

Frequently Asked Questions

What are the current employee/employer contribution rates for Retiree Health Care Authority participating agencies?

Answer: Effective July 1, 2012, Employee/Employer contribution regular rates are 1.0% and 2.0% and enhanced rates are 1.25% and 2.5%, respectively.

When and how often should the contributions be forwarded to RHCA?

Answer: Statue 10-7C-15 D NMSA 1978 requires contributions be received by the 10th day of the month following the last pay period ending date. Interest on unpaid balances is calculated at the rate of 6 percent per year compounded monthly. We ask that you comply strictly with this requirement.

Can member institutions forward their contributions electronically?

Answer: In the near future, we will be developing a feature on our website whereby the contribution form and the monthly contribution payment can be remitted to NMRHCA electronically.

Are there any categories of employees/employers that are not required to contribute their share to RHCA EE/ER contributions?

Answer: As a condition of employment, all employees who are entitled to ERB and PERA pension benefits must contribute, including back to work employees. Certain categories like part-time summer employees, those whose paychecks do not include a deduction to PERA or ERB, are not included. The contribution form requires employers to define the number of employees counted for RHA benefit purposes as well as those that are not. Through this approach, the participating institution and RHCA can work together to assure correct calculations.

Should employers include employees who have purchased service credits for pension purposes?

Answer: Yes. However, it is important that member agencies advise their employees who purchase air time for pension purposes that this change does not count toward NMRHCA years of service calculations. By separate arrangement with NMRHCA, they can do the same. Their buy in cost will be determined using actuarial projections.

How do I set up an electronic contribution fund transfer?

Answer: Contact your financial institution and provide the following information:

BANK ADDRESS:
Wells Fargo
200 Lomas Blvd. NW
Albuquerque, New Mexico 87102

ROUTING AND TRANSIT CRT# 121000248
ACCOUNT # 4123105413

When you initiate the transfer please either scan your contribution form and email to Finance@rhca.nm.gov or fax it to the Albuquerque office at (505) 884-8611.

What if our school is not in session during the summer months of July and August and there is no staff working during that time?

Answer: A contribution form still needs to be submitted for that time period. The gross payroll amount and the number of employees subject to contributions will be reported as zero. Please submit these forms with your last June payroll reporting.

Do I need to include backup payroll records with our contribution form and payment?

Answer: No, in case of audit we would request payroll backup information at that time.

Is the accuracy and timeliness of the employer/employees contributions subject to audit?

Answer: Yes. Based on Statutes and Rules, the Retiree Health Care Authority is responsible for assuring that all member institutions are contributing the required employer and employee amounts. This goal can be pursued through communications and/or collaborative audit programs. The Office of the State Auditor has added NMRHCA to their 2010 State Auditor Rule under State Compliance, Section 2.2.2.10 (G) (19). The rule states:

"Retiree Health Care Authority Act (Section 10-7C to 10-7C-19 NMSA 1978). Auditors should test to ensure 100% of payroll is reported to NMRHCA. RHCA employer and employee contributions are set forth in Section 10-7C-15 NMSA 1978. See applicable statute for more information."

Are sick and annual leave payouts subject to RHCA withholdings?

Answer: Contributions are determined by how an employee's "salary" is defined under the New Mexico Administrative Code. Under 2.81.5.7.B NMAC, "salary" is defined differently for those under PERA and those under the ERA.

For PERA employees, "salary" does not include lump sum payouts, including lump sum annual and sick leave payouts. These lump sum payments are therefore not considered when considering contribution calculations.

ERA employee salaries for contribution purposes exclude lump sum payments for unused sick leave. However, lump sum payouts for up to 30 days of annual leave or vacation leave are included under the definition of "salary" and are therefore subject to contribution requirements. Annual leave or vacation leave for periods over 30 days are not included in the employee's salary and are therefore not subject to contribution requirements.

Are teacher signing bonuses subject to RHCA withholdings?

Answer: No, signing bonuses are not subject to RHCA withholdings.

Are Elected Officials subject to RHCA withholdings?

Answer: If the position they hold is required to pay into PERA or ERB for the purpose of obtaining service credits, they are required to contribute to RCHA. If they are retired and earning a pension from PERA or ERB they are still required to contribute as a condition of employment (see Statute 10-7C-15-B NMSA 1978).