



# NMRHCA

Quarterly Online Newsletter  
June 2020

## Minimum Age, Years of Service Rule Changes Effective Date Delayed by Seven Months

**A**t its June meeting, the New Mexico Retiree Health Care Authority's Board of Directors voted to approve an amendment to the New Mexico Administrative Code 2.81.11, Sections 6-10 that will delay the implementation of two rule changes taking place in 2021.

The board originally adopted the rule changes in 2018 to take effect Jan. 1, 2021 establishing a minimum age requirement of 55 and increasing the number of years of service required to receive the maximum subsidy provided by the agency.

The board's action at its June meeting delays the effective date of the rule changes by seven months — to July 31, 2021.

To receive a subsidy (NMRHCA's contribution toward your monthly health care premiums) from the program before the age of 55, you must begin receiving your pension by July 1, 2021. Retirements after July 31, 2021 (effective Aug. 1, 2021 or later) will be subject to the rule change.

If you are under age 55 and retire after July 31, 2021, you will not receive a subsidy toward your health care premiums through NMRHCA — no matter how many years of service you have worked — until the 55.

Also, members retiring after July 31, 2021 will need 25 years of service credit in order to receive the maximum subsidy provided by NMRHCA. Currently, the service requirement to receive the maximum subsidy is 20 years.

Please note this rule change does not apply to folks who retire from an enhanced retirement plan, i.e., firefighters, police officers, correctional officers and judges.

The board made its decision after a public comment pe-

riod beginning April 21 to consider the delay of the rule changes effective date. Active members had the opportunity to support or oppose moving back the effective date from Jan. 1, 2021 to July 31, 2021.

The comment period concluded on May 22 after a public videoconference hearing. The hearing provided an opportunity for employees and employers to ask questions and express their support or opposition to the proposed amendment.

Delaying implementation of the increased years-of-service and minimum age requirements is estimated to cost approximately \$3.9 to \$4.1 million. However, the delay does not have a material impact on the projected solvency of the program or its ability to maintain a comprehensive and affordable health plan for public retirees.

The Board's actions were taken in response to concerns expressed from public employees and school officials regarding their ability to recruit and retain qualified employees. These concerns were expressed during a period of time where school districts, in particular, would face significant challenges ensuring classroom requirements were being met; as employees opt to retire in the middle of the school year in order to avoid the new requirements.

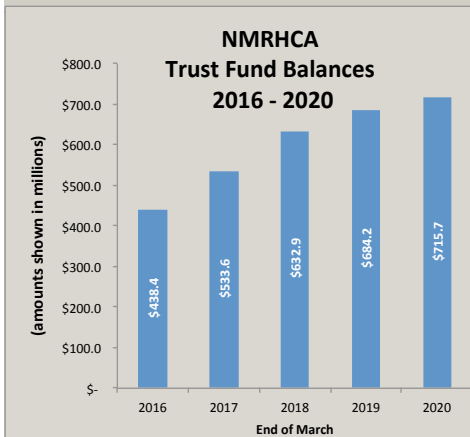
The amended rule allows public and school employees paying into NMRHCA to complete the 2020-21 calendar year and retire before the new rules go into effect.

An effective date of July 31, 2021, will now be codified under NMAC 2.81.11, Sections 6-10. No additional changes to the effective date of the increased years-of-service requirements and minimum age requirements are anticipated. If you have any questions about the rule changes, please contact NMRHCA at 505-222-6403.

*The New Mexico Retiree Health Care Authority fosters quality of life and peace of mind by responsibly administering affordable, secure health care benefits for public retirees and their families.*



## Investments



## Dental, Vision Insurance Changes in July, 2020

Beginning July 1, 2020, the New Mexico Retiree Health Care Authority will undergo some changes with its dental/vision plans — including rate changes — that will take effect on July 1, 2020, pending final approval of contracts resulting from the 2019 medical, dental and vision procurement.

Among the changes are the selection of a sole dental provider that will continue to offer two levels of benefits for our members.

Please be sure to check on the NMRHCA.org website on or after July 1 to learn more about those changes as you prepare for your retirement and consider NMRHCA's plan offerings for your health insurance needs.

### Important Links:

New Mexico Retiree Health Care Authority:  
[www.nmrhca.org](http://www.nmrhca.org)

New Mexico Educational Retirement Board:  
[www.nmerb.org](http://www.nmerb.org)

Public Employees Retirement Association:  
[www.nmpera.org](http://www.nmpera.org)

## NMRHCA's Office in Albuquerque Relocating With PERA in September

To better serve its members, the New Mexico Retiree Health Care Authority is excited to announce its planned move of its Albuquerque office to a new location.

On Sept. 1, NMRHCA will relocate to 6300 Jefferson St. NE 87109 (south of Osuna on the east side of the street), where it will share office space with the Public Employees Retirement As-

sociation (PERA). Please note that our Santa Fe office will remain in the Santa Fe PERA building.

NMRHCA will retain its current toll-free number, 1-800-233-2576, and general email address, [customerservice@state.nm.us](mailto:customerservice@state.nm.us), amid the move.

Please call our offices if you have any questions regarding our relocation.

## Health Insurance Options For Those Retiring Under Age 55 on July 31, 2021 or Later

1. Purchase unsubsidized health insurance coverage through NMRHCA, and a subsidy will automatically be applied on the month of your 55th birthday. Currently, NMRHCA subsidizes up to 64 percent of a retiree's non-Medicare eligible premium for medical coverage each month. For example, if the total cost of providing retiree coverage is \$900 per month, NMRHCA pays \$576, the retiree \$324. After July 31, 2021, if you retire before the age of 55, you would pay 100% (\$900 per month) until the month of your 55th birthday. This change omits current participants or to individuals retiring from an enhanced retirement plan.

2. Purchase a plan through the open market or the health care exchange. For more information, visit [bewellnm.com](http://bewellnm.com). If you get on a plan through the open market or the exchange, you can enroll with NMRHCA within 31 days of your 55th birthday. If you miss this qualifying event period, you must wait until the next open enrollment period (in January of every odd year, i.e., 2021, 2023, 2025, etc.).

3. Upon retirement, if you return to work for a private or government employer that offers health insurance benefits, you are required to enroll in the coverage offered.

4. Join your spouse's/domestic partner's employer insurance plan.

5. Stay at your current NMRHCA-participating ERB/PERA job until age 55 to receive the subsidy you've earned based on years of service.

Note — the years of service to receive the maximum subsidy NMRHCA offers will increase on July 31, 2021 from 20 to 25 years. Active employees are eligible to participate with NMRHCA upon retirement after five years and will earn a larger subsidy with each additional year. Currently, employees with five years of service earn 6.25% of the maximum subsidy available. Each additional year of service adds a 6.25% increase in subsidy toward the maximum, up to 20 years. For those retiring after July 31, 2021, five years of service earn approximately 4.76% of the maximum subsidy, and each additional year adds 4.76%, up to 25 years of service.