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SENATE MEMORIAL 4

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

Mimi Stewart

A MEMORIAL

REQUESTING THE LEGISLATIVE FINANCE COMMITTEE TO CONDUCT A STUDY ON EQUALIZING THE PENSION BENEFIT STRUCTURES OF THE EDUCATIONAL RETIREMENT BOARD AND THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION, IN COLLABORATION WITH THE INTERIM COMMITTEE THAT STUDIES INVESTMENTS AND PENSIONS AND THE UNIVERSITY OF NEW MEXICO BUREAU OF BUSINESS AND ECONOMIC RESEARCH.

WHEREAS, the legislature has established two separate retirement systems: the educational retirement board, created in 1925 to serve university faculty, which now includes teachers and other employees in public and higher education within its scope; and the public employees retirement association, created in 1945 to serve state government employees, which now includes municipal and county employees within its scope; and

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1 WHEREAS, the two retirement systems administer different
2 computations of pension benefits, multipliers and cost-of-
3 living adjustments under their respective pension plan options,
4 resulting in a substantial inequity of retirement benefits
5 provided to the members of the educational retirement system
6 versus the members of the public employees retirement system;
7 and

8 WHEREAS, the educational retirement board contracted with
9 the university of New Mexico bureau of business and economic
10 research to study the historical differences between the
11 educational retirement board's pension plan and the public
12 employees retirement association's pension plans; and

13 WHEREAS, the university of New Mexico bureau of business
14 and economic research published a report in September 2020
15 comparing the two retirement systems; and

16 WHEREAS, the report found that members of the educational
17 retirement system earn slightly less in compensation during
18 their active years and receive significantly less in pension
19 benefits than members of the public employees retirement system
20 with comparable backgrounds and experience levels; and

21 WHEREAS, the report pointed out that historically,
22 elementary and secondary education professionals have
23 predominantly been women and that there is a potential gender
24 disparity as the result of the differences in how each
25 retirement system is administered; and

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1 WHEREAS, the disparity may be mitigated by bringing the
2 educational retirement system's pension benefit structure into
3 parity with the structure of the public employees retirement
4 system's pension benefits;

5 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
6 OF NEW MEXICO that the legislative finance committee be
7 requested to conduct a comprehensive study on equalizing
8 computations of pension benefits, multipliers and cost-of-
9 living adjustments for members of the pension plan offered by
10 the educational retirement board and the pension plans offered
11 by the public employees retirement association, in
12 collaboration with the interim committee that studies
13 investments and pensions and the university of New Mexico
14 bureau of business and economic research; and

15 BE IT FURTHER RESOLVED that the study research the
16 histories of the two plans and their different pension benefit
17 structures; and

18 BE IT FURTHER RESOLVED that the legislative finance
19 committee and the university of New Mexico bureau of business
20 and economic research report their findings and recommendations
21 for equalizing the two retirement systems to the interim
22 committee that studies investments and pensions before the 2025
23 legislative session; and

24 BE IT FURTHER RESOLVED that copies of this memorial be
25 transmitted to the director of the legislative council service

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1 on behalf of the interim committee that studies investments and
2 pensions, the director of the legislative finance committee,
3 the director of the university of New Mexico bureau of business
4 and economic research, the executive director of the public
5 employees retirement association and the executive director of
6 the educational retirement board.

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