



***VISION: Celebrating Our History, Securing Our Future***

The UNM Retiree Association represents the welfare of all retired UNM employees and serves in an advisory role to the UNM Board of Regents and the UNM Administration.

**Goal:** To ensure solvency of the Educational Retirement Board pension without further eroding promised benefits and restore the Cost of Living Adjustment (COLA) to the original 2%.

- The average ERB retiree pension is \$21,972. ERB active employees contribute to their retiree pension benefit and retirees pay taxes on the pension they earned.
- Retired faculty and staff anticipate a solvent pension plan will be there when they need it after decades of dedication. If New Mexico values education and educators, it will ensure retirees receive the pensions they earned and were promised.
- Retirees want the ERB fund to be solvent. Retirees are eager to work with ERB leadership and legislators to find ways to achieve this goal.
- Further reductions to ERB benefits will only discourage educators, K-12 and higher education, from entering or staying in this profession.
- Any changes must not be retroactive, to avoid harm to one of New Mexico's most vulnerable populations - seniors.
- As New Mexico retiree benefits are eroded by inflation, their decreased purchasing power will affect New Mexico's economy. Retirees may even become a burden on already stressed systems; such as Medicare, Medicaid, SNAP, and other assistance programs.
- ERB retirees' COLA is determined by the Consumer Price Index (CPI). A different ERB COLA calculation is needed, comparable to how PERA's COLA is determined and calculated. We recommend the ERB and legislature review how the ERB COLA is established.

**LEARN MORE:** [www.retiree.unm.edu](http://www.retiree.unm.edu), Email: [retiree@unm.edu](mailto:retiree@unm.edu), Phone: 505-277-3187



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**FACT SHEET**

**New Mexico Educational Retirement Board**

Participating Employers (6/30/16)	218
Active Members (6/30/16)	60,057
Retired Members (6/30/16)	45,797
Average Age at Retirement (FY 2016)	62
Average Retirement Pension (FY 2016)	\$21,972
Contributions for an annual salary greater than \$20,000	
Employee	10.70%
Employer	13.90%
Cost of Living Adjustment (COLA)	Tied to CPI

COLA – The 1.8% and 1.6% are averaged over a 10-30-year span.  
 Retirees with 25 or more years of service credit and whose monthly benefit is less than or equal to the median retirement benefit. 1.8%  
 All Other Eligible Retirees 1.6%

<p><b>ERB (INFORMATION IS FOR EMPLOYEES IN TIER 1 HIRED BEFORE JULY 1, 2010)</b></p> <p><b>ERB FINAL SAMPLE RETIREMENT</b> (The scenario applies to a Tier 1 retiree who retired at 65 with 25 years of service, June 30, 2016.)</p> <p><b>Example:</b> Final Average Salary - \$42k, \$44k, \$46k, \$48k, &amp; \$50k. <b>High 5-year average = \$46,000</b></p> <p><b>Example:</b> ERB Retirement Benefit: \$46,000 x 25 years of service x .0235 = <b>\$27,025</b></p>	<p><b>The ERB COLA COMPOUND EFFECT of \$27,025</b>          (The scenario applies to a Tier 1 retiree who retired at 65 with 25 years of service, June 30, 2016.)</p> <p><b>Note:</b> The amounts below are based on long-term expectations for the average COLAs until the reduction goes away. CPI of 3% over a 10 – 30-year span:          At 75, using the average ERB COLA factor 1.6% the 10-year compounding effect is - <b><u>\$31,674.</u></b></p> <p>At 85, what would the benefit be in 20 years at 1.6% COLA with 20 years of a compounding effect? <b><u>\$37,123.</u></b></p> <p>At 85, what would the benefit be in 20 years at the original pre-July 1, 2013, 2% COLA with 20 years of a compounding effect? <b><u>\$40,158.</u></b></p>
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