

Talking points

NMERB Legislative Proposal- 2020

House Bill 46 – Sponsor Rep. Tomas Salazar

WHAT THE BILL DOES:

In 2020:

- A transfer from General Fund to ERB trust fund - **\$50 million**
- Plus--transfer from General Fund to ERB an amount equal to a 1% employer contribution increase- **\$31 million**

After 2020:

Distributions from Gross Receipts Tax to ERB trust fund:

- In **2021** the amount equal to a 2% increase in employer contribution- **\$62 million**
- In **2022** a transfer from Gross Receipts Tax to ERB trust fund - **\$50 million**
- Also, in **2022 and thereafter** - an amount equal to a **\$31 million x 1% = 3%** increase in employer contribution - **\$93 million**

WHY:

We need to strive to be 100% funded as soon as possible. (UNM RA's opinion - There is conflicting necessity for 100% funding, but at least this gets the state to do its share!)

- Being 100% funded benefits all NMERB's stakeholders: students, members, retirees, employers, taxpayers and the state.
- NMERB is currently 62.9% funded and unfunded liabilities are \$7.9 billion.
- The unfunded liability hurts the state's, schools', colleges' and universities' credit ratings.

Without these changes NMERB will be 100% funded in 47 years, but WITH these changes full funding will take only 30 years.

NMERB's retirees, and current and future members have largely shouldered the burdens of pension reform in 2010, 2013 and 2019- it's time for the state to do its share.

<https://nmlegis.gov/Legislation/Legislation?Chamber=H&LegType=B&LegNo=46&year=20>