2019 Changes to the Educational Retirement Board Pension Plan

Tiered Multipliers

The Tiered Multipliers will only apply to those NMERB Members hired on or after July 1, 2019 or members who refunded contributions prior to July 1, 2019 and then repurchased their service credit on or after July 1, 2019.

There are four pension multipliers, which change for the different tiers of a member's years of service.

Years of Service	Multiplier
10 or less	1.35%
10.25 to 20	2.35%
20.25 to 30	3.35%
30.25 plus	2.4%

For example, a pension is calculated using the formula of years of service credit X final average salary X **a pension multiplier**.

- A member who retired with 15 years of service would calculate their benefit for the first ten years of service using the multiplier of 1.35% (10 yrs x 1.35% = 13.5) and the second five years (after 10 years) using the multiplier of 2.35% (5yrs x 2.35% = 11.75) such that 15 years of service will provide a cumulative benefit of 25.25% (13.5 + 11.75) of a member's final average salary (FAS).

Another example:
- A member who retired with 32 years of service would calculate their benefit for the first ten years of service using the multiplier of 1.35% (10yrs x 1.35%= 13.5), the second ten years using the multiplier of 2.35% (10yrs x 2.35%=23.5), the third ten years using the multiplier of 3.35% (10yrs x 3.35%= 33.5), and the last two years with the multiplier of 2.4% (2yrs x 2.4%=4.8), such that 32 years of service will provide a cumulative benefit of 75.3% (13.5 + 23.5 + 33.5 + 4.8) of a member's final average salary (FAS).

NMERB's goal is to encourage longer careers by providing slightly more generous benefits to those educational employees who serve the longest. This also assists the sustainability of the fund by providing less generous benefits for those members who have shorter NMERB careers, and who make less contributions to the fund.

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For more information email ERB-MemberHelp@state.nm.us.