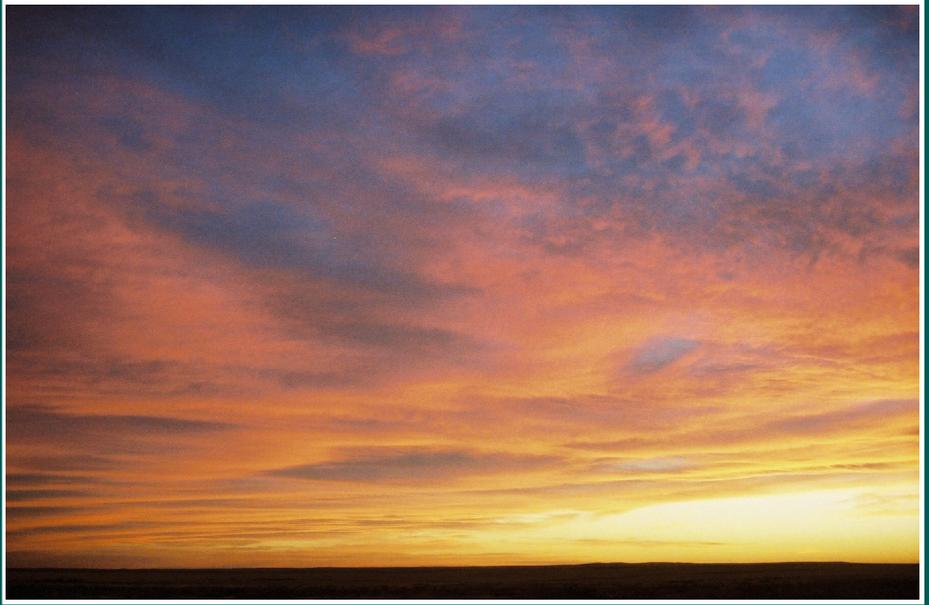


Judicial and Magistrate Plans Member Handbook



**Public Employees
Retirement Association**
of New Mexico

PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION OF NEW MEXICO

**JUDGES AND MAGISTRATE
PLANS MEMBER HANDBOOK**



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November 2011

IMPORTANT NOTICE

This handbook is intended solely as a convenient guide for procedures and benefits associated with retirement for judges and magistrates. As a result, the information in the handbook is of a general nature and may not apply to all situations. Future changes in the Judicial Retirement Act (JRA) and the Magistrate Retirement Act (MRA) or in the rules of the Association may make some information obsolete.

In all situations, the provisions of the Judicial Retirement Act and the Magistrate Retirement Act and the rules 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.



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WELCOME

Welcome to PERA, New Mexico's public employment retirement system. PERA was established by the New Mexico Legislature in 1947 and is today one of the finest public retirement systems in the nation. Over 310 state and local government agencies provide pension benefits to their employees through PERA.

The focus of the PERA staff and the PERA Board is to provide responsive, quality service to all PERA participants. Our secure and successful investment program is carefully monitored to ensure that your pension funds are safe and that sufficient funds will be available to pay your pension benefits when you retire. The fund was at \$10.9 billion as of September 30, 2011.

If you have any questions about PERA or your retirement program, please feel free to give us a call. We'll be happy to help!

ABOUT PERA

New Mexico enacted legislation creating a public employee retirement system in 1947. New Mexico was the last state in the continental United States to establish a retirement system for its public employees.

At that time, members were required to contribute 3.5% of their gross salary, and their employers matched it with an equal amount. The maximum annuity any member could expect to receive was \$150 per month. There were no preretirement survivor benefits available.

In 1955, PERA had 217 pension recipients who received an average annual pension of \$1,161. By 1960, PERA recorded 593 pension recipients with an annual pension payroll of \$717,200, averaging \$1,209 per retiree per year. In 1961, the plan was again improved to provide benefits of up to 50% of a member's final average salary.

Today there are over 31 plans covering municipal employees, county employees, state employees, municipal police, municipal firefighters, judges, magistrates, legislators, volunteer firefighters and special districts and authorities created by the legislature. As of June 30, 2010, the pension payroll for all plans was \$663,750,045. PERA has 59,620 members and 27,972 retirees and beneficiaries.

PERA'S GOVERNING BODY

PERA is governed by a Retirement Board consisting of 12 members. The State Treasurer and Secretary of State are members by reason of their office. Eight members of the Board are elected by the active membership of the Association. Four of the eight members are Municipal Division members, one of whom is employed by a county. The remaining four are State Division members. Two board members are PERA retirees elected to the Board by the retired members. Members elected to the Board serve staggered 4-year terms.

Board elections are held in accordance with published Association rules. Copies of election rules and procedures can be obtained from PERA.

For Board election purposes, members under the JRA and MRA may nominate and elect candidates for state board member positions.

PLAN PROVISIONS

JUDICIAL MEMBERSHIP

The Judicial Retirement Plan of New Mexico includes justices of the Supreme Court, judges of the Court of Appeals, district court judges and metropolitan court judges.

MAGISTRATE MEMBERSHIP

The Magistrate Retirement Plan of New Mexico includes all magistrate judges.

EXCLUSIONS FROM MEMBERSHIP - Persons retired under the provisions of any state system or the Educational Retirement System are excluded from membership if they accept employment as a judge or magistrate. In addition, any judge or magistrate may also exclude themselves from membership by filing an exclusion form with the Association within 90 days of taking office.

FIVE OR MORE YEARS OF SERVICE - VESTED MEMBERSHIP

If you terminate your employment with at least 5 years of service credit and leave your accumulated member contributions on deposit with the Association, you are eligible to receive a deferred pension when you meet the age and service requirements for normal retirement. (See page 13 for details.) In addition, certain disability and survivor pension benefits are available. (See pages 14-16 for details.)

INTEREST CREDITED TO YOUR ACCOUNT

Each year, interest on your contributions at the rate set by the Board is credited to your account balance as of June 30. A member statement of your account balance will be mailed to you. Please remember that PERA must have a current mailing address for you as of June 30 for you to receive your annual statement. Currently, interest accrues at 5.25%.

JUDICIAL RETIREMENT ACT CONTRIBUTIONS BY MEMBERS & EMPLOYERS

Employee Contribution Percentage	Employer Contribution Percentage	Maximum Pension As A Percent Of Final Average Salary
Prior to July 1, 2005		
5.5%	9.0%	75%
From July 1, 2005 through June 30, 2006		
6.5%	10.5%	75%
From July 1, 2006 through June 30, 2009		
7.5%	12.0%	75%
From July 1, 2009 through June 30, 2011		
9.0%	10.5%	75%
From July 1, 2011 through June 30, 2012		
10.75%	8.75%	75%
From July 1, 2012 through June 30, 2013		
9.0%	10.5%	75%

In addition to the employer contributions percentage, \$38 from each civil case docket fee paid in district court, \$25 from each civil docket fee paid in metropolitan court and \$10 from each jury fee paid in metropolitan court is paid by the court clerk to the employer's accumulation fund.

MAGISTRATE RETIREMENT ACT CONTRIBUTIONS BY MEMBERS & EMPLOYERS

Employee Contribution Percentage	Employer Contribution Percentage	Maximum Pension As A Percent Of Final Average Salary
Through June 30, 2006		
6.5%	10.00%	75%
From July 1, 2006 through June 30, 2009		
7.5%	11.0%	75%
From July 1, 2009 through June 30, 2011		
9.0%	9.50%	75%
From July 1, 2011 through June 30 2012		
10.75%	7.75%	75%
From July 1, 2012 through June 30, 2013		
9.0%	9.50%	75%

In addition to the employer contribution percentage, \$25 from each civil case docket fee in magistrate court and \$10 from each civil jury fee paid in magistrate court is paid by the court clerk to the employer's accumulation fund.

MONTHS OF SERVICE CREDIT CONVERSION FACTOR TABLE

<u>No. of Months</u>	<u>Conversion Factor</u>	<u>No. of Months</u>	<u>Conversion Factor</u>
1	.0833	7	.5833
2	.1667	8	.6667
3	.2500	9	.7500
4	.3333	10	.8333
5	.4167	11	.9167
6	.5000	12	1.0000

SERVICE CREDIT

SERVICE

You are required to make contributions which are credited to your account on a monthly basis. Your employer makes non-refundable contributions that are deposited into the PERA retirement fund. Service is not credited for any month you begin employment after the sixteenth day of the month or terminate employment before the fifteenth day of the month.

No member may earn more than 12 months of service in a calendar year. If, for example, you work full time for one affiliated employer, and in the same month, part time for another, you still receive only one month of service credit during the month.

UNIFORMED SERVICE

Military service may be eligible for credit. Uniformed service is divided into two categories by the Judicial Retirement Act and the Magistrate Retirement Act: **(1) intervening uniformed service** and **(2) non-intervening uniformed service**. Uniformed service which is used to obtain or increase a benefit from another retirement program cannot be credited to you under JRA and MRA.

Intervening Uniformed Service occurs when you are called into active duty and leave employment with an affiliated public employer then promptly return to employment with an affiliated public employer upon discharge. Those months of uniformed service may be credited to you, free of contributions, upon your request and certification to PERA by your employer.

If your employer makes contributions from your annual or sick leave while you are on a tour of duty you will receive normal service credit for that time but not free service credit. Uniformed service following voluntary enlistment, however, is not eligible for free service credit. This includes joining any branch of the armed forces.

Non-Intervening Uniformed Service is all other active uniformed service. You may be eligible to purchase up to 5 years

(less any free uniformed service credit for which you are eligible) of active duty, uniformed service if:

- You have at least 5 years of service credit; and
- You pay PERA the purchase cost for each year of the service credit. The purchased cost shall be the increase in the actuarial value of the pension of the member. Full payment shall be made in a single lump sum payment.

Seventy-five percent of the purchase cost of non-intervening military service is considered to be employer contributions and will not be refunded to you if you subsequently terminate membership and withdraw your accumulated member contributions. You can obtain further information about credit for uniformed service by contacting PERA.

REINSTATEMENT OF FORFEITED SERVICE CREDIT

Service credit that was forfeited by withdrawing your accumulated contributions following a termination of employment may be reinstated by paying the Association the amount withdrawn, plus interest from the date of withdrawal to the date of repayment. Interest is calculated at the rate set by the Board. Repayment of all withdrawn contributions may be made in a lump sum payment or you may purchase forfeited service in yearly increments. Interest received to reinstate forfeited service credit cannot be later refunded and is not included in your member account balance. Please contact PERA in writing to find out how to reinstate forfeited service credit.

BUYING ADDITIONAL SERVICE CREDIT “AIR TIME”

Vested members may purchase up to 12 months of service credit for time that is not tied to any employment. “Air time” may be purchased in one-month increments not to exceed one year. A member must pay the full actuarial cost within 60 days of receiving the purchase agreement. Members covered in the Public Employees, Judicial and Magistrate Retirement Acts, are eligible to purchase air time. Service credit purchased as air time cannot be used to determine final average salary or the pension factor.

*The entire cost of purchasing air time is **nonrefundable**, so members should take this into consideration.*

THE RECIPROCITY ACT

If you have service credit under more than one state retirement system, Educational Retirement Act (ERA), the Judicial Retirement Act (JRA), the Magistrate Retirement Act (MRA) and the Public Employees Retirement Act (PERA) you should be aware that different provisions regarding service credit apply. Subject to certain statutory restrictions, the Reciprocity Act allows MRA and JRA members to use service earned under ERA and PERA in determining retirement eligibility and calculating pension benefits. Any MRA or JRA member who was employed under two or more state systems should contact PERA to determine his or her eligibility for reciprocal service credit for retirement purposes.

HOW TO RETIRE FROM PERA

A retirement kit, which contains instructions and a retirement application, is available from the PERA offices in Santa Fe and Albuquerque or may be obtained by writing to:

PERA Member Services
P. O. Box 2123
Santa Fe, NM 87504-2123

or by calling (505) 476-9300 or toll free in New Mexico 1-800-342-3422. You may also download forms from our website at www.pera.state.nm.us. Click on the button "Publications & Forms" and scroll down the list to the form you need.

You should submit a completed retirement application for normal retirement at least 60 days in advance of your expected retirement date. Your effective date of retirement is the first day of the month after you have done all of the following:

- 1.) You meet the age and service credit requirements;
- 2.) Your retirement application is filed and complete; including all required documentation and;
- 3.) You have terminated employment with your employer.

For a deferred pension, apply for retirement benefits 60 days prior to your retirement eligibility date.

NORMAL RETIREMENT ELIGIBILITY REQUIREMENTS

You must meet one of the following age and service requirements to retire under JRA or MRA.

JRA AGE AND SERVICE CREDIT ELIGIBILITY REQUIREMENTS FOR AN INDIVIDUAL WHO INITIALLY BECAME A MEMBER PRIOR TO JULY 1,

2005:

Age 60 or older with 15 or more years of service credit; or
Age 64 or older with 5 or more years of service credit.

JRA AGE AND SERVICE CREDIT ELIGIBILITY REQUIREMENTS FOR AN INDIVIDUAL WHO INITIALLY BECAME A MEMBER ON OR AFTER JULY 1,

2005:

Age 55 or older with 16 or more years of service credit; or
Age 64 or older with 5 or more years of service credit.

MRA AGE AND SERVICE CREDIT ELIGIBILITY REQUIREMENTS:

Any age and 24 or more years of service credit; or
Age 60 or older with 15 or more years of service credit; or
Age 64 or older with 5 or more years of service credit.

No member of either Judicial or Magistrate plans shall be eligible to receive a pension according to the provisions of the appropriate retirement plan while still in office. Public employees, legislators and volunteer firefighters have different age and service requirements as well as benefit calculation provisions. Please request information on these plans from PERA.

BENEFITS ESTIMATE FORMULAS

Benefit estimates and calculations are based, in part, on salary. Salary means the base salary or wages paid a member, including longevity pay, for personal services provided. Salary does not include overtime pay; allowances for housing, clothing, equipment or travel; 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 pursuant to the provisions of the Judicial Retirement Act [10-12B-1 NMSA 1978].

RETIREMENT UNDER THE JUDICIAL ACT

For judges and justices who became members prior to July 1, 2005.

EARLY RETIREMENT UNDER THE JUDICIAL ACT

A member of the Judicial Retirement Act prior to July 1, 2005, with at least 18 years of service credit may chose to retire at any time between age 50 and age 60 and receive a pension that is 1/12th of the following formula:

Salary received during the last full year in office prior to retirement	X	[.7 + (.005	X	Number of years between age 50 and the age at retirement)].
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NORMAL RETIREMENT UNDER THE JUDICIAL ACT

A judge or justice who initially became a member prior to July 1, 2005 can receive a pension that is 1/12th of the following formula:

75% of Salary received during the last full year in office prior to retirement	X	.05	X	(Number of years of service, not exceeding 15, + 5 years).
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RETIREMENT UNDER THE JUDICIAL ACT

Judges and justices who became members after July 1, 2005 can receive a pension that is 1/12th of the following formula:

NORMAL RETIREMENT UNDER THE JUDICIAL ACT

Salary received during
the last full year in office
prior to retirement

$$\times 3.75 \times$$

(Number of
years of service).

The pension maximum under the Judicial Act shall not exceed 75% of the average salary of the last year in office.

NOTE: Early retirement is not available to judges and justices who became members after July 1, 2005.

RETIREMENT UNDER THE MAGISTRATE ACT

The amount of pension is equal to 1/12th of:

75% of salary received
during the last full year
in office prior to retire-
ment

$$\times .05 \times$$

(Number of years
of service, not ex-
ceeding 15 years,
+ 5 years).

For a judge or justice who was a member prior to 1980, please contact PERA for information about your pension amount.

RETIREMENT BENEFICIARY OPTIONS

For both judges and magistrates, the surviving spouse or a designated survivor beneficiary chosen at the time at retirement will receive 75% of the member's pension upon the retired member's death. A survivor pension is paid for life to the retired member's surviving spouse by operation of law.

Submitting a *Survivor Beneficiary Designation* form will allow you to designate a beneficiary to receive your pension if you are not married, or if you wish to designate someone other than your spouse. If you are married, you must have your spouse's consent to designate someone other than your spouse.

PRE-RETIREMENT SURVIVOR PENSIONS

If a member dies before retiring, certain survivor pensions are available from PERA, depending on the particular circumstances of the member.

A survivor pension is paid to your surviving spouse or designated survivor beneficiary. If there is no surviving spouse or designated survivor beneficiary, your minor and dependant children will be paid a survivor pension as provided by statute. A spouse is eligible if he or she was married to you at the time of your death. You may change your designated survivor beneficiary at any time prior to your death or retirement. Submitting a *Survivor Beneficiary Designation* form will allow you to designate a beneficiary to receive your pension if you die before retirement and you are not married, or if you wish to designate someone other than your spouse.

DISABILITY RETIREMENT

GENERAL CONDITIONS

All JRA and MRA members are eligible for a **duty disability** benefit beginning on the first day of employment with a PERA-affiliated employer. When you have accrued at least five years of service credit, you are also eligible for a **non-duty disability** benefit and you will remain eligible for non-duty disability unless you withdraw your contributions from PERA. To become eligible for this benefit your doctor must certify that your disability will continue and you cannot work for at least one year. The PERA Board determines if a disability is duty related based on certain legal requirements and the medical documentation you provide.

DISABILITY REVIEW

Your disability application and supporting evidence are reviewed by the PERA Board's Disability Review Committee, which includes medical doctors and PERA Board members. You must submit reports of medical examinations and provide all information requested by PERA. The Disability Review Committee is responsible for reviewing applications and determining whether or not disability benefits are granted. An applicant has appeal rights if he or she disagrees with the determination of the committee.

Disability retirements may be subject to reevaluation until the retired member reaches the age and service requirements for normal retirement. If, on reevaluation, the committee finds that you are no longer disabled, disability pension payments will be discontinued.

SSA BENEFITS

If eligible, you are required to apply for federal Social Security Administration (SSA) disability benefits within 30 days of receiving PERA disability. If federal SSA benefits are approved for the same medical condition, your PERA benefits will be automatically continued. However, if you are denied federal SSA benefits, your PERA benefits will be automatically discontinued.

ANNUAL EARNINGS STATEMENT

A disability retiree must submit an annual statement of “earnings from gainful employment” to PERA prior to July 1 of each year. PERA rules require submission of your federal Internal Revenue Service tax return or other proof of earnings. Disability pension payments will be suspended if the tax return or other proof is not filed or if the amount of the retiree’s earnings from employment in the previous year exceeds \$15,000.

DISABILITY PENSION AMOUNT

If the Disability Review Committee determines that you are eligible to receive a disability pension, the benefit will be calculated using the formula for normal retirement of the Judicial Retirement Act or Magistrate Retirement Act.

YOUR RIGHT TO APPEAL A DENIAL OF A CLAIM FOR BENEFITS

You will be notified in writing if your claim for a benefit has been denied. The notification will contain the reason your claim was denied. You then have 90 days to appeal the denial to the PERA Board. Your appeal must contain your reason for believing the denial is improper. An administrative hearing of your appeal will be scheduled within 60 days of receiving the appeal. For further information about the appellate process, please contact PERA.

COST-OF-LIVING ADJUSTMENTS (COLA)

Once you have been retired for two full-calendar years (January 1 through December 31) you will receive a 3% Cost-Of-Living Adjustment (COLA) effective July 1 of the following year. For example, if you retired effective August 1, 2012, your first COLA will be paid with the July pension payment for the year 2015.

If you retire due to a disability or if you are at least age 65 at retirement, the two-calendar-year waiting period is reduced to one full-calendar year. The COLA will be paid July 1 of the following year.

CONTRIBUTIONS BY MEMBERS AND EMPLOYERS

As an employee, you contribute to your retirement at the percent of your salary specified under your coverage plan. Your affiliated public employer also contributes at a specified percentage. Your contributions are based on your gross salary before deductions. The state and many other affiliated employers have elected to defer taxes on your contributions. Therefore, if you withdraw your contributions, both state and federal taxes will be withheld if your contributions have been tax deferred. The contributions by employee and by employer are listed on page 7 and 8.

REFUNDS

Upon terminating employment you may apply for a refund of your accumulated member contributions, if you are not employed by another affiliated public employer for 30 days. A refund of your contributions will mean forfeiting service credit and any rights to a deferred pension as well as disability and survivor benefits. Employer contributions made on your behalf are retained by PERA. All refund requests must be made on a "Termination Notice" form which is available from your payroll or personnel office. Because New Mexico is a community property state you must submit a copy of any divorce decrees and marital property settlements to PERA. Refunds are subject to all applicable state and federal tax laws. You may "roll over" your contributions to certain other eligible retirement accounts. If you are interested in rolling over your contributions, please contact PERA.

When you withdraw your member contributions, you forfeit all of your service credit. You will not be eligible for a retirement pension unless the withdrawn contributions are repaid, along with interest, calculated from the date of withdrawal to the date of repayment. 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. Therefore, a refund or rollover of contributions normally takes a minimum of 60 days to process.

HELPFUL TIPS

- √ Make use of PERA's Interactive Voice Response system by calling 1 (800) 342-3422 statewide or (505) 476-9300 in the Santa Fe area for the following information:
 - Obtain the current balance of member contributions in your account.
 - Obtain balance refund information.
- √ Remember to keep your Refund Beneficiary and Survivor Beneficiary information current. Forms are available from your employer or you may request them directly from PERA Member Services or download them from the PERA website www.pera.state.nm.us.
- √ If you move, please submit a change of address to PERA. This will ensure that your annual member statement, cost-of-living increase letter, board election ballot, La Voz newsletters and other important documents reach you in a timely manner.
- √ All retirement applications, supporting forms and additional documents should be submitted to PERA 60 days prior to your date of retirement.
- √ If you are divorced, make certain that you retain court endorsed copies of all related documents.
- √ Your retirement will be effective on the first day of the month following:
 - Filing your completed, signed application and all required documentation with PERA;
 - PERA verification of your service credit and age;
 - Termination of employment with your employer.



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 military service or withdrawn service?

PERA Member Services-Santa Fe 505-476-9300

PERA Albuquerque office 505-883-4503

Or toll free in New Mexico 1-800-342-3422

... If I have questions about deferred compensation?

Deferred Compensation 505-476-9395

... 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?

Liaison Officer-statewide 505-476-9306

Albuquerque metro area 505-883-4503

... If I have questions about PERA investments?

Investments 505-476-9337

... If I have questions about refunds?

Administrative Services 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 1-866-691-2345

www.nmerb.org

... If I have questions about retiree insurance?

New Mexico Retiree Health Care 505-986-8556

Or toll free in New Mexico 1-800-233-2576

www.nmrhca.state.nm.us

... If I have questions about social security?

Social Security 1-800-772-1213

www.ssa.gov

Santa Fe Office

P. O. Box 2123

33 Plaza La Prensa (87507)

Santa Fe, New Mexico 87504-2123

1-800-342-3422 toll-free statewide

505-476-9300 (voice Santa Fe)

505-476-9401 (fax Santa Fe)

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505-883-4503 (voice Albuquerque)

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