, the provisions of the Public Employees Retirement Act and the rules and regulations of the Association control and override any statement or information contained in this member handbook.

This handbook is not a contract. It is not intended to, and cannot be considered to, create any contractual obligation on the part of PERA.

This handbook is intended to provide information to our members about how their retirement plan works and the benefits of being a PERA member. Reproduction for personal use by members and employers is not only permitted, but encouraged.

More Information About PERA

Helpful Tips

The PERA's Interactive Voice Response system is available at (800) 342-3422 or (505) 476-9300 in the Santa Fe area.

- Active members may obtain the current balance and refund information for their member contributions in their account.
- Retirees may obtain pension and deduction amounts for their retirement benefits.

Remember to keep your *Beneficiary Designation Form* current. This form is available on page 35 of this handbook, from your employer, or you may request it directly from PERA Member Services or download it from the PERA website at: www.nmpera.org.

If you move, please submit a change of address to PERA in writing. This will ensure that your *Annual Member Statement of Account*, *Cost-of-Living Adjustment (COLA)* letter, board election ballot, La Voz newsletter, and other

important documents reach you in a timely manner. You can also change your address online through the RIO Self Service feature on the PERA website: <https://perass.state.nm.us/SelfService>

If you are divorced, make certain you retain court-endorsed copies of all related documents. These documents must be submitted to PERA in the event of a request for a refund or retirement.

Your retirement will be effective on the first day of the month after the following is complete:

- Your completed, signed application and all required documentation is filed with PERA;
- PERA verifies your service credit and age; and
- Your employment with your PERA affiliated-employer and ERB affiliated-employer ends.

Sources of Benefit Information

Benefit information is available in the following ways:

- www.nmpera.org;
- Handbooks and brochures (on the PERA website or by calling (800) 342-3422);
- Informational seminars (schedule posted on the PERA website);
- *La Voz* newsletters, published three times a year and available on the PERA website and through your employer or mailed to retirees and pension beneficiaries; *Annual Member Statement of Account* for active members; and
- Contacting PERA (see the PERA contact information on pages 4 and 5 as well as the back cover of this handbook).

Glossary

“Association” means the public employees retirement association provided for in the Public Employees Retirement Act.

“Board” means the retirement board provided for in the Public Employees Retirement Act.

“Dependent child” means a natural or adopted child who is physically or mentally incapable of financial self-support, regardless of age.

“Educational retirement system” means the retirement system provided for in the Educational Retirement Act [Chapter 22, Article 11 NMSA 1978].

“Effective date of retirement” means the first day of the month following the month in which the member met all requirements for retirement.

“Final average salary” means the amount that is one-sixtieth of the greatest aggregate amount of salary paid a member for sixty consecutive, but not necessarily continuous, months of service credit.

“Former member” means a person no longer in office who was previously covered pursuant to the provisions of Sections 10-12A-1 through 10-12A-13 NMSA 1978, but who has not retired pursuant to the provision of the Magistrate Retirement Act and who has received a refund of member contributions pursuant to the provisions of Sections 10-12C-1 through 10-12C-18 NMSA 1978.

“Fund” means the Magistrate retirement fund.

“Magistrate” means a Magistrate Judge.

“Member” means any Magistrate who is in office and covered pursuant to the provisions of the Magistrate Retirement Act, or any person no longer in office who was previously a Magistrate covered pursuant to the provisions of the Magistrate Retirement Act, who has not retired and who has not received a refund of member contributions from the fund.

“Member contributions” means the amounts deducted from the salary of a member and credited to the member’s individual account, together with interest if any, credited thereto.

“Minor child” means a natural or adopted child who has not reached his eighteenth birthday and who has not been emancipated by marriage or otherwise.

“Pension” means a series of monthly payments to a retired member or survivor beneficiary pursuant to the provisions of the Magistrate Retirement Act.

“Refund beneficiary” means a person designated by the member, in writing in the form prescribed by the association, as the person who would be refunded the member’s accumulated member contributions payable if the member dies and no survivor pension is payable, or as the person who would receive the difference between pension paid and accumulated member contributions if the retired member dies before receiving in pension payments the amount of the accumulated member contributions.

Glossary

“Retire” means to (1) terminate employment with all employers covered by any state system or the educational retirement system; and (2) receive a pension from one state system or the educational retirement system.

“Retired member” means a person who has met all requirements for retirement and who is receiving a pension from the fund.

“Salary” means the base salary or wages paid a member, including longevity pay, for personal services rendered. “Salary” shall not include overtime pay, allowances for housing, clothing, equipment or travel, or payments for unused sick leave, unless the unused sick leave payment is made through continuation of the member on the regular payroll for the period represented by that payment and any other form of remuneration not specifically designated by law as included in salary for Public Employees Retirement Act purposes.

“State system” means a retirement program provided for in the Public Employees Retirement Act, Magistrate Retirement Act, or Judicial Retirement Act.

“Surviving spouse” means the spouse to whom the member was married at the time of the member’s death.

“Survivor beneficiary” means a person who receives a pension or who has been designated to be paid a pension as a result of the death of a member or retired member..

“Years of service” means a period of time beginning on the date a person commences to hold office as a Magistrate because of appointment or election and ending on the date a person ceases to hold office as a Magistrate because of expiration of the Magistrate’s term, voluntary resignation, death or disability and shall include any fractions of years of service.

Who Do I Call?

... If I have questions about retiring? or	
... If I have questions about benefit estimates? or	
... If I have questions about purchasing service credit?	
PERA Member Services-Santa Fe	(505) 476-9300
PERA Albuquerque office	(505) 383-6550
Or toll free	(800) 342-3422
... If I have questions about deferred compensation?	
Deferred Compensation	(505) 476-9386
... If I have questions on disability retirement or survivor benefits?	
Member Services-Santa Fe	(505) 476-9300
... If I have questions about requesting a retirement seminar in my city?	
Outreach Bureau-statewide	(505) 476-9388
... If I have questions about PERA investments Portfolio holdings?	
PERA's Public Records Request Division	(505) 476-9300
... If I have questions about refunds?	
Member Services - Santa Fe	(505) 476-9300
... If I have questions about retirement for public school and university employees?	
Educational Retirement Board (ERB) - Santa Fe	(505) 827-8030
ERB Albuquerque Office	(505) 888-1560
Or toll free	(866) 691-2345
www.nmerb.org	
... If I have questions about retiree insurance?	
New Mexico Retiree Health Care	(505) 476-7340
Or toll free	(800) 233-2576
www.nmrhca.org	
... If I have questions about social security?	
Social Security	(800) 772-1213
www.ssa.gov	
... If I have questions about taxes?	
IRS	(800) 829-1040
www.irs.gov	
New Mexico Taxation and Revenue Department	(505) 827-0700
www.tax.newmexico.gov	

BENEFICIARY DESIGNATION FORM

Instructions: Please print or type in dark ink. This form must be completed in its entirety and returned to PERA via fax or by email to noreply.records@state.nm.us for processing. Required fields are in **BOLD ITALICS**. Members are encouraged to review the instructions and guidance provided with these forms.

CHECK ONE: ☐ New Form ☐ Change in Existing Information

MEMBER INFORMATION				
SOCIAL SECURITY NUMBER or PERA ID NUMBER				DATE OF BIRTH (mm/dd/ccyy)
FIRST NAME	MI	LAST NAME		
MAILING ADDRESS		HOME or CELL TELEPHONE NO.		
CITY	STATE	ZIP	EMAIL	
MARITAL STATUS <input type="checkbox"/> NEVER BEEN MARRIED <input type="checkbox"/> MARRIED <input type="checkbox"/> DIVORCED <input type="checkbox"/> WIDOWED Marriage or divorce after the date this form is completed may revoke your beneficiary designation(s).				
SPOUSAL CONSENT				
<input type="checkbox"/> Check here if you are married and designating someone other than your spouse. If this box is checked, you must submit a separate completed <i>Beneficiary Spousal Consent Form</i> for this designation to be effective.				
SURVIVOR BENEFICIARY INFORMATION – You May Only Choose One Person. You may NOT split between more than one person.				
I designate the following person to be my survivor beneficiary to receive a monthly pension payable for life in the event of my death prior to retirement. If I have less than the minimum number of years to meet retirement eligibility when I die, this monthly pension will be payable only if my death is duty related as provided by law.				
NAME	RELATIONSHIP	SSN/FED TAX ID	DATE OF BIRTH	ADDRESS/PHONE NUMBER <input type="checkbox"/> Same as above
REFUND BENEFICIARY INFORMATION – You May Only Choose One Person Or Organization. You may NOT split between more than one person or organization.				
If no survivor pension is payable, I designate the following person or organization to be my refund beneficiary to receive a refund of my accumulated member contributions. If I do not designate a refund beneficiary, I understand the refund amount will be paid to my estate.				
Person				
NAME	RELATIONSHIP	SSN/FED TAX ID	DATE OF BIRTH	ADDRESS/PHONE NUMBER <input type="checkbox"/> Same as above
OR Organization				
ORGANIZATION NAME	ADDRESS/PHONE NUMBER		TAX ID #	
MEMBER AUTHORIZATION				
I hereby declare that all the information provided is true and complete to the best of my knowledge.				
SIGNATURE OF MEMBER			DATE OF SIGNATURE (mm/dd/ccyy)	

To be completed by a PERA member prior to retirement

September 2019

Page Intentionally Left Blank

PERSONAL INFORMATION (please print clearly using black or blue ink)

NAME: _____ SOCIAL SECURITY NUMBER: _____

ADDRESS: _____ APT: _____

CITY: _____ STATE: _____ ZIP CODE: _____

DAY PHONE: _____ EVENING PHONE: _____

E-MAIL: _____ DATE OF BIRTH: ____/____/____

EMPLOYER NAME (required): _____

PRIMARY BENEFICIARY: _____

Include: Name, Date of Birth, and Relationship

EMPLOYEE CONTRIBUTION ELECTION

You may elect to contribute to PERA SmartSave by selecting the dollar amount of your gross salary you want deducted from your wages on a per pay period basis. The total minimum contribution is \$260 annually and total maximum contribution is \$19,000 annually (or maximum IRS limits).

Pre-tax contribution amount: \$ _____ / per pay period

Roth contribution amount: \$ _____ / per pay period

(Please verify that your employer has the capability to remit Roth contributions.)

INVESTMENT FUND ELECTION - GUIDE ME

Choose from pre-defined options based on your birth year and a common retirement age of 65:

Name:

- ☐ New Mexico Conservative Portfolio
- ☐ New Mexico Life Cycle 2020 Portfolio
- ☐ New Mexico Life Cycle 2025 Portfolio
- ☐ New Mexico Life Cycle 2030 Portfolio
- ☐ New Mexico Life Cycle 2035 Portfolio
- ☐ New Mexico Life Cycle 2040 Portfolio
- ☐ New Mexico Life Cycle 2045 Portfolio
- ☐ New Mexico Life Cycle 2050 Portfolio
- ☐ New Mexico Life Cycle 2055 Portfolio

Birth Date Range:

- 12/31/1952 and prior
- 1/1/1953 - 12/31/1957
- 1/1/1958 - 12/31/1962
- 1/1/1963 - 12/31/1967
- 1/1/1968 - 12/31/1972
- 1/1/1973 - 12/31/1977
- 1/1/1978 - 12/31/1982
- 1/1/1983 - 12/31/1987
- 1/1/1988 and after

INVESTMENT FUND ELECTION - GET THERE MYSELF (MUST TOTAL 100%)

Choose your own investment mix from available options to create your own investment strategy:

New Mexico Conservative Portfolio	_____	.00%	New Mexico Stable Value Fund	_____	.00%
New Mexico Life Cycle 2020 Portfolio	_____	.00%	Oakmark Equity & Income Fund (The) - Class I	_____	.00%
New Mexico Life Cycle 2025 Portfolio	_____	.00%	Dodge & Cox Stock Fund	_____	.00%
New Mexico Life Cycle 2030 Portfolio	_____	.00%	Fidelity Contrafund K	_____	.00%
New Mexico Life Cycle 2035 Portfolio	_____	.00%	Principal Funds Inc., Mid Cap Fund - Institutional Class	_____	.00%
New Mexico Life Cycle 2040 Portfolio	_____	.00%	T. Rowe Price Institutional Mid-Cap Equity Growth Fund	_____	.00%
New Mexico Life Cycle 2045 Portfolio	_____	.00%	Fidelity Low-Priced Stock K	_____	.00%
New Mexico Life Cycle 2050 Portfolio	_____	.00%	DFA U.S. Small Cap Portfolio	_____	.00%
New Mexico Life Cycle 2055 Portfolio	_____	.00%	EuroPacific Growth Fund - Class R6	_____	.00%
Vanguard Total Bond Market Index Fund - Institutional Shares	_____	.00%	Fidelity Diversified International K	_____	.00%
Vanguard Inflation Protected Securities Fund - Institutional Shares	_____	.00%	Templeton Global Bond Fund - Class R6	_____	.00%
Vanguard® Institutional Index Fund - Institutional Plus Shares	_____	.00%	Principal Diversified Real Asset Fund - Institutional	_____	.00%
Vanguard Total International Stock Index Fund - Institutional Shares	_____	.00%	Invesco Global Real Estate Fund - Class R5	_____	.00%
			Aberdeen Emerging Markets Equity Fund - Institutional Class	_____	.00%
			TOTAL		100%

AUTHORIZATION

By signing this form, I authorize my employer to reduce my salary by the amounts indicated in the Employee Contribution Election section of this form and I allow the Plan to set up my account with the contribution source(s). I understand if I do not complete one of the Investment Funds Election sections, my contributions will default to the target date fund closest to the year I reach age 65.

I hereby certify that the information I furnished herein is true, accurate and complete.

PARTICIPANT SIGNATURE _____ **DATE** _____

MAILING INSTRUCTIONS

Please submit your completed form to:

VIA FAX:

Voya Financial
Attn: PERA SmartSave
1-844-299-2373

VIA MAIL DELIVERY:

Voya Financial
Attn: PERA SmartSave
P.O. Box 24747
Jacksonville, FL 32241-4747

VIA OVERNIGHT DELIVERY:

Voya Financial
Attn: PERA SmartSave
8900 Prominence Parkway
Jacksonville, FL 32256-8264

If you have any questions or need to obtain additional plan or account information, please go online at PERASmartSave.voya.com or call the PERA SmartSave Service Center at 1-833-424-7283 (SAVE) (TTY/TTD users call 1-800-579-5708). Customer Service Associates are available Monday through Friday, 7:00 A.M. to 7:00 P.M. Mountain Time (excluding stock market holidays).

PERA REQUEST FORM

Instructions: Please print or type in dark ink. This form must be completed in its entirety and returned to PERA via fax or by email to noreply.records@state.nm.us for processing. Required fields are in **BOLD ITALICS**.

MEMBER INFORMATION PRINT CLEARLY

SOCIAL SECURITY NUMBER or PERA ID NUMBER

FIRST NAME	MI	LAST NAME
MARITAL STATUS <input type="checkbox"/> NEVER BEEN MARRIED <input type="checkbox"/> MARRIED <input type="checkbox"/> DIVORCED <input type="checkbox"/> WIDOWED		
MAILING ADDRESS		HOME or CELL TELEPHONE NO.
CITY	STATE	ZIP
Check to receive e-mail correspondence Yes <input type="checkbox"/> No <input type="checkbox"/>	EMAIL	
DATE OF BIRTH	GENDER <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	

PRESENT EMPLOYER

REQUEST FOR INFORMATION (PLEASE CHECK ALL THAT APPLY)

☐ Send Retirement Kit – Retirement forms are also available on the PERA website.

☐ Estimate of benefits: Requested for retirement on [up to 2 dates] _____

1. Beneficiary Name _____ Beneficiary SSN _____
Relationship to Member _____ Date of Birth _____

2. Reciprocity (check all plans that apply)
☐ PERA ☐ JRA ☐ MRA ☐ ERB

☐ Total Service Credit Verification (check all plans that apply)
☐ PERA ☐ JRA ☐ MRA ☐ ERB ☐ VFF

☐ Purchase of Withdrawn Service: ☐ Cost of All Years ☐ _____ Year(s) only
 Requests for less than yearly increments will be done if Application for Pension has been submitted to PERA.

☐ Purchase of "Air Time" Service

☐ Purchase of Military Service (**Copy of DD214 must be attached with discharge status**)

☐ Purchase of Prior Service **Name of Employer with Prior Service** _____
 PERA will contact the employer with the prior service with instructions on the information needed.

- PERA will provide two requests annually, visit our website www.nmpera.org for additional requests.

Allow 30-45 days to process your estimate, service credit verification or purchase agreement. Requests with ERB service credit could take additional time to process.

SIGNATURE OF MEMBER	DATE
----------------------------	-------------

February 2022



Toll Free (800) 342-3422
Website: www.nmpera.org
E-mail: pera-memberservices@state.nm.us
pera-albuquerque@state.nm.us

 @NMPERA  @NMPERA  @PERANEWMEXICO

 @NM PERA

Santa Fe Office

33 Plaza La Prensa
Santa Fe, NM 87507
505-476-9300 Voice
505-954-0370 Fax

Albuquerque Office

6300 Jefferson St. NE, STE#100
Albuquerque, NM 87109
505-383-6550 Voice
505-954-0370 Fax



**Public Employees
Retirement Association
of New Mexico**

Updated February 2022