



The Legislature  
of the  
State of New Mexico

50th Legislature, 2nd Session

LAWS 2012

CHAPTER \_\_\_\_\_

HOUSE JOINT MEMORIAL 19

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Introduced by

REPRESENTATIVE JIM R. TRUJILLO

REPRESENTATIVE JANE E. POWDRELL-CULBERT  
SENATOR CARLOS R. CISNEROS  
SENATOR MARY KAY PAPEN  
SENATOR STEVEN P. NEVILLE  
SENATOR BERNADETTE M. SANCHEZ  
SENATOR TIM EICHENBERG  
SENATOR TIMOTHY M. KELLER

ENDORSED BY THE INVESTMENTS AND  
PENSIONS OVERSIGHT COMMITTEE



1 A JOINT MEMORIAL

2 REQUESTING THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION TO  
3 ASSESS OPTIONS FOR CHANGES TO PUBLIC EMPLOYEES RETIREMENT  
4 PLANS TO REDUCE UNFUNDED ACCRUED ACTUARIAL LIABILITY WITH A  
5 GOAL TO BRING THE FUNDING STATUS TO ONE HUNDRED PERCENT BY  
6 2041 AND REPORT RECOMMENDATIONS BY OCTOBER 2012.

7  
8 WHEREAS, the basic financial objective of the public  
9 employees retirement association is to ensure that statutory  
10 employee and employer contributions, when combined with  
11 present assets and future investment returns, will be  
12 sufficient to meet the association's present and future  
13 financial obligations; and

14 WHEREAS, past benefit plan enhancements have created  
15 additional liabilities for the association and have affected  
16 the funding status of certain retirement coverage plans; and

17 WHEREAS, events in financial markets have resulted in  
18 significant reduction in plan assets to all public pension  
19 funds, including the retirement funds administered by the  
20 public employees retirement association; and

21 WHEREAS, the public employees retirement fund has an  
22 unfunded liability totaling four billion nine hundred million  
23 dollars (\$4,900,000,000); and

24 WHEREAS, attempts to cover the public employees  
25 retirement fund's unfunded accrued liability and to sustain

1 existing benefit levels for current members through statutory  
2 contribution rates increases alone is impossible; and

3 WHEREAS, the public employees retirement association's  
4 actuaries are performing an open group actuarial study to be  
5 completed by January 2012 that will provide more definitive  
6 baseline data regarding the current benefit structures to  
7 determine the long-term actuarial condition of the retirement  
8 plans; and

9 WHEREAS, the results of the open group projections will  
10 provide the public employees retirement association board with  
11 the baseline required to assess plan design changes required  
12 for future and current members of the retirement plans,  
13 including retirees; and

14 WHEREAS, the public employees retirement association  
15 board is conducting an asset liability study to further  
16 determine how future investment return assumptions will affect  
17 the long-term actuarial condition of the retirement plans and  
18 will be completed in February 2012; and

19 WHEREAS, the results of these studies will be  
20 communicated to current active and retired members, and  
21 stakeholder input will be considered as plan design changes  
22 are developed; and

23 WHEREAS, the public employees retirement association  
24 board seeks to ensure consistency within all retirement plans  
25 by focusing on a minimum retirement age in relation to

1 statutory contributions and final retirement pension; and

2 WHEREAS, reasonable solutions to address the unfunded  
3 accrued liability of the retirement plans administered by the  
4 public employees retirement association need to be considered  
5 through an actuarially sound process; and

6 WHEREAS, the public employees retirement association  
7 board is under a fiduciary duty to ensure that any  
8 modification of benefits paid by the retirement systems or  
9 changes in the funding formula for a retirement plan be  
10 adequately funded in accordance with actuarial standards  
11 consistent with Article 20, Section 22 of the constitution of  
12 New Mexico;

13 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE  
14 STATE OF NEW MEXICO that the public employees retirement  
15 association be requested to assess options for changes to  
16 public employees retirement plans to reduce unfunded accrued  
17 actuarial liability with a goal to bring the funding status to  
18 one hundred percent by 2041; and

19 BE IT FURTHER RESOLVED that the public employees  
20 retirement association be requested to provide its  
21 recommendations for benefit structure changes affecting future  
22 and active members and retirees to the appropriate interim  
23 legislature committee no later than October 1, 2012; and

24 BE IT FURTHER RESOLVED that copies of this memorial be  
25 transmitted to the chair and vice chair of the appropriate

1 interim legislative committee and the chair of the public  
2 employees retirement association board.

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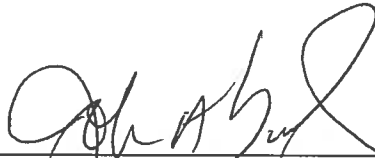
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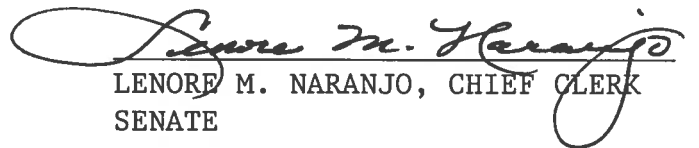
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HOUSE OF REPRESENTATIVES



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