

Public Employees Retirement Association of New Mexico

Comprehensive Annual Financial Report **Year ended June 30, 2015**

Pension Trust Funds of the State of New Mexico



PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
of New Mexico

Comprehensive Annual Financial Report
Year ended June 30, 2015

Pension Trust Funds of the State of New Mexico

**PREPARED BY THE ADMINISTRATIVE SERVICES, OUTREACH BUREAU,
AND INVESTMENT DIVISION STAFF AT NM PERA.**

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INTRODUCTORY SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015

Our job
is your
retirement.



INTRODUCTORY SECTION



PERA

Public Employees
Retirement Association
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INVESTED IN TOMORROW.

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Mission statement

The mission of the Board of the Public Employees Retirement Association is to preserve, protect, and administer the Trust to meet its current and future obligations and provide quality services to association members.

Value statement

The Board will act with integrity in meeting its fiduciary responsibilities to the Trust. The Board will make efficient, effective, prudent and visionary decisions in fulfilling its mission. Board Members will be reliable, responsible, and will utilize opportunities to receive necessary training in order to be knowledgeable fiduciaries. The Board will engage in inclusive decision making processes, which support its expectation that the Board speaks with a unified voice.



December 20, 2015

Dear PERA Members:

On behalf of the PERA Board of Trustees, I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This report provides information about the financial and actuarial status of PERA along with information regarding our membership.

Nearly 92 percent of PERA retirees and beneficiaries remain in New Mexico after retirement thereby providing an important source of economic activity in our state and our local communities. In 2015, PERA paid \$981 million in benefits to PERA retirees and beneficiaries.

As you will discover upon review of the information contained within the following pages, PERA's net position was \$14.4 billion for the year ended June 30, 2015, a decrease of \$0.5 billion from the prior fiscal year. The PERA Board continues to monitor the results of the recent significant pension reforms for the Judicial and Magistrate plans, as well as pension reform for the major PERA plans. PERA's investments generated a return of 1.9 percent for the year ending June 30, 2015. This investment return is below PERA's expected return assumption of 7.75 percent.

The PERA Board takes its fiduciary responsibility

very seriously and will continue to work to preserve and protect the Fund and the benefits provided to our members. Rest assured that we remain committed to the long-term sustainability of all of our plans and to providing a secure retirement for public employees throughout New Mexico.

The Board appreciates your support while the results of the recent legislative reforms are analyzed to ensure that the Fund continues on a sustainable path to long term solvency.

We are honored to serve as your representatives and pledge our best efforts to continue to prudently manage the PERA Fund and provide retirement security for current and future generation of public employees in New Mexico.

Sincerely,

A handwritten signature in black ink, reading "Patricia French". The signature is written in a cursive, flowing style.

Patricia (Patty) French
PERA Board Chair

Board Members



Ms. Patricia French
Chair
City of Albuquerque
Municipal Member



Mr. Dan Mayfield
Vice-Chair
Retiree Member



Mr. Tim Eichenberg
State Treasurer
Ex-Officio Member



Ms. Dianna Duran
Secretary of State
Ex-Officio Member



Ms. Paula Fisher
Juvenile Justice Services
Children, Youth and
Families Department
State Member



Capt. Roman Jimenez
Department of
Public Safety
State Member



Ms. Jackie Kohlasch
Taxation and Revenue
Department
State Member



Mr. John Reynolds
Public Regulation
Commission
State Member



Mr. Daniel Esquibel
City of Santa Fe
Municipal Member



Mr. Louis Martinez
Albuquerque Bernalillo
County Water Utility
---Authority
Municipal Member



Mr. Stewart Logan
San Juan County
County Member



**Ms. Loretta
Naranjo-Lopez**
Retiree Member



January 15, 2016

To: Board of Trustees and Members of the New Mexico Public Employees Retirement Association

The New Mexico Public Employees Retirement Association (PERA) is pleased to present this Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2015 (FY15).

At PERA, our primary mission is to serve our members and provide a stable, secure retirement to current and future generations of public employees.

PERA staff worked together to compile this CAFR, and management is responsible for the accuracy of the data, the completeness and fairness of the report and the presentation contained in this report. To the best of our knowledge, the report is materially accurate and presents fairly the financial position and results of operations of PERA. The report includes all retirement plans administered by PERA covering the following plan types: State, Municipal, Legislative, Judicial, Magistrate and Volunteer Firefighters. This report is intended to provide complete and reliable information as a basis for making management decisions and complying with all federal and state laws and ensuring fiscal responsibility of PERA's assets.

PERA was established by statute in 1947. For further discussion of the background of PERA, see the Notes to Financial Statements beginning on page 41.

CAFR

The CAFR is presented in five sections: introduction, financial, investment, actuarial and statistical. The introduction includes this transmittal letter, a letter from

the Board Chair, PERA's organizational chart, PERA at a glance, and Member Service Communications.

PERA's transactions are reported on the accrual basis of accounting. Sufficient internal accounting controls exist to provide reasonable assurance regarding the fair presentation of the financial statements and supporting schedules.

The financial section was prepared in accordance with generally accepted accounting principles (GAAP), the reporting requirements described by the Governmental Accounting Standards Board (GASB) as well as requirements of the New Mexico State Auditor. The financial section features a Management's Discussion and Analysis (MD&A). GASB requires that a narrative introduction, overview and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement, and not duplicate, the MD&A and should be read in conjunction with it. The MD&A can be found in the financial section immediately following the report from PERA's independent auditor.

The Investment section provides a report on investment activities, policies, asset allocation, performance results and other yearly comparative portfolio information.

The Actuarial section details the funding status and other actuarial information for all of the funds that PERA administers. The actuarial section does not include net pension liability information that is required to be presented in the financial section under GASB 67, rather the actuarial section continues to focus on information used for funding purposes.

The Statistical section includes comparative financial and demographic information along with the Deferred Compensation information; providing the users of the CAFR with annual information for comparative analysis.

Fiscal Year 2015 Highlights

During Fiscal Year 2015 PERA had a number of significant accomplishments worth mentioning:

PERA entered into a settlement of PERA's claims against Wells Fargo. Wells Fargo Bank agreed to pay \$50 million to settle disputed claims in connection with losses in PERA's securities lending portfolio with Wachovia Bank. I am proud of our legal team and the Board for their dedication during his lengthy process to protect our members and the retirement fund.

PERA successfully implemented new pension accounting standards, GASB 67 and GASB 68. PERA worked with its employer participants to provide education and outreach on the new standards and provided information necessary for each employer to assist in their implementation of GASB 68 in fiscal year 2015.

Lastly, PERA implemented several initiatives to better represent our commitment to providing a safe and secure retirement to our members. A branding initiative produced a new logo that symbolizes a nest egg. The golden nest egg encapsulates PERA's daily mission to protect and provide for every member's future retirement. Along with the new logo, PERA launched a new improved website geared towards a more user-friendly platform.

Summary of Financial Information

The following schedule is a summary of the Fund's additions and deductions for the years ended June 30, 2015 and June 30, 2014 (excluding the Deferred Compensation (IRC 457) Fund).

	June 30, 2015	June 30, 2014
Additions	\$864,030,350	\$2,715,159,932
Deductions	(1,037,265,035)	(977,202,143)
Net Change	\$(173,234,685)	\$1,737,957,789

Additions decrease from FY14 to FY15 by \$1,851,129,582 primarily due to a decrease in net investment income. Deductions increased by \$60,062,892 primarily due to an increase in benefit payments for the year.

Plan Financial Condition

PERA's funding objective is to meet long-term benefit payments through contributions that are statutorily fixed as a percent of member payroll, and achieving a 7.75% annual Assumed Actuarial Investment Return. Historical information relating to progress in meeting this objective is presented in the Actuarial Section of this report. PERA's funded ratio slightly decreased in comparison to last fiscal year as we ended the fiscal year at 74.9%, a 0.9% decrease.

Investment Activity

PERA's investment portfolio produced a total return, gross of expenses, of 1.9% for the year ended June 30, 2015, less than the assumed actuarial investment return of 7.75%.

PERA is a long-term investor and our portfolio is constructed to weather financial storms through diversification and constant attention to our process to make improvements as needed. Additional information regarding the investment results for the year is included in the Investment Section of this report.

Legislation Enacted During the 2014 Legislative Session

Comprehensive pension reform changes enacted during the 2014 legislative session significantly amended the judicial and magistrate retirement systems and followed many of the changes implemented in the 2013 legislative session for the public employees retirement systems.

House Bill 33 (Chapter 35, Laws 2014) amends the Judicial Retirement Act. The law suspends for two

years and decreases cost of living adjustments, increases employee and employer contributions, requires mandatory participation in the fund and implements changes to the benefits structure.

House Bill 216 (Chapter 39, Laws 2014) amends the Magistrate Retirement Act. The law suspends for two years and decreases the cost of living adjustments, increases employee and employer contributions, requires mandatory participation and implements changes to the benefit structure.

Senate Bill 160 (Chapter 43, Laws 2014) also makes changes to the Magistrate Retirement Act. This law duplicates the changes made in House Bill 216.

Actuarial Analysis

PERA's funding objective is to meet long-term benefit payments through contributions that are statutorily fixed as a percent of member payroll, and achieving a 7.75% annual assumed actuarial investment return. The actuarial reports are prepared by Cavanaugh Macdonald LLP based on data provided by PERA. They also serve as a technical advisor to staff on actuarial issues. More detailed information for all the plans can be found in the Actuarial Section of this report.

GASB 67 Financial Reporting for Pension Plans

PERA implemented GASB 67 in FY 14 and again for the second year in FY 15. The Net Pension Liability (NPL) for the PERA fund (multi-employer cost sharing fund) for FY 15 is \$4.2 billion, a \$0.9 billion increase compared to FY 14 of approximately \$3.3 Billion. The NPL for that fund will be allocated to the cost sharing employer participants that participate in that fund. More detailed information regarding the NPL, by fund, can be found in the Financial Section of this report in Note 12 and in the Required Supplementary Information.

Management Responsibility for Financial Reporting

PERA maintains a system of internal controls designed to provide reasonable assurance that assets are properly safeguarded, transactions are properly executed, and financial statements are reliable. In addition, PERA's internal audit firm provides a continuous review of

the internal controls and operations of PERA, and the Internal Audit Firm regularly reports to the PERA Board through its Audit and Budget Committee (Committee). The objective of internal control is to provide reasonable, not absolute, assurance that the financial statements are free of material misstatements; PERA maintains internal controls to provide reasonable assurance that control objectives are met. The Committee reviews the audit results and recommendations for improvements in internal control and operational efficiency and the actions of management to implement such recommendations.

The internal control system includes the organizational plan, the segregation of duties, sound accounting practices in the performance of duties and, knowledgeable personnel. PERA believes the internal controls during FY15 were appropriate and provide reasonable assurance regarding the proper recording of financial transactions.

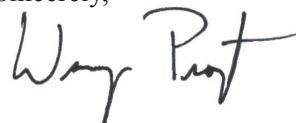
Independent Audit

An annual audit of PERA's Financial Statements has been performed this year by the independent accounting firm of Moss Adams, LLP. The auditors' report on the financial statements is included in the Financial Section of this report. Moss Adams incorporated the audit done by Eide Baily, LLP in regard to the Deferred Compensation (IRC 457b) Fund, which PERA also administers.

Conclusion

This report is a product of the combined efforts of the PERA staff functioning under the Board's direction. It is intended to provide complete and reliable information that will facilitate the management decision-making process, serve as a means for determining compliance with legal requirements, and allow for the evaluation of responsible stewardship of the PERA Fund.

Sincerely,



Wayne Propst
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Public Employees Retirement Association
of New Mexico**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Public Employees Retirement Association Staff

EXECUTIVE

Wayne Propst, *Executive Director*
Greg Trujillo, *Deputy Director*
Danna Varela, *Executive Assistant*

ADMINISTRATIVE SERVICES

Renada Peery-Galon, *Administrative Services Director*
Natalie Cordova, *Chief Financial Officer*
Valerie Sandoval, *Financial Manager*
Theresa Storey, *Accountant Auditor*
Vacant, *Accountant Auditor*
Sharon Moya, *Accountant Auditor*
Dawn Prada, *Accountant Auditor*
Sam Ojinaga, *Contribution Accounting Manager*
Renee Barros, *Accountant Auditor*
Nicole Tapia, *Accountant Auditor*
Ryan Serrano, *Accountant Auditor*
Ramona Cruz, *Accountant Auditor*
Valerie Hayas, *Accountant Auditor*
Charlene Zalma, *Human Resource Services*
Eric Martinez, *Building Services*

INVESTMENTS

Jonathan Grabel, *Chief Investment Officer*
Jude Perez, *Deputy Chief Investment Officer*
Leanne Larranaga-Ruffy, *Portfolio Manager*
Joaquin Lujan, *Portfolio Manager*
Kristin Varela, *Portfolio Manager*
Christine Ortega, *Portfolio Manager*
Vacant, *Financial Analyst*
Mark Montoya, *Financial Analyst*
Emily Lopez, *Financial Specialist*
Karyn Lujan, *Deferred Compensation Administrator*

INFORMATION SYSTEMS

Greg Portillos, *Chief Information Officer*
Vacant, *Systems Manager*
Andres Martinez, *Network Administrator*
Frank Martinez, *Information Technology Specialist*
Miranda Montoya, *Technical Support Specialist*
Jessica Perea, *Information Technology Business Analyst*
Vacant, *Information Technology Generalist*

RECORDS

Gabriel Baca, *Manager*
Justin Deubel, *Records Clerk*
Brian Martinez, *Records Clerk*
Vacant, *Clerk Specialist*
Sally Urban, *Clerk Specialist*
Sheila Martinez, *Clerk Specialist*

USER ADMINISTRATION

Vince Jaramillo, *User Administrator*
Vacant, *Computer Database Administrator*
Leslie Miller, *IT Technical Support*
Vacant, *IT Technical Support*

LEGAL DIVISION

Susan Pittard, *Chief of Staff/General Counsel*
Karen Risku, *Deputy General Counsel*
Vacant, *Attorney*
Vacant, *Attorney*
Anita Valdez, *Paralegal*

MEMBER SERVICES

Melinda Marquez, *Bureau Chief*

Albuquerque Office

Angela Romero, *Manager*
Vicky Chavez, *Retirement Specialist*
Rose Rael, *Retirement Specialist*
Melissa Sandoval, *Retirement Specialist*
Vacant, *Retirement Specialist*

Customer Service

Karlo Cantu, *Manager*
Theresa Martinez, *Retirement Specialist*
Abigail Abeyta, *Customer Service Representative*
Jesse Godfrey, *Customer Service Representative*
Job Nevarez, *Customer Service Representative*
Rosemary Rodriguez, *Customer Service Representative*

Requests and Retirements

Joyce Rivera, *Manager*
Consuelo Montoya, *Retirement Specialist*
Phoebe Martinez, *Retirement Specialist*
Sandra Mirabal, *Retirement Specialist*
Natalia Manzanares, *Retirement Specialist*
Brenda Cordova, *Retirement Specialist*
Jodi Trujillo, *Retirement Specialist*
Victoria Vigil, *Retirement Specialist*
Gilbert Fuentes, *Retirement Specialist*

Death & Disabilities

Yvonne Gonzales, *Manager*
Jessica Maldonado, *Retirement Specialist*
Arlene Coriz, *Retirement Specialist*
Chere Garcia, *Retirement Specialist*

Refunds

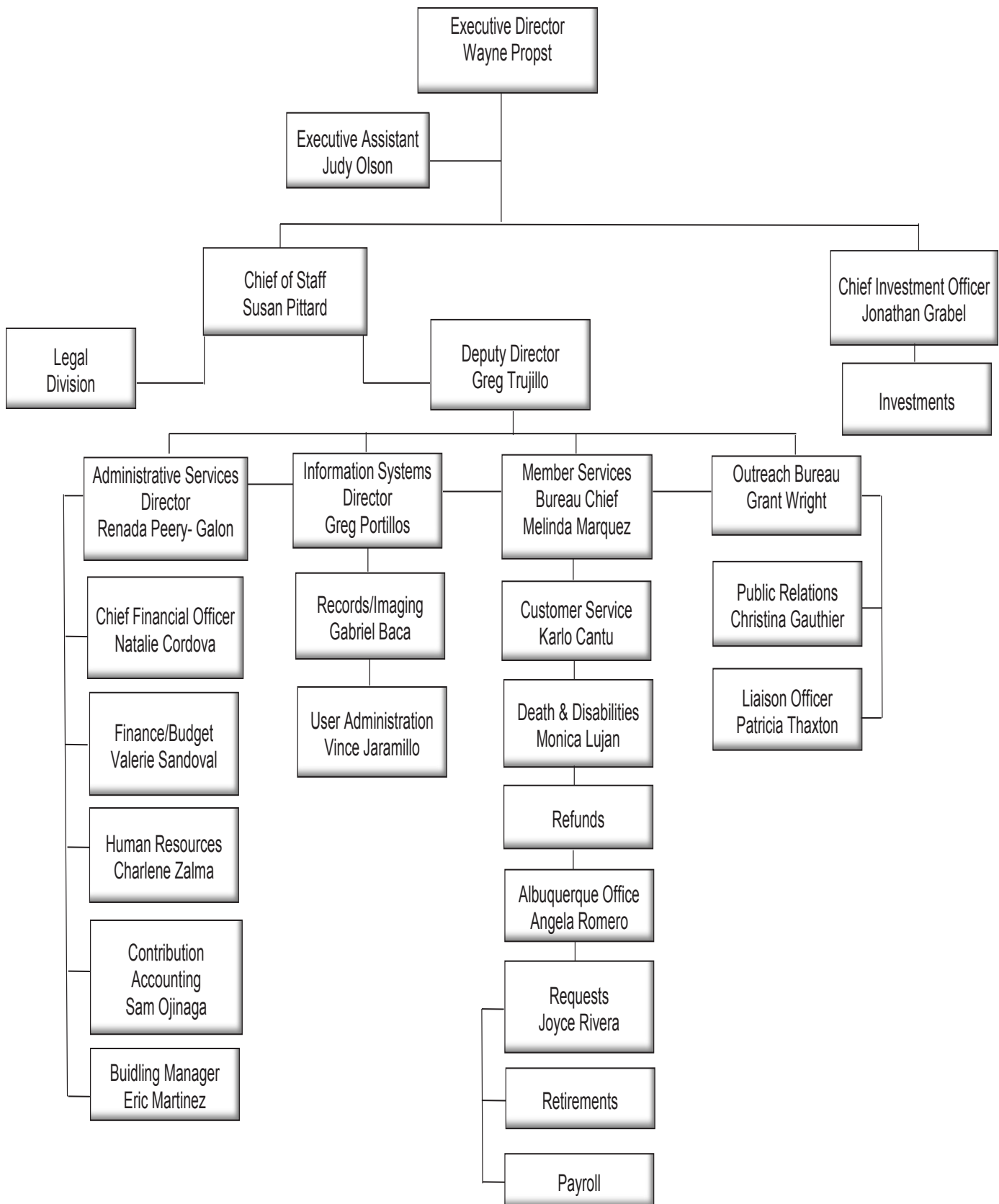
Christine Carrillo, *Account Auditor*
Felicia Sena, *Account Auditor*
Xochitl Gutierrez, *Account Auditor*

OUTREACH

W. Grant Wright, *Manager*
Patricia Thaxton, *Public Relations Coordinator*
Christina Gauthier, *Public Relations Coordinator*

Organizational Chart

as of June 30, 2015



	June 30, 2015	June 30, 2014	June 30, 2013
PERA Members	69,883	67,748	65,353
State	27,641	26,649	25,733
Municipal	33,166	32,521	32,017
Judicial	75	144	146
Magistrate	76	57	54
Volunteer Firefighters	8,793	8,236	7,266
Legislative	132	141	137
Retired Members and Beneficiaries	37,116	34,868	33,023
State	18,640	17,491	16,644
Municipal	17,032	16,071	15,219
Judicial	152	141	133
Magistrate	102	94	86
Volunteer Firefighters	1,004	893	762
Legislative	186	178	179
Retirement Benefits	\$981,198,682	\$919,208,141	\$855,283,579
Deferred Compensation Retirement Benefits	38,954,562	37,302,918	36,193,619
Contribution Refunds	46,055,312	47,445,014	45,219,823
Participating Employers	755	729	706
State	177	138	126
Municipal	88	88	88
Counties	33	33	33
Housing Authorities	17	15	16
Other local public bodies	53	69	57
Volunteer Firefighter Departments	367	365	363
Judicial	15	16	16
Magistrate	5	5	9
Contributions			
Member	\$253,273,788	\$265,031,973	\$227,942,449
Employer	\$319,896,839	\$300,942,819	\$290,642,898
Deferred Compensation (IRC 457 Fund)	\$34,628,217	\$35,910,846	\$35,920,698
Total PERA Net Position	\$14,941,153,793	\$15,100,389,766	\$13,306,812,694

Member Services

Providing quality customer service to our members is the most important function of PERA. The Member Services Division serves PERA's active members and retirees. Staff provides information over the telephone, through written correspondence, by personal counseling appointments and through group presentations. PERA staff processed approximately 2,088 retirements in FY15 and 4,241 refunds. These distributions total more than \$1 billion dollars in FY15.

The PERA staff is responsible for the retirement and refund process, calculating the cost of various types of service credit purchases, assisting members with understanding their retirement options, and helping members and beneficiaries with death benefit claims

Publications

The PERA newsletter, *La Voz*, was distributed electronically to 85% of PERA employers. Approximately 10,500 printed copies of *La Voz* were distributed to the rest of the PERA employers. *La Voz* helps to keep members informed about changes happening at PERA, their retirement benefits, legislative updates, news from our Board and Board elections, as well as other relevant subjects. All PERA publications are available on the PERA website or by contacting PERA at the numbers listed at the front of this report.

Public Relations

Executive Director Wayne Propst has continued his mission of meeting with agency affiliates throughout the state. City and county managers, financial directors and governing commissions and councils were updated on the PERA fund status and legislative changes. The executive director made presentations at meetings of the Investments and Pensions Oversight Committee, Legislative Finance Committee, various other Legislative committees and the Retired Public Employees of New Mexico.

This year PERA underwent a significant re-branding effort which consisted of a new logo, a new website, new outreach materials, and a closer alignment of our Deferred Compensation plan. The new logo is an evolution of the previous yucca logo, which is inspired by natural New Mexico native plant life.

It's designed to look like a nest egg – a fragile, yet protective nature of saving for the future. The mark is influenced by New Mexico sunflowers and the sun itself, both nurturing symbols for growth.

The tagline, *Invested In Tomorrow*, reinforces the nest egg symbol. It's a reminder of the long-range retirement goals that PERA has for its members.

Along with the new PERA logo, the New Mexico Deferred Compensation Plan also received a makeover. The PERA Board and Staff officially adopted a new title and sister logo for the 457(b) plan. (This is the same supplemental retirement plan that Nationwide administers for PERA.)

PERA liaison officers also visited the following affiliates: the cities, towns and villages of Alamogordo, Albuquerque, Artesia, Belen, Bernalillo, Carlsbad, Cloudcroft, Clovis, Corrales, Deming, Eunice, Farmington, Fort Sumner, Gallup, Grants, Hobbs, Las Cruces, Logan, Lordsburg, Los Lunas, Portales, Rio Rancho, Roswell, Santa Fe, Silver City, Sunland Park, Taos, Truth or Consequences, Tucumcari, and Tularosa; the counties of Bernalillo, Chavez, Curry, Dona Ana, Eddy, Grant, Hildago, Lea, Lincoln, Los Alamos, Luna, McKinley, Otero, Quay, Roosevelt, San Juan, Sandoval, Santa Fe, Socorro County, Taos, and Valencia and various state agencies across the State

Benefits Training

This year, the PERA liaison officers in the Santa Fe and Albuquerque offices conducted over 150 seminars statewide. PERA continues to expand training sessions for members, employers and affiliates.

Annual Member Statements, Cost-Of-Living Adjustment Letters and 1099-R Forms

Annual statements of account for individual active members are mailed directly to each active member, providing a summary of account transactions and member contribution balances. Over 65,000 Annual Member Statements were issued covering account activity through FY15. 1099-R forms are mailed each January to retirees and members who requested refunds of their member accounts. The 2015 annual notifications of Cost-of-Living Adjustments (COLAs)

were mailed to retirees and beneficiaries in July.

PERA's Website

The revamped PERA website contains updated, valuable information concerning PERA current events, administration, investments, financial reports and member services. Features of the new site include a cleaner and more attractive design, a more engaging user experience and enhanced search and navigation features for our members. The site was also designed using responsive web design which allows visitors an optimal viewing and navigation experience across a wide range of devices such as desktops, tablets and mobile phones.

Please visit the website at www.nmpera.org.

PERA Customer Service Center

The PERA Customer Service Center allows members, retirees and employers to speak directly to a customer service representative by calling or visiting the Santa Fe and Albuquerque offices. PERA strives to make the latest information available to its members, retirees and affiliates.

Professional Consultants

Actuary:

Cavanaugh Macdonald Consulting, LLC
Consultants & Actuaries
3550 Busbee Parkway, Suite 250
Kennesaw, GA 30144
Website: www.CavMacConsulting.com

Auditors:

Moss Adams, LLP
Business Consultants and Certified Public Accountants
6565 Americas Parkway NE, Suite 600, Albuquerque, NM 87110
Website: www.mossadams.com

REDW, LLC
Certified Public Accountants | Business & Financial Advisors
7425 Jefferson St. NE
Albuquerque, NM 87109
Website: www.redw.com

Eide Bailly LLP
CPAs & Business Advisors
4310 17th Ave S
Fargo, ND 58103
www.eidebailly.com

Investment Consultants:


Wilshire Associates Incorporated
1299 Ocean Avenue, Suite 700
Santa Monica, CA 90401-1085
Website: www.wilshire.com

Cliffwater, LLC
Alternative Investment Consultant
Marina Towers
4640 Admiralty Way, Suite 1101
Marina del Rey, CA 90292-6623
Website: www.cliffwater.com

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO

FINANCIAL SECTION

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015**



**We focus on your
retirement. So you
can focus on your life.**

FINANCIAL SECTION



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Report of Independent Auditors

WWW.MOSSADAMS.COM

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

REPORT OF INDEPENDENT AUDITORS

To Members of the Retirement Board of the
Public Employees Retirement Association of New Mexico and
Mr. Timothy M. Keller, New Mexico State Auditor

Report on the Financial Statements

We have audited the accompanying statement of fiduciary net position and statement of changes in fiduciary net position of the Public Employees Retirement Fund, Judicial Retirement Fund, Magistrate Retirement Fund, Volunteer Firefighters Retirement Fund and Deferred Compensation (IRC 457) Fund (collectively, the Funds) administered by the Public Employees Retirement Association of New Mexico (PERA) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise PERA's basic financial statements as listed in the table of contents. We also have audited the schedule of revenues, appropriations, and expenses – budget and actual public employees retirement fund only, presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes

the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the State of New Mexico Public Employees' Deferred Compensation Plan, which represents 100 percent of the total assets, net position held in trust for pension benefits and increase in net position of the accompanying statement of fiduciary net position and statement of changes in fiduciary net position of the Deferred Compensation (IRC 457) Fund. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Deferred Compensation (IRC 457) Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from



material misstatement.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of net pension liability, schedules of changes in net pension liability, schedule of employer contributions, schedule of investment returns and notes to required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PERA as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, based on our audit and the report of other auditors, the individual financial statements of each Fund referred to above

present fairly, in all material respects, the financial position of each of the individual Funds administered by PERA as of June 30, 2015 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of PERA are intended to present the fiduciary net position and changes in fiduciary net position of only that portion of the State of New Mexico which are attributable to the transactions of the funds administered by PERA. They do not purport to, and do not present fairly the financial position of the State of New Mexico as of June 30, 2015, and the changes in its financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of net pension liability, schedules of changes in net pension liability, schedule of employer contributions, schedule of investment returns and notes to required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any

assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise PERA's basic financial statements. The accompanying schedule of administrative and investment expenses – public employees retirement fund only, schedule of administrative and investment expenses – deferred compensations fund only, schedule of administrative and investment expenses – judicial retirement fund only, schedule of administrative and investment expenses – magistrate fund only and schedule of administrative and investment expenses – volunteer firefighter retirement fund only (collectively, supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise PERA's basic financial statements. The

schedules of vendors and exit conference and the introductory, investment, actuarial and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 24, 2015 on our consideration of the PERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering PERA's internal control over financial reporting and compliance.

Mess Adams LLP

Albuquerque, New Mexico
November 24, 2015

Management's Discussion and Analysis

For the Fiscal Year ending June 30, 2015

This discussion and analysis of the Public Employees Retirement Fund, the Judicial Retirement Fund, the Magistrate Retirement Fund, the Volunteer Firefighters Retirement Fund, and the Deferred Compensation (IRC 457) Plan (collectively, the "Funds") of the Public Employees Retirement Association of New Mexico (PERA) for the years ended June 30, 2015 and 2014 provides a summary of the financial position of the Funds, including highlights and comparisons.

PERA administers 31 different types of retirement coverage for affiliated public employers in the State of New Mexico. PERA is a governed Board of Trustees consisting of two ex-officio members and ten members elected by the Association's membership. The Board serves as the trustee for the funds controlled by PERA and is authorized to invest the funds on behalf of PERA. The Board appoints an Executive Director to oversee daily operations of the agency.

PERA administers a qualified governmental plan under Section 401(a) of the Internal Revenue Code (IRC), which provides retirement, disability and survivor benefits pursuant to the Public Employees Retirement Act. The Public Employees Retirement Act, NMSA 1978 §§10-11-1 to 10-11-142, provides most of PERA's statutory authority. Additional statutory authority is contained in NMSA 1978 § 10-11A-1 et seq, NMSA 1978 § 10-12B-1 et seq, NMSA 1978 § 10-12C-1 et seq, and NMSA 1978 § 10-13A-1 et seq. Deferred compensation is governed by NMSA 1978 §§ 10-7A-1 to 10-7A-12 and the U.S. Internal Revenue Code § 457.

In FY15, PERA reported an Unfunded Actuarial Accrued Liability (UAAL) of \$4.7 billion, approximately \$410 million higher than the previous

year. The slight increase in the UAAL was the result of lower than expected investment return rates and higher than expected salary increases. PERA's 30 year projected funded ratio in 2043 decreased from 133.0% to 113.4% from FY 2014 to FY 2015. PERA's FY 15 investment return was 1.9%, lower than the 7.75% return assumption.

Recent Governmental Accounting Standards Board (GASB) accounting changes (GASB 67 and GASB 68) have changed how an unfunded liability is calculated for accounting purposes and how it is reported on financial statements for PERA's participating entities. PERA staff implemented the new rules, in conjunction with the agency's actuaries in order to comply with the new accounting requirements in FY 14, and again in FY 15.

Included again in this year's financial statement are the required GASB 67 disclosures. The table below includes the Net Pension Liability as required under GASB 67. For further detail, please see Note 12 and required supplementary information specific to GASB 67, by fund. The majority of employers participating in PERA plans will be reporting and disclosing GASB 68 requirements in their FY 2015 and 2016 financial statements.

PERA provided a separate *Schedule of Employer Allocations and Pension Amounts* (Schedule) as of June 30, 2014 in early September of 2015. The Schedule is available on PERA's website <http://www.nmpera.org>. As required annually, PERA will provide a separate Schedule in 2016 in order to provide employer participants with the required data in order for them to be able to comply with GASB 68 in FY 2015.

Management's Discussion and Analysis *(continued)*

For the Fiscal Year ending June 30, 2015

PERA	
Calculation of the Net Pension Liability (NPL) as of Fiscal Year Ending June 30, 2015	
Total Pension Liability	\$18,516,054,874
Plan's Net Position	14,255,528,543
Net Pension Liability	\$4,260,526,331
Ratio of Fiduciary Net Position to Total Pension Liability	76.99%

JUDICIAL	
Calculation of the Net Pension Liability (NPL) as of Fiscal Year Ending June 30, 2015	
Total Pension Liability	\$137,037,970
Plan's Fiduciary Net Position	88,988,252
Net Pension Liability	\$48,049,718
Ratio of Fiduciary Net Position to Total Pension Liability	64.94%

MAGISTRATE	
Calculation of the Net Pension Liability (NPL) as of Fiscal Year Ending June 30, 2015	
Total Pension Liability	\$63,536,415
Plan's Fiduciary Net Position	33,187,494
Net Pension Liability	\$30,348,921
Ratio of Fiduciary Net Position to Total Pension Liability	52.23%

Volunteer Firefighter	
Calculation of the Net Pension Liability (NPL) as of Fiscal Year Ending June 30, 2015	
Total Pension Liability	\$44,477,629
Plan's Fiduciary Net Position	62,103,236
Net Pension Liability	(\$17,625,607)
Ratio of Fiduciary Net Position to Total Pension Liability	139.63%

Actuarial assumptions—The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2014. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2015. These assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.

Financial Highlights

- The plan net position held in trust to pay pension benefits was \$14.9 billion as of June 30, 2015. This amount reflects an overall net decrease of \$159 million from the prior fiscal year. The decrease is primarily the result of decreasing returns in the following categories: international equities, public MLPs, and real asset partnerships. It is important to note that the change from year to year is not only due to changes in fair value, but is also impacted by purchases, sales and redemptions.
- PERA's funding objective is to meet long-term benefit obligations through member and employer contributions and investment earnings. The funded ratio is the ratio of fair value of assets against actuarial liabilities. The PERA Retirement Fund funded ratio for GASB 67 decreased to 76.99% of June 30, 2015 compared to 81.29% as of June 30, 2014. The PERA Retirement Fund funded ratio, for *funding decision purposes*, as of June 30, 2015 is 74.9%, a decrease from 75.8% as of June 30, 2014.
- Retirement and death benefits paid this year totaled \$1.02 billion to 36,930 annuitants as compared to \$956 million to 34,868 annuitants for last year. The increase in benefits paid is due to the number of new retirees and cost-of-living allowances.
- Contributions from employers increased from \$301 million in FY14 to \$320 million in FY15, an increase of \$19 million. Contributions from members increased from \$277 million in FY14 to \$289 million in FY15, an increase of \$12 million.
- PERA's investments reported a total money-weighted average return of positive 1.9% for the current year and a return of positive 17.04% for last fiscal year. This decrease in return compared to prior year was due to unfavorable financial market conditions in 2015, especially in regards

to international equities, and real assets. (This percentage does not include the investments related to the Deferred Compensation Plan.)

PERA HIGHLIGHTS

Overview of Financial Statements

PERA's basic financial statements include the following components:

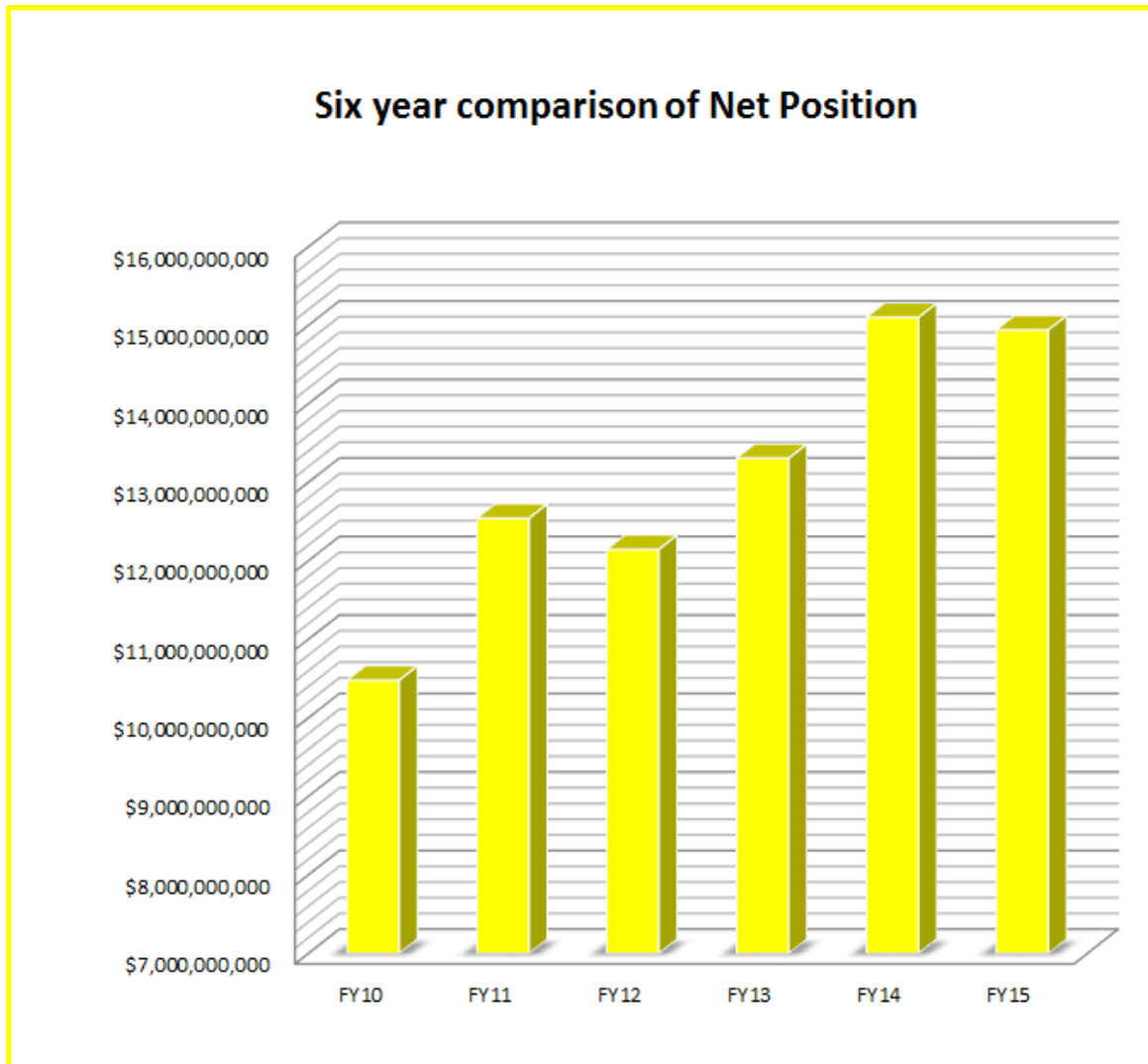
1. Statement of Plan Net Position
 2. Statement of Changes in Plan Net Position
 3. Notes to the Basic Financial Statements
- The financial statements of the funds of PERA include Statements of Plan Net Position and Statements of Changes in Plan Net Position for the four retirement funds administered by the Agency and the Deferred Compensation Plan (DC Plan) described below. The financial statements also include notes that explain the history and purpose of the funds, significant accounting policies, investment details, statutory disclosures and other required information regarding the financial position of the funds. The required supplementary information and the additional supplementary information that appear after the notes to the financial statements are not a required part of the financial statements, but represent supplementary information required by the Governmental Accounting Standards Board.
 - The Deferred Compensation (DC Plan) available to employees of the state and other local bodies is administered by a contracted third party with oversight by the PERA Board and staff. The assets of that plan are included in these financial statements as a separate fund. The net operating account is funded by fees collected from the DC Plan participants and is used to pay administration expenses for the DC Plan. These amounts are included in the Public Employees Retirement Fund.
 - **The Statement of Plan Net Position:** The Statement of Plan Net Position reflects the resources available at the end of the fiscal year to pay members, retirees, and beneficiaries. This statement also provides information about the fair value and composition of net position. The net increase/decrease in the Public Employees, Judicial, Magistrate and Volunteer Firefighter Retirement Plans serves as an indicator to the

financial position of the fund and whether the fund has the ability to fund future benefit payments. The net increase/decrease in the Deferred Compensation (IRC 457) Fund serves as an indicator of the current value of funds available for future benefits.

- **The Statement of Changes in Plan Net Position:** The Statement of Changes in Plan Net Position presents the changes to PERA's net position for the fiscal year, including investment income, net appreciation in fair value of the investment portfolio, administration costs and contributions from members and employers, and distributions to retirees and refunded members.
- **Notes to the Basic Financial Statements:** The notes to the financial statements are an integral part of the basic financial statements and provide additional information about the plans of PERA. Notes include plan descriptions, significant accounting policies, contributions, funding policies, funding status, derivatives disclosure, investment risk disclosure, investment credit risk, security lending program, commitments and contingencies.
- **Required Supplementary Information:** The required supplementary information schedules include information regarding GASB 67. In the second year of implementation, these schedules provide historical information and actuarial assumptions and methods that assist in understanding the net pension liability, deferred inflows and deferred outflows and pension expense.
- **Supplemental Information:** The additional supplementary information includes detailed schedules of administrative, investment and consulting fee expenditures for the PERA Fund, Judicial Fund, Magistrate Fund and Volunteer Firefighter Fund.

Comparative Summary Statements

The Public Employees Retirement Association is a defined benefit plan that provides retirement, disability and survivor benefits. It is comprised of five funds: PERA Fund, Judicial Fund, Magistrate Fund, Volunteer Firefighter Fund and the Deferred Compensation Fund. (See Note 1 for further descriptions of the plans) The following chart represents the change in total net position for the Public Employees Retirement Association over the last 6 years. (This includes all 4 funds and the Deferred Compensation fund.)



Management's Discussion and Analysis *(continued)*

For the Fiscal Year ending June 30, 2015

Comparative Summary Statements

The following table displays the total assets, liabilities, net position, and changes in net position for the four retirement funds and the Deferred Compensation Plan in total as of June 30, 2015:

	2015	2014	Dollar Change	Percentage Change
Assets	\$15,084,699,638	\$15,914,812,243	(830,112,605)	(5.22)%
Liabilities	(143,545,848)	(814,422,477)	670,876,629	(82.37) %
Net Assets Held in Trust	<u>\$14,941,153,790</u>	<u>\$15,100,389,766</u>	(159,235,976)	(1.05)%
Change in Net Position	<u>\$(159,235,976)</u>	<u>\$1,795,530,195</u>	(1,954,766,171)	(108.87)%

ALL FUNDS:

The total net position held by PERA decreased during the fiscal year ended June 30, 2015 primarily as a result of the net decrease of the fair value of the investment portfolio. All four retirement funds participate in an investment pool and share in investment earnings or losses based on the fund's equity percentage in the pool.

The most significant pension plans administered by PERA includes the following balances at the years ended June 30, 2015 and 2014:

PUBLIC EMPLOYEES RETIREMENT FUND

The overall change in Net Position from FY2014 to FY2015 is a decrease of 1.17%. This is a result of a decrease in fair value of investments.

Statement of Plan Net Position as of June 30, 2015, as compared to June 30, 2014, is as follows:

	2015	2014	Dollar Change	Percentage Change
Assets				
Cash & equivalents	\$787,771,450	\$519,285,099	268,486,351	51.70%
Receivables	106,310,250	386,707,829	(280,397,579)	(72.51)%
Investments	13,489,318,448	14,309,119,133	(819,800,685)	(5.73)%
Capital Assets, Net	<u>13,034,280</u>	<u>13,699,469</u>	<u>(665,189)</u>	<u>(4.86)%</u>
Total Assets	<u>14,396,434,427</u>	<u>15,228,811,530</u>	<u>(832,377,103)</u>	<u>(5.47)%</u>
Liabilities				
Accounts Payable	140,495,299	398,729,101	(258,233,802)	(64.76)%
Other Liabilities	<u>410,585</u>	<u>405,289,689</u>	<u>(404,879,104)</u>	<u>(99.90)%</u>
Total Liabilities	<u>140,905,884</u>	<u>804,018,790</u>	<u>(663,112,906)</u>	<u>(82.47)%</u>
Net Position Held in Trust	<u>\$14,255,528,544</u>	<u>\$14,424,792,740</u>	<u>\$(169,264,196)</u>	<u>(1.17)%</u>

The net position of the Public Employees Retirement Fund amounts to 95.41% of the total net position of all funds.

Management's Discussion and Analysis *(continued)*

For the Fiscal Year ending June 30, 2015

Statement of Changes in Plan Net Position as of June 30, 2015, as compared to June 30, 2014, is as follows:

	2015	2014	Dollar Change	Percentage Change
Additions:				
Contributions and service credit purchases	\$576,083,740	\$544,803,535	\$31,280,205	5.74 %
Net Investment Income	456,758,506	257,034,200	199,724,306	77.70 %
Net Appreciation (Depreciation) of Fair Value of Investments	(205,270,228)	1,860,873,802	(2,066,144,030)	(111.03) %
Other Income	25,296,314	17,390,103	7,906,211	45.46 %
Total Additions	852,868,332	2,680,101,640	(1,827,233,308)	(68.18) %
Deductions:				
Benefit Payments	(966,236,566)	(905,329,140)	(60,907,426)	6.73 %
Refunds	(46,010,197)	(47,376,975)	1,366,778	(2.88) %
Administrative Expenses	(9,885,765)	(10,416,788)	531,023	(5.10) %
Total Deductions	(1,022,132,528)	(963,122,903)	(59,009,625)	6.13 %
Change in net position	\$(169,264,196)	\$1,716,978,737	\$(1,866,242,933)	(109.86) %

JUDICIAL RETIREMENT FUND

The overall change in Net Position from FY 2014 to FY 2015 is a decrease of 2.36%. This is a result of the net decrease of the change in fair value of investments (Judicial Retirement Fund is part of the investment pool and shares in the changes in fair value of investments in proportion to the total pool allocation). The net position of the Judicial Retirement Fund amounts to 0.60% of the total net position of all funds.

Statement of Plan Net Position as of June 30, 2015, as compared to June 30, 2014, is as follows:

	2015	2014	Dollar Change	Percentage Change
Assets:				
Cash & equivalents	\$4,830,181	\$3,195,672	\$1,634,509	51.15 %
Receivables	888,899	2,494,076	(1,605,177)	(64.36) %
Investments	84,507,175	90,478,454	(5,971,279)	(6.60) %
Total Assets	90,226,255	96,168,202	(5,941,947)	(6.18) %
Liabilities:				
Accounts Payable	\$804,754	\$2,306,729	(1,501,975)	(65.11) %
Other Liabilities	433,250	2,720,173	(2,286,923)	(84.07) %
Total Liabilities	1,238,004	5,026,902	(3,788,898)	(75.37) %
Statement of Net Position	\$88,988,251	\$91,141,300	\$(2,153,049)	(2.36) %

Management's Discussion and Analysis *(continued)*

For the Fiscal Year ending June 30, 2015

Statement of Changes in Plan Net Position as of June 30, 2015, as compared to June 30, 2014, is as follows:

	2015	2014	Dollar Change	Percentage Change
Additions:				
Contributions and service credit purchases	\$5,775,456	\$4,826,417	949,039	19.66 %
Net Investment Income	2,823,481	1,591,807	1,231,674	77.38 %
Net Appreciation (Depreciation) of Fair Value of Investments	(1,311,824)	11,604,819	(12,916,643)	(111.30) %
Other Income	33,095	485,977	(452,882)	(93.19) %
Total Additions	7,320,208	18,509,020	(11,188,812)	(60.45) %
Deductions:				
Benefit Payments	(9,373,041)	(8,770,177)	(602,864)	6.87 %
Refunds	(40,197)	(52,562)	12,365	(23.52) %
Administrative Expenses	(60,019)	(63,610)	3,591	(5.65) %
Total Deductions	(9,473,257)	(8,886,349)	(586,908)	6.60 %
Change in net position	\$(2,153,049)	\$9,622,671	\$(11,775,720)	(122.37) %

MAGISTRATE RETIREMENT FUND

The overall change in Net Position from FY 2014 to FY 2015 is a decrease of 5.68%. This is a result of the net decrease of the change in fair value of investments (Magistrate Retirement Fund is part of the investment pool and shares in the changes in fair value of investments in proportion to the total pool allocation). The net position of the Magistrate Retirement Fund amounts to 0.22% of the total net position of all funds.

Statement of Plan Net Position as of June 30, 2015, as compared to June 30, 2014, is as follows:

	2015	2014	Dollar Change	Percentage Change
Assets:				
Cash & equivalents	\$1,823,640	\$1,219,524	604,116	49.54 %
Receivables	291,068	906,080	(615,012)	(67.88) %
Investments	31,568,569	34,973,172	(3,404,603)	(9.73) %
Total Assets	33,683,277	37,098,776	(3,415,499)	(9.21) %
Liabilities:				
Accounts Payable	\$326,986	\$880,288	(553,302)	(62.85) %
Other Liabilities	168,796	1,033,578	(864,782)	(83.67) %
Total Liabilities	495,782	1,913,866	(1,418,084)	(74.10) %
Statement of Net Position	\$33,187,495	\$35,184,910	(1,997,415)	(5.68) %

Management's Discussion and Analysis *(continued)*

For the Fiscal Year ending June 30, 2015

Statement of Changes in Plan Net Position as of June 30, 2015, as compared to June 30, 2014, is as follows:

	2015	2014	Dollar Change	Percentage Change
Additions:				
Contributions and service credit purchases	\$1,426,244	\$1,059,164	367,080	34.66 %
Net Investment Income	1,050,490	624,968	425,522	68.09 %
Net Appreciation (Depreciation) of Fair Value of Investments	(471,400)	4,574,241	(5,045,641)	(110.31) %
Other Income	(19,483)	216,853	(236,336)	(108.98) %
Total Additions	1,985,851	6,475,226	(4,489,375)	(69.33) %
Deductions:				
Benefit Payments	(3,955,687)	(3,689,881)	(265,806)	7.20 %
Refunds	(4,918)	(15,477)	10,559	(68.22) %
Administrative Expenses	(22,661)	(24,275)	1,614	(6.65) %
Total Deductions	(3,983,266)	(3,729,633)	(253,633)	6.80 %
Change in net position	\$(1,997,415)	\$2,745,593	\$(4,743,008)	(172.75) %

VOLUNTEER FIREFIGHTERS RETIREMENT FUND

The overall change in Net Position from FY 2014 to FY 2015 is an increase of 0.29%. Although there was a net decrease of the change in fair value of investments (Volunteer Firefighter Retirement Fund is part of the investment pool and shares in the changes in fair value of investments in proportion to the total pool allocation), the Volunteer Firefighter fund experienced a slight increase in net position due to the favorable cash flow position of the fund compared to the three other funds (benefit payments compared to contribution revenue). The net position of the Volunteer Firefighter Retirement Fund amounts to 0.42% of the total net position of all funds.

Statement of Plan Net Position as of June 30, 2015, as compared to June 30, 2014, is as follows:

	2015	2014	Dollar Change	Percentage Change
Assets:				
Cash & equivalents	\$3,428,018	\$2,226,368	\$1,201,650	53.97 %
Receivables	409,577	1,520,192	(1,110,615)	(73.06) %
Investments	59,171,820	61,639,621	(2,467,801)	(4.00) %
Total Assets	63,009,415	65,386,181	(2,376,766)	(3.63) %
Liabilities:				
Accounts Payable	\$571,983	\$1,607,058	(1,035,075)	(64.41) %
Other Liabilities	334,196	1,855,862	(1,521,666)	(81.99) %
Total Liabilities	906,179	3,462,920	(2,556,741)	(73.83) %
Statement of Net Position	\$62,103,236	\$61,923,261	179,975	0.29 %

Management's Discussion and Analysis *(continued)*

For the Fiscal Year ending June 30, 2015

Statement of Changes in Plan Net Position as of June 30, 2015, as compared to June 30, 2014, is as follows:

	2015	2014	Dollar Change	Percentage Change
Additions:				
Appropriations from State of NM	\$750,000	\$750,000	\$-	0.00 %
Net Investment Income	1,981,724	1,084,936	896,788	82.66 %
Net Appreciation (Depreciation) of Fair Value of Investments	(887,968)	7,834,319	(8,722,287)	(111.33) %
Other Income	12,203	404,792	(392,589)	(96.99) %
Total Additions	1,855,959	10,074,047	(8,218,088)	(81.58) %
Deductions:				
Benefit Payments	(1,633,388)	(1,418,943)	(214,445)	15.11 %
Administrative Expenses	(42,596)	(44,316)	1,720	(3.88) %
Total Deductions	(1,675,984)	(1,463,259)	(212,725)	14.54 %
Change in net position	\$179,975	\$8,610,788	\$(8,430,813)	(97.91) %

DEFERRED COMPENSATION (IRC 457) FUND

In addition to the above retirement funds, the comparative summary of assets, liabilities, net position and the related change in net position of the Deferred Compensation (IRC 457) Plan is presented below. The assets and liabilities of this plan are administered by a plan administrator through an executed contract with PERA.

The overall change in Net Position from FY2014 to FY2015 is an increase of 2.87%. This increase was primarily due to interest income on investments earned during the current year. Net position available for Plan benefits increased by approximately \$13.9 million during the current period.

Statement of Plan Net Position as of June 30, 2015, as compared to June 30, 2014, is as follows:

	2015	2014	Dollar Change	Percentage Change
Assets:				
Receivables	\$9,359,184	\$8,080,953	\$1,278,231	15.82 %
Investments	491,987,083	479,266,602	12,720,481	2.65 %
Total Assets	501,346,267	487,347,555	13,998,712	2.87 %
Statement of Net Position	\$501,346,267	\$487,347,555	\$13,998,712	2.87 %

Management's Discussion and Analysis *(continued)*

For the Fiscal Year ending June 30, 2015

Statement of Changes in Plan Net Position as of June 30, 2015, as compared to June 30, 2014, is as follows:

	2015	2014	Dollar Change	Percentage Change
Additions:				
Contributions and service credit purchases	\$34,628,217	\$35,910,846	(1,282,629)	(3.57) %
Net Investment Income	449,843	427,252	22,591	5.29 %
Net Appreciation (Depreciation) of Fair Value of Investments	18,933,171	59,542,936	(40,609,765)	(68.20) %
Total Additions	54,011,231	95,881,034	(41,869,803)	(43.67) %
Deductions:				
Benefit Payments	(38,954,562)	(37,302,918)	(1,651,644)	4.43 %
Life Insurance Premiums	(61,779)	(75,555)	13,776	(18.23) %
Administrative Expenses	(996,178)	(930,155)	(66,023)	7.10 %
Total Deductions	(40,012,519)	(38,308,628)	(1,703,891)	4.45 %
Change in net position	\$13,998,712	\$57,572,406	\$(43,573,694)	(75.69) %

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Management's Discussion and Analysis *(continued)*

For the Fiscal Year ending June 30, 2015

INVESTMENTS

The purpose of the investments is to provide for long-term growth, while also ensuring a reliable cash flow that meets the funding requirements of the current pension obligations. The investments are allocated to a variety of asset types and strategies in order to meet the current funding needs and future growth requirements of the pension liability given reasonable risk levels. Equity related investments are included for their long-term return and growth characteristics, while fixed income and debt related investments are included in the allocation for their ability to control investment risk and provide for a reliable cash flow that meets the funding requirement of current pension payments.

Schedule of invested assets as of June 30, 2015, as compared to June 30, 2014, follows:

Investment Category	June 30 2015	June 30 2014 ⁽¹⁾	Dollar Change	Percentage Change
Domestic Equity	\$3,272,928,768	\$4,091,542,685	\$(818,613,917)	(20.01) %
International Equity	3,426,830,468	3,380,076,756	46,753,712	1.38 %
Core Fixed Income	3,190,543,384	2,933,455,016	257,088,368	8.76 %
Global Fixed Income	1,310,079,401	706,376,842	603,702,559	85.46 %
Public MLP	138,742,804	53,530,310	85,212,494	159.19 %
Public REIT	218,999,246	180,820,869	38,178,377	21.11 %
Absolute Return	845,242,754	1,589,134,652	(743,891,898)	(46.81) %
Private Equity Partnership	683,344,231	621,395,859	61,948,372	9.97 %
Real Estate Partnership	234,386,532	241,042,642	(6,656,110)	(2.76) %
Real Asset Partnership	309,525,279	260,460,289	49,064,990	18.84 %
Investments at Fair Value (IRC 457)	491,987,083	479,266,602	12,720,481	2.65 %
Securities Lending Collateral	4,325,	400,719,677	(400,715,352)	(100.00) %
Investments in State General Fund	33,938,818	37,654,784	(3,715,966)	(9.87) %
Total Investments	\$14,156,553,092	\$14,975,476,983	\$(818,923,891)	

(1) 2015 investment categories were revised to appropriately reflect the Board approved strategic asset allocation. 2014 investment categories revised as follows:

1. U.S. Government and Agency Securities included in Core Fixed Income
2. Municipal Bonds included in Core Fixed Income
3. Corporate Equity Securities included in Domestic Equity, Public MLP, and Public REIT
4. Corporate Obligations included in Core Fixed Income
5. International Securities included in International Equity and Global Fixed Income
6. Venture Capital and Partnerships and Alternatives included in Absolute Return, Private Equity Partnership, Real Estate Partnership, and Real Asset Partnership

Management's Discussion and Analysis *(continued)*

For the Fiscal Year ending June 30, 2015

INVESTMENTS (CONTINUED)

As of June 30, 2015, the investments in the PERA Fund returned 1.84% and generated investment gains of approximately \$0.3 billion net of investment fees and expenses. This performance is below the 7.75% actuarially required annual return hurdle. Generally good performance from U.S. equity market was somewhat offset by international equity markets, which were negatively impacted by currency fluctuations. Private equity and real estate performed very well, while real assets declined in sympathy with falling inflation expectations. The PERA Fund balance at June 30, 2015 was approximately \$14.4 billion, just shy of its previous record high of \$14.6 billion from June 2014.

With its 1.84% investment return, the Fund under performed its custom benchmark by -0.45%. The PERA Fund generated returns of 10.46% and 10.40% over the three and five-year periods, respectively. Similar value-added performance is evident over these time periods with 0.75% and 0.88% excess returns over the custom benchmark during the respective three and five-year time periods. The investment return of 1.84% is calculated based on performance, which varies with the GASB 67 money weighted return of 1.9% noted in the notes to the financial statements.

Time Period	PERA Return	Benchmark Return	Excess Return
One-Year	1.84%	2.29%	-0.45%
Three-Year	10.46%	9.71%	0.75%
Five-Year	10.40%	9.52%	0.88%

Budget Highlights: Original Budget – Final Budget Comparisons

There were six budget adjustments made to the beginning budget during fiscal year 2015, for an increase of \$3,175,715 from the original budget. The FY15 appropriation of \$40,356,500 was supplemented by increases of \$3,175,715 for the following: 1) to provide an assessment of functionality of the Retirement Online System (RIO); 2) for actuarial studies and audit fees to meet compliance with GASB 67 and 68 requirements; 3) for contractual assistance for strategic planning, development of new PERA website, updates to the interactive voice response system and records file conversion; 4) for operational needs, such as repairs to rammed earth on exterior of PERA building and building maintenance; and 5) for payment for services to investment fund managers who are paid performance fees. The amounts requested for performance fees for investment fund managers in FY15 was \$2,100,000. Three additional Budget Adjustment Requests (BARs) were submitted to move funds between accounts totaling \$372,800 for salaries and benefits, contractual and operational needs. See Note 1 for an explanation of upcoming changes to the pension plans. All of PERA's expenditures used to administer the retirement funds that are under management by PERA are appropriated in the Public Employees Retirement Fund.

Management's Discussion and Analysis *(continued)*

For the Fiscal Year ending June 30, 2015

Capital Assets

Capital assets, at carrying value, are listed for the years ended June 30, 2015 and 2014:

CAPITAL ASSETS:	2015	2014
Land	\$1,548,990	\$1,548,990
Capital Assets: Net of Depreciation		
Building	\$10,503,376	10,924,916
Computer Equipment and Software	979,803	1,221,481
Property and Equipment	2,111	2,444
Automobile	—	1,638
Total	<u>\$13,034,280</u>	<u>\$13,699,469</u>

Depreciation and amortization expense, reported as part of administrative expenses, for the year ended June 30, 2015 was \$688,853. See Note 6 in the notes to the financial statements for further detail on capital assets.

Currently Known Facts and Conditions

Fiscal year 2015 started off with transformational shifts in two major economic factors as commodities led by oil began a steep decline in June 2014 and finished the year at a price per barrel of \$55, and continued to fall over the first half of 2015. The U.S. dollar began its rise shortly after the drop in oil commenced led by economic uncertainty and the beginnings of a monetary stimulus program in Europe and ended the year up over 10% versus the euro and the yen. The second half of the fiscal year saw mixed results in most markets as uncertainty regarding the U.S. Federal Reserve tightening cycle caused widespread discomfort, concerns regarding China's economic growth with an eventual unexpected devaluation of China's currency. This led to heightened anxiety over the health of the world's second largest economy and global growth in general.

In the context of a dynamic capital market environment, the PERA Board seeks to position the Plan for long-term capital appreciation through prudent asset allocation, diversification within asset categories and risk management techniques to closely monitor market forces. The Board strives to generate consistent long-term investment gains recognizing that capital markets may not move in a steady and uniform direction, and that losses may occur.

Request for Information

Any questions regarding the financial statements of PERA should be directed to the Executive Director, at (505) 476-9301; Chief Investment Officer at (505) 476-9338, ASD Director at (505) 476-9304 or Chief Financial Officer at (505) 476-9313. All can be reached by mail at 33 Plaza La Prensa, Santa Fe, NM 87507. Contact information is also located on PERA's website at www.nmpera.org.

Statement of Fiduciary Net Position

For the Fiscal Year ending June 30, 2015

	Public Employees Retirement Fund	Judicial Retirement Fund	Magistrate Retirement Fund
ASSETS			
Cash and Cash Equivalents	\$787,771,450	\$4,830,181	\$1,823,640
Receivables			
Accrued Investment Income	44,371,258	271,601	102,544
Accounts Receivable-Brokers	49,837,781	305,578	115,371
Contributions Receivable	10,433,649	-	-
Accounts Receivable - Other	735,085	312,032	73,374
Participant Loans Receivable	-	-	-
Interfund Receivable	932,477	(312)	(221)
	106,310,250	888,899	291,068
Investment in State Treasurer Investment Pool	30,930,693	1,987,742	413,270
Investments, at fair value			
Domestic Equity	3,231,571,361	19,814,219	7,480,879
International Equity	3,383,528,327	20,745,935	7,832,650
Core Fixed Income	3,150,227,015	19,315,460	7,292,572
Global Fixed Income	1,293,524,954	7,931,184	2,994,427
Public MLP	136,989,621	839,945	317,122
Public REIT	216,231,926	1,325,815	500,563
Absolute Return	834,562,091	5,117,076	1,931,957
Private Equity Partnership	674,709,351	4,136,947	1,561,909
Real Estate Partnership	231,424,775	1,418,969	535,733
Real Asset Partnership	305,614,053	1,873,857	707,477
Variable Earning Investments (IRC 457)	-	-	-
Stable Value Option & Other (IRC 457)	-	-	-
Fixed annuity payout option	-	-	-
Self-directed option	-	-	-
	13,489,314,178	84,507,149	31,568,559
Securities Lending Collateral Investments	4,270	26	10
Total Investments	13,489,318,448	84,507,175	31,568,569
Capital Assets, Net	13,034,280	-	-
Total Assets	14,396,434,428	90,226,255	33,683,277
LIABILITIES			
Accounts Payable - Brokers	131,397,909	805,660	304,178
Accounts Payable - Other	9,097,390	(906)	22,808
Accrued Expenses	159,479	-	-
Compensated Absences	242,920	-	-
Interfund Payable	4,044	432,909	168,426
Securities Lending Liability	4,142	341	370
Total Liabilities	140,905,884	1,238,004	495,782
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$14,255,528,544	\$88,988,251	\$33,187,495

See Accompanying Notes to the Financial Statements.

Statement of Fiduciary Net Position *(continued)*

For the Fiscal Year ending June 30, 2015

	Volunteer Firefighters Retirement Fund	Deferred Compensation (IRC 457) Fund	Total
ASSETS			
Cash and Cash Equivalents	\$3,428,018	\$-	\$797,853,289
Receivables			
Accrued Investment Income	192,758	-	44,938,161
Accounts Receivable-Brokers	216,871	-	50,475,601
Contributions Receivable	-	180,923	10,614,572
Accounts Receivable - Other	-	-	1,120,491
Participant Loans Receivable	-	9,178,261	9,178,261
Interfund Receivable	(52)	-	931,892
	<u>409,577</u>	<u>9,359,184</u>	<u>117,258,978</u>
Investment in State Treasurer Investment Pool	607,114	-	33,938,819
Investments, at fair value			-
Domestic Equity	14,062,310	-	3,272,928,769
International Equity	14,723,557	-	3,426,830,469
Core Fixed Income	13,708,337	-	3,190,543,384
Global Fixed Income	5,628,825	-	1,310,079,401
Public MLP	596,116	-	138,742,804
Public REIT	940,942	-	218,999,246
Absolute Return	3,631,630	-	845,242,754
Private Equity Partnership	2,936,024	-	683,344,231
Real Estate Partnership	1,007,054	-	234,386,531
Real Asset Partnership	1,329,892	-	309,525,279
Variable Earning Investments (IRC 457)	-	357,486,615	357,486,615
Stable Value Option & Other (IRC 457)	-	129,588,734	129,588,734
Venture Capital and Partnerships and Alternatives	-	1,450,192	1,450,192
Other Assets	-	3,461,542	3,461,542
	<u>59,171,801</u>	<u>491,987,083</u>	<u>14,156,548,770</u>
Securities Lending Collateral Investments	19	-	4,325
	<u>59,171,820</u>	<u>491,987,083</u>	<u>14,156,553,095</u>
	Total Investments		
Capital Assets, Net	-	-	13,034,280
	<u>63,009,415</u>	<u>501,346,267</u>	<u>15,084,699,642</u>
	Total Assets		
LIABILITIES			
Accounts Payable - Brokers	571,783	-	133,079,530
Accounts Payable - Other	200	-	9,119,492
Accrued Expenses	-	-	159,479
Compensated Absences	-	-	242,920
Interfund Payable	334,725	-	940,104
Securities Lending Liability	(529)	-	4,324
	<u>906,179</u>	<u>-</u>	<u>143,545,849</u>
	Total Liabilities		
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u>\$62,103,236</u>	<u>\$501,346,267</u>	<u>\$14,941,153,793</u>

See Accompanying Notes to the Financial Statements.

Statement of Changes in Fiduciary Net Position

For the Fiscal Year ending June 30, 2015

	Public Employees Retirement Fund	Judicial Retirement Fund	Magistrate Retirement Fund
ADDITIONS			
Contributions			
Employer	\$314,763,961	\$4,196,276	\$936,602
Member	251,237,811	1,546,335	489,642
Appropriations from State of New Mexico -			
Legislative Fund	2,400,000	-	-
Fire Protection Fund	-	-	-
Service Credits Purchased	7,681,968	32,845	-
Total Contributions	576,083,740	5,775,456	1,426,244
Investment Income			
Interest	294,214,599	1,824,600	674,828
Dividends	191,911,669	1,178,421	443,448
Net Appreciation (Decrease) in Fair Value of Investments	(205,270,228)	(1,311,824)	(471,400)
Securities Lending (Loss) Income	(1,264,042)	(7,532)	(2,843)
	279,591,998	1,683,665	644,033
Securities Lending Expenses	(368,536)	(2,256)	(852)
Other Investment Expenses	(27,735,184)	(169,752)	(64,091)
Net Investment Income	251,488,278	1,511,657	579,090
Other Income (Expense)	610,766	(117,558)	(76,362)
Total Additions	828,182,784	7,169,555	1,928,972
DEDUCTIONS			
Benefit Payments	966,236,566	9,373,041	3,955,687
Refunds to Terminated Employees	46,010,197	40,197	4,918
Life Insurance Premiums	-	-	-
Administrative Expenses	9,885,765	60,019	22,661
Total Deductions	1,022,132,528	9,473,257	3,983,266
Special Item (footnote 14)	24,685,548	150,653	56,879
Increase (Decrease) in Net Position	(169,264,196)	(2,153,049)	(1,997,415)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Beginning of Year	14,424,792,740	91,141,300	35,184,910
End of Year	\$14,255,528,544	\$88,988,251	\$33,187,495

See Accompanying Notes to the Financial Statements.

Statement of Changes in Fiduciary Net Position *(continued)*

For the Fiscal Year ending June 30, 2015

	Volunteer Firefighters Retirement Fund	Deferred Compensation (IRC 457) Fund	Total
ADDITIONS			
Contributions			
Employer	\$-	\$-	\$319,896,839
Member	-	34,628,217	287,902,005
Appropriations from State of New Mexico -			
Legislative Fund			2,400,000
Fire Protection Fund	750,000	-	750,000
Service Credits Purchased	-	-	7,714,813
Total Contributions	750,000	34,628,217	618,663,657
Investment Income			
Interest	1,277,675	449,843	298,441,545
Dividends	831,470	-	194,365,008
Net Appreciation (Decrease) in Fair Value of Investments	(887,968)	18,933,171	(189,008,249)
Securities Lending (Loss) Income	(5,346)	-	(1,279,763)
	1,215,831	19,383,014	302,518,541
Securities Lending Expenses	(1,601)	-	(373,245)
Other Investment Expenses	(120,474)	-	(28,089,501)
Net Investment Income	1,093,756	19,383,014	274,055,795
Other Income (Expense)	(94,717)	-	322,129
Total Additions	1,749,039	54,011,231	893,041,581
DEDUCTIONS			
Benefit Payments	1,633,388	38,954,562	1,020,153,244
Refunds to Terminated Employees	-	-	46,055,312
Life Insurance Premiums	-	61,779	61,779
Administrative Expenses	42,596	996,178	11,007,219
Total Deductions	1,675,984	40,012,519	1,077,277,554
Special Item (footnote 14)	106,920		25,000,000
Increase (Decrease) in Net Position	179,975	13,998,712	(159,235,973)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Beginning of Year	61,923,261	487,347,555	15,100,389,766
End of Year	\$62,103,236	\$501,346,267	\$14,941,153,793

See Accompanying Notes to the Financial Statements.

Notes to the Financial Statements

For the Fiscal Year ending June 30, 2015

NOTE 1. GENERAL DESCRIPTION OF THE ASSOCIATION AND RETIREMENT FUNDS

A. General

The Public Employee Retirement Association (“PERA”) was created by legislation enacted in 1947.

PERA is the administrator of four retirement funds, including the Public Employees Retirement Fund, the Judicial Retirement Fund, the Magistrate Retirement Fund, and the Volunteer Firefighters Retirement Fund, offering an array of retirement benefit plans to state, county, and municipal employees, police, firefighters, judges, magistrates, and legislators. The laws governing the administration of these funds are set forth in Chapter 10 of the New Mexico Statutes Annotated 1978 (“NMSA 1978”) and applicable Replacement Pamphlets. PERA also has limited administrative responsibilities with respect to the State of New Mexico Deferred Compensation Fund, as more fully discussed in Note 1(c). Collectively, the four retirement funds and the Deferred Compensation Fund are known as “Funds”.

PERA is directed by the Public Employees Retirement Board (the “Board”) which consists of twelve members. Ten of the twelve Board members are elected by PERA active and retired members under state, municipal and county coverage plans. Two of the twelve Board members, the Secretary of State and the State Treasurer, are ex-officio members.

B. Reporting Entity

PERA is an agency of the State of New Mexico. The funds administered by PERA are considered part of the State of New Mexico financial reporting entity and are pension trust funds of the State of New Mexico. The State of New Mexico Deferred Compensation Fund is also presented in the financial statements. See further detail and information on the Deferred Compensation Fund and how to obtain separate financial statements of the Deferred Compensation Fund in Note 1.C.

PERA applied the criteria established by GAAP to determine whether other state agencies, boards or commissions which benefit the members of PERA should be included within its financial reporting entity. The criteria include, but are not limited to, whether PERA exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of public service, and special financing relationships. Based on these criteria, management of PERA has determined that no other such entities should be included in its financial reporting entity. PERA does not have any component units.

The State of New Mexico, Department of Finance and Administration (DFA) codes for the PERA funds are as follows:

- Public Employees Retirement Fund SHARE fund #60600
- Judicial Retirement Fund SHARE fund #60300
- Magistrate Retirement Fund SHARE fund #60400
- Volunteer Firefighters Retirement Fund SHARE fund #60700
- Deferred Compensation Fund SHARE fund #75500

PERA does not receive General Fund Appropriations from the State of New Mexico. PERA is self-funded through investment income and therefore is a non-reverting fund. PERA is not required to follow New Mexico Statute (6-5-10, NMSA 1978), which defines reverting funds.

C. Description of the Funds

Public Employees Retirement Fund is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officers, Municipal

General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the Public Employees Retirement Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded.

Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors' annuities are also available.

TIER II

The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

State Legislative Fund is a defined benefit pension plan that is a division accounted for under the Public Employees Fund. Eligibility for membership in the State Legislative Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, Section 43 and 43.5, NMSA 1978). State Legislators and lieutenant governors must elect to be a member no later than 180 days after first taking office to be covered under the State Legislative Plan.

Member contributions are \$500 for each year of service credit prior to 2012 session, \$600 for each year of service credit beginning with the 2012 legislative session. Legislative service credit is earned each calendar year during which the member fulfills the obligations of the position of legislator for more than six months of the calendar year, including the legislative session. Legislators are not required to make a member contribution until after the legislative session has ended and PERA verifies service credit. PERA will invoice legislative members for \$600 to cover member contributions for each legislative session after the session ends, which is

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

normally July or August.

State funding for the State Legislative Fund is defined in Sections 10-11-43 and 10-11-43.5, NMSA 1978. The state is required to contribute sufficient amounts to finance the membership of members under state legislator coverage plan 2 on an actuarial reserve basis. The total actuarial determined amount for the State Legislative Fund for the fiscal year ended June 30, 2015 was determined by the actuary to be \$0. Actual funding/contributions historically have exceeded actuarial determined contributions. Regarding the source of funding, Section 7 -1-6.43 of the Tax Administration Act states “A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the legislative retirement fund in an amount equal to two hundred thousand dollars (\$200,000) a month or, if larger, one-twelfth of the amount necessary to pay out the retirement benefits due under state legislator member coverage plan 2 and Paragraph (2) of Subsection C of Section 10-11-42 NMSA 1978 for the calendar year.”

Age and service requirements for retirement are age 65 or older with 5 or more years of service credit or any age with 10 or more years of service credit. Legislative members who meet retirement eligibility requirements receive annual pensions equal in any calendar year to 11% of the per diem rate in effect, pursuant to Section 2-1-8, NMSA 1978, on the first day of the calendar year that the legislator or lieutenant governor retires multiplied by 60 and further multiplied by credited service as a legislator or lieutenant governor. The per diem rate for January 1, 2014 is \$159. The per diem rate starting January 1, 2015 will increase to \$165.

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

The following tables (Tier I and Tier II) illustrate the various coverage options under the PERA plan and the contribution rates effective during the year.

PERA Contribution Rates and Pension Factors as of July 1, 2014						
Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per Year of Service		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
State Plan 3	7.42 %	8.92 %	16.99 %	3.0 %	2.5 %	90 %
State Plan 3 – Peace Officer	7.42 %	8.92 %	16.99 %	3.0 %	3.0 %	90 %
Juvenile Correctional Officer Plan 2	4.78 %	6.28 %	26.12 %	3.0 %	3.0 %	90 %
State Police and Adult Correctional Officer Plan 1	7.6 %	9.1 %	25.50 %	3.0 %	3.0 %	90 %
Municipal Plan 1 (plan open to new employers)	7.0 %	8.5 %	7.4 %	2.0 %	2.0 %	90 %
Municipal Plan 2 (plan open to new employers)	9.15 %	10.65 %	9.55 %	2.5 %	2.0 %	90 %
Municipal Plan 3 (plan closed to new employers 6/95)	13.15 %	14.65 %	9.55 %	3.0 %	2.5 %	90 %
Municipal Plan 4 (plan closed to new employees 6/00)	15.65 %	17.15 %	12.05 %	3.0 %	2.5 %	90 %
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%	3.0%	3.0%	90%
Municipal Police Plan 1	7.0%	8.5%	10.40%	2.0%	2.0%	90%
Municipal Police Plan 2	7.0%	8.5%	15.40%	2.5%	2.0%	90%
Municipal Police Plan 3	7.0%	8.5%	18.90%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	13.85%	18.90%	3.0%	2.5%	90%
Municipal Police Plan 5	16.3%	17.8%	18.90%	3.5%	3.0%	90%
Municipal Fire Plan 1	8.0%	9.5%	11.40%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	9.5%	17.90%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.0%	9.5%	21.65%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.8%	14.3%	21.65%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.2%	17.7%	21.65%	3.5%	3.0%	90%

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

Judicial Retirement Fund is a single employer defined benefit pension plan. Eligibility for membership in the Judicial Retirement Fund is set forth in 10-12B-4 NMSA 1978. Every judge or justice becomes a member in the Judicial Retirement Fund upon election or appointment to office, unless an application for exemption has been appropriately filed or unless specifically excluded. All assets accumulated for the payment of benefits may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of the Judicial Retirement plan.

For individuals that became a member of this plan prior to July 1, 2005, benefits are available at age 64 or older to anyone having served a minimum of five years and at age 60 to anyone having served at least 15 years. The annual pension amount for those members covered prior to July 1, 2005, is determined as 75% of the salary received during the last year in office prior to retirement multiplied by the number of years of service, not to exceed 10 years divided by 10. For individuals that become a member after July 1, 2005, benefits are available at age 64 or older to anyone having served a minimum of five years and at age 55 to anyone having served at least 16 years.

For those individuals who became a member of this plan subsequent to July 1, 2005, the annual pension amount is determined as 75% of salary received during the last year in office prior to retirement multiplied by 5% of the number of years in service, not exceeding fifteen years, plus five years or one-twelfth of the salary received during the last year in office prior to retirement multiplied by the product of three and seventy-five hundredths percent times the sum of the number of years of service; provided that a pension calculated shall not exceed seventy-five percent of one-twelfth of the salary received during the last year in office.

The retirement age and service credit requirements for normal retirement for judicial members who first take the bench on or after July 1, 2014 increased with the passage of House Bill 33 Substitute in the 2014 Legislative Session. Under the new requirements, judicial members are eligible to retire at age 65 with eight or more years of service or at age 60 with 15 or more years of service credit.

Effective July 1, 2014, judicial membership is mandatory, all judicial pension factors were reduced, employee and employer contributions increased 3 percent and the computation of final average salary increased as the average of salary for the 60 consecutive months. In addition, cost-of-living increases were suspended for two consecutive fiscal years and future cost-of-living adjustments are reduced to 2% every third year until the Fund is projected to be 100% funded.

Early retirement provisions apply to members retiring between ages 50 and 60. The plan also provides for survivors' allowances and disability benefits. Members contribute at a rate of 10.5% of their salaries and the member's court contributes at a rate of 15% of the member's salary. Additionally, the district court contributes \$38 for each civil case docket fee paid in the district court, \$25 from each civil docket fee paid in metropolitan court and \$10 for each jury fee paid in metropolitan court. Contribution rates are established by State statute.

Certain changes took place under House Bill 33 and amends the Judicial Retirement Act (JRA) as follows:

Mandatory Membership

- Eliminates the ability for judges to exempt themselves from membership as an elected official.
- Requires those judges who have previously retired from another state system or the educational retirement system ("working retiree") to make nonrefundable "working retiree contributions" during their terms of office as judges; working retirees will not be eligible to accrue a retirement benefit under the JRA.
- Judges who have previously retired from another state system or the educational retirement system will have their COLA suspended effective July 1, 2014 for the duration of their terms as magistrate.

Cost-of-Living Adjustment (COLA)

Establishes an independent COLA for judges and justices under the JRA, as follows:

- Suspends the COLA for all retired judges and justices for two years (July 1, 2014 and July 1, 2015).
- Beginning no later than May 1, 2016, PERA shall certify the projected funded ratio for the *next* succeeding year (based on the JRA Fund's prior year actuarial valuation).
- Effective July 1, 2016, provides all eligible retirees with a 2% compounding COLA if the Judicial Fund (Fund) is at or greater than the 100% funded ratio threshold and projected to continue to be at or above 100% for the next successive year.
- Suspends the cost-of-living adjustment (COLA) for judges and magistrates if the Funds' funded ratios fall below 100%. COLA suspensions shall only be implemented for two consecutive fiscal years.

Increased Employee Contributions

- Effective July 1, 2014, increases employee contributions 3% (from 7.5% to 10.5%);
- Effective July 1, 2014, increases employer contributions 3% (from 12% to 15%);
- Requires "non-member" contributions during employment for judges and justices that have filed an exemption from membership; non-members will receive a refund of contributions, with interest, upon termination of employment.

New Benefit Structure

- Raises age and service for normal retirement for judges who initially became members:
 - ▶ Prior to July 1, 2005:
 - * 60 years with 15 years of service credit; or
 - * 65 years (*from 64*) with 5 years of service credit
 - * (Early retirement and 18 years with/actuarial discount.)
 - ▶ July 1, 2005 through June 30, 2014:
 - * 55 years with 16 years of service credit; or
 - * 65 years (*from 64*) with 5 years of service

credit

- ▶ On or after July 1, 2014:
 - * 60 years with 15 years of service credit; or
 - * 65 years with 8 years of service credit

- Lowers the pension multiplier to 3.5% (from 3.75%) and prorates future service credit for active members for a "blended" pension benefit for active JRA members.
- Increases the pension maximum to 85%, (from 75%).
- Increases the vesting period for judges who first take office after July 1, 2014 to 8 years (from 5).
- Changes form of benefit payments for those judges retiring on or after July 1, 2014. Currently, a judge's surviving spouse or designated beneficiary receives 75% of the judge's retirement pension until death. HB 33 provides for Normal and Optional forms of payments, similar to all other PERA member coverage plans. The normal form of payment is for life (Option A). Optional contingent survivor beneficiary forms of payment (Options B, C and D) are available on an actuarial equivalent basis. Total pension payments can never be less than the judge's accumulated contributions.

Magistrate Retirement Fund is a single employer defined benefit pension plan. Eligibility for membership in the Magistrate Retirement Fund is set forth in 10-12C-4 NMSA 1978. All assets accumulated for the payment of benefits may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of the Magistrate Retirement plan.

Every magistrate becomes a member in the Magistrate Retirement Fund upon election or appointment to office, unless an application for exemption has been appropriately filed or unless specifically excluded. Benefits are available at age 64 or older to any member having served as a magistrate for a minimum of 5 years. Retirement is available at age 60 to any magistrate or former magistrate having served at least 15 years or at any age with 24 or more years of service credit. The annual pension amount is determined by multiplying 75% of the salary received during the last year in office prior to retirement by 5% of the number of years of service, not exceeding 15 years, plus 5 years.

The retirement age and service credit requirements for normal retirement for magistrate members who first take the bench on or after July 1, 2014 increased with the passage of House Bill 216 Substitute in the 2014 Legislative Session. Under the new requirements, magistrates are eligible to retire at age 65 with eight or more years of service, at age 60 with 15 or more years of service credit or at any age with 24 years of service credit.

Effective July 1, 2014, membership is mandatory, all magistrate pension factors were reduced, employee contributions increased 3 percent and the computation of final average salary increased as the average of salary for the 60 consecutive months. Employer will increase by 4 percent effective July 1, 2015. In addition, cost-of-living increases were suspended for two consecutive fiscal years and future cost-of-living adjustments are reduced to 2% every third year until the Fund is projected to be 100% funded.

Member contributions are based on 10.5% of salaries and the State of New Mexico, through the administrative office of the courts, contributes at a rate of 11% of the member's salary. Beginning July 1, 2015, the employer contribution will increase to 15% of a member's salary. Additionally, the magistrate or metropolitan courts contribute \$25 for each civil case docket fee paid and \$10 for each civil jury fee paid in magistrate court. Contribution rates are established by State statute.

Certain changes took place under House Bill 216 and amends the Magistrate Retirement Act (MRA) as follows:

Cost-of-Living Adjustment (COLA)

Establishes an independent COLA for magistrates under the MRA, as follows:

- Suspends the COLA for all retired magistrates for two years (July 1, 2014 and July 1, 2015).
- Beginning no later than May 1, 2016, PERA shall certify the projected funded ratio for the *next* succeeding year (based on the MRA Fund's prior year actuarial valuation).
- Effective July 1, 2016, provides all eligible retirees with a 2% compounding COLA if the Magistrate Fund (Fund) is at or greater than the 80% funded ratio threshold and projected

to continue to be at or above 80% for the next successive year.

- Suspends the cost-of-living adjustment (COLA) for magistrates if the Funds' funded ratios fall below 80%. COLA suspensions shall only be implemented for two consecutive fiscal years.

Increased Employee Contributions

- Effective July 1, 2014, increases employee contributions 3% (from 7.5% to 10.5%);
- Effective July 1, 2014, increases employer contributions 4% (from 11% to 15%);
- Requires "non-member" contributions during employment for magistrates that have filed an exemption from membership; non-members will receive a refund of contributions, with interest, upon termination of employment.

New Benefit Structure

- Raises age and service for normal retirement for magistrates who initially became members:
 - ▶ Before July 1, 2014:
 - * Any age and 24 years of service credit;
 - * 60 years with 15 years of service credit; or
 - * 65 years (*from 64*) with 5 years of service credit
 - ▶ On or after July 1, 2014:
 - * Any age and 24 years of service credit;
 - * 60 years with 15 years of service credit; or
 - * 65 years with 8 years of service credit
- Lowers the pension multiplier to 3.5% (from 5.0%) and prorates future service credit for active members for a "blended" pension benefit for active MRA members.
- Increases the pension maximum to 85%, (from 75%).
- Increases the vesting period for magistrates who first take office after July 1, 2014 to 8 years (from 5).
- Changes form of benefit payments for those magistrates retiring on or after July 1, 2014. Currently, a judge's surviving spouse or designated beneficiary receives 75% of the judge's retirement pension until death. HB 216 provides for Normal and Optional forms of payments, similar to all other PERA member

coverage plans. The normal form of payment is for life (Option A). Optional contingent survivor beneficiary forms of payment (Options B, C and D) are available on an actuarial equivalent basis. Total pension payments can never be less than the judge's accumulated contributions.

Volunteer Firefighters Retirement Fund is a single employer defined benefit pension plan. Eligibility for membership in the Volunteer Firefighters Retirement Fund is set forth in NMSA 1978 10-11A-2. Any volunteer non-salaried firefighter who is listed as an active member on the rolls of a fire department and who meets certain age and service credit requirements is eligible for membership in the Volunteer Firefighters Retirement Fund. Benefits are available at age 55 or older to any member having served as a volunteer fire fighter for a minimum of 10 years. Benefits are \$100 per month (\$125 per month as of July 1, 2013) with at least 10 but less than 25 years of service or \$200 per month (\$250 per month as of July 1, 2013) with 25 or more years of service. Benefits for post-retirement surviving spouse annuities are also available. Members of the Volunteer Firefighters Retirement Fund do not make contributions to the plan. State statute requires that the State Treasurer transfer \$750,000 during the 2015 fiscal year from the Fire Protection Fund to the Volunteer Firefighters Retirement Fund for purposes of contributing to the plan.

Deferred Compensation Plan - The State of New Mexico also offers employees a deferred compensation plan under NMSA 1978, Sections 10-7A-1 through 10-7A-12, the "Deferred Compensation Act," in conformity with Internal Revenue Code Section 457. The plan provides eligible employees a voluntary, supplemental, tax-deferred retirement program as an additional method to save a portion of their income for future years.

PERA is the trustee of the Deferred Compensation Plan (the "Plan"); however, the Plan is administered by a third party administrator (the "Administrator") acting under contract with PERA. The Administrator has authority to perform record keeping, enrollment education services and other administrative duties for the Plan. The Administrator is delegated any and all powers as may be necessary or advisable to discharge its duties under the Plan, and has certain discretionary authority to decide all matters under the Plan. As Plan trustee, PERA's primary responsibility is to select

investment options that provide a prudent rate of return and to ensure that all investments, amounts, property, and rights under the executed Plan-Trust are held for the exclusive benefit of Plan participants and their beneficiaries, as defined in the Plan Document.

The Plan was amended in October 2004 to allow participants to take loans from their account balances. The maximum term permitted on a loan is five years or 15 years if the loan is for the purchase of a principal residence. The minimum loan amount permitted is \$1,000 and the maximum amount of any loan under the Plan is the lesser of 50% of the participant's vested account balance or \$50,000. The total balance of loans outstanding to participants was \$9,178,261 and \$7,879,620 at June 30, 2015 and 2014, respectively. Interest rates range between 4.25% and 9.25% for all loans outstanding. These rates are based on the rate approved by the Plan at the time of the loan.

Participants of this plan are required to take distributions at the age of 70½ years old if not already done so. Participants of this plan also may take distributions under certain circumstances such as the participant's death, separation-from-service, retirement, severe financial emergency, or if a participant's account balance does not exceed \$5,000 and no amount was deferred during a 2-year period and there was no prior distribution. Participants may select various payout options, including lump sum payments or periodic payments.

The Deferred Compensation Plan issues a publicly available stand-alone financial report which can be obtained by writing to the Public Employees Retirement Association of New Mexico, 33 Plaza La Prensa, Santa Fe, New Mexico 87507, or calling (505) 476-9386.

D. Senate Bill 27 - Summary of PERA Pension Plan Changes effective July, 1, 2013

Effective July 1, 2013, this legislation establishes two tiers of benefits under each PERA coverage plan.

TIER 1

Individuals who are retired members or members (i.e. currently employed, contributing employees of an affiliated public employer or individuals who have been, but are not currently, employed by an affiliated public employer who have not retired and who have

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

not received a refund of member contributions) on June 30, 2013 are in Tier 1.

State and Municipal General Members hired between July 1, 2010 and June 30, 2013 are grandfathered into Tier 1 coverage plans.

TIER 2

Individuals who are not retired members or members on June 30, 2013 (i.e., were first hired by a PERA employer on or after July 1, 2013) are in Tier 2.

CHANGES FOR TIER 1 MEMBERS

Pension Maximum

- Increased to 90% of final average salary for all plans.

Service Credit

- Establishes blended pensions for service credit earned after July 1, 2013. A blended pension benefit is equal to the sum of the pension attributable to the service credit the member has accrued under each coverage plan with different pension factors.

Cost-of-Living Adjustment (COLA)

- Eligible retired members will receive a 2% COLA.
- Graduated COLA eligibility period for those who retire:
 - ▶ before June 30, 2014: no change to current 2 full-calendar years after retirement to receive a COLA;
 - ▶ between July 1, 2014 and June 30, 2015: 3 full-calendar year eligibility period to receive a COLA;
 - ▶ between July 1, 2015 and June 30, 2016: 4 full-calendar year eligibility period to receive a COLA; and
 - ▶ after July 1, 2016: 7 full-calendar year eligibility period to receive a COLA.
- No change in 1-year COLA eligibility for disability retirees or retirees age 65 or older.

Employee Contribution Rate

- Increases the statutory employee contribution rate by 1.5% for employees who earn \$20,000 or more in annual salary.
- Employee contribution increase of 1.5% accomplished for state members by removing the sunset of the contribution shift.

CHANGES FOR TIER 2 MEMBERS

Pension Benefits

General Members (Non-Public Safety Employees)

- 0.5% reduction in the Annual Pension Factor
- 5-year Final Average Salary calculation
- Retirement eligibility: Rule of 85 or age 65 with 8 years of service
- 8-year Vesting Period
- 90% Pension Maximum
- 2% COLA
- 7 full-calendar year eligibility period to receive a COLA

Public Safety Plan Members (State Police, Adult Correctional Officers, Peace Officers, Juvenile Correctional Officers, Municipal Police, Fire, Detention Officers)

- 0.5% reduction in the Annual Pension Factor
- 5-year Final Average Salary calculation
- Retirement eligibility: 25 years of service credit/ any age or age 60 with 6 years of service
- 6-year Vesting Period
- 90% Pension Maximum
- 2% COLA
- 7 full-calendar year eligibility period to receive a COLA

Blended pension is equal to the sum of the pension attributable to the service credit the member has earned under each coverage plan with different pension factors.

Employee Contribution Rate

- Increases the statutory employee contribution rate by 1.5 % for employees who earn \$20,000 or more in annual salary.
- Employee contribution increase of 1.5% accomplished for state members by removing the sunset of the contribution shift effective July 1, 2013.

CHANGES FOR RETIREES

Cost-of-Living Adjustment (COLA)

- Reduces the COLA from 3% to 2% except for:
- 2.5% COLA for members retired with 25 or more years of PERA service credit (not reciprocity) and disability retired members, whose annual pensions are less than \$20,000.

CHANGES FOR RE-EMPLOYED RETIREES

Cost-of-Living Adjustment (COLA)

- Suspends the COLA for grandfathered return-to-work retirees during reemployment with PERA-affiliated employers or retirees employed by entities covered by the Educational Retirement Act.

CHANGES FOR EMPLOYERS

- Optional municipal employer “pickup” of future employee contribution increases.
- Increases the statutory employer contribution rate 0.4% for FY15.

CHANGES TO VOLUNTEER FIREFIGHTER RETIREMENT PLAN

The following monthly benefit increases are effective July 1, 2013:

- Age 55 years with 25 or more years of service credit: \$250 (from \$200)
- Age 55 years with 10 or more years of service credit: \$125 (from \$100)

E. Membership of the Plans

At June 30, 2015, the number of participating government employers were as follows:

Public Employees Retirement Fund

State Agencies	177
Cities	35
Legislative	5
Towns	16
Villages	37
Counties	33
Housing Authorities	17
Other local public bodies	53
Total PERA	373

Judicial Retirement Fund 15

Magistrate Retirement Fund 5

Volunteer Firefighters Retirement Fund 367

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

At June 30, 2015, membership in the plans was as follows:

	PERA* Retirement Fund	Judicial Retirement Fund	Magistrate Retirement Fund	VFF Retirement Fund	Totals
Retirees and beneficiaries receiving benefits	35,672	152	102	1,004	36,930
Terminated plan members not yet receiving benefits	11,634	23	16	657	12,330
Active plan members	49,173	127	60	8,136	57,496

*Note: PERA Retirement Fund includes the Legislative Fund

F. Cost of Living Adjustment (COLA)

The Cost-of-Living Adjustments (COLA) are made to eligible retirees and beneficiaries. Retirees of the PERA, Legislative, Magistrate and Judicial fund receive a COLA yearly after retirement of two full calendar years (January 1 through December 31), subject to certain conditions. The 2% Cost-of-Living Adjustment (COLA) will therefore be effective July 1 of the following year after the two full calendar years and will be compounded for each fiscal year thereafter. The COLA for disability retired members making less than \$20,000 and members that make less than \$20,000 and have 25 years of service credit. The COLA for those members will be 2.5% COLA recipients receive a notification letter each July advising them of the increase in their pension payments. The total annual COLA payments for FY15 were \$197,681,288, an average of \$16,473,441 per month).

G. New Accounting Pronouncements

New Accounting Pronouncements - Governmental Accounting Standards Board (GASB) 67, Financial Reporting for Pension Plans and GASB 68, Accounting & Financial Reporting for Pensions (Employer), and GASB 71, Pension Transition for Contributions Made Subsequent to the Measurement Date address accounting and financial reporting requirements for pension plans activities. The Public Employees Retirement Association of New Mexico is a cost-sharing multiple employer pension plan as defined by GASB 67. The requirements of GASB 67 include changes in presentation of the financial statements, notes to the financial statements, and required supplementary information. GASB 67 is effective for

fiscal years beginning after June 15, 2013.

PERA's implementation consists of the assumptions and actuarial calculation of total and net pension liability, comprehensive footnote disclosures regarding the pension liability calculation and assumptions, and additional investment activity disclosures. In FY 2014, GASB 67 required pension plans, such as PERA, to account for employer paid member contributions dependent on how that employer participant accounts for the employer paid member contribution (GASB 67 Implementation Guide question 40). Those employers that account for the employer paid member contribution as benefit expense require the plan to account for those amounts as employer contributions. As such, PERA's FY 14 Statement of Changes in Plan Net Position contained a separate line item to properly account for those employer paid member contributions as benefit expense. Based on representations from the employer participants, \$74,357,341 in employer paid member contributions were accounted for as benefit expense in FY 2014. These amounts only relate to PERA's municipal plan employers and participants as only municipal employers may elect to pay amounts on behalf of their employees (up to 75%).

In FY 2015, AICPA issued guidance that reflects GASB's intent to reverse or remove the requirement related to employer paid member benefits. As such, PERA's FY 2015 financial statements no longer contain a line item for the employer paid member contributions that met the prior GASB 67 requirement. Those member contributions that were required to be parsed out in FY 2014 remain as member contributions

in FY 2015. See Note 12 for detailed Net Pension Liability information.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting and Measurement Focus. The financial statements of the Funds presented herein have been prepared on the accrual basis of accounting under which expenses are recorded when the liability is incurred and revenues are recorded in the accounting period in which they are earned. Employee contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Contributions from employees and employers for service due through June 30 are accrued (based on pay period end date, which drives pay period reporting to PERA). These contributions are considered to be fully collectible and, accordingly, no allowance for uncollectible receivables is reflected in the financial

statements. Benefits and refunds are recognized when due and payable in accordance with provisions set forth in NMSA 1978. The Funds are accounted for on the flow of economic resources measurement focus.

Cash and Cash Equivalents. Cash and cash equivalents include demand deposit accounts and all short-term instruments with maturities at purchase of 90 days or less. Cash and short-term investments are stated at amortized cost, which approximates fair value.

Receivables due to PERA. Per Article IV, Section 32 of the New Mexico Constitution, no obligation or liability will be exchanged, transferred, remitted, released, postponed or in any way diminished by the legislature, nor shall any such obligation or liability be extinguished except by the payment thereof into the proper treasury or by proper proceeding in court. Per 2.80.800.8 NMAC, the Board directs the Executive Director to make all reasonable efforts to collect any pension or refund overpayment made for any reason.

PERA's financial statements include a due from in the amount of \$400,000 from the New Mexico Taxation and Revenue Department related to monthly legislative division appropriations.

Business Unit Number	Fund Number	Description	Amount	Business Unit Number	Fund Number
64200	33300	TRD transmits 200K/month legislative contribution, TRD recorded a due to PERA for two months	400,000.00	36600	60605

Investments. The PERA Board of Trustees has the sole authority to make changes to PERA's investment policies.

On August 28, 2014, the Board revised their investment policy to reflect a change in strategic asset allocation (SAA):

Previous Strategic Asset Allocation	
Asset Class	Target
Domestic Equity	29.00%
International Equity	20.00%
Fixed Income	26.00%
Liquid Alpha	5.00%
Private Equity	5.00%
Absolute Return	7.00%
Real Estate	3.00%
Real Assets	5.00%

Revised Strategic Asset Allocation	
Asset Class	Target
Domestic Equity	21.10%
International Equity	24.80%
Core and Global Fixed Income	26.10%
Fixed Income Plus	5.00%
Private Equity	7.00%
Absolute Return	4.00%
Real Estate	5.00%
Real Assets	7.00%

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

Additionally, the Board re-classified Fixed Income, to reflect two separate asset classes:

1) Core and Global Fixed Income: The objective of core and global fixed income is to provide diversification, a dependable source of current income and downside protection. Like public equities, this is a traditional approach for the Fund to meet its total return goals. Compared to public equities, core and global fixed income has lower expected volatility and a greater expectation for the preservation of capital.

2) Fixed Income Plus: The objective of fixed income plus investments is to deliver positive returns over a complete market cycle while maintaining sufficient liquidity. The focus of these investments is the generation of current income and total return with a strong focus on preservation of capital. Fixed income plus investments have the potential to be more volatile than the core and global fixed income allocation. The strategies may have similar characteristics to some absolute return (hedge fund) strategies, but typically have greater liquidity and, unlike some absolute return managers, these managers typically utilize lower levels of leverage, shorting, and derivatives.

For the year ended 6/30/2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.9%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

In conformity with the Uniform Prudent Investor Act, which is cited as (UPIA) and is in the NMSA 1978 Subsection 45-7-601 to 612, PERA primarily invests in obligations of the United States Treasury, obligations of federal agencies guaranteed by or for which the credit of the United States government is pledged for payment of principal and interest, corporate bonds, stocks, and international securities. Security transactions and any resulting gains or losses are accounted for on a trade date basis.

All investment securities are reported at fair value. Fair value is defined as the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller. Due to the nature of investments, it is reasonable that changes in the value of investments will occur in the near future and changes could materially affect the amounts reported. The determination of fair values

includes, among other things, published market prices, prices obtained from pricing services, and prices quoted by independent brokers at current exchange rates.

For investments where no readily ascertainable fair value exists, management, in consultation with their investment advisors, has determined the fair values for the individual investments based on anticipated maturity dates and current interest rates commensurate with the investment's degree of risk.

Stocks traded on national or international exchanges are reported at current quoted market values.

Bonds are primarily reported at fair values obtained from independent pricing services.

Real estate and Real Asset partnerships are reported at values provided by general partners in conjunction with management and investment advisors. The valuation assumptions are based upon both market and property specific inputs which involve expert judgment.

Private equity and absolute return strategy investments are reported at fair value as determined by the general partners in conjunction with management and investment advisors. The valuation assumptions are based on the nature of the investment and the underlying business. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment.

Net investment income (loss) includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, securities lending income, rental income, and investment expenses, which include investment management and custodial fees, securities lending expense, and all other significant investment related costs.

In an effort to maximize the benefits of investment diversification and investment earnings, the Judicial, Magistrate, and Volunteer Firefighters Retirement Funds participate with the Public Employee Retirement Fund in an investment pool. The fair value of PERA's investments in short-term investment pools is the same as the value of the pool shares. All investments in the short-term investment pool are either SEC registered

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

or are exempt from SEC registration under exemption 3a3 or 4(2) of SEC regulations. Each fund's equity percentage, or allocation, in the pool is based on the dollar weighted average methodology. In this method, a factor is generated for each plan account based on the average daily balance (beginning market value adjusted for cash flows on a daily basis) during the period. The factor is the proportion of the average daily balance for each plan account, in relation to all plans under the master trust. The factor of each plan account is applied to the investment results (income, allocated expenses, realized gain/ loss and unrealized gain/ loss). Cash flows (contributions, benefit payments, transfers and plan-specific expenses) are applied directly to each of the plan accounts. Ownership percentages (rounded to the nearest hundredth of a percent) in the investment pool at June 30, 2015, areas follows:

Public Employees Retirement Fund	98.74 %
Magistrate Retirement Fund	0.23
Judicial Retirement Fund	0.60
Volunteer Firefighters Retirement Fund	0.42
Total	100.00 %

Capital Assets. Capital assets costing \$5,000 or more (12-1-10 NMSA 1978) that are used in PERA's operations are capitalized. Intangible assets such as internally generated computer software used to maintain a membership data base also are capitalized. These are recorded at historical cost less accumulated depreciation or amortization. The building is depreciated over 50 years. All remaining capital assets are depreciated over five to ten years, depending on the nature of the asset, using the straight-line method of depreciation. See Note 6 for a more detailed summary of PERA's capital assets.

Accrued Compensated Absences. Accumulated vacation, compensation time and sick leave balances that meet the criteria to be paid to employees upon termination are recorded as a liability and expense of the Public Employees Retirement Fund measure at June 30, 2015.

Interfund Receivables and Payables. During the course of operations, transactions occur between the Funds for goods provided and services rendered. These

receivables and payables are expected to be repaid in the subsequent fiscal year and are not eliminated in the financial statements.

Deferred Compensation Plan. At June 30, 2015, PERA had \$130,028 in an operating account maintained for the sole purpose of paying administrative expenses associated with the Deferred Compensation Fund. This cash account is maintained by the State Treasurer. Accrued expenses and other liabilities associated with administrative operations are included in the financial statements of the Public Employees Retirement Fund.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from plan net position during the reported period.

Actual results could differ from those estimates. The Funds utilize various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of plan net position.

Federal Income Tax Status. The four retirement funds (PERA (inclusive of Legislative), Judicial Magistrate and Volunteer Fire Fighter) are qualified plans under Section 401(a) of the Internal Revenue Code and are exempt from federal income taxes under Section 501(a). The Deferred Compensation (IRC 457) Fund is an eligible deferred compensation plan as defined by Section 457 to the Internal Revenue Code. Accordingly, any compensation deferred under the Plan and any income attributable to the amounts so deferred shall be included in the gross income of the participant only for the taxable year in which such compensation or other income is paid or, otherwise, made available to the participant or their beneficiary.

NOTE 3. DEPOSITS, INVESTMENTS, AND ALTERNATIVE INVESTMENTS

A. Deposits

Investment balances reported in the Statements of Plan Net Position include an interest in the State General Fund Investment Pool maintained by the State Treasurer's Office. All deposit accounts maintained at the State Treasurer's Office participate in an overnight repurchase agreement program administered by the State Treasurer.

The Plan's interest in the State General Fund Investment Pool are pooled with other state funds on deposit in the State Treasurer's name at commercial banking and other financial institutions. Information regarding the adequacy of collateralization of deposits is not known to individual agencies and is the responsibility of the State Treasurer. To obtain information about pledged collateral, investment risk, and insurance coverage information for the Department's State Treasurer deposits, a copy of separately issued financial statements can be obtained from the State Treasurer's Office.

The disclosure of the deposits by fund is required by the New Mexico Administrative Code 2.2.2. These amounts, listed below, are held in the name of the entity indicated and are fully collateralized.

In addition to the Plan's interest in the State General Fund Investment Pool, the Plan also invests in the Short-Term Investment Fund (STIF), held by J.P. Morgan. STIF investments are reported as cash and cash equivalents in the statement of plan net position. STIF investments are used to facilitate more efficient trade procedures with the Plan's external money managers. STIF investments held by the investment custodian (J.P. Morgan) are invested in commercial paper, government agencies, asset backed securities with Standard and Poor's ratings of at least AA as presented in the schedule of custodial credit risk. The Plan's investment in STIF accounts totaled \$797,853,289 as of June 30, 2015.

B. Investments

IRC 457 Fund. Securities held in the IRC 457 Fund are excluded from the investment disclosures below because the investments are self-directed by participants. Further detail of the investments are

detailed in a publicly available stand-alone financial report which can be obtained by writing to the Public Employees Retirement Association of New Mexico, 33 Plaza La Prensa, Santa Fe, New Mexico 87507, or calling (505) 476-9338.

Government Agency Mortgage-backed Securities.

As of June 30, 2015, the Funds' investment portfolios, excluding securities lending collateral investments, included mortgage-backed securities issued by agencies of the United States government of \$614,394,071 at fair value. The overall return or yield on mortgage-backed securities depends on the amount of interest collected over the life of the security and the change in the market value. Although the Funds will receive the full amount of principal if prepaid, the interest income that would have been collected during the remaining period to maturity, net of any market adjustment, is lost. Accordingly, the yields and maturities of mortgage-backed securities generally depend on when the underlying mortgage loan principal and interest are repaid. If market rates fall below a mortgage loan's contractual rate, it is generally to the borrower's advantage to prepay the existing loan and obtain new lower financing. In addition to the change in interest rates, mortgage loan prepayments depend on other factors such as loan types and geographic location of the related properties.

Corporate Asset-backed Securities.

As of June 30, 2015, the Funds' investment portfolio, excluding securities lending collateral investment, included corporate asset-backed securities with a fair value of \$175,016,212. These securities represent interests in various trusts consisting of pooled financial assets conveyed by the issuing parties. The Funds' ability to recover the amount of principal invested in these securities depends on the performance and quality of the trust assets.

Custodial Credit Risk.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, PERA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Mutual funds, external investment pools, and securities underlying reverse repurchase agreements are not exposed to custodial credit risk.

PERA's securities are held by a third-party custodian, independent of any counterparty; therefore,

management believes there is minimal risk that PERA will not be able to recover the value of its investments or collateral securities held by a counterparty.

The Custodian holds assets directly, through its agents, its subcustodians, or designated clearing systems. The Custodian is accountable for registration of those designated assets in good delivery form, collection of income generated by those assets, and any corporate action notification. The Custodian is responsible for delivery and receipt of securities of the aforementioned transactions. The Custodian is responsible for the ongoing pricing and valuation of all assets; investment managers must reconcile their values to those of the Custodian. The Custodian is to cooperate with, and provide assistance to, PERA and its investment managers in the reconciliation process. The Custodian is required to provide online records and reports, performance reporting, accounting reports and other services included in the agreement. The Board may opt to designate other duties to the Custodian as stipulated in the agreement.

With regard to Repurchase Agreements (REPOS) the policy states, “The Board shall utilize the services of the State Treasurer for holding PERA’s assets. The

State Treasurer at the direction of the Board shall deposit said assets with a bank or trust company for safe keeping or servicing. In addition, for cash management, the Board may utilize the services of the State Treasurer for overnight investment of short-term assets and/or a separate or commingled short-term investment fund (“STIF”) approved by the Board or administered by the Custody Bank designated by the State Treasurer or the Board providing the STIF account only invests in those securities authorized by PERA’s statutes, investment policy and investment guidelines. Investment managers shall invest all cash in PERA’s approved STIF funds.”

In addition the policy states, in part, “An investment manager under contract to PERA must preliminarily reconcile the differences between market values of securities as reported by the Custody Bank designated by the State Treasurer for safekeeping PERA’s securities and the market values as shown on the monthly report of the investment manager’s records.”

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

PERA's investments (summarized) at June 30, 2015 and its exposure to custodial credit risk are as follows:

Asset Type	Held in the Name of the Fund by the Fund's Custodian Bank	Custody Arrangements Contracted by Fund Manager	Total
Government Bonds	\$1,539,177,589	-	\$1,539,177,589
Municipal Bonds	15,048,186	-	15,048,186
Corporate Bonds	1,154,315,934	-	1,154,315,934
Mortgage Backed Securities	614,394,071	-	614,394,071
Asset Backed Securities	175,016,212	-	175,016,212
Commercial Mortgage Backed Securities	245,855,757	-	245,855,757
CMO/REMIC	28,551,985	-	28,551,985
Exchange Traded Funds	539,918,428	-	539,918,428
Mutual Funds	188,344,624	-	188,344,624
Total Fixed Income	4,500,622,785	-	4,500,622,785
Common Stock	5,838,186,751	-	5,838,186,751
Preferred Stock	55,707,128	-	55,707,128
ADR	35,423,114	-	35,423,114
GDR	56,648,471	-	56,648,471
MLP	138,742,804	-	138,742,804
REIT	348,779,251	-	348,779,251
Commingled Funds	251,964,758	-	251,964,758
Exchange Traded Funds	14,422,464	-	14,422,464
Mutual Funds	426,249	-	426,249
Rights	96,655	-	96,655
Warrants	1,844,583	-	1,844,583
Alternative Investments	2,387,757,854	-	2,387,757,854
Total Equities	9,130,000,082	-	9,130,000,082
Subtotal Equities and Fixed Income	\$13,630,622,866	\$-	\$13,630,622,866
Securities Lending Collateral Investments		4,325	4,325
Total Investments as Presented Above			\$13,630,627,191
IRC 457 Fund Investments Directed by Participants			491,987,083
Investments In State General Fund			33,938,818
Total Investments per the State of Plan Net Position			\$14,156,553,092

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. PERA is required to disclose credit ratings of its investments in order to assess credit risk. U.S. obligations or investments guaranteed by the U.S. Government are excluded from this requirement.

PERA's investment policy restricts investments to specific investment ratings issued by nationally recognized statistical rating organizations as follows:

Credit ratings are limited to:

1. Bonds, notes or other obligations issued by a state, its municipalities or other political subdivisions, that have received an investment grade (at least Baa or BBB) bond rating, and are registered by the SEC or the Municipal Securities Rulemaking Board (MSRB).
2. Bonds, notes, commercial paper or other obligations of any corporation organized and operating within the United States; provided that the securities shall have a minimum credit rating of CCC- according to Standard and Poor's rating system or Caa3 according to Moody's investors rating system or their equivalents by a national rating agency approved by the Board; and provided that not more than ten percent of the funds for which the retirement board is trustee shall at any one time be invested in debt obligations of corporations with a credit rating less than BBB according to the Standard and Poor's rating system or Baa according to the Moody's investors rating system or its equivalents. Investment managers may purchase securities that are not rated by a national rating agency, if stipulated in their contract, and provided that the investment manager's internal credit rating on the security is equivalent to at least CCC- according to Standard and Poor's or Caa3 according to Moody's.
3. Debt obligations of non-United States governmental or quasi-governmental entities may be denominated in foreign currencies; obligations, including but not limited to bonds, notes or commercial paper with an investment grade (at least Baa or BBB) rating (unless otherwise approved by the Board) of any corporation organized outside of the United States. Currency transactions, including spot or cash basis currency transactions, forward contracts and buying or selling options or futures on foreign currencies, shall be permitted for the purposes of hedging foreign currency risk.
4. Collateralized obligations, including but not limited to mortgages, held in trust that; (1) are publicly traded and are registered by the SEC or other Self Regulatory Organization (SRO) and (2) have underlying collateral that is either an obligation of the United States government or else has a credit rating above or equal to BBB according to the Standard and Poor's rating system or Baa according to the Moody's investors rating system or their equivalent by a national rating agency approved by the Board (unless otherwise approved by the Board)."

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

A summary of PERA's investments at June 30, 2015 and its exposure to credit risk are as follows:

Type	S & P Ratings	Market Value	% of Portfolio
Government Bonds			
		\$1,539,177,589	33.91%
	AAA	45,140,178	0.99%
	AA+	1,222,350,996	26.93%
	AA-	17,161,761	0.38%
	A+	12,064,861	0.27%
	A	4,304,410	0.09%
	A-	1,580,618	0.03%
	BBB+	8,483,694	0.19%
	BBB	18,230,126	0.40%
	BBB-	2,303,930	0.05%
	Not Rated	207,557,017	4.57%
Municipal Bonds			
		15,048,186	0.33%
	AAA	1,346,375	0.03%
	AA+	1,550,060	0.03%
	AA	2,714,145	0.06%
	AA-	1,962,643	0.04%
	A+	6,511,443	0.014%
	A-	696,113	0.02%
	Not Rated	267,407	0.01%
Corporate Bonds			
		1,154,315,934	25.43%
	AAA	3,646,790	0.08%
	AA+	32,875,941	0.72%
	AA	31,124,681	0.69%
	AA-	63,564,688	1.40%
	A+	73,068,216	1.61%
	A	158,260,821	3.49%
	A-	211,126,855	4.65%
	BBB+	190,198,014	4.19%
	BBB	175,077,614	3.86%
	BBB-	178,737,465	3.94%
	BB+	4,877,819	0.11%
	BB	3,834,127	0.08%
	BB-	173,988	0.00%
	B+	4,687,599	0.10%
	B-	3,436,811	0.08%
	Not Rated	19,624,508	0.43%

Notes to the Financial Statements *(continued)*
For the Fiscal Year ending June 30, 2015

Type	S & P Ratings	Market Value	% of Portfolio
Asset Backed Securities		175,016,212	3.86%
	AAA	56,949,306	1.25%
	AA+	7,366,068	0.16%
	AA	8,573,713	0.19%
	AA-	3,460,510	0.08%
	A+	16,947,707	0.37%
	A	8,310,239	0.18%
	A-	8,379,779	0.18%
	BBB+	17,862,748	0.39%
	BBB	10,210,664	0.22%
	BBB-	2,738,017	0.06%
	BB-	2,312,438	0.05%
	B-	5,792,672	0.13%
	CCC	538,689	0.01%
	Not Rated	25,573,662	0.56%
CMO/REMIC		28,551,985	0.63%
	AAA	86,414	0.00%
	AA+	23,835,591	0.53%
	AA	248,902	0.01%
	A+	45,619	0.00%
	BBB+	289,320	0.01%
	BBB-	417,655	0.01%
	B-	1,575,841	0.03%
	CCC	99,727	0.00%
	Not Rated	1,952,918	0.04%
Commercial Mortgage Backed		245,855,757	5.42%
	AAA	59,220,667	1.30%
	AA+	17,151,072	0.38%
	AA	25,493,883	0.56%
	AA-	1,665,312	0.04%
	A+	18,648,518	0.41%
	A	3,845,395	0.08%
	A-	12,608,782	0.28%
	BBB+	15,207,089	0.34%
	BBB	4,463,901	0.10%
	BBB-	16,190,382	0.36%
	BB+	7,368,280	0.16%
	BB	731,357	0.02%
	BB-	299,912	0.01%
	B+	711,508	0.02%
	Not Rated	62,249,699	1.37%

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

Type	S & P Ratings	Market Value	% of Portfolio
Mortgage Backed Securities		614,394,071	13.53%
	AA+	614,394,071	13.53%
Treasury Bills		652,002	0.01%
	A-1+	652,002	0.01%
Miscellaneous		16,925,956	0.37%
	Not Rated	16,925,956	0.37%
Money Markets		32,733,058	0.72%
	Not Rated	32,733,058	0.72%
STIF		716,721,525	15.79%
	Not Rated	716,721,525	15.79%
		<u>\$4,539,392,273</u>	<u>100.00%</u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates. PERA's interest rate risk is controlled by the duration guidelines provided in the Investment Guidelines for each fixed income manager which are attached to each investment manager's contract, or Professional Services Agreement (PSA), with PERA. Duration is loosely defined as the dollar weighted

average time to recover all principal in a fixed-income investment. For example, a "duration" of four years suggests a 1% increase in corresponding interest rates could cause a 4% decline in the market value of the portfolio. PERA's fixed income managers are typically limited to a duration of plus or minus two year or 20% of the duration of the applicable portfolio benchmark. Such limitations are contained in the Plan's investment guidelines for fixed income managers.

Notes to the Financial Statements *(continued)*
 For the Fiscal Year ending June 30, 2015

A summary of PERA's investments and its respective maturities at June 30, 2015 and its exposure to interest rate risk are as follows:

Bond Category	Weighted Average Maturity in Years	Market Value Plus Accrued Income	Percentage of Fixed Income Portfolio
Government Bonds	6.93	\$1,546,784,924	40.72%
Municipal Bonds	22.15	15,242,963	0.40%
Mortgage Backed	24.57	619,314,345	16.30%
Corporate Bonds	9.19	1,166,739,539	30.71%
Commercial Mortgage Backed	13.11	246,811,243	6.50%
Asset Backed	2.60	175,314,460	4.61%
CMO/REMIC	8.01	28,631,928	0.75%
SUBTOTAL Fixed Income Investments		\$3,798,839,402	100.00%
Cash and Short Term Investments		\$795,010,657	
TOTAL INVESTMENTS SUBJECT TO INTEREST RATE RISK		\$ 4,593,850,059	

Concentration of Credit Risk. Concentration Risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments in any one issuer that represent 5% or more of all total investments including components unit investments are considered to be exposed to concentrated credit risk and are required to be disclosed. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. PERA's policy over concentration of credit risks are contained in each investment managers' Investment Guidelines.

At June 30, 2015, PERA had no investments with a

concentration of greater than 5% of total investments.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. PERA has risk exposure through direct investments in international equities, international fixed income and international private equity investments.

PERA's (non-U.S. equity) allocation is less than 25% of PERA's total combined-funds' assets. Since this portfolio is broadly diversified among many countries, the likelihood of a decline in the market value of a single local currency (the non-U.S. currency) or of several local currencies versus the U.S. dollar such that the impact on PERA's total assets is mitigated.

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

The following table presents a summary of the PERA's investments exposed to foreign currency risk by currency and the respective values at June 30, 2015:

		Market Value (included in investments)				
	Currency	Equity	Fixed Income	Alternate Investments	Total	Deposits
AED	UAE Dirham	\$7,331,096.78	\$-	\$-	\$7,331,096.78	\$ -
AUD	Australian Dollar	152,114,002.61	14,895,528.63	-	167,009,531.24	498,827.78
BDT	Bangladeshi Taka	112,854.71	-	-	112,854.71	1,927,481.74
BGN	Bulgarian Lev	52,178.96	-	-	52,178.96	-
BRL	Brazilian Real	54,665,962.58	361,622.46	-	55,027,585.04	930,666.91
BWP	Botswanan Pula	1,297,639.09	-	-	1,297,639.09	-
CAD	Canadian Dollar	176,457,618.13	14,067,957.70	-	190,525,575.83	1,004,058.66
CHF	Swiss Franc	212,411,905.08	-	-	212,411,905.08	368,658.15
CLP	Chilean Peso	13,657,088.69	-	-	13,675,088.69	154.88
COP	Columbian Peso	6,530,944.62	-	-	6,530,944.62	85,743.39
CZK	Czech Koruna	3,629,453.83	-	-	3,629,453.83	214,947.99
DKK	Danish Krone	35,485,750.33	5,434,161.80	-	40,919,912.13	447,378.40
EGP	Egyptian Pound	147,031.59	-	-	147,031.59	4,409,662.61
EUR	Euro	695,291,835.46	137,981,617.64	62,158,065.00	895,431,518.10	8,924,136.16
GBP	British Pound	507,276,958.57	34,397,716.60	22,902,817.46	564,577,492.63	1,038,994.95
GHS	Ghanaian Cedi	664,237.37	-	-	664,237.37	30,465.27
HKD	Hong Kong Dollar	216,134,039.54	-	-	216,134,039.54	547,793.96
HRK	Croatian Kuna	1,929,021.91	-	-	1,929,021.91	14,617.39
HUF	Hungarian Forint	4,101,717.44	-	-	4,101,717.44	146,422.41
IDR	Indonesian Rupiah	19,974,137.50	-	-	19,974,137.50	590,313.95
ILS	Israeli New Sheqel	11,053,095.23	-	-	11,053,095.23	149,787.02
INR	Indian Rupee	58,022.62	28,268.14	-	86,290.76	2,454,456.37
JOD	Jordanian Dinar	328,580.94	-	-	328,580.94	47,061.69
JPY	Japanese Yen	576,858,185.04	61,051,831.58	-	637,910,016.62	2,538,024.90
KES	Kenyan Shilling	1,936,241.56	-	-	1,936,241.56	652.90
KRW	South Korean Won	91,447,367.26	9,416,915.44	-	100,864,282.70	789,475.84
KWD	Kuwaiti Dinar	752,970.76	-	-	752,970.76	549,644.66
LKR	Sri Lankan Rupee	331,398.60	-	-	331,398.60	-
MAD	Moroccan Dirham	1,895,502.45	-	-	1,895,502.45	32,775.39
MUR	Mauritian Rupee	2,059,099.95	-	-	2,059,099.95	1,296.32
MXN	Mexican Peso	37,849,506.92	6,338,591.65	-	44,188,098.57	573,372.41
MYR	Malaysian Ringgit	24,263,355.27	-	-	24,263,355.27	657,257.48
NGN	Nigerian Naira	141,577.18	-	-	141,577.18	1,614,906.09
NOK	Norwegian Krone	17,810,351.46	8,316,967.68	-	26,127,319.14	201,649.32
NZD	New Zealand Dollar	4,463,666.85	10,333,807.01	-	14,797,473.86	2,409,046.82
OMR	Omani Rial	1,921,820.41	-	-	1,921,820.41	9,495.18
PEN	Peruvian Nuevo Sol	1,425,028.57	-	-	1,425,028.57	-
PHP	Philippine Peso	15,458,825.53	5,074,044.23	-	20,532,869.76	228,974.44
PKR	Pakistani Rupee	-	-	-	-	2,113.19
PLN	Polish Zloty	15,341,217.50	-	-	15,341,217.50	100,438.50
QAR	Qatari Rial	8,776,177.52	-	-	8,776,177.52	-

Market Value (included in investments)

	Currency	Equity	Fixed Income	Alternative Investments	Total	Deposits
RON	Romanian Leu	1,942,640.62	-	-	1,942,640.62	15,399.32
RUB	Russian Ruble	6,030,284.27	-	-	6,030,284.27	400,619.29
SAR	Saudi Riyal	-	-	-	-	-
SEK	Swedish Krona	75,827,074.69	9,861,773.09	-	85,688,847.78	437,428.49
SGD	Singapore Dollar	30,264,953.10	9,944,450.20	-	40,209,403.30	416,315.64
THB	Thai Baht	19,945,512.05	4,514,149.66	-	24,459,661.71	0.01
TND	Tunisian Dinar	172,307.69	-	-	172,307.69	(5,239.95)
TRY	Turkish Lira	15,362,509.32	-	-	15,362,509.32	101,788.38
TWD	New Taiwan Dollar	85,180,334.43	-	-	85,180,334.43	1,103,294.82
VND	Vietnamese Dong	39,656.00	-	-	39,656.00	5,032.40
ZAR	South African Rand	56,883,040.85	-	-	56,883,040.85	241,394.29
		\$3,215,103,779.43	\$332,019,403.51	\$85,060,882.46	\$3,632,184,065.40	\$36,256,785.81

C. ALTERNATIVE INVESTMENTS

Alternative Investments are described as investments that are not traditional assets such as: stocks, bonds or cash. For the purposes of PERA's investment portfolio, Alternative Investments are classified by investment strategies that include Absolute Return (Hedge Funds), Private Equity, Real "Tangible" Assets, and Real Estate. As of June 30, 2015, the total allocation to Alternative Investments was 17% of the investment portfolio (5% to Private Equity, 3% to Real Assets, 3% to Real Estate, and 6% to Absolute Return).

Absolute Return (Hedge Funds) Absolute Return is defined as investment assets in varying hedge fund strategies for the purpose of providing positive returns regardless of market direction. The stated target for Absolute Return investments is to produce returns at LIBOR +5%. Absolute Return portfolio is comprised of 100% single manager or direct hedge funds in such strategies as: Market Neutral, Discretionary Macro, Systematic Macro and Multi-Strategy. As of June 30, 2015, PERA had a total market value of \$845,242,754 of assets invested in Absolute Return.

Private Equity Private Equity investments are typically private interests in corporations across different areas of the capital structure and in different stages of corporations' development via limited partnership vehicles. Private Equity investments are

illiquid and long term in nature (10-12 years). PERA's Private Equity portfolio will likely have a "J-Curve Effect" whereby there are low to negative returns in the initial years due to the payment of investment management fees and initial funding of investments made by the general Partner during a period when investments are typically carried at cost and returns have yet to be realized. PERA's Private Equity investments are made in such strategies as: Buyouts, Venture Capital, and Distressed Debt. As of June 30, 2015, PERA had committed \$1,333,803,000 to Private Equity limited partnerships and funded a portion of the total commitment for a market value of \$683,344,231.

Real "Tangible" Assets Real Asset investments are intended to provide allocations to tangible assets that are expected to be inflation protected and provide performance above the inflation rate as indicated by the CPI. Investments will include both private limited partnerships, publicly traded assets and limited liability companies that have an ownership interest in properties where the majority value of the property is derived from income-producing energy-related businesses. As of June 30, 2015, PERA had committed \$838,408,000 to Real Assets partnerships and funded a portion of the total commitment for a market value of \$448,268,082, including the Public MLP allocations, including the TIPS and Commodity allocations.

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

Real Estate and Real Estate Investment Trusts

(REITS) Real Estate investments are investments in private vehicles through limited partnerships or limited liability companies that have an ownership interest in direct real estate properties. The investment strategies may include “value added” strategies, which derive their return from both income and appreciation, and “opportunistic”, which derive their return primarily through appreciation. REITS include equity investments in publicly traded securities of a company dedicated to owning, and/or operating income-producing real estate, including but not limited to apartments, shopping centers, offices and warehouses. As of June 30, 2015, PERA had committed \$690,930,000 to Real Estate limited partnerships and funded a portion of the total commitment for a market value of \$453,385,778, including the Public REIT allocations.

NOTE 4. DERIVATIVES

Derivatives are generally defined as contracts whose value depend on, or derive from, the value of an underlying asset, reference rate or financial index. The Board’s investment policies allow for certain portfolio managers to utilize derivatives subject to a manager’s investment management guidelines.

The notional or contractual amounts of derivatives indicate the extent of PERA’s involvement in the various types and uses of derivative financial instruments, they do not measure PERA’s exposure to credit or market risks and do not necessarily represent amounts exchanged by the parties. The amounts exchanged are determined by reference to the notional amounts and other terms of the derivative. Investments in limited partnerships and commingled funds include derivative instruments that are not reported in the following disclosure.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2015, classified by type, and the changes in fair value of such derivative instruments are as follows:

Type	Change in Fair Value		Fair Value		Notional Amount	Unit of Value
	Classification	Amount	Classification	Amount		
Futures: Equity Index	Investment Revenue	\$(6,808,528)	Investments	\$459,783,890	757,749	1,405,408,681
Futures: Bond Index	Investment Revenue	307,797	Investments	(56,427,719)	(65,500,000)	(56,735,515)
Futures: Interest Rate	Investment Revenue	51,940	Investments	788,282	-	826,810
Options: Fixed Income	Investment Revenue	(81,649)	Investments	138,133	1,598,781,728	259,928
Swaps: Fixed Income	Investment Revenue	(325,168)	Investments	(325,168)	138,289,000	-

Derivatives Counterparty Credit Risk. PERA enters into various types of derivative transactions to which the counterparty credit risk of PERA non-exchange traded investment derivatives instruments outstanding are subject to loss exposure at June 30, 2015. Credit ratings of these counterparties range from AAA to not rated and include currency forward contracts, equity futures, and fixed income futures.

Derivatives Custodial Credit Risk. The custodial credit risk disclosure for exchange traded derivative instruments is made in accordance with the custodial credit risk disclosure requirements of GASB Statement 40. At June 30, 2015, all of PERA’s investments in derivative instruments are held in PERA’s name and are not exposed to custodial credit risk.

Derivative Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. PERA's derivative exposure to foreign currency risk are in the markets of the Australian Dollar, Canadian Dollar, Euro, British Pound Sterling, Hong Kong Dollar, Japanese Yen, and South African Rand. Detailed on the following table are derivatives with foreign currency risk at June 30, 2015:

Currency	Description	Market Value
AUD	Australian Dollar	
	Options: Fixed Income	\$136,065
	Futures: Equity Index	2,720,941
CAD	Canadian Dollar	
	Futures: Equity Index	3,165,351
EUR	EURO	
	Futures: Interest Rate	(90,468)
	Futures: Equity Index	11,903,564
HKD	Hong Kong Dollar	
	Futures: Equity Index	3,718,353
JPY	Japanese Yen	
	Options: Fixed Income	2,068
	Futures: Equity Index	7,024,158
GBP	Pound Sterling	
	Futures: Equity Index	6,290,797
ZAR	South African Rand	
	Futures: Equity Index	2,198,074
Total Derivative Foreign Currency Risk		<u>\$37,068,903</u>

Equity Futures. Equity futures are exchange-traded futures contracts used to replicate the performance of an underlying stock market index. PERA's index futures held by managers are for long-term exposure (non-hedging), and they are carried at fair value. Indices for futures include well-established indices such as S&P, FTSE, DAX, CAC40 and other G12 country indices.

Fixed Income Futures. Fixed income futures contracts are also exchange-traded derivatives. The exchange's clearing house acts as counterparty on all contracts, sets margin requirements, and also provides a mechanism for settlement. Futures typically have interim partial settlements, or "true-ups", in margin requirements. A futures contract gives the holder the obligation to make or take delivery under the terms of the contract.

Commodity Futures. Commodities futures, or futures contracts, are agreements to buy or sell a set amount of a commodity at a predetermined price and date. Buyers use these to avoid the risks associated with the price fluctuations of the product or raw material, while sellers try to lock in a price for their products. Futures are the obligation of the purchase or sale of the underlying asset.

Fixed Income Option. An option is a derivative financial instrument that specifies a contract between two parties for a future transaction on an asset at a reference price. The buyer of the option gains the right, but not the obligation, to engage in that transaction, while the seller incurs the corresponding obligation to fulfill the transaction. The price of an option derives from the difference between the reference price and the value of the underlying asset (commonly a stock, a bond, a currency or a futures contract) plus a premium based on the time remaining until the expiration of the option. The nature of credit risk is default or non-performance of the counterparty to fulfill its contractual obligations.

Fixed Income Swap. A swap is a derivative in which counterparties exchange certain benefits of one party's financial instrument for those of the other party's financial instrument. The benefits in question depend on the type of financial instruments involved. Specifically, the two counterparties agree to exchange one stream of cash flows against another stream. The swap agreement defines the dates when the cash flows are to be paid and the way they are calculated. The nature of credit risk is default or nonperformance of the counterparty to fulfill its contractual obligations.

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

Forward Currency Contracts The Funds may enter into various currency contracts to manage exposure of foreign portfolio holdings to changes in foreign currency exchange rates. A forward exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. Risks associated with such contracts include movement in the value of the foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. The maximum potential loss is the aggregate face value at the time the contract was opened. Management believes the likelihood of such loss is remote. At June 30, 2015, the Funds had outstanding forward exchange currency contracts to purchase and sell foreign currencies of \$3,048,360. The fair values of these outstanding contracts were to purchase foreign currencies of \$563,600,244 and to sell foreign currencies of \$560,551,884, respectively. The fair values of the contracts are reflected in the Statement of Plan Net Position. Gains and losses on forward currency may occur to the extent that the fair value of the contracts varies from the actual contract amount and are recorded as incurred in the Statement Changes in Plan Net Position.

NOTE 5. SECURITIES LENDING

NMSA 1978 10-11-132 and PERA's policies permit the use of the Fund's investment holdings to enter into securities lending transactions - that is, lending securities to broker-dealers and other entities (borrowers) in exchange for a fee plus collateral. The fee is negotiated for each separate transaction and split 90%/10% between PERA and JP Morgan, PERA's current securities lending agent. Approved collateral accepted against loaned securities are held by PERA's

custodial agent and marked to market daily. Such approved collateral is limited to USD cash, Overnight Treasury Repurchase Agreements, Treasuries, Agencies, Commercial Paper, and 2a-7 Money Market Funds. The securities lending agent may invest cash collateral received into eligible securities as defined in a governing securities lending agreement.

The securities lending agent is restricted to a maximum loan value of \$600,000,000 inclusive of all loaned securities. During FY 2015, the average securities loaned balance was \$408,331,197, on a base of average lendable assets of \$8,590,130,605. The average utilization rate over the fiscal year was 4.8%, with net earnings of \$3,773,402. As of June 30, 2015, PERA's participation in the Securities Lending program was terminated, in preparation of an upcoming custodial bank transfer. As a result of this termination, cash collateral had a principal balance and market value of \$4,325, with no unrealized losses.

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

NOTE 6. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2015, is as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Capital assets at cost:				
Land	\$1,548,990	\$-	\$-	\$1,548,990
Building	12,646,204	-	-	12,646,204
Property and equipment	36,016	-	-	36,016
Computer equipment and software	15,174,597	23,662	(334,050)	14,864,209
Automobile	80,107	-	-	80,107
	<u>\$ 29,485,914</u>	<u>\$23,662</u>	<u>\$(334,050)</u>	<u>\$29,175,526</u>
Accumulated depreciation:				
Building	\$(1,721,288)	\$(421,540)	\$ -	\$(2,142,828)
Property and equipment	(33,572)	(333)	-	(33,905)
Computer equipment and software	(13,953,117)	(265,339)	334,050	(13,884,406)
Automobile	(78,469)	(1,638)	-	(80,107)
	<u>(15,768,446)</u>	<u>(688,851)</u>	<u>334,050</u>	<u>(16,141,247)</u>
Total	<u>\$ 13,699,468</u>	<u>\$ (665,189)</u>	<u>\$ -</u>	<u>\$13,034,280</u>

The following are included in the above schedule.

- Depreciation and amortization expense, reported as part of administrative expenses, for the year was \$688,851.
- PERA disposed of \$334,050 in capital assets in FY15, consisting of obsolete computer software and equipment.

NOTE 7. CONTINGENCIES

PERA has been named as a defendant in various administrative appeals and lawsuits arising in the normal course of business primarily related to disability and retirement benefits. Management of PERA intends to vigorously defend the actions, and it is their opinion as well as the opinion of legal counsel that the resolution of these matters will not have a material effect on these financial statements.

PERA is exposed to various risks of loss for which PERA carries insurance (Auto; Employee Fidelity Bond; General Liability; Civil Rights and Foreign Jurisdiction; Money and Securities; Property; and Worker's Compensation) with the State of New Mexico Risk Insurance Program. The Plan's insurance coverages are designed to satisfy the requirements of the State tort claims. Also, any claims are processed through the Risk Management Division of the State of New Mexico.

NOTE 8. RETIREMENT PLANS

Plan Description. PERA's full-time employees participate in the public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). PERA is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, 33 Plaza La Prensa, Santa Fe, NM 87507. The report is also available on PERA's website at www.nmpera.org.

Funding Policy. For fiscal year 2015, plan members are required to contribute 7.42 (less than \$20,000 in salary) or 8.92% (greater than \$20,000 in salary) of their salary. For fiscal year 2015, PERA employers were required to contribute 16.99% of the gross covered salary. The contribution requirements of plan members and PERA are established in State statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature.

PERA's contributions to the PERA retirement plan

for PERA employees were for the years ending June 30, 2015, 2014, and 2013 were \$674,307, \$596,543, and \$565,115, respectively, equal to the amount of the required contributions from the employer for each year. In addition, the employees contributed an additional \$354,022, \$321,884, and \$334,051, respectively, equal to the amount of the required contributions from employees for each year.

GASB 68 - Financial Reporting and Disclosure for Multiple-Employer Cost Sharing Pension Plans by Employers.

According to the Department of Finance and Administration (DFA), compliant with the requirements of GASB No. 68, the State of New Mexico has implemented the standard for the fiscal year ending June 30, 2015. PERA, as part of the primary government (fiduciary fund) of the State of New Mexico, is a contributing employer to the cost-sharing multiple employer PERA fund. Disclosure requirements for governmental funds apply to the primary government as a whole, and as such, this information will be presented in the Component Appropriation Funds Annual Financial Report (General Fund) and the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico. Information concerning the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources of the primary government will be contained in the General Fund and the CAFR, and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico 87501.

NOTE 9. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Plan Description. PERA contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan

and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf, unless that person retires before the employer's RHCA effective date, in which the event the time period required for employee and employer contributions shall become the period of time between the employee's effective date, and the date of retirement; (2) retirees defined by the Act who retired prior to July 1, 1990; (3) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the post employment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13, NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or a former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15, NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer as of July 1, 2012 to contribute 2.0% of each participating employee's annual salary; each participating employee is required to contribute 1.0% of their salary. Prior to July 1, 2012, the

statute required each participating employer as of July 1, 2011 to June 30, 2012 to contribute 1.834% of each participating employee's annual salary; each participating employee is required to contribute 0.917% of their salary. From July 1, 2010 to June 30, 2011, the statute required each participating employer contribute 1.666% of each participating employee's annual salary; each participating employee is required to contribute 0.833% of their salary. Prior to July 1, 2010, employers contributed 1.3% and employees contributed 0.65%. Employers joining the program after 1/1/1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

PERA's contributions to the RHCA for the years ending June 30, 2015, 2014, and 2013 were \$81,773, \$71,172, and \$74,948, for employer contributions and \$47,021, \$36,085 and \$37,474 in employee contributions, respectively, which equal the required contributions for each year.

NOTE 10. MARKET VOLATILITY

Fiscal year 2015 started off with transformational shifts in two major economic factors as commodities led by oil began a steep decline in June 2014 and finished the year at a price per barrel of \$55, and continued to fall over the first half of 2015. The U.S. dollar began its rise shortly after the drop in oil commenced led by economic uncertainty and the beginnings of a monetary stimulus program in Europe and ended the year up over 10% versus the euro and the yen. The second half of the fiscal year saw mixed results in most markets as uncertainty regarding the U.S. Federal Reserve tightening cycle caused widespread discomfort, concerns regarding China's economic growth with an eventual unexpected devaluation of China's currency. This led to heightened anxiety over the health of the world's second largest economy and global growth in general.

In the first fiscal quarter, the U.S. equity market hit all-time highs but then fell back as both equity and fixed income markets experienced a volatile quarter

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

as investors were faced with numerous geopolitical events such as continued problems in Ukraine, U.S. military involvement in Iraq and Syria and prodemocracy protests in Hong Kong. The U.S. stock market was basically flat even though there was good economic news with a GDP increasing at 4.9% and solid jobs growth. Both developed and emerging countries markets fell as European's fiscal woes continued with investors digesting sluggish growth prospects, ongoing saber-rattling between Russia and Ukraine to the region's east, and the contentious referendum in Scotland seeking political independence from Great Britain that was ultimately rejected. The European Central Bank drove short-term rates into negative territory to spark economic activity in the region. The U.S. Treasury yield curve flattened somewhat over the quarter; yields on paper below one year in maturity as well as rates beyond ten years moved lower, while rates on intermediate-term securities rose slightly. Credit spreads, which had been tightening over the first six months of 2014, widened over the quarter. With short-term rates in Europe now officially negative, investors moved up the curve into longer-term issuance, giving long-dated global bonds a performance boost. Emerging market debt eked out small gains overall despite weakness in major developing economies as well as uncertainty as to the timing of tighter U.S. Fed money policy.

During the second fiscal quarter, the U.S. market finished up over 5% as solid jobs growth and low inflation increased investors' risk tolerances. Developed and emerging markets returns were positive in local terms but in negative territory when converted to the U.S. dollar as the impact of a rising U.S. dollar was a headwind for U.S. investors. Inflation rates in European markets fell in anticipation of intervention by the central banks to increase economic growth. China's own economic slowdown, combined with Russia's recent struggles with a sagging ruble and sinking oil prices, held back emerging market performance overall. The U.S. Treasury yield curve ended the quarter considerably flatter, with yields sharply lower, prices up, in maturities beyond five years. High yield credit spreads widened, as prices fell, and were closer to historical averages.

For the third fiscal quarter, the U.S. market experienced modest gains and had not experienced a down quarter in nearly three years. The Federal Reserve went to

great lengths to express that, while a rise in rates was nearing, they are likely to be very cautious in the timing and pace of any interest rate increases. Both developed and emerging markets rebounded with European stocks advancing as European central banks relaxed monetary policy, including quantitative easing bond-buying programs, sent stock prices soaring. Pacific region stocks also rallied as their economies achieved more solid footing in the first quarter, aided by sharply lower energy prices. Although China's and India's stock markets enjoyed stunning gains, other emerging market economies experienced more muted performance, especially in the Americas. Treasuries benefited from investor unease over a possible U.S. economic slowdown accompanied by remarkably low inflation. Credit spreads ticked slightly wider over the quarter. European bond markets held their own in local-currency terms, although the rally in U.S. Treasuries dampened their gains. Despite the broad-based uncertainty regarding global economic growth and upcoming U.S. monetary policy changes, emerging market bonds also managed positive performance.

The U.S. market was flat during the fourth quarter as employment conditions continued to show steady growth since the Credit Crisis. During this quarter, the U.S. recovered all of the lost jobs during the credit crisis and the labor force is growing but wages remained stagnant. China's stock market suffered a deep correction in June but developed and emerging market returns were slightly positive as the U.S. dollar weakened. U.S. fixed income returns fell as the U.S. Federal Reserve refrained from raising short-term interest rates in the second quarter but investors sold bonds to lock in gains and prepare for higher rates. U.S. Treasury yields rose over the quarter at all maturities beyond one year and long term treasury prices fell by 8%.

In the context of this dynamic capital market environment, the PERA Board seeks to position the Plan for long-term capital appreciation through prudent asset allocation, diversification within asset categories and risk management techniques to closely monitor market forces. The Board strives to generate consistent long-term investment gains recognizing that capital markets may not move in a steady and uniform direction, and that losses may occur.

NOTE 11. INVESTMENT PLACEMENT AGENTS

Placement agents are entities who act on behalf of an investment manager as a finder, solicitor, marketer, consultant, broker or other intermediary to raise funds from investors. The role of a placement agent can vary depending on the needs of their clients. About 1% of PERA's private investments involve placement agents. In each case, the agent is an established firm as opposed to an individual. A typical agent's fee is 1 to 2 percent of the amount invested. PERA staff and consultant review affected managers on a quarterly basis.

Currently, PERA fully complies with the statutory disclosure requirement of NMSA 1978, Section 10-11- 133.1, which mandates the disclosure of the identity and fees paid, if any, to any third-party marketer or placement agent involved in PERA's investment in private funds. PERA has no direct relationships with third-party marketers or placement agents. PERA states in the Investment Policy the disclosure requirements of NMSA 1978, 10-11-133.1 as it pertains to private investments. PERA's two investment consultants, Wilshire and Cliffwater, LLC, do not receive any form of compensation other than client advisory fees and do not accept compensation from investment management organizations or their marketers. Cliffwater, LLC only recommends an investment management firm to PERA once they have extensively performed due diligence with the firm's portfolio management professionals.

NOTE 12. NET PENSION LIABILITY OF PLAN MEMBERSHIP

The components of the net pension liability of the plan's membership at June 30, 2015, *by fund*, were as follows:

PERA	
Total Pension Liability	\$18,516,054,874
Plan's Fiduciary Net Position	14,255,528,543
Net Pension Liability	\$4,260,526,331
Ratio of Plan Net Position to Total Pension Liability	76.99%

Judicial	
Total Pension Liability	\$137,037,970
Plan's Fiduciary Net Position	88,988,252
Net Pension Liability	\$48,049,718
Ratio of Plan Net Position to Total Pension Liability	64.94%

Magistrate	
Total Pension Liability	\$63,536,415
Plan's Fiduciary Net Position	33,187,494
Net Pension Liability	\$30,348,921
Ratio of Plan Net Position to Total Pension Liability	52.23%

Volunteer Firefighter	
Total Pension Liability	\$44,477,629
Plan's Fiduciary Net Position	62,103,236
Net Pension Liability	\$(17,625,607)
Ratio of Plan Net Position to Total Pension Liability	139.63%

Actuarial assumptions—The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2014. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2015. These assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.

Notes to the Financial Statements *(continued)*
 For the Fiscal Year ending June 30, 2015

Summary of Actuarial Methods and Assumptions, by fund

PERA	
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay, Open
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair Value
Actuarial Assumptions:	
Investment rate of return	7.75% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll Growth	3.50% annual rate
Projected salary increases	3.50% to 14.25% annual rate
Includes inflation at	3.00% annual rate
Mortality Assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA.
Experience Study Dates	July 1, 2008 to June 30, 2013

JUDICIAL	
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay, Open
Amortization period	30 years
Asset valuation method	Fair Value
Actuarial Assumptions:	
Investment rate of return	7.75% annual rate, net of investment expense
Projected benefit payment	89 years
Payroll Growth	3.50% annual rate
Projected salary increases	4.25% annual rate
Includes inflation at	3.0% annual rate
Mortality Assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA. This assumption includes between 5% and 8% margin sufficient to allow for modest future improvement in the rates of mortality.
Experience Study Dates	July 1, 2008 to June 30, 2013

Notes to the Financial Statements *(continued)*
 For the Fiscal Year ending June 30, 2015

MAGISTRATE	
Actuarial date	June 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Open
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair Value
Actuarial Assumptions:	
Investment rate of return	7.75% annual rate, net of investment expense SEIR 5.61%
Projected benefit payment	86 years
Municipal bond rate	3.82%
Discount rate	5.61%
Payroll Growth	3.50%
Projected salary increases	3.75%
Mortality Assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA. This assumption includes between 5% and 8% margin sufficient to allow for modest future improvement in the rates of mortality.
Experience Study Dates	July 1, 2008 to June 30, 2013

VOLUNTEER FIREFIGHTER	
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open
Amortization period	30 Years
Asset valuation method	Fair Value
Actuarial Assumptions:	
Investment rate of return	7.75% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll Growth	N/A
Projected salary increases	N/A
Mortality Assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA. This assumption includes between 5% and 8% margin sufficient to allow for modest future improvement in the rates of mortality.
Experience Study Dates	July 1, 2008 to June 30, 2013

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments for all funds was determined using statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate

of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Real Rate of Return		
US Equity	21.1%	5.00%
International Equity	24.8	5.20
Private Equity	7.0	8.20
Core and Global Fixed Income	26.1	1.85
Fixed Income Plus Sectors	5.0	4.80
Real Estate	5.0	5.30
Real Assets	7.0	5.70
Absolute Return	<u>4.0</u>	4.15
Total	100.0%	

Discount rate. The discount rate used to measure the total pension liability of the PERA, Judicial and Volunteer Firefighter funds was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide

all projected future benefit payments of current plan members as determined in accordance with GASB Statement No. 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of PERA, Judicial and Volunteer Firefighter funds, calculated using the discount rate of 7.75 percent, as well as what PERA's net pension liability would

be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate (\$ thousands):

PERA	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
System's Net Pension Liability	\$6,534,375,512	\$4,260,526,331	\$2,371,407,413

JUDICIAL	1% Increase (8.75%)	Current Discount Rate (7.75%)	1% Decrease (6.75%)
Net Pension Liability	36,745,899	48,049,718	61,188,155

VOLUNTEER FIREFIGHTER	1% Increase (8.75%)	Current Discount Rate (7.75%)	1% Decrease (6.75%)
Net Pension Liability	(21,893,584)	(17,625,607)	(12,504,268)

Discount rate. The discount rate used to measure the total pension liability of the Magistrate fund was 5.61 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are not sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement No. 67. Therefore, a 5.61% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total

pension liability. This rate is a blend of the expected rate of return on assets of 7.75% and the 20-year tax-exempt municipal bond rate 3.82% as of the measurement date.

The following presents the net pension liability of the Fund, calculated using the discount rate of 5.61 percent, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.61 percent) or 1-percentage-point higher (6.61 percent) than the current rate:

MAGISTRATE	1% Decrease (6.61%)	Current Discount Rate (5.61%)	1% Increase (4.61%)
Net Pension Liability	\$24,309,895	\$30,348,921	\$37,547,869

June 30, 2014 is the actuarial valuation date upon which the TPL is based (paragraph 31(c)). Standard update procedures were used to roll forward the liabilities to the June 30, 2015 Measurement Data.

NOTE 13. CASH RECONCILIATION

General Fund Investment Pool Not Reconciled For cash management and investment purposes, funds of various state agencies are required to be deposited in the State General Fund Investment Pool (the Pool), which is managed by the Office of the New Mexico

State Treasurer. Claims on the Pool are reported as assets by the various agencies investing in the Pool.

By state statute, the New Mexico Department of Finance and Administration (DFA) is responsible for the performance of monthly reconciliations with the

Notes to the Financial Statements *(continued)*

For the Fiscal Year ending June 30, 2015

balances and accounts kept by the State Treasurer. According to current management at DFA, Pool balances have not been reconciled at a “business unit by fund” level since the inception of the Statewide Human Resources, Accounting, and Management Reporting System (SHARE) system in July 2006, and differences between Pool bank balances and the corresponding general ledger balances and the effect of reconciling items were unknown.

DFA asserts that “1. The difference between statewide agency claims against the SFIP and fiduciary resources held at STO to fulfill those claims has remained within a relatively narrow range over the periods in which the reconciliation process has been used; 2. Agency claims on the SGFIP will be honored in their entirety. Any adjustment necessary to the claims balance will be applied against the General Operating Reserve. No portion of the adjustment shall be allocated to any specific agency that participates in the SGFIP”. This information was communicated by DFA via a memo, dated October 28, 2015, issued by the State’s Controller, Ronald Spilman.

General Fund Investment Pool DFA Reconciliation Impact to PERA.

PERA believes the cash invested in the State Treasurer Overnight Pool is represented fairly and contains no material misstatements, due to the cash reconciliation done by PERA. PERA has established internal control procedures applying the State of New Mexico Manual of Model Accounting Practices (MAP). These procedures are designed to implement necessary and mandatory controls to avert accounting errors and violations of state and federal law and rules related to financial matters. In addition, PERA ensures that any disbursement of funds does not exceed the unencumbered funds at its disposal. Incorporating the State’s financial software system (SHARE) and daily internal reporting and reconciliation throughout the fiscal year, PERA maintains optimum fiscal safeguards. This ensures that the cash balances in SHARE are correct to the extent that PERA has control (i.e., collection, depositing, reconciling, and documentation of outstanding items) of the cash, its receipts and transfers to the state general fund and other state agencies pursuant to state statute. Each deposit, payment voucher, investment, and any other item that affects cash is verified daily against SHARE to ensure the amount was posted correctly into the State’s general ledger system. Any

discrepancies are noted immediately and reported to the Department of Finance and Administration and State Treasurer’s Office.

Interest in the General Fund Investment Pool.

State law (Section 8-6-3 NMSA 1978) requires the Department’s cash be managed by the New Mexico State Treasurer’s Office. Accordingly, the investments of the Department consist of an interest in the General Fund Investment Pool managed by the New Mexico State Treasurer’s Office. At June 30, 2015, the Department had the following invested in the General Fund Investment Pool: \$33,938,818.

Interest Rate Risk - The New Mexico State Treasurer’s Office has an investment policy that limits investment maturities to five years or less on allowable investments. This policy is means of managing exposure to fair value losses arising from increasing interest rates. This policy is reviewed and approved annually by the New Mexico State Board of Finance.

Credit risk - The New Mexico State Treasurer pools are not rated. For additional GASB 40 disclosure information regarding cash held by the New Mexico State Treasurer, the reader should see the separate audit report for the New Mexico State Treasurer’s Office for the fiscal year ended June 30, 2015. PERA believes the cash invested in the State Treasurer Overnight Pool is represented fairly and with no material misstatements due to the reconciliation done by PERA. Each deposit, payment voucher, investment, and any other item that affects cash is verified monthly against SHARE to ensure the amount was posted correctly into the State’s general ledger system. Any discrepancies are noted immediately to the Department of Finance and Administration and State Treasurer Office.

NOTE 14. SPECIAL ITEM

On June 11, 2015, PERA was awarded \$50 million in settlement of PERA’s claims against Wells Fargo. The settlement agreement specifies payments of the \$50 million in two parts; \$40 million within 10 days of execution and \$10 million upon transfer of the Victoria investment (both transfers to go to the escrow account named, Public Employees Retirement Association of New Mexico, Bernstein Liebhard LLP, jointly controlled until final distribution). Of this awarded amount, \$25 million was wired to PERA’s custody bank on June 29, 2015.

The \$25 million was allocated (based on 6/30/15 allocation percentages) amongst PERA's plans as follows

PERA:	\$24,685,548
Judicial:	150,653
Magistrate:	56,879
Volunteer Firefighter:	106,920
Total:	\$25,000,000

Another \$10 million was transferred to PERA on July 15, 2015 (FY 16). The remainder of the award money will be transferred to PERA in FY 16. A portion of the remaining \$15 million will be used to pay for attorney fees after the court has decided what amount to award the attorneys. Any remaining funds will be transferred to PERA after the attorney fees have been determined and paid.

Based on the understanding of GASB 34 requirements, PERA Management believes the settlement

award from Wells Fargo should be accounted for and disclosed as a special item. Consistent with paragraph 56, the settlement was within Management's control, but is infrequent in nature.

As detailed in the table above, a special item, will be accounted for *by fund* in the FY 15 financial statements and notes to the financial statements.

NOTE 15. FUND RESERVES

Reserves New Mexico Statutes Annotated 1978, Subsections 10-11-123, 10-12B-3, and 10-12C-3 set forth required reserves to be maintained for benefits for the Public Employees Retirement Fund, The Judicial Retirement Fund, and the Magistrate Retirement Fund, respectively. State statutes do not specifically require separate accounting for the Volunteer Firefighters Retirement Fund. The reserves to be maintained are as follows:

Retirement Reserve Fund represents the accumulated balance available to pay pension benefits to retired members and eligible survivors of deceased members of retirees and to pay residual refunds due to eligible beneficiaries and survivors as provided for in the statute.

Members Contribution Reserve represents the accumulated contributions deducted from members' compensation, less refunds and transfers of contributions as provided for in the statute. Annually on June 30, the members' accounts are credited with interest on member contributions and previously

earned interest at a rate determined by the Board. The rate for 2015 fiscal year was 2.00%.

Employers Accumulation Reserve represents the accumulated contributions made by affiliated public employers. Each year following receipt of the report of the annual actuarial valuation, the excess, if any, of the reported actuarial present value of benefits to be paid over the balance in the Retirement Reserve Fund is transferred to the Retirement Reserve Fund from the Employers Accumulation Fund.

Income Reserve represents the accumulation of interest, dividends, rents, and other income of PERA, less administrative expense paid out of this fund. At least annually, the balance in this fund is transferred to the Retirement Reserve Fund in a manner determined by the Board. The distribution rate of interest as determined by the Board for fiscal year 2015 was 2.00% of member account balances to the Member Contribution Fund. The remaining balance of the Income Fund was distributed to the Retirement Reserve Fund.

Notes to the Financial Statements *(continued)*
 For the Fiscal Year ending June 30, 2015

Net position balances as of June 30, 2015 are as follows:

	Public Employees Retirement Fund	Judicial Retirement Fund	Magistrate Retirement Fund	Volunteer Firefighter Retirement Fund
Members Contribution Reserve	\$2,373,610,117	\$11,063,301	\$3,073,097	\$ -
Employers Accumulation Reserve	4,009,036,763	58,706,428	23,609,349	3,000,000
Retirement Reserve Fund	7,872,798,542	19,218,524	6,505,048	59,103,236
Subtotal	<u>14,255,445,422</u>	<u>88,988,253</u>	<u>33,187,494</u>	<u>62,103,236</u>
Deferred Compensation Fund	<u>83,120</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$14,255,528,542</u>	<u>\$88,988,253</u>	<u>\$33,187,494</u>	<u>\$62,103,236</u>

Required Supplementary Information
 Schedule of Changes in the Net Pension Liability - PERA Retirement Fund
 Year Ended June 30, 2015

	2014	2015	2016	2017	2018
Total pension liability					
Service Cost	\$418,995,891	\$389,052,473			
Interest	1,286,996,350	1,335,949,923			
Benefit Changes	-	-			
Difference between expected and actual experience	-	59,112,343			
Change of assumptions	(91,856,820)	-			
Benefit payments	(905,329,141)	(966,236,566)			
Refunds of contributions	(47,376,975)	(46,010,197)			
Net change in total pension liability	\$661,429,305	\$771,867,976			
Total pension liability - beginning	\$17,082,757,593	\$17,744,186,898			
Total pension liability - ending (a)	\$17,744,186,898	\$18,516,054,874			
Plan net position					
Contributions - employer ¹	\$370,766,329	\$317,163,961			
Contributions - member ²	174,037,205	258,919,779			
Net investment income	2,118,284,928	251,488,279			
Benefit payments	(905,329,141)	(966,236,566)			
Administrative expense	(10,336,324)	(9,885,765)			
Refunds of contributions	(47,376,975)	(46,010,197)			
Other	17,005,791	25,296,313			
Net change in plan net position	\$1,717,051,813	\$(169,264,196)			
Plan net position - beginning	\$12,707,740,926	\$14,424,792,739			
Plan net position - ending (b)	\$14,424,792,739	\$14,255,528,543			
Net pension liability - ending (a) - (b)	\$3,319,394,159	\$4,260,526,331			

¹Includes \$74,357,341 of employer paid plan member contributions for 2014 (in accordance with Question 40 in the GASB 67 Implementation Guide).

²Includes service purchases.

Required Supplementary Information
 Schedule of Changes in the Net Pension Liability - Judicial Retirement Fund
 Year Ended June 30, 2015

	2014	2015	2016	2017	2018
Total pension liability					
Service Cost	\$3,792,564	\$3,344,275			
Interest	10,798,432	9,900,234			
Benefit Changes	(16,058,954)	-			
Difference between expected and actual experience	-	755,126			
Change of assumptions	(1,003,702)	-			
Benefit payments	(8,770,177)	(9,373,041)			
Refunds of contributions	(52,562)	(40,197)			
Net change in total pension liability	\$(11,294,399)	\$4,586,397			
Total pension liability - beginning	\$143,745,972	\$132,451,573			
Total pension liability - ending (a)	\$132,451,573	\$137,037,970			
Plan net position					
Contributions - employer ¹	\$3,740,786	\$4,196,276			
Contributions - member ²	1,085,631	1,579,180			
Net investment income	13,196,711	1,511,658			
Benefit payments	(8,770,177)	(9,373,041)			
Administrative expense	(63,610)	(60,019)			
Refunds of contributions	(52,562)	(40,197)			
Other	485,893	33,095			
Net change in plan net position	\$9,622,672	\$(2,153,048)			
Plan net position - beginning	\$81,518,628	\$91,141,300			
Plan net position - ending (b)	\$91,141,300	\$88,988,252			
Net pension liability - ending (a) - (b)	\$41,310,273	\$48,049,718			

Required Supplementary Information
 Schedule of Changes in the Net Pension Liability - Magistrate Retirement Fund
 Year Ended June 30, 2015

	2014	2015	2016	2017	2018
Total pension liability					
Service Cost	\$1,428,353	\$947,730			
Interest	3,688,653	3,444,833			
Benefit Changes	(7,527,733)	-			
Difference between expected and actual experience	-	6,703,398			
Change of assumptions	(7,643,920)	-			
Benefit payments	(3,689,811)	(3,955,687)			
Refunds of contributions	(15,477)	(4,918)			
Net change in total pension liability	\$(13,760,005)	\$7,135,356			
Total pension liability - beginning	\$70,161,064	\$56,401,059			
Total pension liability - ending (a)	\$56,401,059	\$63,536,415			
Plan net position					
Contributions - employer ¹	\$793,044	\$936,602			
Contributions - member ²	266,120	489,642			
Net investment income	5,199,209	579,091			
Benefit payments	(3,689,881)	(3,955,687)			
Administrative expense	(24,275)	(22,660)			
Refunds of contributions	(15,477)	(4,918)			
Other	216,853	(19,486)			
Net change in plan net position	\$2,745,593	\$(1,997,416)			
Plan net position - beginning	\$32,439,317	\$35,184,910			
Plan net position - ending (b)	\$35,184,910	\$33,187,494			
Net pension liability - ending (a) - (b)	\$21,216,149	\$30,348,921			

Required Supplementary Information
 Schedule of Changes in the Net Pension Liability - Volunteer Firefighter Retirement Fund
 Year Ended June 30, 2015

	2014	2015	2016	2017	2018
Total pension liability					
Service Cost	\$1,253,736	\$1,250,564			
Interest	2,871,904	3,104,991			
Benefit Changes	-	-			
Difference between expected and actual experience	-	874,372			
Change of assumptions	408,092	-			
Benefit payments	(1,418,943)	(1,633,388)			
Refunds of contributions	-	-			
Net change in total pension liability	3,114,789	3,596,539			
Total pension liability - beginning	\$37,766,301	\$40,881,090			
Total pension liability - ending (a)	\$40,881,090	\$44,477,629			
Plan net position					
Contributions - employer ¹	\$750,000	\$750,000			
Contributions - member ²	-	-			
Net investment income	8,919,556	1,093,757			
Benefit payments	(1,418,943)	(1,633,388)			
Administrative expense	(44,316)	(42,596)			
Refunds of contributions	-	-			
Other	404,492	12,201			
Net change in plan net position	\$8,610,789	\$179,974			
Plan net position - beginning	\$53,312,473	\$61,923,262			
Plan net position - ending (b)	\$61,923,262	\$62,103,236			
Net pension liability - ending (a) - (b)	\$(21,042,172)	\$(17,625,607)			

Required Supplementary Information
Schedules of Net Pension Liability
Year Ended June 30, 2015

PERA

	2014	2015	2016	2017	2018
Total pension liability	\$17,744,186,898	\$18,516,054,874			
Plan net position	14,424,792,739	14,255,528,543			
Net pension liability	\$3,319,394,159	\$4,260,526,331			
Ratio of plan net pension to total pension liability	81.29%	76.99%			
Covered-employee payroll	\$2,102,265,325	\$2,248,254,276			
Net pension liability as a percentage of covered-employee payroll	157.90%	189.50%			

JUDICIAL

	2014	2015	2016	2017	2018
Total pension liability	\$132,451,573	\$137,037,970			
Plan net position	91,141,300	88,988,252			
Net pension liability	\$41,310,273	\$48,049,718			
Ratio of plan net pension to total pension liability	68.81%	64.94%			
Covered-employee payroll	\$13,163,305	\$15,084,263			
Net pension liability as a percentage of covered-employee payroll	313.83%	318.54%			

MAGISTRATE

	2014	2015	2016	2017	2018
Total pension liability	\$56,401,059	\$63,536,415			
Plan net position	35,184,910	33,187,494			
Net pension liability	\$21,216,149	\$30,348,921			
Ratio of plan net pension to total pension liability	62.38%	52.23%			
Covered-employee payroll	\$3,515,567	\$5,065,798			
Net pension liability as a percentage of covered-employee payroll	603.49%	599.09%			

VOLUNTEER FIREFIGHTER

	2014	2015	2016	2017	2018
Total pension liability	\$40,881,090	\$44,477,629			
Plan net position	61,923,262	62,103,236			
Net pension liability	\$(21,042,172)	\$(17,625,607)			
Ratio of plan net pension to total pension liability	151.47%	139.63%			
Covered-employee payroll	N/A	N/A			
Net pension liability as a percentage of covered-employee payroll	N/A	N/A			

Required Supplementary Information
Schedules of Employer Contributions
Year Ended June 30, 2015

PERA

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contributions*	\$317,163,961	\$370,766,329	\$285,560,291	\$274,905,978	\$283,376,830	\$291,683,000	\$311,081,925	\$292,569,000	\$269,570,849	\$249,740,237
Actual employer contributions*	<u>317,163,961</u>	<u>370,766,329</u>	<u>285,560,291</u>	<u>274,905,978</u>	<u>283,376,830</u>	<u>291,683,000</u>	<u>311,081,925</u>	<u>292,569,000</u>	<u>269,570,849</u>	<u>249,740,237</u>
Annual contribution deficiency (excess)	0	0	0	0	0	0	0	0	0	0
Covered-employee payroll	\$2,248,254,276	\$2,102,265,325	\$2,049,737,510	\$1,994,280,107	\$1,935,013,761	\$1,993,516,921	\$2,081,259,498	\$1,965,064,160	\$1,908,519,615	\$1,744,918,446
Actual contributions as a percentage of covered-employee payroll	14.11%	17.64%	13.93%	13.78%	14.64%	14.63%	14.95%	14.89%	14.12%	14.07%

*Includes \$74,357,341 of employer paid plan member contributions for 2014 (in accordance with Question 40 in the GASB 67 Implementation Guide).

JUDICIAL

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contributions	\$4,918,978	\$6,412,805	\$7,235,448	\$5,834,621	\$5,784,453	\$5,658,174	\$4,690,274	\$4,549,247	\$4,149,058	\$3,851,188
Actual employer contributions	<u>4,196,276</u>	<u>3,740,786</u>	<u>3,527,270</u>	<u>3,266,203</u>	<u>3,823,546</u>	<u>3,698,949</u>	<u>4,058,271</u>	<u>3,832,000</u>	<u>3,622,534</u>	<u>3,153,706</u>
Annual contribution deficiency (excess)	722,702	4,197,035	3,708,178	2,568,418	1,960,907	1,959,225	632,003	717,247	526,524	697,482
Covered-employee payroll	15,084,263	13,163,305	13,226,142	12,690,503	12,266,852	13,041,980	13,011,196	11,697,421	11,754,248	10,059,893
Actual contributions as a percentage of covered-employee payroll	27.82%	28.42%	26.67%	25.74%	31.17%	28.36%	31.19%	32.76%	30.82%	31.35%

MAGISTRATE

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contributions	\$1,966,543	\$1,992,392	\$2,286,413	\$1,793,261	\$2,013,684	\$1,698,108	\$1,151,061	\$1,029,865	\$943,884	\$1,009,203
Actual employer contributions	<u>936,602</u>	<u>793,044</u>	<u>805,337</u>	<u>676,073</u>	<u>894,644</u>	<u>825,317</u>	<u>1,000,180</u>	<u>981,000</u>	<u>920,000</u>	<u>848,975</u>
Annual contribution deficiency (excess)	1,029,941	1,199,348	1,481,076	1,117,188	1,119,040	872,791	150,881	48,865	23,884	160,228
Covered-employee payroll	\$5,065,798	\$3,515,567	\$3,136,834	\$3,213,712	\$3,405,121	\$3,519,570	\$4,128,599	\$3,363,342	\$3,464,587	\$3,149,560
Actual contributions as a percentage of covered-employee payroll	18.49%	22.56%	25.67%	21.04%	26.27%	23.45%	24.23%	29.17%	26.55%	26.96%

VOLUNTEER FIREFIGHTER

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Statutorily required employer contributions	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
Actual employer contributions	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
Annual contribution deficiency (excess)	0	0	0	0	0	0	0	0	0	0
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Required Supplementary Information
Schedule of Investment Returns
Year Ended June 30, 2015

Annual money-weighted rate of return, net of investment expense:

2014	2015
17.4%	1.9%

Notes to Required Supplementary Information
Year ending June 30, 2015

PERA

Summary of Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year Smoothed Market Value
Actuarial Assumptions:	
Investment rate of return	7.75% annual rate, net of investment expense
Payroll Growth	3.50% annual rate
Projected salary increases	3.50% to 14.25% annual rate
Includes inflation at	3.00% annual rate

JUDICIAL

Summary of Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay, Open
Amortization period	30 years
Asset valuation method	4 Year Smoothed Market Value
Actuarial Assumptions:	
Investment rate of return	7.75% annual rate, net of investment expense
Payroll Growth	3.50% annual rate
Projected salary increases	4.25% annual rate
Includes inflation at	3.0% annual rate

MAGISTRATE

Summary of Actuarial Methods and Assumptions

Actuarial date	June 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Open
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year Smoothed Market Value
Actuarial Assumptions:	
Investment rate of return	7.75% annual rate, net of investment expense
Municipal bond rate	3.82%
Discount rate	5.61%
Payroll Growth	3.50%
Projected salary increases	3.75%

VOLUNTEER FIREFIGHTER

Summary of Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open
Amortization period	30 years
Asset valuation method	4 Year Smoothed Market Value
Actuarial Assumptions:	
Investment rate of return	7.75% annual rate, net of investment expense
Payroll Growth	N/A
Projected salary increases	N/A

Schedule of Revenues, Appropriation, and Expenses
 Budget and Actual Public Employees Retirement Fund Only
 Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues and Appropriations				
Other state funds:				
Interest income	\$40,240,271	\$43,415,986	\$486,126,268	\$442,710,282
Deferred Comp Plan Income	116,229	116,229	118,298	2,069
Total Revenue	<u>40,356,500</u>	<u>43,532,215</u>	<u>486,244,566</u>	<u>442,712,351</u>
Expenditures				
Administration				
Contractual services	33,317,500	36,038,415	30,066,678	5,971,737
Personnel services and benefits	5,965,400	6,213,700	5,512,130	701,570
Other operating costs	1,073,600	1,280,100	1,043,322	236,778
Total Expenditures	<u>40,356,500</u>	<u>43,532,215</u>	<u>36,622,130</u>	<u>6,910,085</u>
Change in net assets, budget items			\$449,622,436	
Non-budget revenues and expenses:				
Investment earnings and change in fair value			(206,534,270)	
Depreciation Expense			(680,163)	
Compensated Absences			(233,831)	
Contributions from members and employers (plus service credit purchase)			576,083,740	
Other Administrative and Investment Expenses			(571,660)	
Other Income/ Special Item			25,296,313	
Benefit payments to retirees and beneficiaries			(966,236,566)	
Refunds to terminated employees			<u>(46,010,197)</u>	
Increase (Decrease) in plan net assets			(169,264,198)	
Net Position held in trust for pension benefits				
Balance - beginning of year			<u>14,424,792,741</u>	
Balance - end of year			<u><u>\$14,255,528,543</u></u>	

Note: Deferred Compensation Fund Administrative revenues and expenses are excluded from the PERA fund budget amounts and included below as those amounts are separately budgeted.

Schedule of Administrative and Investment Expenses
 Public Employees Retirement Fund Only
 Years Ended June 30, 2015 and 2014

	2015	2014
Investment Expenses:		
Investment Manager Fees	\$24,877,075	\$28,355,973
Consultant Fees	2,614,150	2,604,581
Information Technology Services	65,167	27,498
Legal Fees	<u>178,790</u>	<u>434,164</u>
 Total Investment Expenses	 \$27,735,183	 \$31,422,216
Administrative Expenses:		
Other Contractual Services:		
Information Technology Services	1,308,379	2,292,580
Legal Fees	412,448	508,486
Audit Fees	140,340	144,033
Medical Services	52,082	60,406
Other Professional Services	<u>421,245</u>	<u>81,998</u>
 Total Other Contractual Services	 <u>2,334,494</u>	 <u>3,087,503</u>
 Other Administrative Services:		
Personnel Services and Benefits	5,512,130	4,788,928
Other Operating Costs	1,044,539	1,729,885
Compensated Absences	233,831	233,827
Depreciation Expense	<u>680,163</u>	<u>496,180</u>
 Total Other Administrative Services	 <u>7,470,663</u>	 <u>7,248,820</u>
 Total Administrative Expenses	 \$9,805,157	 \$10,336,323
 Total Investment and Administrative Expenses	 <u><u>\$37,540,340</u></u>	 <u><u>\$41,758,539</u></u>

Schedule of Administrative and Investment Expenses (continued)
 Deferred Compensation Fund Only
 Years Ended June 30, 2015 and 2014

	2015	2014
Investment Expenses:		
Investment Manager Fees	\$-	\$-
Consultant Fees	-	-
Information Technology Services	-	-
Legal Fees	-	-
	<u> </u>	<u> </u>
Total Investment Expenses	\$-	\$-
Administrative Expenses:		
Other Contractual Services:		
Information Technology Services	-	-
Legal Fees	-	-
Audit Fees	-	-
Medical Services	-	-
Other Professional Services	-	-
	<u> </u>	<u> </u>
Total Other Contractual Services	-	-
Other Administrative Services:		
Personnel Services and Benefits	70,028	68,719
Other Operating Costs	4,479	5,644
Compensated Absences	6,102	6,012
Depreciation Expense	-	-
	<u> </u>	<u> </u>
Total Other Administrative Services	80,609	80,465
	<u> </u>	<u> </u>
Total Administrative Expenses	\$80,609	\$80,465
	<u> </u>	<u> </u>
Total Investment and Administrative Expenses	<u>\$80,609</u>	<u>\$80,465</u>

Note: These Deferred Compensation Fund administrative expenses are included in the PERA fund administrative expenses on page 37, but separated for budget purposes.

Schedule of Administrative and Investment Expenses (continued)
 Judicial Retirement Fund Only
 Years Ended June 30, 2015 and 2014

	2015	2014
Investment Expenses:		
Investment Manager Fees	\$152,257	\$190,531
Consultant Fees	16,002	-
Information Technology Services	399	169
Legal Fees	<u>1,094</u>	<u>2,672</u>
Total Investment Expenses	169,752	193,372
Administrative Expenses:		
Other Contractual Services:		
Information Technology Services	8,009	14,109
Legal Fees	2,525	3,129
Audit Fees	859	886
Medical Services	319	372
Other Professional Services	<u>2,578</u>	<u>505</u>
Total Other Contractual Services	14,290	19,001
Other Administrative Services:		
Personnel Services and Benefits	33,741	29,471
Other Operating Costs	6,394	10,646
Compensated Absences	1,431	1,439
Depreciation Expense	<u>4,163</u>	<u>3,053</u>
Total Other Administrative Services	45,729	44,609
Total Administrative Expenses	\$60,019	\$63,610
Total Investment and Administrative Expenses	<u><u>\$229,771</u></u>	<u><u>\$256,982</u></u>

Schedule of Administrative and Investment Expenses (continued)
 Magistrate Retirement Fund Only
 Years Ended June 30, 2015 and 2014

	2015	2014
Investment Expenses:		
Investment Manager Fees	\$57,485	\$72,710
Consultant Fees	6,041	-
Information Technology Services	151	65
Legal Fees	413	1,020
Total Investment Expenses	\$64,091	\$73,795
Administrative Expenses:		
Other Contractual Services:		
Information Technology Services	3,024	5,384
Legal Fees	953	1,194
Audit Fees	324	338
Medical Services	120	142
Other Professional Services	974	193
Total Other Contractual Services	5,395	7,251
Other Administrative Services:		
Personnel Services and Benefits	12,740	11,247
Other Operating Costs	2,414	4,063
Compensated Absences	540	549
Depreciation Expense	1,572	1,165
Total Other Administrative Services	17,266	17,024
Total Administrative Expenses	\$22,661	\$24,275
Total Investment and Administrative Expenses	\$86,752	\$98,070

Schedule of Administrative and Investment Expenses (continued)
 Volunteer Firefighter Retirement Fund Only
 Years Ended June 30, 2015 and 2014

	2015	2014
Investment Expenses:		
Investment Manager Fees	\$108,058	\$132,739
Consultant Fees	11,356	-
Information Technology Services	283	118
Legal Fees	<u>777</u>	<u>1,861</u>
Total Investment Expenses	\$120,474	\$134,718
Administrative Expenses:		
Other Contractual Services:		
Information Technology Services	5,684	9,829
Legal Fees	1,792	2,180
Audit Fees	610	618
Medical Services	226	259
Other Professional Services	<u>1,830</u>	<u>352</u>
Total Other Contractual Services	<u>10,142</u>	<u>13,238</u>
Other Administrative Services:		
Personnel Services and Benefits	23,945	20,532
Other Operating Costs	4,538	7,417
Compensated Absences	1,016	1,003
Depreciation Expense	<u>2,955</u>	<u>2,127</u>
Total Other Administrative Services	<u>32,454</u>	<u>31,079</u>
Total Administrative Expenses	\$42,596	\$44,317
Total Investment and Administrative Expenses	<u><u>\$163,070</u></u>	<u><u>\$179,035</u></u>

Other Information
 Schedule of Vendors
 Year Ended June 30, 2015

Requests for Proposal (RFP) or Request for Bids (RFB) in FY15	Vendors that Submitted Proposals/ Bids	In-State or Out-of-State Vendor	In-State Vendors Choosing Veterans' Preference	Scope of Work	Vendor(s) Awarded the Contract	Dollar Amount of Contract
Sole Source for RIO Maintenance	Hewlett-Packard State & Local Enterprise Inc.	N/A	N/A	Maintenance of the Retirement Information Online (RIO) system	Hewlett-Packard State & Local Enterprise Inc.	\$1,044,400
Internal Audit RFP	Barraclough & Associates, P.C.	In-State	N/A	Internal auditing services to assist PERA in maintaining effective controls	REDW LLC	\$75,000
	REDW LLC	In-State	N/A			
Repairs to Rammed Earth RFP	Sims General Building Inc.	In-State	N/A	Repairs to the rammed earth on the exterior of the PERA building	Sims General Building Inc.	\$436,600
	New Mexico Earth Works	In-State	N/A			
	Crocker LTD.	In-State	N/A			
Investment Management RFB*	Blacrock (Active)	Out-of-State	N/A	Investment Management Services - Fixed Income	Blacrock (Active), Manulife Asset Management and Prudential Investment Management	Assets Under Management (Estimated to be over \$60,000)
	Manulife Asset Management	Out-of-State	N/A			
	Pacific Investment Management Company	Out-of-State	N/A			
	Franklin Advisors	Out-of-State	N/A			
	Prudential Investment Management	Out-of-State	N/A			
Custody Banking Services RFP*	JP Morgan Chase Bank	Out-of-State	N/A	Custody Banking Services	Bank of New York Mellon	\$1,387,500
	Bank of New York Mellon	Out-of-State	N/A			
	Northern Trust	Out-of-State	N/A			
	State Street	Out-of-State	N/A			
Investment Management RFI*	Parametric Portfolio Associates	Out-of-State	N/A	Emerging Market Equity Investment Management Services	Parametric Portfolio Associates	Assets Under Management & Performance (Estimated to be over \$60,000)
	Axiom International Advisors	Out-of-State	N/A			
	Causeway Capital Management	Out-of-State	N/A			
	Fisher Investments Institutional Group	Out-of-State	N/A			
	J.P. Morgan Investment Management	Out-of-State	N/A			
	Quantitative Management Associates	Out-of-State	N/A			
Vontobel Asset Management	Out-of-State	N/A				
Investment Management RFI*	Principal Global Investors	Out-of-State	N/A	International SMALL CAP Equity Investment Management Services	Principal Global Investors	Assets Under Management & Performance (Estimated to be over \$60,000)
	Acadian Asset Management	Out-of-State	N/A			
	AQR Capital Management	Out-of-State	N/A			
	Copper Rock Capital Partners	Out-of-State	N/A			
	LSV Asset Management	Out-of-State	N/A			
	Oberweis Asset Management	Out-of-State	N/A			
	OFI Global Asset Management	Out-of-State	N/A			
	Thompson, Siegel & Walmsley ("TS&W")	Out-of-State	N/A			
Victory Capital Management	Out-of-State	N/A				
Investment Legal Services RFI*	K&L Gates	Out-of-State	N/A	External Legal Services Provider	K&L Gates, Morgan Lewis and Reinhart, Boerner, Van Deuren	Amount Depends on Work Assigned (Estimated to be over \$60,000)
	Morgan Lewis	Out-of-State	N/A			
	Foster Pepper	Out-of-State	N/A			
	Squire, Patton, Boggs	Out-of-State	N/A			
	Reinhart, Boerner, Van Deuren	Out-of-State	N/A			
	Kutak Rock	Out-of-State	N/A			
	Jackson Walker	Out-of-State	N/A			

*Investment Contracts that are Exempt from Procurement Code.

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

To Members of the Retirement Board of the
Public Employees Retirement Association of New Mexico and
Mr. Timothy M. Keller, New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the fiduciary net position and statements of changes in fiduciary net position of the Public Employees Retirement Fund, Judicial Retirement Fund, Magistrate Retirement Fund, Volunteer Firefighters Retirement Fund and Deferred Compensation (IRC 457) Fund (collectively, the Funds) administered by the Public Employees Retirement Association of New Mexico (PERA) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise PERA's basic financial statements and have issued our report thereon dated November 24, 2015. Our report includes a reference to other auditors who audited the financial statements of the Deferred Compensation (IRC 457) Fund as described in our report on PERA's financial statements. This report does not include the results of other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered PERA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PERA's internal control. Accordingly, we do not express an opinion on the effectiveness of PERA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to

merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether PERA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mess Adams LLP

Albuquerque, New Mexico
November 24, 2015

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2015

2014-01	Completeness of Census Data- Active Participants (Other Matter)	Resolved
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Schedule of Findings and Responses

Year Ended June 30, 2015

A. OTHER MATTERS AS REQUIRED BY THE NEW MEXICO STATE AUDIT RULE

None.

Exit Conference

June 30, 2015

We discussed the financial statements and recommendations contained in this letter during the exit conference held November 19, 2015. The exit conference was attended by the following individuals:

Public Employees Retirement Association

Wayne Propst	Executive Director
Susan Pittard	Chief of Staff/General Counsel
Natalie Cordova	Chief Financial Officer
Renada Peery-Galon	Administrative Services Director
Valerie Sandoval	Finance and Budget Manager
Theresa Storey	Financial Coordinator
Greg Trujillo	Deputy Director
Jonathan Grabel	Chief Investment Officer
Jude Perez	Deputy Chief Investment Officer
Kristin Varela	Portfolio Manager
Patricia French	Municipal Member
Louis Martinez	Municipal Member
Paula Fisher	State Member
John Reynolds	State Member
Jackie Kohlasch	State Member
Daniel Esquibel	Municipal Member
Stewart Logan	County Member
Loretta Naranjo-Lopez	Retiree Member
Daniel Mayfield	Retiree Member

Moss Adams LLP

Lisa Todd	Partner
Sara Brownstein	Manager

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO
INVESTMENT SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015



**The best way to
predict tomorrow
is to build it today.**

INVESTMENT SECTION



PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

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January 11, 2016

Dear PERA Members:

It is a privilege to present the Investment Section of the Comprehensive Annual Financial Report for the year ended June 30, 2015 for the Public Employees Retirement Association of New Mexico. The following provides an overview of the economic environment, the investment portfolio and accomplishments for the fiscal year.

PERA Fund Performance:

As of June 30, 2015, the investments in the PERA Fund returned 1.84% and generated investment gains of approximately \$301 million net of investment fees and expenses. This performance is below the 7.75% annual actuarial return target. US public equity markets yielded solid returns while international equity markets had poor performance. International markets suffered

from a strong dollar, especially for securities dominated in local currencies. Private equity and real estate performed very well, while real assets declined in sympathy with falling inflation expectations. The fair market value of investments at June 30, 2015 was approximately \$14.5 billion, just shy of its previous record year-end high of \$14.6 billion from June 2014.

With its 1.84% investment return during fiscal year 2015, the Fund underperformed its custom benchmark by -0.45%. The PERA Fund generated returns of 10.46% and 10.40% over the three and five-year periods, respectively. The PERA Fund generated excess returns of 0.75% and 0.88% over the custom benchmark during the respective three and five-year time periods.

Time Period	PERA Return	Benchmark Return	Excess Return
One-year	1.84%	2.29%	-0.45%
Three-year	10.46%	9.71%	0.75%
Five-year	10.40%	9.52%	0.88%

Economic Overview:

Economic forces involving central banks, commodities, currencies and growth expectations dominated fiscal year 2015. In July 2014 oil began a steep decline from \$106 per barrel, reaching a low of \$43 per barrel in March 2015 and finishing the year at about \$60 per barrel. The US dollar began its rise shortly after the

drop in oil commenced led by economic uncertainty and the beginnings of a monetary stimulus program in Europe. By the end of the year, the US dollar rose over 10% versus the euro and the yen. The second half of the fiscal year saw mixed results in most markets as uncertainty regarding the US Federal Reserve tightening cycle caused widespread discomfort and concerns

regarding China's economic growth with an eventual unexpected devaluation of China's currency. This led to heightened anxiety over the health of the world's second-largest economy and global growth in general.

In the first fiscal quarter, the US equity market hit all-time highs but then fell back as both equity and fixed income markets experienced a volatile quarter. Geopolitical events including problems in Ukraine, US military involvement in Iraq and Syria and pro-democracy protests in Hong Kong contributed to this volatility. The US stock market was flat despite good economic news from strong GDP and solid jobs growth. Both developed and emerging countries markets fell. European fiscal woes were the catalyst for this decline as investors digested sluggish growth prospects, ongoing tension between Russia and Ukraine and the failed independence movement in Scotland. The European Central Bank drove short-term rates into negative territory to spark economic activity in the region. The US Treasury yield curve flattened somewhat over the quarter. Credit spreads, which had been tightening over the first six months of 2014, widened over the quarter. With negative short-term rates in Europe, investors moved into longer-term issuance, giving long-dated global bonds a performance boost. Emerging market debt earned small gains overall despite weakness in major developing economies as well as uncertainty as to the timing of tighter US Federal Reserve monetary policy.

During the second fiscal quarter, the US market finished up over 5% as solid jobs growth and low inflation increased investors' risk tolerances. Developed and emerging markets returns were positive in local terms but in negative territory when converted to the US dollar as the impact of a rising US dollar was a headwind for US investors. Inflation rates in European markets fell in anticipation of central bank intervention. China's own economic slowdown, combined with Russia's struggles with a sagging ruble and sinking oil prices, held back the performance of emerging markets. The US Treasury yield curve ended the quarter considerably flatter, with yields sharply lower and prices up in maturities beyond five years. High yield credit spreads widened, as prices fell, and were closer to historical averages.

For the third fiscal quarter, the US markets experienced modest gains. The Federal Reserve went to

great lengths to express that, while a rise in rates was nearing, it would be cautious in the timing and pace of prospective interest rate increases. Both developed and emerging markets rebounded with European stocks advancing as its central banks relaxed monetary policy, including quantitative easing bond-buying programs. Pacific region stocks also rallied as its economies improved during the quarter, aided by sharply lower energy prices. Although China's and India's stock markets enjoyed large gains, other emerging market economies experienced more muted performance, especially in the Americas. US Treasuries benefited from investor unease over a possible US economic slowdown accompanied by low inflation. Credit spreads were marginally wider by the end of the quarter. European bond markets improved in local-currency terms, although the rally in US Treasuries dampened the gains. Despite the broad-based uncertainty regarding global economic growth and the potential for US monetary policy changes, emerging market bonds also managed positive performance.

The US market was flat during the fourth quarter as employment conditions continued to show steady growth since the depth of the Great Financial Crisis. Notwithstanding the improvements in the labor force, wages continued to remain stagnant. China's stock market suffered a deep correction in June but developed and emerging market returns were slightly positive as the US dollar weakened. US fixed income returns fell as the US Federal Reserve refrained from raising short-term interest rates in the quarter but investors sold bonds to lock in gains and prepare for higher rates. US Treasury yields rose over the quarter at all maturities beyond one year and long term US Treasury prices fell by 8%.

Investment Portfolio:

In the context of the dynamic capital market environment, the PERA Board seeks to position the Plan for long-term capital appreciation principally through prudent asset allocation. According to widely accepted academic studies, the policy mix between major asset categories explains more than 90% of the variance in the return of an investment portfolio. A second pillar of prudent asset allocation is diversification to avoid excessive exposure to any one risk factor. Based on this foundation, the Plan is apportioned between public equities, core and global fixed

income, fixed income plus, private equity, absolute return, real estate and real assets. The combination of these various exposures best balances the PERA Fund for the uncertainties associated with global economic growth and the global inflationary environment. In addition to seeking to optimize the risk-adjusted return prospects for the Fund, the strategic asset allocation maintains the PERA Fund's focus on liquidity. As the Plan disburses close to \$1.0 billion per year in retiree benefits, the PERA Fund's requirement for liquidity is of paramount importance. Specifically, approximately, 75% of the Plan's investments are near liquid. The Plan's asset targets optimize the expected risk-adjusted return profile of the PERA Fund without sacrificing this access to liquidity.

A second order priority for the PERA Board is

prudent diversification within each asset category. This mitigates adverse consequences associated with the overreliance on any individual security or security type. Be it at the total PERA Fund level or the asset category level, the Board uses risk management techniques to closely monitor market forces and best position the Plan for its near and long term goals. Through the process of apportioning the PERA Fund across various asset categories and as each resulting investment strategy is implemented, the Board strives to generate consistent long-term investment gains recognizing that capital markets may not move in a steady and uniform direction, and that losses may occur.

As of June 30, 2015, the PERA Fund's target asset allocation was as follows:

Asset Class	Strategic Asset Allocation Target
Domestic Equity	21.1%
International Equity	24.8%
Core and Global Fixed Income	26.1%
Fixed Income Plus	5.0%
Absolute Return	4.0%
Private Equity	7.0%
Real Estate	5.0%
Real Assets	7.0%
Total	100.0%

Domestic Equity: PERA finished the fiscal year with approximately \$3.2 billion invested in US public equities. The US equity composite returned 6.35% for the fiscal year. This return lagged the 7.29% return generated by its benchmark by 0.94%.

International Equity: PERA's \$3.7 billion portfolio of international public equities lagged US equity performance with a loss of 4.40% during the period. This composite, however, exceeded its benchmark by 0.56% during the fiscal year.

Core and Global Fixed Income: With a return of 0.98%, the \$4.0 billion core and global fixed in-

come composite outpaced its custom benchmark by 0.50% during the fiscal year. Domestic fixed income assets accounted for \$3.2 billion of invested capital. The portfolio returned 1.88% marginally higher than the 1.86% gain by its custom benchmark. Global fixed income assets totaled approximately \$596.5 million and experienced a loss of 0.11%, underperforming its benchmark by 1.72%.

Fixed Income Plus: The Fund separated its credit-oriented fixed income portfolio from its roster of core and global fixed income securities during the fiscal year. Fixed income plus investments focus on the generation of current income and

total return combined with a strong emphasis on the preservation of capital. Investments in fixed income plus strategies have the potential to be more volatile than the core and global fixed income allocation. Fixed income plus strategies include emerging market, high yield, stressed, bank loans and structured credit. The \$741.3 million fixed income plus composite had a loss of 5.37% during the fiscal year and lagged its custom benchmark by 2.22%.

Absolute Return: For the fiscal year, PERA's \$845.2 million portfolio of absolute return strategies generated returns of 3.08%. This return trailed its benchmark by 0.78%. This portfolio consists of a diversified basket of strategies invested by hedge fund managers – equity long/short, event driven, credit/distressed, market neutral, multi-strategy, macro-discretionary and macro-systematic. The absolute return portfolio contributed positively to portfolio performance and provided diversification benefits by reducing the PERA Fund's volatility during the fiscal year.

Private Equity: As of June 30, 2015, PERA had committed approximately \$1.3 billion to private equity limited partnerships with the funded portion of these investments having a fair market value of \$683.6 million. The private equity portfolio was one of PERA's best performing asset classes during the fiscal year, as the portfolio's 17.70% return outpaced its Russell 3000+3% benchmark by 7.42%. The Fund's private equity portfolio consists of strategies in buyouts, venture capital and distressed debt. The individual time-weighted returns for each strategy for the fiscal year were 13.11%, 32.22% and 5.78%, respectively.

Real Estate: As of the end of the fiscal year, real estate limited partnership commitments totaled approximately \$690.9 million. Inclusive of PERA's allocation to publicly traded real estate investment trusts, the funded portion of these investments had a fair market value of \$454.0 million. The Fund's real estate portfolio consists of value-add and opportunistic strategies. The real estate composite returned 8.66% for the fiscal year. This return met the 8.67% return of the NCREIF benchmark. The PERA Fund's private real estate portfolio returned 14.93% and the public real estate investment trust allocation generated returns of 3.58%.

Real Assets: The Fund committed \$838.4 million to private real asset partnerships as of June 30, 2015. Inclusive of its allocation to publicly traded master limited partnerships, the funded portfolio of these investments had a fair market value of \$457.1 million. PERA's real asset portfolio is comprised of investments in oil and natural gas, infrastructure, renewables, agriculture, and master limited partnerships. The real assets portfolio experienced a loss of 3.70%, lagging the 5.13% return of the CPI+5% benchmark.

Accomplishments:

The major accomplishment for the PERA Fund for the fiscal year was the significant progress made towards implementing the strategic asset allocation targets adopted in April 2014. Specifically, the targets and associated ranges set in the updated investment policy statement were achieved for domestic equities, international equities, core and global fixed income, fixed income plus and absolute return. These asset categories account for approximately 81% or \$11.7 billion of the PERA Fund as of June 30, 2015.

In order to best implement its asset allocation, the PERA Board constituted a fee subcommittee to conduct an analysis of the entire PERA Fund and its component parts. The evaluation looked at the Fund, each asset category composite and the underlying strategies through various lenses. Aspects of the portfolio review included: portfolio positioning; investment guidelines; tracking error; portfolio tilts; sensitivity to market directionality; manager overlap; and, fees. The guiding principle for this analysis was to test and potentially improve the risk/reward characteristics of the PERA Fund and its underlying strategies. This comprehensive review resulted in manager reductions and strategy consolidations to better position asset category composites. In addition, the study improved the prospective risk profile of the Fund by lowering projected volatility and decreasing the sensitivity to the direction of capital markets. The fee subcommittee estimates that its efforts generated approximately \$5 million in net fee savings for the Plan's future operational expenses.

Specific actions stimulated by the fee subcommittee include:

- Domestic and International Equities: The Plan

improved the risk/reward profile of the public equity portfolio, by eliminating four money managers and replacing a fifth. The PERA Board believes that these decisions best position the portfolio for a broader range of economic events and market environments. In addition, the Board's actions reduced the fee profile of the domestic equity portfolio from 0.19% to under 0.11%.

- **Core and Global Fixed Income:** The Plan solidified the role of its core and global fixed income portfolio during the fiscal year to serve as downside protection, a source of liquidity and asset category diversification. The Board eliminated two managers, tightened investment guideline and reduced the expected volatility of the portfolio. As with the domestic equity portfolio, the analysis reduced core and global fixed income fees from 0.18% to 0.10%.
- **Absolute Return:** During the fiscal year the Board reduced its allocation to absolute return strategies by over \$260 million to be within the target range established in the updated asset allocation. The Plan reduced its number of absolute return managers from 22 to 16. Lower correlation to public equities, less expected volatility and a higher targeted return per unit of risk are the projected benefits from these actions.

In addition to these changes with existing money managers, the Plan made substantial new investments during the fiscal year. The Board achieved its fixed income plus target by approving approximately \$750 million with four new managers. The Board also committed \$362.6 million to 15 funds in private equity, real estate and real assets. Private equity, private real estate and private real assets take longer to reach their targets as the PERA Fund looks for vintage year or time-based diversification within these investment strategies

During the fiscal year, the Plan successfully completed a transition of its custody bank. A custody bank is a financial institution that specializes in safeguarding an institution's assets, settles trades and transactions, administers corporate actions, facilitates dividends, coupons and tax withholding procedures and helps with accounting and compliance matters. PERA requires a global custodian for

the thousands of securities it owns in over 60 countries. PERA completed this change on the last day of the fiscal year. Estimates are that PERA reduced the cost of these global trust services by over 25% and increased the service offerings from its custodian in the process.

The Plan implemented its cash equitization program during the fiscal year. This program balances the Plan's short-term liquidity needs for benefit payments with the Fund's long-term investment horizon. By using exchange-traded equity and fixed income futures, the Fund can meet its operating needs and capture long-term opportunity gains associated with the return prospects of the strategic asset allocation. During its initial year, the cash equitization program generated an incremental gain of over \$10 million for the PERA Fund.

The State of New Mexico Deferred Compensation Plan achieved milestones during the fiscal year, as well. This plan adheres to the rules of Section 457(b) of the Internal Revenue Code. The 457(b) plan crossed 18,000 participants and held over \$500 million in assets during the fiscal year. The deferred compensation plan streamlined the enrollment process and rebranding itself as PERA Smart Save, all in an effort to increase awareness and grow its member base.

The PERA Fund refined its risk management methodology throughout the fiscal year. Asset category diversification was the largest contributor to this initiative. Going into the fiscal year, much of the expected volatility was concentrated within public equity markets. The updated strategic asset allocation better positions the portfolio for multiple economic and market regimes without sacrificing expected returns. In addition, the Board improved the implementation of this asset allocation by reducing overlaps between asset managers and by tightening manager guidelines to avoid portfolio drift. Many of the changes within each asset category were a direct result of the work performed by the aforementioned fee subcommittee of the PERA Board. The PERA Fund projects that it will have a higher return per unit of risk, lower expected volatility and less sensitivity to market directionality because of this risk mitigation hierarchy

Chief Investment Officer's Letter (continued)

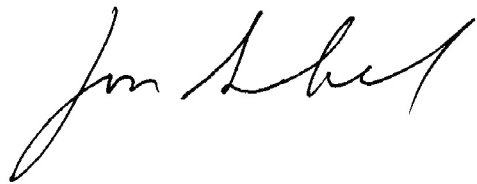
Summary:

During the fiscal year, the PERA Board continued to solidify the Fund's foundation. It sought to better diversify the Plan's assets while eliminating uncompensated risks. Towards this end, the PERA Board performed a rigorous analysis of the structure of each investment composite. This significant undertaking has resulted in a more risk-aware and lower cost portfolio. The Board and staff will continue to work diligently to identify quality investment strategies to position the Fund for success. The PERA Fund will continue to embrace technology to improve portfolio construction

and risk management. While the PERA Board and staff cannot presage outcomes, we will continue to try to be adaptable and proactive in delivering exceptional risk-adjusted returns over the long-term to meet the needs of all PERA Members.

I wish to thank the PERA Board for their dedication and leadership. The Board's focus on high returns, low risk and cost efficiencies best position the Plan for success. I would also like to thank the staff for their hard work and mission-driven focus for all PERA members. Our combined efforts are the key to PERA's bright future

Sincerely,



Jonathan Grabel
Chief Investment Officer

GENERAL OBJECTIVES OF THE INVESTMENT POLICY

PERA's overall objective is to provide adequate retirement and death benefits to its beneficiaries through the investment of contributions and other PERA assets, in a manner designed to maintain adequate funding of the liabilities over time. The general investment objective is to obtain a reasonable long-term total return consistent with the degree of risk assumed.

The Board, in investing PERA assets according to the Investment Policy, acts with the care, skill, prudence and diligence of the provision of the "Uniform Prudent Investor Act" adopted by the New Mexico Legislature and effective July 1, 2005. Further, all transactions undertaken on behalf of PERA are for the sole benefit of the beneficiaries

INVESTMENT CONSULTANTS

The Board utilizes the services of two investment management consultants, one as the general investment consultant and the other is a specialist consultant for alternative investments in private equity, real estate, real assets and hedge funds. The investment consultants provide performance review, asset allocation studies, manager screening, and topical studies to the Board and Staff. The comments and recommendations of the consultants are considered by the Board in conjunction with other available information for the purpose of making informed and prudent decisions.

PROFESSIONAL INVESTMENT MANAGERS

Professional investment managers are retained by PERA to assist in managing PERA's assets. Investments are sufficiently diversified, both by asset class and investment manager, to minimize concentration and market risks. Each investment manager must be a registered adviser under the Investment Advisers Act of 1940 (or appropriately exempt from registration) and functions under a formal contract that delineates the manager's responsibilities and appropriate performance expectations. A formal set of investment guidelines and administrative requirements for management of each portfolio is provided to each manager. PERA's external managers are delegated responsibility for investment selection, purchases and sales, and implementation of investment strategies, subject to compliance with PERA's Investment Policy and applicable State and

federal statutes.

The Board reviews the investment performance of these managers against their stated objectives at least quarterly and invites the managers for annual presentations in its open public forum for updates, performance, outlook and discussion. The individual managers are judged according to benchmarks that reflect the objectives and characteristics of the strategic role their portfolio is to fulfill. Investment managers must act in accordance with PERA's Investment Policy and applicable State and federal statutes.

PROHIBITIONS

Effective July 1, 2005, the New Mexico Legislature repealed the provisions in NMSA 1978 Subsection 10-11-132 that set forth a list of allowable investments. It adopted the Uniform Prudent Investor Act, which is cited as (UPIA) and is in the NMSA 1978 Subsection 45-7-601 to 612. On December 29, 2005, PERA amended its investment policy adopting UPIA.

Transactions that involve a broker acting as a "principal" where such broker is also the investment manager who is making the transaction are prohibited.

Investments will not be made to the detriment of long term investment results regardless of the apparent rationale for social good or the immediate needs of the local, state or national economy.

No investment or action relating to an investment may be taken unless permitted by the Investment Policy or by approval of the Board.

NMSA 10.11-133.1, effective June 2009, requires the disclosure of third-party marketers used for securing alternative investments, as well as the amounts paid for those services. Knowingly withholding the required information is punishable by law.

ASSET ALLOCATIONS

Asset allocation is the single largest contributor to the PERA fund's return and risk. Based on the factors identified in the Investment Policy, the Board has established strategic asset allocation targets and ranges for Domestic Equity, International Equity, Fixed Income, Absolute Return, Private Equity, Real Estate, Real Assets and cash on a market value basis. Ranges for each asset

Investment Policy Summary *(continued)*

class are included in the Asset Allocation Investment Policy to provide the Board with the flexibility to take advantage of market opportunities.

The Board amended its Long-Term Asset Allocation in 2014.

Long-Term Asset Allocation Investment Policy:

Asset Classes	Target	Minimum	Maximum
Domestic Equity	21.1%	16.1%	26.1%
International Equity	24.8%	19.8%	29.8%
Core and Global Fixed Income	26.1%	23.1%	29.1%
Fixed Income Plus	5.0%	3.0%	7.0%
Private Equity	7.0%	5.0%	9.0%
Absolute Return	4.0%	2.0%	6.0%
Real Estate	5.0%	3.0%	7.0%
Real Assets	7.0%	5.0%	9.0%
Cash Equivalents	0.0%	0.0%	0.0%
TOTAL	100%		

The Board's re-balancing policy is governed by allocation ranges rather than time periods. Upper and lower allocation limits have been established for each asset class. The ranges, specified in the table above are a function of the volatility of each asset class and the proportion of the total fund allocated to the asset class. When any one of the public market asset classes breaches an upper or lower limit, the asset class will be re-balanced to within its strategic asset allocation target range within ninety (90) days. The Board has authorized the CIO and Staff to re-balance the portfolio in accordance with policy guidelines on an on-going basis. The goal in implementing the re-balancing policy is to minimize transaction costs, market impact, and opportunity costs.

The allocation of assets among various asset classes is approved by the Board and is predicated on fac-

tors such as (1) the historical performance of capital markets adjusted for the perception of the future short and long term market performance, (2) the correlation of returns among the relevant asset classes, (3) the projected liability stream of benefits and the costs of funding to both covered employees and employers and (4) the relationship between the current and projected assets and the projected actuarial liability stream.

The Investment Policy assigns the target allocation for investable asset types and the allowable ranges. This is expected to provide diversification of assets in an effort to maximize the investment return to PERA consistent with prudent market and economic risk. PERA assets are fully invested at all times with only small balances in cash equivalents to cover benefits and operational expenses.

2015 Equity Performance

For the Fiscal Year ending June 30, 2015

The investment performance information contained in this section of the Comprehensive Annual Financial Report was obtained from the Investment Consultant, Wilshire Associates, and was calculated using time-weighted monthly returns.

	Fair Value (in millions)
Domestic Equity	<u>3,237</u>
Russell 3000 Index	
US Equity, Large Cap Composite	<u>2,674</u>
Russell 1000 Index	
Portable Alpha Core	391
State Street Russell 1000 Index Core	2,283
US Equity, Mid/Small Cap Composite	<u>563</u>
Russell 2500 Index	
DFA Small Cap Value	131
MetWest Small Cap Value	132
RBC Small Cap Growth	134
TimesSquare SMID Growth	165
International Equity	<u>3,682</u>
Policy Index	
Northern Trust ACWI ex-US Index	2,401
Schroder Small Companies	168
Principal Global Small Cap Core	167
MFS EAFE Lrg Cap Value	213
Kleinwort Benson EAFE Lrg Cap Value	219
State Street EAFE Growth	1
Emerging Markets Composite	<u>511</u>
MSCI Emerging Market Index	
Eaton Vance	259
Aberdeen	252

2015 Equity Performance *(continued)*
 For the Fiscal Year ending June 30, 2015

Annualized Rate of Return				Since Inception	Inception Date	Benchmark
1 Year	3 Years	5 Years	10 Years			
6.35%	18.72%	18.28%	8.37%	11.28%	6/1/1985	
7.29%	17.73%	17.53%	8.15%	10.74%		
7.53%	18.88%	18.65%	8.04%	10.59%	6/1/1985	
7.37%	17.73%	17.58%	8.13%	10.85%		
6.46%	21.78%	21.53%	–	4.80%	10/1/2007	9.29%
7.36%	17.66%	17.49%	–	17.49%	5/1/2010	17.58%
5.70%	19.23%	17.95%	9.65%	13.63%	9/1/1992	
5.92%	18.67%	17.86%	9.09%	11.33%		
0.67%	19.45%	–	–	15.14%	10/1/2010	13.41%
6.25%	20.98%	–	–	16.54%	10/1/2010	13.41%
7.76%	17.44%	19.08%	10.08%	9.93%	4/1/2005	9.97%
8.04%	19.34%	20.02%	12.44%	12.74%	4/1/2005	10.44%
-4.40%	10.04%	8.39%	4.74%	7.58%	7/1/1995	
-4.96%	9.80%	8.00%	5.79%	5.39%		
-5.07%	9.79%	–	–	3.75%	1/1/2011	3.40%
1.41%	17.51%	–	–	17.51%	5/1/2012	15.69%
0.90%	17.44%	15.95%	–	4.22%	12/1/2007	2.94%
0.16%	14.64%	13.64%	–	10.80%	4/1/2010	5.06%
-6.27%	12.17%	9.52%	–	6.26%	4/1/2010	5.06%
-8.28%	3.64%	4.68%	–	4.22%	7/1/2006	
-5.12%	3.71%	3.68%	–	5.44%		
-8.75%	4.31%	4.90%	–	0.39%	11/1/2007	-0.07%
-7.88%	2.07%	5.66%	–	5.34%	11/1/2009	2.15%

2015 Fixed Income Performance

For the Fiscal Year ending June 30, 2015

The investment performance information contained in this section of the Comprehensive Annual Financial Report was obtained from the Investment Consultant, Wilshire Associates, and was calculated using time-weighted monthly returns.

	Fair Value (in millions)
Core & Global Fixed Income Policy Index	<u>3,989</u>
BlackRock Core Enhanced	1,320
Manulife Strategic Core Plus	596
Prudential Core Plus	746
MacKay Shields Core	1,323
Blackrock Transition	4
Fixed Income Plus Policy Index	<u>741</u>
BlackRock Fixed Income Plus Transition	741

2015 Fixed Income Performance (continued)

For the Fiscal Year ending June 30, 2015

Annualized Rate of Return				Since Inception	Inception Date	Benchmark
1 Year	3 Years	5 Years	10 Years			
0.98%	3.18%	4.57%	4.84%	7.14%	6/1/1985	
0.48%	1.79%	2.56%	4.04%	7.14%		
2.38%	2.36%	3.91%	-	5.45%	10/1/2006	4.74%
-0.11%	4.05%	-	-	3.88%	5/1/2011	3.89%
2.11%	3.82%	-	-	3.82%	6/1/2012	1.83%
1.31%	2.27%	-	-	2.27%	7/1/2012	1.83%
-	-	-	-	-	-	-
-	-	-	-	-5.37%	10/1/2014	
-	-	-	-	-3.15%		
-	-	-	-	-5.37%	4/1/2014	-3.15%

2015 Alternative Investment Program

For the Fiscal Year ending June 30, 2015

The investment performance information contained in this section of the Comprehensive Annual Financial Report was obtained from the Alternative Investment Consultant, Cliffwater LLC, and was calculated using internal rate of return.

Number of Partnerships

	Number of Partnerships
Private Equity (in thousands)	
Buyout	19
Distressed	10
Venture Capital	8
Non-US	8
Total	45
Real Assets (in thousands)	
Agriculture	1
Commodities	1
Energy	19
Inflation Linked	1
Infrastructure	3
MLP	1
Non-US	1
Total	27
Real Estate (in thousands)	
Global REIT	1
Opportunistic	13
US REIT	3
Value Added	4
Non-US	2
Total	23

2015 Alternative Investment Program *(continued)*

For the Fiscal Year ending June 30, 2015

Capital Committed	Capital Contrib	Fair Value	Cumulative Distrib	Total Value	Net IRR
\$573,819	\$386,918	\$308,784	\$226,406	\$535,190	11.85%
337,590	187,852	100,033	166,101	\$266,134	11.84%
190,962	174,030	206,215	83,090	\$289,305	19.14%
230,508	147,108	108,607	80,519	\$189,126	7.77%
\$1,332,879	\$895,908	\$723,639	\$556,116	\$1,279,755	12.45%
\$45,000	\$5,318	\$3,801	\$ -	\$3,801	n/m
186,000	186,000	-	-	212,254	4.13%
522,000	369,404	242,601	204,405	447,006	8.40%
151,000	151,000	-	187,550	187,550	8.05%
90,000	27,324	27,308	1,662	28,970	n/m
156,408	156,408	147,408	-	147,408	n/m
25,000	25,000	25,458	-	25,458	1.83%
\$1,175,408	\$920,454	\$446,576	\$605,871	\$1,052,447	6.15%
\$64,053	\$64,053	\$88,181	\$15,000	\$103,181	10.21%
449,507	259,255	158,070	189,596	\$347,665	12.63%
126,045	126,045	131,394	92,036	\$223,430	17.86%
91,176	70,432	47,095	48,399	\$95,494	9.32%
65,891	48,789	45,394	16,538	\$61,931	12.99%
\$796,672	\$568,574	\$470,134	\$361,569	\$831,701	13.18%

2015 Alternative Investment Program *(continued)*

For the Fiscal Year ending June 30, 2015

The investment performance information contained in this section of the Comprehensive Annual Financial Report was obtained from the Investment Consultant, Cliffwater LLC, and was calculated using time-weighted monthly returns.

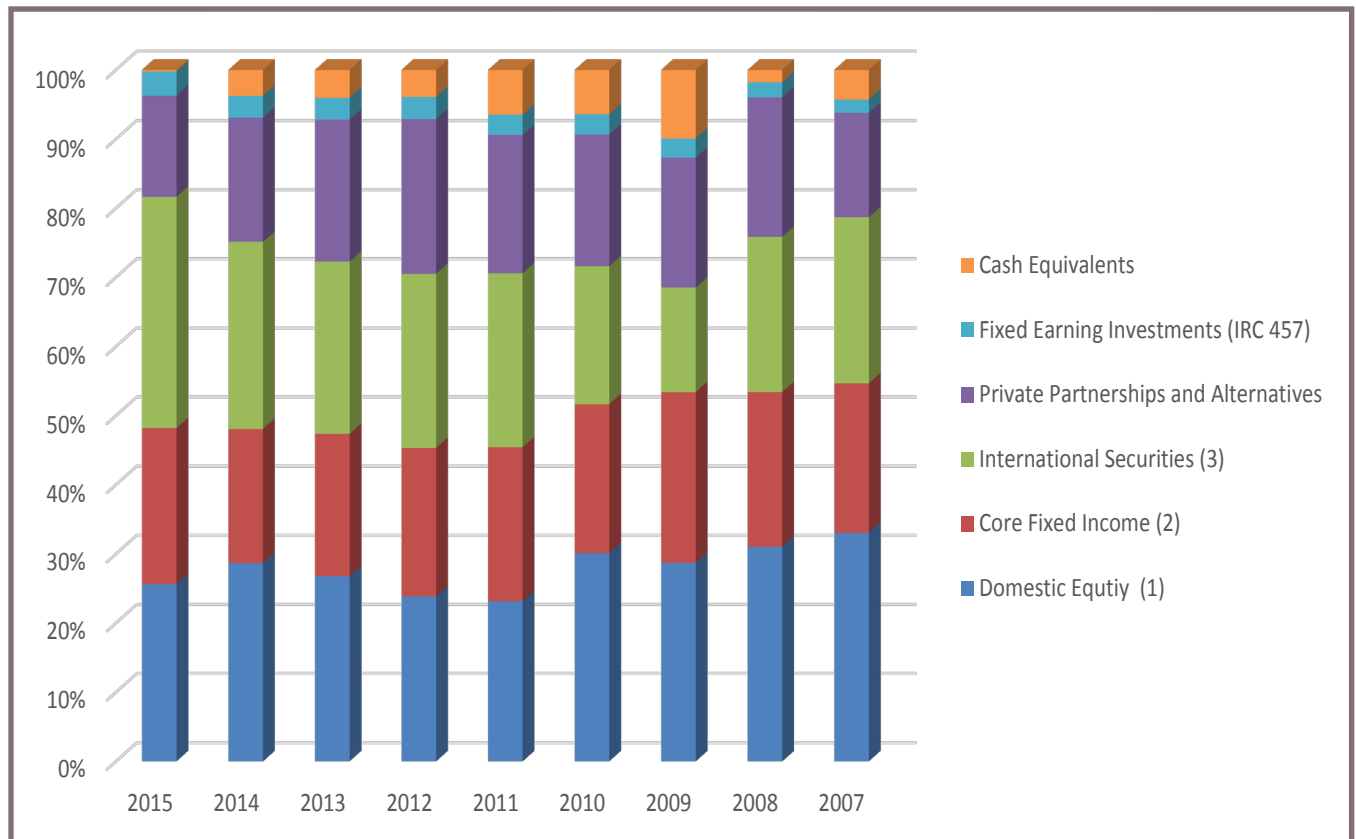
	Number of Partnerships)
<hr/>	
Absolute Return <i>(in thousands)</i>	
Multi-Strategy	8
Equity Long/Short	5
Market Neutral	1
Credit/Distressed	9
Macro-Discretionary	2
Macro-Systematic	2
Event Driven	5
Total	32

2015 Alternative Investment Program *(continued)*
 For the Fiscal Year ending June 30, 2015

Fair Value	Annualized Rate of Return			Since Inception	Inception Date
	1 Year	3 Years	5 Years		
\$135,013	3.63%	7.98%	6.57%	3.21%	1/1/2007
121,546	6.00%	10.87%	7.75%	4.93%	2/1/2007
36,321	5.68%	2.05%	–	2.62%	10/1/2010
222,740	-1.49%	7.84%	6.78%	5.70%	2/1/2007
81,376	6.65%	2.63%	2.65%	2.92%	10/1/2009
34,201	13.64%	4.82%	–	2.37%	1/1/2011
214,046	1.01%	8.85%	6.61%	2.86%	4/1/2007
\$845,243	3.12%	7.73%	6.23%	3.99%	1/1/2007

Asset Allocation

June 30, 2015



	2015	2014	2013	2012	2011	2010	2009	2008	2007
Domestic Equity (1)	25.6%	28.6%	26.8%	23.8%	23.2%	30.1%	28.7%	31.0%	33.1%
Core Fixed Income (2)	22.5%	19.4%	20.6%	21.4%	22.3%	21.5%	24.7%	22.4%	21.6%
International Securities (3)	33.5%	27.1%	24.9%	25.2%	25.2%	20.0%	15.1%	22.5%	24.0%
Private Partnerships and Alternatives	14.6%	18.0%	20.5%	22.4%	20.0%	19.0%	18.8%	20.2%	15.1%
Fixed Earning Investments (IRC 457)	3.5%	3.2%	3.2%	3.2%	2.9%	2.9%	2.8%	2.2%	1.9%
Cash Equivalents	0.2%	3.7%	4.0%	3.9%	6.5%	6.4%	9.9%	1.8%	4.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(1) Includes public MLPs and REITs.

(2) Includes corporate obligation, US government bonds, and municipal bonds.

(3) Includes international equity and global fixed income

Comparative Investment Results

For the Fiscal Year ending June 30, 2015

Investment Category	1-year	3-year	5-year
<i>Benchmark</i>	2015	2012-2015	2010-2015
Total Portfolio	1.84%	10.46%	10.40%
<i>Total Fund Benchmark*</i>	2.29%	9.71%	9.52%
Domestic Equity	6.35%	18.72%	18.28%
<i>Russell 3000</i>	7.29%	17.73%	17.53%
International Equity	-4.40%	10.04%	8.39%
<i>Policy Benchmark^</i>	-4.96%	9.80%	8.00%
Core & Global Fixed Income	0.98%	3.18%	4.57%
<i>Policy Benchmark+</i>	0.48%	1.79%	2.56%
Alternative Assets	6.24%	9.96%	9.76%
<i>3 Month LIBOR Index +4%</i>	4.25%	4.27%	4.31%
Cash Equivalents	1.44%	2.28%	3.72%

FOOTNOTE: Performance was calculated in accordance with Global Investment Performance Standards (GIPS) for investment managers and composites.

*Total Fund Benchmark is calculated monthly based on a weighted average of the Domestic Large Cap Equity Composite, Domestic Small/Mid Cap Equity Composite, Int'l Developed Equity Composite, Int'l Emerging Equity Composite, Total Fixed Income Composite, Cash Equivalent Composite; and their corresponding primary index return.

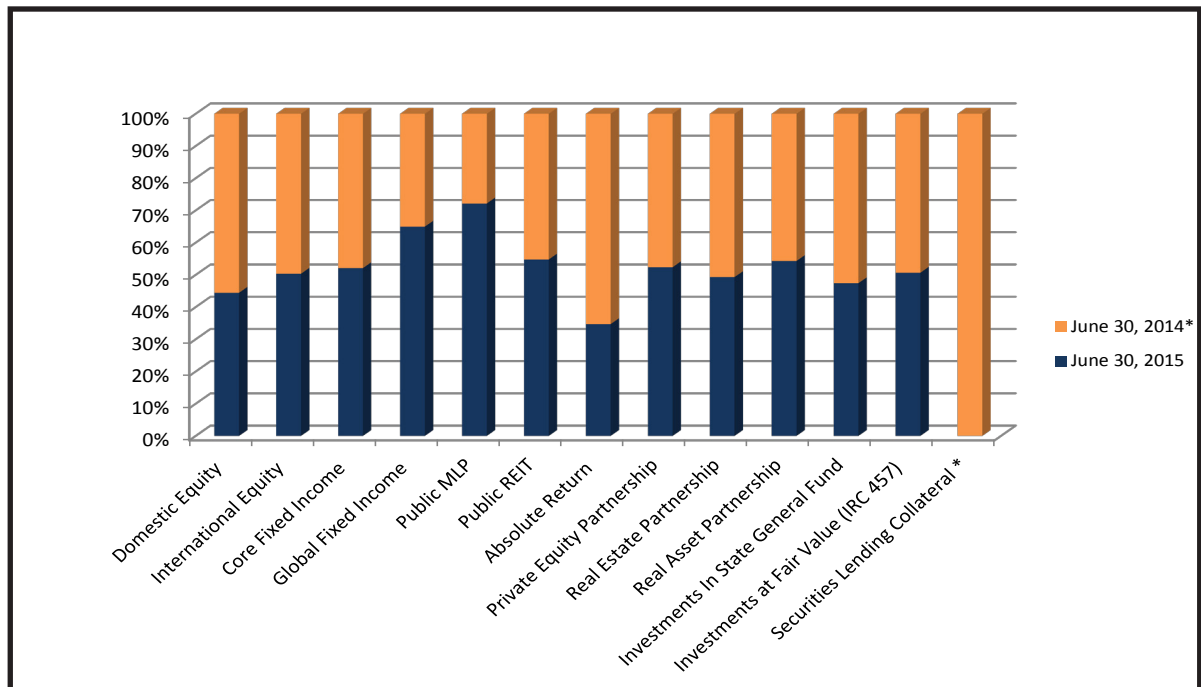
^International Equity Policy Benchmark consists of 100% MSCI EAFE Index (Gross) until 06/30/2007; 100% MSCI ACW Ex US Index (Gross) until 11/30/2012; and 100% MSCI ACW Ex US IMI Index (Gross) thereafter. MSCI World Ex US Sm Cap Blended Index (Gross) consists of 100% MSCI World Ex US Sm Cap Provisional Index (Gross) until 06/30/2008 and 100% MSCI World Ex US Sm Cap Index (Gross) thereafter.

+Core & Global Fixed Income Policy Benchmark consists of 100% Barclays US Agg Bond Index until 03/31/2011; 100% Barclays Global Agg Bond Index until 11/30/2012; and 85% Barclays US Agg Bond Index, 15% Barclays Multi-verse Index thereafter.

Investment Summary at Fair Value

June 30, 2015

The following table summarizes the market value for June 30, 2015 and 2014.



	Fair Value June 30, 2015	% of Total Fair Value	Fair Value June 30, 2014*	% of Total Fair Value
Domestic Equity	3,272,928,768	23.12%	4,091,542,685	27.32%
International Equity	3,426,830,468	24.21%	3,380,076,756	22.57%
Core Fixed Income	3,190,543,384	22.54%	2,933,455,016	19.59%
Global Fixed Income	1,310,079,401	9.25%	706,376,842	4.72%
Public MLP	138,742,804	0.98%	53,530,310	0.36%
Public REIT	218,999,246	1.55%	180,820,869	1.21%
Absolute Return	845,242,754	5.97%	1,589,134,652	10.61%
Private Equity Partnership	683,344,231	4.83%	621,395,859	4.15%
Real Estate Partnership	234,386,532	1.66%	241,042,642	1.61%
Real Asset Partnership	309,525,279	2.19%	260,460,289	1.74%
	13,630,622,866		14,057,835,920	
Investments in State General Fund	33,938,818	0.24%	37,654,784	0.25%
Investments at Fair Value (IRC 457)	491,987,083	3.48%	479,266,602	3.20%
Securities Lending Collateral	4,325	0.00%	400,719,677	2.68%
Total Investments	14,156,553,092	100.00%	14,975,476,983	100.00%

*See financial section notes to the financial statements.

Investments at Fair Value

June 30, 2015

	Fair Value June 30, 2015	Fair Value June 30, 2014	Change in Fair Value
Government Bonds	1,539,177,589	1,553,784,740	(14,607,151)
Municipal Bonds	15,048,186	34,312,052	(19,263,866)
Corporate Bonds	1,154,315,934	1,351,979,844	(197,663,911)
Mortgage Backed Securities	614,394,071	36,263,969	578,130,102
Asset Backed Securities	175,016,212	236,183,384	(61,167,172)
Commercial Mortgage Backed Securities	245,855,757	211,692,684	34,163,072
CMO/REMIC	28,511,985	33,525,124	(4,973,140)
Exchange Traded Funds	539,918,428	–	539,918,428
Mutual Funds	188,344,624	182,090,059	6,254,565
Total Fixed Income Investments	4,500,622,785	3,639,831,857	860,790,927
Common Stock	5,838,186,751	6,942,789,117	(1,104,602,366)
Preferred Stock	55,707,128	71,097,777	(15,390,649)
ADR	35,423,114	31,625,764	3,797,350
GDR	56,648,471	35,650,814	20,997,657
MLP	138,742,804	53,530,310	85,212,494
REIT	348,779,251	203,629,554	145,149,697
Commingled Funds	251,964,758	365,407,548	(113,442,790)
Exchange Traded Funds	14,422,464	507,825	13,914,639
Mutual Funds	426,249	390,330	35,920
Rights/Warrants	1,941,238	1,341,581	599,657
Limited Partnerships	2,387,757,854	2,712,033,441	(324,275,587)
Total Equities	9,130,000,082	10,418,004,061	(1,288,003,979)
Subtotal Equities and Fixed Income	13,630,622,866	14,057,835,918	(427,213,052)
Securities Lending Collateral Investments	4,325	400,719,677	(400,715,353)
Total Investments as presented above	13,630,627,191	14,458,555,596	(827,928,404)
IRC 457 fund investments directed by participants	491,987,083	479,266,602	12,720,481
Investments in State General Fund Investment Pool	33,938,818	37,654,784	(3,715,966)
Total Investments per the Statement of Plan Net Position	14,156,553,092	14,975,476,982	(818,923,889)

NOTE: 2015 investment categories were revised to appropriately reflect the Board approved strategic asset allocation.

List of Largest Assets Held

June 30, 2015

	Shares	Cost	Market Value
Ten Largest Stock Holdings			
APPLE INC COMMON STOCK USD 0.00001	620,075	\$31,618,660	\$77,772,907
MICROSOFT CORP COMMON STOCK USD 0.00000625	870,750	28,688,664	38,443,613
EXXON MOBIL CORP COMMON STOCK USD 0	450,013	35,012,245	37,441,082
NESTLE SA COMMON STOCK CHF 0.1	415,178	26,702,290	29,987,176
NOVARTIS AG COMMON STOCK CHF 0.5	296,746	21,091,832	29,260,226
JOHNSON & JOHNSON COMMON STOCK USD 1	298,500	22,896,687	29,091,810
GENERAL ELECTRIC CO COMMON STOCK USD 0.06	1,079,100	27,872,624	28,671,687
WELLS FARGO & CO COMMON STOCK USD 1.666	501,500	21,040,413	28,204,360
BERKSHIRE HATHAWAY INC COMMON STOCK USD 0.0033	200,154	20,800,475	27,242,961
JPMORGAN CHASE & CO COMMON STOCK USD 1	399,400	19,059,403	27,063,344
EQUITIES Total		\$254,783,293	\$353,179,164

	Shares	Cost	Market Value
Ten Largest Fixed Income Holdings			
UNITED STATES OF AMERICA NOTES FIXED 3.125%	87,000,000	\$91,383,930	\$91,016,790
UNITED STATES OF AMERICA NOTES FIXED .75%	84,000,000	83,671,560	83,560,680
UNITED STATES OF AMERICA NOTES FIXED .5%	75,000,000	74,923,500	74,923,500
UNITED STATES OF AMERICA NOTES FIXED 2.625%	42,000,000	44,139,480	43,971,900
UNITED STATES OF AMERICA NOTES FIXED 2.75%	39,235,000	41,857,578	40,733,777
UNITED STATES OF AMERICA BOND FIXED 3.125%	36,000,000	39,363,840	36,059,040
UNITED STATES OF AMERICA NOTES FIXED 1.125%	32,073,000	31,678,441	31,376,374
TBA FNMA SINGLE FAMILY 30YR 4 7/15	26,100,000	27,776,063	27,652,428
UNITED STATES OF AMERICA NOTES FIXED 1.375%	27,845,000	27,802,872	27,571,005
UNITED STATES OF AMERICA NOTES FIXED 1.75%	25,605,000	25,634,958	25,141,037
FIXED INCOME Total		\$488,232,222	\$482,006,532
GRAND TOTAL		\$743,015,515	\$835,185,696

Schedule of Investment Fees and Commissions

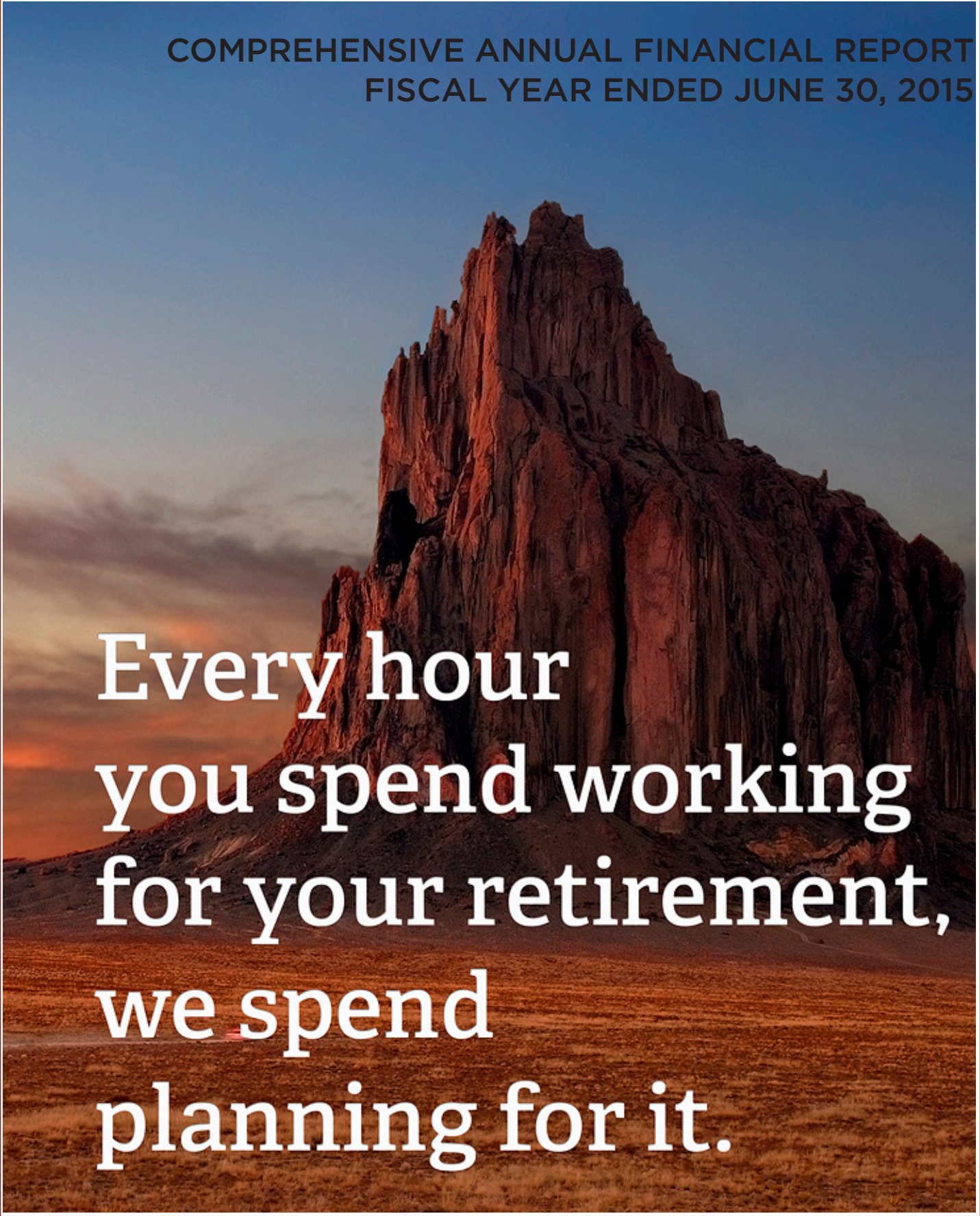
For The Year Ended June 30, 2015

	Investment Fees	Trade Commissions	Trade Fees
Fixed Income	\$6,735,249	\$794,101	\$30,188
Domestic Equities	6,857,753	1,054,679	14,301
International Equities	6,148,212	890,069	775,546
Public Alternatives	-	10,270	-
Subtotal	19,741,214	2,749,119	820,036
Custodian Fees	\$1,834,221	N/A	N/A
Consultant Fees	2,647,550	N/A	N/A
Legal Fees	357,900	N/A	N/A
Subtotal	4,839,671	-	-
TOTAL	\$24,580,885	\$2,749,119	\$820,036

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ACTUARIAL SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015



Every hour
you spend working
for your retirement,
we spend
planning for it.

ACTUARIAL SECTION



PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

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Cavanaugh Macdonald

CONSULTING, LLC

The experience and dedication you deserve

December 18, 2015

Board of Trustees
Public Employees Retirement Association of New Mexico
33 Plaza La Prensa
Santa Fe, New Mexico 87507

Attention: Mr. Wayne Propst, Executive Director

Re: Certification and Statement Regarding the Actuarial Valuations as of June 30, 2015

Dear Members of the Board:

The basic funding objective of the Public Employees Retirement Association of New Mexico (PERA) is to establish and receive contributions which, when expressed as a percentage of active member payroll, will remain approximately level over time and together with present assets and future investment return, will be sufficient to meet the future obligations of PERA.

In order to measure progress toward this objective, PERA has an actuarial valuation performed each year. The valuation measures the present financial position and determines the sufficiency of the current statutory contribution rates to meet the Board's established objective to fund the current normal cost plus an amount necessary to amortize the unfunded actuarial accrued liability over a period not to exceed 30 years. The current statutory combined employer and employee contribution rates are:

State General Division	25.91%
State Police/Corrections Division	34.30
Municipal General Division	23.42
Municipal Police Division	35.96
Municipal Fire Division	39.16

If it is determined that the current employer contribution rate is not sufficient to amortize the unfunded actuarial accrued liability within 30 years, the valuation determines the additional contribution rate necessary to satisfy this objective.

In preparing the valuations, we, as the actuary, relied on data provided by PERA. As part of our work, we performed a limited review of the data for consistency and reasonableness. The economic assumptions (rates of price inflation, wage inflation, payroll growth and investment return) and the demographic assumptions

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were adopted by the Board of Trustees pursuant to an experience study for the five-year period ending June 30, 2013. Assets are valued according to a method that fully recognizes expected investment return and averages unanticipated market return over a four-year period. The assumptions and methods utilized in this valuation, in our opinion, are reasonable both individually, as well as in aggregate.

We have performed the necessary calculations in accordance with the guidance provided in Statement No. 67 which is the basis for the disclosure information contained in the actuarial section of the CAFR. Historical information provide in this section for periods beginning June 30, 2010 and after were performed by our firm.

We are qualified actuaries with Cavanaugh Macdonald Consulting, LLC and are experienced with performing actuarial valuations of public sector benefit plans. We are Members of the American Academy of Actuaries

and meet the Qualification Standards to render the actuarial opinion contained herein. On the basis of the foregoing, we certify that, to the best of our knowledge the valuation reports are complete and accurate and have been prepared in accordance with New Mexico's statutes and generally recognized and accepted actuarial principles.

We further certify that our reports are prepared using practices which are consistent with the principles prescribed by the Actuarial Standards Board (ASB) and the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'John J. Garrett', with a stylized, flowing script.

John J. Garrett, ASA, FCA, MAAA
Principal and Consulting Actuary

A handwritten signature in blue ink, appearing to read 'Jonathan T. Craven', with a stylized, flowing script.

Jonathan T. Craven, ASA, FCA, MAAA, EA
Senior Actuary

Summary of Assumptions and Methods

The method used for the PERA, Judicial, and Magistrate valuations is called the individual entry-age actuarial cost method, and it has the following characteristics:

- The annual normal costs for each individual active member are sufficient to accumulate the value of the member's pension at time of retirement.
- Each annual normal cost is a constant percentage of the member's year by year projected pensionable compensation.

The method used for Volunteer Firefighters valuation is called the entry age normal level dollar cost method, and it has the following characteristics:

- The total present value of projected benefits of each individual is allocated on a level basis over service from entry age to retirement age. The portion of this present value allocated to the valuation is the normal cost
- The actuarial accrued liability is accumulation of past normal costs on the valuation date.

The method used for Legislature valuation is called the entry age normal cost method, and it has the following characteristics:

- The annual normal costs for each individual active member are sufficient to accumulate the value of the member's pension at time of retirement. The normal cost increases from date of hire to date of retirement.
- The actuarial accrued liability is accumulation of past normal costs on the valuation date.

The individual entry-age actuarial cost method allocates the actuarial present value of each member's projected benefits on a level basis over the member's pensionable compensation between the entry age of the member and the pattern of projected exit ages.

Judicial: Normal cost for each judge is based on the benefits payable to that judge. Since new hires (after June 30, 2014) have lower benefits, the total normal cost for the plan is expected to decrease as pre-2014 members are replaced.

The portion of the actuarial present value allocated to the valuation year is called the normal cost. The portion of the actuarial present value not provided for by the actuarial present value of future normal costs

is called the actuarial accrued liability. Deducting accrued assets from the actuarial accrued liability determines the unfunded actuarial accrued liability (UAAL).

PERA: The period of time needed to finance the unfunded actuarial accrued liability with current statutory contribution rates is determined using a level percent of payroll amortization technique.

Judicial: Unfunded actuarial accrued liability was amortized as a level percent of payroll over 30 years to determine the computed contribution for fiscal integrity. This period is consistent with the policy established by the Retirement Board as of October 1996.

Magistrate: Unfunded actuarial accrued liability was amortized as a level percent of payroll over 30 years to determine the computed contribution for fiscal integrity. This period is consistent with the policy established by the Retirement Board as of October 1996.

Volunteer Firefighters: Unfunded actuarial accrued liability is amortized over a 30 year period. As of June 30, 2015 funding value of assets exceeded accrued liabilities. The excess was amortized over 30 years and applied as a credit to the computed normal cost.

Legislative: Amortize the unfunded actuarial accrued liability over an open 30-year period. This is done in accordance with PERA Board funding objectives adopted in October of 1996.

The valuation assets used for funding purposes is derived as follows: prior year actuarial value assets are increased by contributions and expected investment income and reduced by refunds, benefit payments and expenses. To this amount 25% of the difference between expected and actual investment income (net of investment expenses) for each of the previous four years is added. The funding value of assets for each division is allocated in proportion to the total fund balances.

Assumptions used by the professional actuaries in valuing PERA's actuarial position were adopted by the PERA Board based on recommendations from the actuary for actuarial valuations effective June 30, 2014. Plan assets are valued on a market related basis for purposes of the actuarial valuation. The RP-2000

Summary of Assumptions and Methods *(continued)*

Mortality table (Combined table for healthy post-retirement lives, Employee table for active members, and the Disabled table for disabled retirees before reaching retirement age), with projection to 2018 using Scale AA. In addition, the following assumptions were used in calculating the actuarial liability:

- Active member payroll in the
 - **PERA** — payroll was projected to increase 3.0% per year due to inflation. Other projected salary increases of up to 11.25% per year are attributed to seniority and merit.
 - **Judicial** — payroll was projected to increase 3.50% a year for the purpose of determining the contribution needed to amortize the unfunded actuarial accrued liability
 - **Magistrate** — payroll was projected to increase 3.50% a year for the purpose of determining the contribution needed to amortize the unfunded actuarial accrued liability.
- Benefit payments are increased by cost of living adjustments of 2% per year for retirees with varying lengths of deferral depending on retirement date (from 2 to 7 years).
- Rate of return on the investment of present and future assets of 7.75% (net of investment expenses) per year compounded annually, is made up of a 3.0% assumed inflation rate and a 4.75% assumed real rate of return.
- Administrative expenses are assumed to be 0.45% of payroll for PERA, Judges and Magistrates; \$45,000 for Volunteer Firefighters and \$6,000 for the Legislative Division.
- Other assumptions in the following tables and schedules (see following pages):
 - Rates of Retirement
 - Rate of Separation of Active Membership
 - Rates of Disability
 - Member and Employer Contribution Rates

Rates of Retirement

Rate of Retirement at First Eligibility

These rates are used to measure the probability of members retiring in the first year eligible for retirement at the indicated ages.

Percents Retiring at Indicated Ages (by Coverage Plan)

Retirement Age	State General		State Police	State Corrections	Municipal General		Municipal Police	Municipal Fire
	Male	Female			Male	Female		
40	55%	60%	60%	60%	55%	55%	60%	45%
45	55%	60%	60%	60%	55%	55%	50%	35%
50	55%	60%	50%	50%	55%	55%	50%	30%
55	55%	60%	50%	50%	55%	55%	50%	50%
60	35%	40%	50%	50%	30%	30%	50%	50%
65	25%	30%	100%	50%	30%	35%	50%	50%
70	25%	30%		100%	25%	25%	100%	100%
75	25%	30%			25%	25%		
80	100%	100%			100%	100%		

Rate of Retirement Subsequent to First Eligibility

These rates are used to measure the probability of members retiring after the first year eligible for retirement at the indicated ages.

Percents Retiring at Indicated Ages (by Coverage Plan)

Retirement Age	State General		State Police	State Corrections	Municipal General		Municipal Police	Municipal Fire
	Male	Female			Male	Female		
40	40%	35%	40%	50%	35%	35%	30%	40%
45	40%	35%	40%	50%	35%	35%	30%	35%
50	40%	35%	50%	50%	40%	40%	30%	30%
55	40%	35%	35%	50%	30%	25%	30%	30%
60	30%	40%	35%	50%	30%	30%	30%	20%
65	30%	35%	100%	40%	30%	35%	50%	50%
70	25%	30%		100%	25%	25%	100%	100%
75	25%	25%			25%	25%		
80	100%	100%			100%	100%		

Rates of Disability

These rates are used to measure the probabilities of active members becoming disabled.

Rates for sample ages follow. For non-public safety groups, 25% disabilities are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.

Percent Becoming Disabled at Indicated Ages

Sample Ages	State General		State Police	State Corrections	Municipal General		Municipal Detention	Municipal Police	Municipal Fire
	Male	Female			Male	Female			
25	0.02%	0.02%	0.05%	0.14%	0.05%	0.04%	0.06%	0.07%	0.02%
30	0.04%	0.03%	0.09%	0.16%	0.08%	0.04%	0.10%	0.08%	0.02%
35	0.08%	0.06%	0.14%	0.21%	0.12%	0.04%	0.15%	0.12%	0.02%
40	0.13%	0.12%	0.35%	0.27%	0.17%	0.06%	0.22%	0.17%	0.08%
45	0.24%	0.20%	0.42%	0.46%	0.25%	0.14%	0.32%	0.26%	0.08%
50	0.41%	0.39%	0.69%	0.90%	0.40%	0.25%	0.51%	0.42%	0.33%
55	0.57%	0.61%	1.59%	1.40%	0.65%	0.39%	0.85%	0.73%	0.33%
60	0.74%	0.73%	2.31%	1.88%	0.80%	0.51%	1.04%	1.22%	1.17%
65	0.75%	0.73%	2.31%	1.88%	0.82%	0.59%	1.07%	1.22%	1.17%

Rates of Separation From Active Membership

These rates are used to measure probabilities of active members terminating that status for a reason other than disability or death.

The rates do not apply to members who are within the retirement rate range.

Separation rates are service and age related for the State General and Municipal General divisions.

Percent of Active Members Terminating During Year

Sample Ages	Years of Service	State General		Municipal General	
		Males	Females	Men	Women
ALL	2	13.26%-18.76%	13.37%-18.13%	12.18%-21.70%	14.01%-24.40%
	4	8.37%-10.86%	8.50%-11.95%	8.01%-14.59%	9.14%-17.77%
	6	6.49%-8.21%	6.45%-8.22%	6.79%-11.29%	6.50%-14.41%
	8	5.40%-7.78%	4.70%-6.05%	5.58%-8.93%	5.30%-11.94%

Percent of Active Members Terminating During Year

		State General		Municipal General	
		Males	Females	Men	Women
20	10+	5.11%	4.83%	8.54%	7.51%
25	10+	4.65%	4.25%	7.32%	6.38%
30	10+	4.13%	3.55%	5.69%	4.94%
35	10+	3.89%	3.46%	4.61%	4.09%
40	10+	3.86%	3.46%	3.92%	3.67%
45	10+	3.86%	3.46%	3.65%	3.62%
50	10+	3.86%	3.46%	3.65%	3.62%
55	10+	3.86%	3.46%	3.65%	3.62%
60	10+	3.86%	3.46%	3.65%	3.62%

Separation rates are service related only for the other divisions of PERA.

Percent of Active Members Terminating During Year

Sample Ages	Years of Service	State Police	State Corrections	Municipal Detention	Municipal Police	Municipal Fire
ALL	1	8.0%	20.0%	22.0%	14.0%	10.0%
	3	7.0%	16.0%	16.0%	9.5%	7.5%
	5	4.0%	9.0%	10.0%	6.8%	5.0%
	7	4.0%	8.0%	10.0%	5.2%	3.3%
	10+	4.0%	6.0%	6.0%	3.8%	3.0%

Member and Employer Contributions Rates

Div/Plan	Year	Plan 1		Plan 2		Plan 3		Plan 4		Plan 5	
		Member	Employer	Member	Employer	Member	Employer	Member	Employer	Member	Employer
State General	2007					7.42%	16.59%				
	2008					7.42%	16.59%				
	2009					7.42%	16.59%				
	2010 (1)					8.92%	15.09%				
	2011 (1)					8.92%	15.09%				
	2012 (2)					10.67%	13.34%				
	2013 (1)					8.92%	15.09%				
	2014					8.92%	16.59%				
	2015					8.92%	16.99%				
State Police and Adult Corrections (Plan 1)	2007	7.60%	25.10%								
	2008	7.60%	25.10%								
	2009	7.60%	25.10%								
	2010 (1)	9.10%	23.60%								
	2011 (1)	9.10%	23.60%								
	2012 (2)	10.85%	21.85%								
	2013 (1)	9.10%	23.60%								
	2014	9.10%	25.10%								
2015	9.10%	25.50%									
Juvenile Corrections (Plan 2)	2007			4.78%	25.72%						
	2008			4.78%	25.72%						
	2009			4.78%	25.72%						
	2010 (1)			6.28%	24.22%						
	2011 (1)			6.28%	24.22%						
	2012 (2)			8.03%	22.47%						
	2013 (1)			6.28%	24.22%						
	2014			6.28%	25.72%						
2015			6.28%	26.12%							
Municipal General	2007	7.00%	7.00%	9.15%	9.15%	13.15%	9.15%	15.65%	11.65%		
	2008	7.00%	7.00%	9.15%	9.15%	13.15%	9.15%	15.65%	11.65%		
	2009	7.00%	7.00%	9.15%	9.15%	13.15%	9.15%	15.65%	11.65%		
	2010	7.00%	7.00%	9.15%	9.15%	13.15%	9.15%	15.65%	11.65%		
	2011	7.00%	7.00%	9.15%	9.15%	13.15%	9.15%	15.65%	11.65%		
	2012	7.00%	7.00%	9.15%	9.15%	13.15%	9.15%	15.65%	11.65%		
	2013	7.00%	7.00%	9.15%	9.15%	13.15%	9.15%	15.65%	11.65%		
	2014	8.50%	7.00%	10.65%	9.15%	14.65%	9.15%	17.15%	11.65%		
2015	8.50%	7.40%	10.65%	9.55%	14.65%	9.55%	17.15%	12.05%			
Detention Officers (Plan 1)	2008	16.65%	16.65%								
	2009	16.65%	16.65%								
	2010	16.65%	16.65%								
	2011	16.65%	16.65%								
	2012	16.65%	16.65%								
	2013	16.65%	16.65%								
	2014	18.15%	16.65%								
2015	18.15%	17.05%									
Municipal Police	2007	7.00%	10.00%	7.00%	15.00%	7.00%	18.50%	12.35%	18.50%	16.30%	18.50%
	2008	7.00%	10.00%	7.00%	15.00%	7.00%	18.50%	12.35%	18.50%	16.30%	18.50%
	2009	7.00%	10.00%	7.00%	15.00%	7.00%	18.50%	12.35%	18.50%	16.30%	18.50%
	2010	7.00%	10.00%	7.00%	15.00%	7.00%	18.50%	12.35%	18.50%	16.30%	18.50%
	2011	7.00%	10.00%	7.00%	15.00%	7.00%	18.50%	12.35%	18.50%	16.30%	18.50%
	2012	7.00%	10.00%	7.00%	15.00%	7.00%	18.50%	12.35%	18.50%	16.30%	18.50%
	2013	7.00%	10.00%	7.00%	15.00%	7.00%	18.50%	12.35%	18.50%	16.30%	18.50%
	2014	8.50%	10.00%	8.50%	15.00%	8.50%	18.50%	13.85%	18.50%	17.80%	18.50%
	2015	8.50%	10.40%	8.50%	15.40%	8.50%	18.90%	13.85%	18.90%	17.80%	18.90%

Member and Employer Contributions Rates *(continued)*

Div/Plan	Year	Plan 1		Plan 2		Plan 3		Plan 4		Plan 5	
		Member	Employer	Member	Employer	Member	Employer	Member	Employer	Member	Employer
Municipal Fire	2007	8.00%	11.00%	8.00%	17.50%	8.00%	21.25%	12.80%	21.25%	16.20%	21.25%
	2008	8.00%	11.00%	8.00%	17.50%	8.00%	21.25%	12.80%	21.25%	16.20%	21.25%
	2009	8.00%	11.00%	8.00%	17.50%	8.00%	21.25%	12.80%	21.25%	16.20%	21.25%
	2010	8.00%	11.00%	8.00%	17.50%	8.00%	21.25%	12.80%	21.25%	16.20%	21.25%
	2011	8.00%	11.00%	8.00%	17.50%	8.00%	21.25%	12.80%	21.25%	16.20%	21.25%
	2012	8.00%	11.00%	8.00%	17.50%	8.00%	21.25%	12.80%	21.25%	16.20%	21.25%
	2013	8.00%	11.00%	8.00%	17.50%	8.00%	21.25%	12.80%	21.25%	16.20%	21.25%
	2014	9.50%	11.00%	9.50%	17.50%	9.50%	21.25%	14.30%	21.25%	17.70%	21.25%
2015	9.50%	11.40%	9.50%	17.90%	9.50%	21.65%	14.30%	21.65%	17.70%	21.65%	
Judicial	2007	7.50%	12.00%	*							
	2008	7.50%	12.00%	*							
	2009	7.50%	12.00%	*							
	2010 (1)	9.00%	10.50%	*							
	2011 (1)	9.00%	10.50%	*							
	2012 (2)	10.75%	8.75%	*							
	2013 (1)	9.00%	10.50%	*							
	2014	7.50%	12.00%								
2015	10.50%	15.00%									
Magistrate	2007	7.50%	11.00%	*							
	2008	7.50%	11.00%	*							
	2009	7.50%	11.00%	*							
	2010 (1)	9.00%	9.50%	*							
	2011 (1)	9.00%	9.50%	*							
	2012 (2)	10.75%	7.75%	*							
	2013 (1)	9.00%	9.50%	*							
	2014	7.50%	11.00%								
2015	10.50%	11.00%									

NOTE: Legislative member contribution for the Legislative Division is \$100, \$200 or \$500 for every year of credited service.

*Employers are also required to remit a portion of docket fees.

(1) Includes a temporary 1.5% of pay shift from the employer statutory rate effective July 1, 2009. This contribution shift was effective for 4 fiscal years.

(2) Includes Note #1 plus also includes a temporary 1.75% of pay shift from the employer statutory rate effective July 1, 2011. This contribution shift was effective for 1 fiscal year.

Active Member Valuation

As of June 30, 2015

Div/Plan	Year	Number of Participating Employers	Number of Active Members	Annual Payroll*	Average Pay	% Increase in Avg Pay
State General	2007	124	21,783	854,098,264	39,209	13.80%
	2008	124	22,237	894,630,779	40,232	2.61%
	2009	124	22,479	935,865,642	41,633	3.48%
	2010	124	20,867	866,094,897	41,505	-0.31%
	2011	123	19,614	818,428,532	41,727	0.53%
	2012	123	19,325	803,873,875	41,598	-0.31%
	2013	123	19,980	835,817,618	41,833	0.57%
	2014	123	20,015	863,797,166	43,157	3.75%
	2015	129	20,253	938,168,776	46,322	10.73%
State Police/ Hazardous Duty	2007	3	1,903	83,460,844	43,858	39.31%
	2008	3	1,973	90,011,901	45,622	4.02%
	2009	3	2,087	95,202,963	45,617	-0.01%
	2010	3	2,001	87,783,090	43,870	-3.83%
	2011	3	1,881	83,759,230	44,529	1.50%
	2012	3	1,916	87,137,037	45,479	2.13%
	2013	3	1,956	90,225,253	46,127	1.43%
	2014	3	1,951	91,551,934	46,926	3.18%
	2015	3	1,880	97,352,917	51,783	12.26%
Municipal General	2007	169	22,375	705,762,180	31,542	0.22%
	2008	169	22,632	714,264,532	31,560	0.06%
	2009	169	23,448	762,628,387	32,524	3.06%
	2010	169	20,584	747,207,121	36,300	11.61%
	2011	169	20,848	736,339,828	35,319	-2.70%
	2012	169	21,434	791,529,406	36,929	4.56%
	2013	169	22,123	803,398,205	36,315	-1.66%
	2014	187	21,480	814,827,128	37,934	2.72%
	2015	190	21,217	857,243,239	40,404	11.26%
Municipal Police	2007	98	3,524	171,701,392	48,723	5.36%
	2008	98	3,581	172,583,579	48,194	-1.09%
	2009	98	3,701	185,497,931	50,121	4.00%
	2010	98	3,581	186,026,978	51,948	3.65%
	2011	98	3,603	188,010,463	52,182	0.45%
	2012	98	3,660	196,453,568	53,676	2.86%
	2013	98	3,744	201,525,064	53,826	0.28%
	2014	102	3,647	209,092,483	60,895	5.71%
	2015	102	3,685	222,085,818	56,742	13.13%
Municipal Fire	2007	35	1,962	93,496,935	47,654	-1.28%
	2008	35	1,978	93,573,369	47,307	-0.73%
	2009	35	2,047	102,064,575	49,861	5.40%
	2010	35	2,064	106,404,835	51,553	3.39%
	2011	35	2,111	108,475,708	51,386	-0.32%
	2012	35	2,148	115,286,221	53,671	4.45%
	2013	35	2,209	118,771,370	53,767	0.18%
	2014	43	2,157	122,996,614	57,022	6.24%
	2015	43	2,176	133,403,526	61,307	14.02%

* Actual payroll is projected to a full-year salary for actuarial calculations

Active Member Valuation

For the Fiscal Year ending June 30, 2014 (continued)

Div/Plan	Year	Number of Participating Employers	Number of Active Members	Annual Payroll*	Average Pay	% Increase in Avg Pay
Legislative	2007	1	98	N/A	N/A	N/A
	2008	1	106	N/A	N/A	N/A
	2009	1	104	N/A	N/A	N/A
	2010	1	105	N/A	N/A	N/A
	2011	1	106	N/A	N/A	N/A
	2012	1	111	N/A	N/A	N/A
	2013	1	119	N/A	N/A	N/A
	2014	1	126	N/A	N/A	N/A
	2015	1	121	N/A	N/A	N/A
Judicial	2007	16	117	11,754,248	100,464	9.85%
	2008	16	115	11,697,421	101,717	1.25%
	2009	16	125	13,011,196	104,090	2.33%
	2010	16	121	13,041,980	107,785	3.55%
	2011	16	114	12,266,852	107,604	-0.17%
	2012	16	118	12,690,503	107,547	-0.05%
	2013	16	123	13,226,142	107,530	-0.02%
	2014	16	121	13,163,305	108,788	1.50%
	2015	16	127	15,084,263	118,774	10.46%
Magistrate	2007	9	52	3,464,587	66,627	5.77%
	2008	9	45	3,363,342	74,741	12.18%
	2009	9	54	4,128,599	76,456	2.29%
	2010	9	46	3,519,570	76,512	0.07%
	2011	9	45	3,405,121	75,669	-1.10%
	2012	9	42	3,213,712	76,517	1.12%
	2013	9	41	3,136,834	76,508	-0.01%
	2014	5	45	3,515,567	78,124	2.10%
	2015	5	60	5,065,798	84,430	10.35%
Volunteer Firefighter	2007	363	5,638	N/A	N/A	N/A
	2008	363	4,216	N/A	N/A	N/A
	2009	363	4,283	N/A	N/A	N/A
	2010	363	5,422	N/A	N/A	N/A
	2011	363	5,867	N/A	N/A	N/A
	2012	363	5,065	N/A	N/A	N/A
	2013	363	6,461	N/A	N/A	N/A
	2014	365	7,499	N/A	N/A	N/A
	2015	365	8,136	N/A	N/A	N/A

* Actual payroll is projected to a full-year salary for actuarial calculations

Schedule of Retirees and Beneficiaries

For the Fiscal Year Ended June 30, 2015

Schedule of retirees added to and removed from payroll by division

Year	Number Added	Increased Annual Allowance	Number Removed	Decreased Annual Allowance	Net Change Annual Allowances	Total Retirees & Beneficiaries	Annual Allowances	Increase in Annual Allowances	Average Annual Allowances	% Change in Average Allowances
State General										
2007	619	**	196	**	19,236,545	11,692	250,974,817	8.30%	21,466	4.38%
2008	592	**	241	**	18,249,281	12,043	269,224,098	7.27%	22,355	4.14%
2009	599	22,350,689	200	2,724,236	19,626,453	12,442	288,850,551	7.29%	23,216	3.85%
2010	858	30,142,074	319	5,583,947	24,558,127	12,981	313,408,678	8.50%	24,144	4.00%
2011	1,005	34,914,890	347	6,179,881	28,735,009	13,639	342,143,687	9.17%	25,086	3.90%
2012	1,075	35,697,983	323	5,911,795	29,786,188	14,391	371,929,875	8.71%	25,845	3.03%
2013	1,285	43,656,998	358	7,006,726	36,650,272	15,318	408,580,147	9.85%	26,673	3.21%
2014	1,150	37,217,020	379	7,574,003	36,650,272	16,089	438,223,164	7.26%	27,237	5.39%
2015	1,499	32,859,803	418	8,741,632	24,118,171	17,170	462,341,335	5.50%	26,927	-1.14%
State Police/Hazardous Duty										
2007	77	**	0	**	2,316,497	962	24,603,084	10.39%	25,575	1.56%
2008	82	**	6	**	2,344,496	1,038	26,947,580	9.53%	25,961	1.51%
2009	71	2,869,837	1	78,768	2,791,069	1,108	29,738,649	10.36%	26,840	3.39%
2010	67	2,521,381	18	337,044	2,184,337	1,157	31,922,986	7.35%	27,591	2.80%
2011	90	3,480,618	20	507,415	2,973,203	1,227	34,896,189	9.31%	28,440	3.08%
2012	83	3,323,294	21	561,598	2,761,696	1,289	37,657,885	7.91%	29,215	2.72%
2013	60	2,706,075	23	725,085	1,980,990	1,326	39,638,875	5.26%	29,894	2.32%
2014	110	4,049,560	34	937,729	3,111,831	1,402	42,750,706	7.85%	30,493	2.00%
2015	108	3,301,453	40	1,047,237	2,254,216	1,470	45,004,922	5.27%	30,616	0.40%
Municipal General										
2007	525	**	120	**	13,382,793	7,693	148,449,316	9.91%	19,297	4.12%
2008	534	**	92	**	14,517,861	8,135	162,967,177	9.78%	20,033	3.82%
2009	510	17,121,178	112	1,840,853	15,280,325	8,533	178,247,502	9.38%	20,889	4.27%
2010	741	22,219,130	234	3,359,126	18,860,003	9,040	197,107,505	10.58%	21,804	4.38%
2011	767	23,981,216	269	3,952,559	20,028,657	9,538	217,136,162	10.16%	22,765	4.41%
2012	761	23,166,131	240	3,984,904	19,181,227	10,059	236,317,389	8.83%	23,493	3.20%
2013	933	29,438,538	281	4,828,481	24,610,057	10,711	260,927,446	10.41%	24,361	3.69%
2014	849	24,476,772	268	4,923,518	19,553,254	11,292	280,480,700	7.49%	24,839	1.96%
2015	1,066	24,563,648	331	6,177,685	18,385,963	12,027	298,866,663	6.56%	24,850	0.04%
Municipal Police										
2007	160	**	0	**	6,753,175	2,066	62,486,941	12.12%	30,245	3.43%
2008	137	**	18	**	5,591,283	2,185	68,078,224	8.95%	31,157	3.01%
2009	113	5,321,543	0	0	5,321,543	2,298	73,399,767	7.82%	31,941	2.52%
2010	166	7,192,629	26	676,463	6,516,167	2,438	79,915,934	8.88%	32,779	2.63%
2011	166	8,033,315	30	821,737	7,211,578	2,574	87,127,512	9.02%	33,849	3.26%
2012	183	8,670,002	33	967,953	7,702,049	2,724	94,829,561	8.84%	34,813	2.85%
2013	177	8,276,701	46	1,276,954	6,999,747	2,855	101,829,308	7.38%	35,667	2.45%
2014	222	10,277,993	34	988,805	9,289,188	3,043	111,118,496	9.12%	36,516	2.38%
2015	204	8,516,186	37	994,098	7,522,088	3,210	118,640,584	6.77%	36,960	1.21%
Municipal Fire										
2007	81	**	8	**	3,460,515	1,287	39,032,316	9.73%	30,328	3.51%
2008	82	**	7	**	3,752,387	1,362	42,784,703	9.61%	31,413	3.58%
2009	60	3,341,836	10	444,498	2,897,338	1,412	45,682,041	6.77%	32,353	2.99%
2010	77	4,123,767	16	542,892	3,580,875	1,473	49,262,916	7.84%	33,444	3.37%
2011	98	5,203,080	23	617,946	4,585,134	1,548	53,848,050	9.31%	34,786	4.01%
2012	86	4,861,646	31	901,384	3,960,262	1,603	57,808,312	7.35%	36,063	3.67%
2013	70	4,239,651	20	590,379	3,649,272	1,653	61,457,584	6.31%	37,179	3.10%
2014	112	5,738,384	29	946,274	4,792,110	1,736	66,249,694	7.80%	38,162	2.64%
2015	93	4,762,883	34	1,134,858	3,628,025	1,795	69,877,719	5.48%	38,929	2.01%

** Detailed Information not available

Schedule of Retirees and Beneficiaries

For the Fiscal Year Ended June 30, 2015 (continued)

Year	Number Added	Increased Annual Allowance	Number Removed	Decreased Annual Allowance	Net Change Annual Allowances	Total Retirees & Beneficiaries	Annual Allowances	Increase in Annual Allowances	Average Annual Allowances	% Change in Average Allowances
Legislative										
2007	10	**	3	**	130,371	144	1,033,250	14.44%	7,175	8.88%
2008	6	**	3	**	83,605	147	1,116,855	8.09%	7,598	5.89%
2009	13	234,708	3	4,086	230,622	157	1,347,477	20.65%	8,583	12.96%
2010	5	71,552	2	12,533	59,019	160	1,406,496	4.38%	8,791	2.42%
2011	11	102,686	6	222,746	(120,060)	165	1,286,436	-8.54%	7,797	-11.31%
2012	4	64,427	6	40,989	23,438	163	1,309,874	1.82%	8,036	3.07%
2013	24	334,780	8	66,916	267,864	179	1,577,738	20.45%	8,814	9.68%
2014	6	58,860	7	89,045	(30,185)	178	1,547,553	-1.91%	8,694	-1.36%
2015	20	281,735	12	94,011	187,724	186	1,735,277	12.13%	9,329	7.31%
Judicial										
2007	5	**	5	**	300,821	97	5,555,422	5.72%	57,272	5.72%
2008	16	**	8	**	291,605	105	5,847,027	5.25%	55,686	-2.77%
2009	15	1,017,876	11	556,256	461,620	109	6,308,647	7.89%	57,877	3.94%
2010	9	790,371	8	479,628	310,743	110	6,619,390	4.93%	60,176	3.97%
2011	14	962,927	6	362,843	600,084	118	7,219,474	9.07%	61,182	1.67%
2012	12	774,812	3	234,997	539,815	127	7,759,289	7.48%	61,097	-0.14%
2013	12	935,944	6	396,548	539,396	133	8,298,685	6.95%	62,396	2.13%
2014	10	687,978	2	108,230	579,748	141	8,878,433	6.99%	62,968	0.92%
2015	14	759,235	3	136,169	623,066	152	9,501,499	7.02%	62,510	-0.73%
Magistrate										
2007	7	**	0	**	350,950	55	2,174,981	19.24%	39,545	4.06%
2008	1	**	0	**	81,215	56	2,256,196	3.73%	40,289	1.88%
2009	7	372,241	2	81,882	290,359	61	2,546,555	12.87%	41,747	3.62%
2010	9	444,623	1	35,735	408,888	69	2,955,443	16.06%	42,833	2.60%
2011	11	395,293	2	295,966	99,327	78	3,054,770	3.36%	39,164	-8.57%
2012	10	411,841	3	187,934	223,908	85	3,278,678	7.33%	38,573	-1.51%
2013	4	240,678	3	89,904	150,774	86	3,429,452	4.60%	39,877	3.38%
2014	9	543,699	1	59,234	484,466	94	3,913,918	14.13%	41,637	4.41%
2015	9	132,776	1	34,707	98,069	102	4,011,987	2.51%	39,333	-5.53%
Volunteer Firefighter										
2007	47	**	2	**	62,000	388	491,944	14.42%	1,268	1.15%
2008	50	**	3	**	72,400	435	564,344	14.72%	1,297	2.32%
2009	43	62,400	8	9,600	52,800	470	617,144	9.36%	1,313	1.21%
2010	76	116,001	2	3,600	112,401	544	729,545	18.21%	1,341	2.13%
2011	72	100,800	7	8,400	92,400	609	821,945	12.67%	1,350	0.64%
2012	72	92,400	14	17,592	74,808	667	896,753	9.10%	1,344	-0.39%
2013	109	399,400	14	17,600	381,800	762	1,278,553	42.58%	1,678	24.80%
2014	139	262,048	8	11,300	250,748	893	1,529,301	19.61%	1,713	2.07%
2015	127	226,500	16	28,300	198,200	1,004	1,727,501	12.96%	1,721	0.47%

** Detailed Information not available

Analysis of Financial Experience

This table is a reconciliation of the Unfunded Actuarial Accrued Liability (UAAL)

PERA FUND	Experience Gain (or Loss) for Year (in Thousands)							
	2015	2014	2013	2012	2011	2010	2009	2008
UAAL at Beginning of Year	\$4,301,700	\$4,619,200	\$6,176,000	\$4,971,200	\$3,357,700	\$2,354,293	\$924,116	\$930,265
Normal Cost for Year	372,500	403,300	431,900	419,700	430,200	461,700	421,186	409,101
Contributions (net of Refunds)	(573,600)	(544,300)	(516,900)	(528,000)	(509,700)	(531,800)	(524,037)	(471,486)
Interest Accrual and Other Income/ Expenses	309,600	352,700	475,200	381,000	265,400	185,600	69,814	71,925
Expected UAAL before Non-Recurring Adjust	4,410,200	4,830,900	6,566,200	5,243,900	3,543,600	2,469,793	891,079	939,805
Effect of Assumption Changes	0	(30,800)	-	-	391,400	-	206,212	-
Effect of New Employers, Benefit Changes & Plan Coverage Shifts	0	0	(1,690,100)	(1,800)	100	-	-	-
Expected UAAL after Audit Adjustment	4,410,200	4,800,100	4,876,100	5,242,100	3,935,100	2,469,793	1,097,291	939,805
Actual UAAL	4,711,600	4,301,700	4,619,200	6,176,000	4,971,200	3,357,700	2,354,293	924,116
Gain (Loss)	\$(301,400)	\$498,400	\$256,900	\$(933,900)	\$(1,036,100)	\$(887,907)	\$(1,257,002)	\$15,689

LEGISLATIVE FUND	Experience Gain (or Loss) for Year							
	2015	2014	2013	2012	2011	2010	2009	2008
UAAL at Beginning of Year	\$(7,559,577)	\$(3,811,932)	\$2,260,450	\$2,839,158	\$4,549,550	\$3,188,930	\$1,414,877	\$2,448,961
Normal Cost for Year	749,175	661,821	548,797	591,322	521,264	534,652	477,149	425,345
Contributions (net of Refunds)	(117,474)	(343,284)	(737,687)	(828,571)	(910,133)	(807,156)	(2,494,798)	(2,653,603)
Interest Accrual and Other Income/ Expenses	(603,008)	(283,081)	167,865	210,841	348,409	244,214	32,484	106,787
Expected UAAL before Non-Recurring Adjust	(7,530,884)	(3,776,476)	2,239,425	2,812,750	4,509,090	3,160,640	(570,288)	327,490
Effect of Assumption Changes	-	-	-	-	556,348	-	478,196	-
Expected UAAL after Adjustments	(7,530,884)	(3,776,476)	2,239,425	2,812,750	5,065,438	3,160,640	(92,092)	327,490
Actual UAAL	(10,257,790)	(7,559,577)	(3,811,932)	2,260,450	2,839,158	4,549,550	3,188,930	1,414,877
Gain (Loss)	\$2,726,906	\$3,783,101	\$6,051,357	\$552,300	\$2,226,280	\$(1,388,910)	\$(3,281,022)	\$(1,087,387)

Analysis of Financial Experience *(continued)*

JUDICIAL FUND	Experience Gain (or Loss) for Year							
	2015	2014	2013	2012	2011	2010	2009	2008
UAAL at Beginning of Year	\$47,768,984	\$63,738,684	\$72,416,141	\$61,510,485	\$50,491,315	\$47,679,470	\$24,291,666	\$21,470,512
Normal Cost for Year	3,083,765	3,656,173	3,907,766	3,840,620	4,350,654	4,715,335	4,304,001	4,388,802
Contributions (net of Refunds)	(5,873,849)	(7,174,481)	(7,905,061)	(7,235,934)	(7,059,294)	(7,272,874)	(5,215,120)	(5,121,470)
Interest Accrual and Other Income/ Expenses	3,621,948	4,803,414	5,457,356	4,635,494	3,930,960	3,867,129	1,906,889	1,688,334
Expected UAAL before Non-Recurring Adjust	48,600,848	65,023,790	73,876,202	62,750,665	51,713,635	48,989,060	25,287,436	22,426,178
Effect of Assumption/ Plan Changes	0	(18,732,751)	(14,130,428)	143,056	2,826,721	1,938,413	1,228,009	1,086,761
Expected UAAL after Adjustments	48,600,848	46,291,039	59,745,774	62,893,721	54,540,356	50,927,473	26,515,445	23,512,939
Actual UAAL	53,031,737	47,768,984	63,738,684	72,416,141	61,510,485	50,491,315	47,679,470	24,291,666
Gain (Loss)	\$(4,430,889)	\$(1,477,945)	\$(3,992,910)	\$(9,522,420)	\$(6,970,129)	\$436,158	\$(21,164,025)	\$(778,727)

MAGISTRATE FUND	Experience Gain (or Loss) for Year							
	2015	2014	2013	2012	2011	2010	2009	2008
UAAL at Beginning of Year	\$18,169,437	\$22,685,041	\$27,158,127	\$22,308,016	\$18,025,120	\$16,043,400	\$2,854,825	\$(277,179)
Normal Cost for Year	733,255	883,328	983,930	1,100,747	1,199,121	1,525,566	1,261,423	1,305,612
Contributions (net of Refunds)	(1,794,493)	(2,135,518)	(2,483,030)	(2,332,126)	(2,166,091)	(2,385,855)	(1,307,696)	(1,365,168)
Interest Accrual and Other Income/ Expenses	1,410,788	1,709,568	2,046,665	1,681,155	1,403,331	1,344,530	226,535	(24,557)
Expected UAAL before Non-Recurring Adjust	18,518,987	23,142,419	27,705,692	22,757,792	18,461,481	16,527,641	3,035,087	(361,292)
Effect of Assumption/ Plan Changes	0	(7,960,815)	(5,286,884)	832,806	1,156,056	1,193,374	581,776	907,092
Expected UAAL after Audit Adjustment	18,518,987	15,181,604	22,418,808	23,590,598	19,617,537	17,721,015	3,616,863	545,800
Actual UAAL	19,777,047	18,169,437	22,685,041	27,158,127	22,308,016	18,025,120	16,043,400	2,854,825
Gain (Loss)	\$(1,258,060)	\$(2,987,833)	\$(266,233)	\$(3,567,529)	\$(2,690,479)	\$(304,105)	\$(12,426,537)	\$(2,309,025)

Analysis of Financial Experience *(continued)*

VOLUNTEER FIREFIGHTER FUND	Experience Gain (or Loss) for Year							
	2015	2014	2013	2012	2011	2010	2009	2008
UAAL at Beginning of Year	\$(16,480,497)	\$(14,412,880)	\$(19,162,982)	\$(19,896,126)	\$(26,880,497)	\$(28,322,982)	\$(31,492,000)	\$(28,424,921)
Normal Cost for Year	1,433,147	1,208,648	785,758	891,551	1,066,535	1,208,000	858,000	1,063,000
Contributions (net of Refunds)	(55,987)	(4,264)	-	-	-	-	(750,000)	(750,000)
Interest Accrual and Other Income/ Expenses	(1,192,301)	(1,070,328)	(1,454,683)	(1,507,402)	(2,107,778)	(2,217,519)	(2,515,000)	(2,261,000)
Expected UAAL before Non-Recurring Adjust	(16,295,638)	(14,278,824)	(19,831,907)	(20,511,977)	(27,921,740)	(29,332,501)	(33,899,000)	(30,372,921)
Effect of Assumption/Plan Changes	0	405,028	7,495,792	-	4,645,933	-	967,000	-
Expected UAAL after Audit Adjustment	(16,295,638)	(13,873,796)	(12,336,115)	(20,511,977)	(23,275,807)	(29,332,501)	(32,932,000)	(30,372,921)
Actual UAAL	(17,658,912)	(16,480,497)	(14,412,880)	(19,162,982)	(19,896,126)	(26,880,497)	(28,322,982)	(31,492,000)
Gain (Loss)	\$1,363,274	\$2,606,701	\$2,076,765	\$1,348,995	\$3,379,681	\$2,452,004	\$4,609,018	\$(1,119,079)

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Solvency Test

June 30, 2015

DIVISION/PLAN	Year	Aggregate Accrued Liabilities			TOTAL (4)
		Active Member Contributions (1)	Retirees & Beneficiaries (2)	Active Members (Employer Portion) (3)	
State General	2007	666,818,026	3,270,427,324	1,937,119,315	5,874,364,665
	2008	717,442,113	3,493,601,370	2,006,564,260	6,217,607,743
	2009	778,454,953	3,758,596,895	2,197,858,388	6,734,910,236
	2010	801,399,015	4,253,964,884	1,931,877,225	6,987,241,124
	2011	796,011,595	4,725,622,520	1,961,725,462	7,483,359,577
	2012	787,435,758	5,117,428,346	1,914,051,334	7,818,915,438
	2013	841,174,061	5,064,595,209	1,617,991,066	7,523,760,336
	2014	826,785,813	5,390,816,297	1,568,388,787	7,785,990,897
	2015	849,806,169	5,646,053,464	1,705,146,120	8,201,005,753
State Police/Hazardous Duty	2007	46,580,045	349,049,033	293,977,200	689,606,278
	2008	49,498,036	383,471,230	311,380,692	744,349,958
	2009	51,976,907	428,702,219	279,377,481	760,056,607
	2010	54,011,741	468,885,120	260,549,805	783,446,666
	2011	53,270,846	522,073,854	271,764,015	847,108,715
	2012	54,156,044	561,452,471	278,404,119	894,012,634
	2013	58,260,570	525,211,454	246,248,914	829,720,938
	2014	57,705,918	569,659,307	222,557,567	849,922,792
	2015	58,543,902	595,623,306	236,967,557	891,134,765
Municipal General	2007	796,973,246	1,985,667,232	1,083,417,103	3,866,057,581
	2008	855,002,112	2,174,339,402	1,071,385,628	4,100,727,142
	2009	919,259,180	2,389,664,666	1,183,487,976	4,492,411,822
	2010	925,603,163	2,755,080,040	1,057,656,417	4,738,339,620
	2011	926,331,337	3,086,715,812	1,107,402,880	5,120,450,029
	2012	949,311,379	3,336,286,064	1,192,111,747	5,477,709,190
	2013	1,000,561,795	3,309,385,678	1,005,890,251	5,315,837,724
	2014	1,023,202,668	3,548,792,552	965,182,192	5,537,177,412
	2015	1,033,953,619	3,756,083,836	1,069,558,300	5,859,595,755
Municipal Police	2007	215,378,136	948,915,908	451,077,455	1,615,371,499
	2008	206,085,031	1,033,269,134	468,756,635	1,708,110,800
	2009	226,520,464	1,119,080,749	518,225,913	1,863,827,126
	2010	229,843,016	1,233,854,770	503,208,106	1,966,905,892
	2011	231,902,509	1,374,649,843	540,837,909	2,147,390,261
	2012	231,924,646	1,488,001,979	566,994,541	2,286,921,166
	2013	247,882,167	1,413,249,313	485,163,146	2,146,294,626
	2014	249,816,375	1,551,716,281	462,032,152	2,263,564,808
	2015	258,992,011	1,649,950,363	493,438,566	2,402,380,940
Municipal Fire	2007	124,684,425	572,948,781	219,447,000	917,080,206
	2008	130,971,951	627,054,313	211,513,414	969,539,678
	2009	143,289,802	672,838,620	240,944,987	1,057,073,409
	2010	146,535,083	730,613,903	248,379,172	1,125,528,158
	2011	146,327,512	816,875,672	264,880,643	1,228,083,827
	2012	147,973,606	875,612,944	286,898,869	1,310,485,419
	2013	163,287,521	822,738,793	255,740,084	1,241,766,398
	2014	162,999,130	893,055,155	291,666,492	1,347,720,777
	2015	171,569,805	934,914,512	325,885,020	1,432,369,337

Solvency Test *(continued)*

June 30, 2015

Portion of Accrued Liabilities Covered by Reported Assets

Reported Assets	(1)	(2)	(3)	(4)
4,999,146,905	100%	100%	55%	85%
5,314,106,647	100%	100%	55%	85%
5,187,238,906	100%	100%	30%	77%
5,053,620,284	100%	100%	0%	72%
4,883,299,367	100%	86%	0%	65%
4,724,562,943	100%	77%	0%	60%
4,996,425,681	100%	82%	0%	66%
5,334,025,804	100%	84%	0%	69%
5,549,137,149	100%	83%	0%	68%
863,466,963	100%	100%	100%	125%
923,945,664	100%	100%	100%	124%
909,538,277	100%	100%	100%	120%
889,169,394	100%	100%	100%	113%
862,058,143	100%	100%	100%	102%
851,976,386	100%	100%	85%	95%
926,108,695	100%	100%	100%	112%
1,016,533,008	100%	100%	100%	120%
1,075,204,637	100%	100%	100%	121%
3,862,281,520	100%	100%	100%	100%
4,124,299,828	100%	100%	100%	101%
4,052,373,108	100%	100%	63%	90%
3,960,653,469	100%	100%	26%	84%
3,845,662,093	100%	95%	0%	75%
3,808,143,673	100%	86%	0%	70%
4,108,957,408	100%	94%	0%	77%
4,515,120,417	100%	98%	0%	82%
4,696,871,223	100%	98%	0%	80%
1,547,245,078	100%	100%	85%	96%
1,646,824,413	100%	100%	87%	96%
1,615,789,548	100%	100%	52%	87%
1,575,381,241	100%	100%	22%	80%
1,527,062,745	100%	94%	0%	71%
1,504,516,513	100%	86%	0%	66%
1,627,455,783	100%	98%	0%	76%
1,772,210,104	100%	98%	0%	78%
1,865,190,859	100%	97%	0%	78%
760,074,408	100%	100%	28%	83%
807,041,460	100%	100%	23%	83%
789,046,075	100%	96%	0%	75%
764,888,462	100%	85%	0%	68%
737,135,025	100%	72%	0%	60%
722,847,504	100%	66%	0%	55%
779,204,098	100%	75%	0%	63%
844,926,189	100%	76%	0%	63%
888,515,174	100%	77%	0%	62%

Solvency Test *(continued)*

June 30, 2015

DIVISION/PLAN	Year	Aggregate Accrued Liabilities			TOTAL (4)
		Active Member Contributions (1)	Retirees & Beneficiaries (2)	Active Members (Employer Portion) (3)	
Legislative	2007	624,041	9,467,633	9,500,240	19,591,914
	2008	673,492	10,325,709	10,415,111	21,414,312
	2009	688,329	13,442,934	10,213,877	24,345,140
	2010	711,286	14,821,946	11,142,125	26,675,357
	2011	730,297	13,241,429	12,375,633	26,347,359
	2012	794,178	13,223,056	13,412,029	27,429,263
	2013	704,324	15,121,069	9,301,918	25,127,311
	2014	765,491	14,602,470	10,465,381	25,833,342
	2015	744,611	16,230,264	9,635,456	26,610,331
Judicial	2007	6,192,967	63,099,060	34,748,008	104,040,035
	2008	6,831,374	68,024,363	36,865,674	111,721,411
	2009	7,609,469	75,217,997	38,013,156	120,840,622
	2010	8,642,308	83,801,948	37,691,642	130,135,898
	2011	9,046,618	95,520,784	35,142,086	139,709,488
	2012	9,430,314	102,121,251	36,371,278	147,922,843
	2013	10,484,159	99,609,628	33,652,184	143,745,971
	2014	10,878,347	93,176,816	29,291,252	133,346,415
	2015	11,063,301	97,761,695	32,456,159	141,281,155
Magistrate	2007	2,253,925	25,128,887	9,581,637	36,964,449
	2008	2,591,066	25,590,320	13,539,892	41,721,278
	2009	2,898,183	29,327,794	15,341,627	47,567,604
	2010	3,051,400	37,809,620	11,815,796	52,676,816
	2011	3,002,793	41,665,824	10,760,548	55,429,165
	2012	3,014,932	43,497,240	11,524,903	58,037,075
	2013	3,309,456	41,374,066	9,815,124	54,498,646
	2014	2,913,700	40,865,470	7,361,245	51,140,415
	2015	3,073,097	41,845,485	7,662,180	52,580,762
Volunteer Firefighter	2007	-	4,936,000	11,599,000	16,535,000
	2008	-	5,807,000	11,139,000	16,946,000
	2009	-	6,343,000	12,686,000	19,029,000
	2010	-	13,093,663	7,372,257	20,465,920
	2011	-	16,196,108	10,912,740	27,108,848
	2012	-	18,133,190	10,086,158	28,219,348
	2013	-	23,246,567	14,519,733	37,766,300
	2014	-	25,218,910	14,519,733	39,738,643
	2015	-	26,280,594	17,635,798	43,916,392

Solvency Test *(continued)*

June 30, 2015

Portion of Accrued Liabilities Covered by Reported Assets

Reported Assets	(1)	(2)	(3)	(4)
17,142,953	100%	100%	74%	88%
19,999,435	100%	100%	86%	93%
21,156,210	100%	100%	69%	87%
22,125,806	100%	100%	59%	83%
23,508,201	100%	100%	77%	89%
25,168,813	100%	100%	83%	92%
28,939,243	100%	100%	100%	115%
33,392,919	100%	100%	100%	129%
36,868,121	100%	100%	100%	139%
<hr/>				
82,569,524	100%	100%	38%	79%
87,429,745	100%	100%	34%	78%
73,161,152	100%	87%	0%	61%
79,644,583	100%	85%	0%	61%
78,199,003	100%	72%	0%	56%
75,506,702	100%	65%	0%	51%
80,007,287	100%	70%	0%	56%
85,577,431	100%	80%	0%	64%
88,249,418	100%	79%	0%	62%
<hr/>				
37,241,628	100%	100%	100%	101%
38,866,453	100%	100%	79%	93%
31,524,204	100%	98%	0%	66%
34,651,696	100%	84%	0%	66%
33,121,149	100%	72%	0%	60%
30,878,948	100%	64%	0%	53%
31,813,605	100%	69%	0%	58%
32,970,978	100%	74%	0%	64%
32,803,715	100%	71%	0%	62%
<hr/>				
44,961,000	N/A	100%	100%	272%
48,437,876	N/A	100%	100%	286%
40,844,000	N/A	100%	100%	215%
47,346,417	N/A	100%	100%	231%
47,004,974	N/A	100%	100%	173%
47,382,330	N/A	100%	100%	168%
52,179,180	N/A	100%	100%	138%
52,179,180	N/A	100%	100%	131%
61,575,304	N/A	100%	100%	140%

Comparative Summary of Principal Results

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

All PERA Divisions

	2015	2014
Total Annual Payroll	\$2,248,254,276	\$2,102,265,325
Total Valuation Payroll	\$2,326,943,176	\$2,175,844,611
Actuarial Accrued Liability		
Active and Deferred Vested Members	\$6,549,111,175	\$6,166,509,262
Retired Members and Survivors	12,237,375,375	11,617,867,424
Total	\$18,786,486,550	\$17,784,376,686
Actuarial Value of Assets	\$14,074,919,042	\$13,482,815,522
Funded Ratio	74.9%	75.8%
Unfunded Actuarial Accrued Liability	\$4,711,567,508	\$4,301,561,164

Calculation of Required Contribution

Statutory Contribution Rate		
Employer Contribution Rate	15.08%	15.04%
Member Contribution Rate	12.02%	12.05%
Total	27.10%	27.09%
Less Normal Cost:		
Retirement	11.42%	11.59%
Termination	3.90%	3.79%
Pre-Retirement Survivors	0.48%	0.50%
Disability	0.78%	0.79%
Total Normal Cost	16.58%	16.67%
Less Administrative Expenses	0.45 %	0.45 %
Amount Remaining to Amortize UAAL	10.07%	9.97%
Amortization Period	41 years	40 years
Increase in Statutory Rate Necessary to Amortize UAAL over 30 years	1.76%	1.58%

Comparative Summary of Principal Results *(continued)*

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

PERA Division - State General	2015	2014
Total Annual Payroll	\$938,168,776	\$863,797,166
Total Valuation Payroll	\$971,004,683	\$894,030,067
Actuarial Accrued Liability		
Active and Deferred Vested Members	\$2,759,790,183	\$2,592,459,108
Retired Members and Survivors	5,441,215,570	5,193,531,789
Total	\$8,201,005,753	\$7,785,990,897
Actuarial Value of Assets	\$5,549,137,149	\$5,334,025,804
Funded Ratio	67.7%	68.5%
Unfunded Actuarial Accrued Liability	\$2,651,868,604	\$2,451,965,093

Calculation of Required Contribution

Statutory Contribution Rate		
Employer Contribution Rate	16.99%	16.99%
Member Contribution Rate	8.92%	8.92%
Total	25.91%	25.91%
Less Normal Cost:		
Retirement	10.50%	10.73%
Termination	3.73%	3.66%
Pre-Retirement Survivors	0.45%	0.49%
Disability	0.86%	0.87%
Total Normal Cost	15.54%	15.75%
Less Administrative Expenses	0.45 %	0.45 %
Amount Remaining to Amortize UAAL	9.92%	9.71%
Amortization Period	Infinite	Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over 30 years	6.03%	6.31%

Comparative Summary of Principal Results *(continued)*

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

PERA Division - State Police/Corrections	2015	2014
Total Annual Payroll	\$97,352,917	\$91,551,934
Total Valuation Payroll	\$100,760,269	\$94,756,252
Actuarial Accrued Liability		
Active and Deferred Vested Members	\$301,393,813	\$286,704,115
Retired Members and Survivors	589,740,952	563,218,677
Total	\$891,134,765	\$849,922,792
Actuarial Value of Assets	\$1,075,204,637	\$1,016,533,008
Funded Ratio	120.7%	119.6%
Unfunded Actuarial Accrued Liability	\$(184,069,872)	\$(166,610,216)

Calculation of Required Contribution

Statutory Contribution Rate		
Employer Contribution Rate	25.58%	25.59%
Member Contribution Rate	8.72%	8.71%
Total	34.30%	34.30%
Less Normal Cost:		
Retirement	15.33%	15.57%
Termination	3.61%	3.60%
Pre-Retirement Survivors	0.45%	0.46%
Disability	1.48%	1.50%
Total Normal Cost	20.87%	21.13%
Less Administrative Expenses	0.45 %	0.45 %
Amount Remaining to Amortize UAAL	12.98%	12.72%
Amortization Period	0	0
Increase in Statutory Rate Necessary to Amortize UAAL over 30 years	N/A	N/A

Comparative Summary of Principal Results *(continued)*

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

PERA Division - Municipal General	2015	2014
Total Annual Payroll	\$857,243,239	\$814,827,128
Total Valuation Payroll	\$887,246,752	\$843,346,077
Actuarial Accrued Liability		
Active and Deferred Vested Members	\$2,222,277,828	\$2,103,396,604
Retired Members and Survivors	3,637,317,927	3,433,780,808
Total	\$5,859,595,755	\$5,537,177,412
Actuarial Value of Assets	\$4,696,871,223	\$4,515,120,417
Funded Ratio	80.2%	81.5%
Unfunded Actuarial Accrued Liability	\$1,162,724,532	\$1,022,056,995

Calculation of Required Contribution

Statutory Contribution Rate		
Employer Contribution Rate	9.86%	9.87%
Member Contribution Rate	13.56%	13.59%
Total	23.42%	23.46%
Less Normal Cost:		
Retirement	8.69%	8.76%
Termination	4.31%	4.14%
Pre-Retirement Survivors	0.51%	0.51%
Disability	0.69%	0.69%
Total Normal Cost	14.20%	14.10%
Less Administrative Expenses	0.45 %	0.45 %
Amount Remaining to Amortize UAAL	8.77%	8.91%
Amortization Period	24 years	20 years
Increase in Statutory Rate Necessary to Amortize UAAL over 30 years	N/A	N/A

Comparative Summary of Principal Results *(continued)*

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

PERA Division - Municipal Police	2015	2014
Total Annual Payroll	\$222,085,818	\$209,092,483
Total Valuation Payroll	\$229,858,822	\$216,410,720
Actuarial Accrued Liability		
Active and Deferred Vested Members	\$764,622,849	\$723,213,906
Retired Members and Survivors	1,637,758,091	1,540,350,902
Total	\$2,402,380,940	\$2,263,564,808
Actuarial Value of Assets	\$1,865,190,859	\$1,772,210,104
Funded Ratio	77.6%	78.3%
Unfunded Actuarial Accrued Liability	\$537,190,081	\$491,354,704
Calculation of Required Contribution		
Statutory Contribution Rate		
Employer Contribution Rate	18.69%	18.65%
Member Contribution Rate	17.27%	17.23%
Total	35.96%	35.88%
Less Normal Cost:		
Retirement	17.69%	18.10%
Termination	3.77%	3.62%
Pre-Retirement Survivors	0.46%	0.46%
Disability	0.75%	0.76%
Total Normal Cost	22.67%	22.94%
Less Administrative Expenses	0.45 %	0.45 %
Amount Remaining to Amortize UAAL	12.84%	12.49%
Amortization Period	32 years	32 years
Increase in Statutory Rate Necessary to Amortize UAAL over 30 years	0.81%	0.77%

Comparative Summary of Principal Results *(continued)*

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

PERA Division - Municipal Fire	2015	2014
Total Annual Payroll	\$133,403,526	\$122,996,614
Total Valuation Payroll	\$138,072,649	\$127,301,495
Actuarial Accrued Liability		
Active and Deferred Vested Members	\$501,026,502	\$460,735,529
Retired Members and Survivors	931,342,835	886,985,248
Total	\$1,432,369,337	\$1,347,720,777
Actuarial Value of Assets	\$888,515,174	\$844,926,189
Funded Ratio	62.0%	62.7%
Unfunded Actuarial Accrued Liability	\$543,854,163	\$502,794,588

Calculation of Required Contribution

Statutory Contribution Rate		
Employer Contribution Rate	21.58%	21.56%
Member Contribution Rate	17.58%	17.58%
Total	39.16%	39.14%
Less Normal Cost:		
Retirement	21.99%	22.38%
Termination	2.93%	2.84%
Pre-Retirement Survivors	0.51%	0.51%
Disability	0.43%	0.44%
Total Normal Cost	25.86%	26.17%
Less Administrative Expenses	0.45 %	0.45 %
Amount Remaining to Amortize UAAL	12.85%	12.52%
Amortization Period	Infinite	Infinite
Increase in Statutory Rate Necessary to Amortize UAAL over 30 years	10.16%	10.55%

Comparative Summary of Principal Results *(continued)*

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

Legislative Fund	2015	2014
Total Annual Payroll	\$-	\$-
Total Valuation Payroll	\$-	\$-
Actuarial Accrued Liability		
Active and Deferred Vested Members	\$10,543,236	\$11,685,079
Retired Members and Survivors	16,067,095	14,148,263
Total	\$26,610,331	\$25,833,342
Actuarial Value of Assets	\$36,868,121	\$33,392,919
Funded Ratio	138.5%	129.3%
Unfunded Actuarial Accrued Liability	\$(10,257,790)	\$(7,559,577)

Calculation of Required Contribution

Statutory Contribution Rate		
Employer Contribution Rate	0.00%	0.00%
Member Contribution Rate	0.00%	0.00%
Total	0.00%	0.00%
Less Normal Cost:		
Retirement	\$773,824	\$731,076
Pre-Retirement Survivors	12,295	12,099
Disability		
Total Normal Cost	786,119	743,175
Less Expected Member Contribution	72,600	63,000
Employer Normal Cost	\$713,519	\$680,175
Expected Administrative Expenses	6,000	6,000
UAAL Amortization Amount (30 Years)	(857,172)	(631,701)
Total Employer Contribution	\$-	\$54,474

Comparative Summary of Principal Results *(continued)*

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

Judicial Fund	2015	2014
Total Annual Payroll	\$15,084,263	\$13,163,305
Total Valuation Payroll	\$15,612,212	\$13,624,021
Actuarial Accrued Liability		
Active and Deferred Vested Members	\$47,095,010	\$44,903,133
Retired Members and Survivors	94,186,145	88,443,282
Total	\$141,281,155	\$133,346,415
Actuarial Value of Assets	\$88,249,418	\$85,577,431
Funded Ratio	62.5%	64.2%
Unfunded Actuarial Accrued Liability	\$53,031,737	\$47,768,984

Calculation of Required Contribution

Statutory Contribution Rate		
Employer Contribution Rate	15.00%	15.00%
Expected Docket Fees	12.69%	14.87%
Member Contribution Rate	10.50%	10.50%
Total	38.19%	40.37%
Less Normal Cost:		
Retirement	17.87%	18.78%
Termination	2.51%	2.69%
Pre-Retirement Survivors	0.68%	0.71%
Disability	0.00%	0.00%
Total Normal Cost	21.06%	22.18%
Administrative Expenses	0.45%	0.45%
UAAL 30 Year Amortization Rate	19.84%	20.48%
Total Required Contribution Rate	41.35%	43.11%
Total Required Contribution Amount	\$6,455,003	\$5,873,849
Expected Statutory Amount	\$5,962,304	\$5,500,017
Deficiency in Statutory Rate	3.16%	2.74%
Deficiency in Expected Statutory Amount	\$492,699	\$373,832

Comparative Summary of Principal Results *(continued)*

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

Magistrate Fund	2015	2014
Total Annual Payroll	\$5,065,798	\$3,515,567
Total Valuation Payroll	\$5,243,101	\$3,638,612
Actuarial Accrued Liability		
Active and Deferred Vested Members	\$13,384,385	\$12,476,654
Retired Members and Survivors	39,196,377	38,663,761
Total	\$52,580,762	\$51,140,415
Actuarial Value of Assets	\$32,803,715	\$32,970,978
Funded Ratio	62.4%	64.5%
Unfunded Actuarial Accrued Liability	\$19,777,047	\$18,169,437
Calculation of Required Contribution		
Statutory Contribution Rate		
Employer Contribution Rate	15.00%	11.00%
Expected Docket Fees	7.99%	11.63%
Member Contribution Rate	10.50%	10.50%
Total	33.49%	33.13%
Less Normal Cost:		
Retirement	11.66%	14.42%
Termination	3.83%	4.82%
Pre-Retirement Survivors	0.43%	0.46%
Disability	0.00%	0.00%
Total Normal Cost	15.92%	19.70%
Administrative Expenses	0.45%	0.45%
UAAL 30 Year Amortization Rate	22.03%	29.17%
Total Required Contribution Rate	38.40%	49.32%
Total Required Contribution Amount	\$2,013,479	\$1,794,493
Expected Statutory Amount	\$1,755,915	\$1,205,472
Deficiency in Statutory Rate	4.91%	16.19%
Deficiency in Expected Statutory Amount	\$257,564	\$589,021

Comparative Summary of Principal Results *(continued)*

Comparing the results of the actuarial valuation as compared with the prior year, as of June 30th.

Volunteer Firefighter Fund	2015	2014
Total Annual Payroll	\$ -	\$ -
Total Valuation Payroll	\$ -	\$ -
Actuarial Accrued Liability		
Active and Deferred Vested Members	\$24,275,708	\$23,141,368
Non-Vested Inactive Members *	2,388,648	3,001,453
Retired Members and Survivors	17,252,036	15,374,005
Total	\$43,916,392	\$41,516,826
Actuarial Value of Assets	\$61,575,304	\$57,997,323
Funded Ratio	140.2%	139.7%
Unfunded Actuarial Accrued Liability	\$(17,658,912)	\$(16,480,497)

Calculation of Required Contribution

Statutory Contribution Rate		
Employer Contribution Rate	0.00%	0.00%
Member Contribution Rate	0.00%	0.00%
Total	0.00%	0.00%
Less Normal Cost:		
Retirement	\$1,053,050	\$991,568
Termination	425,915	385,891
Pre-Retirement Survivors	11,739	10,688
Disability	-	-
Total Normal Cost	1,490,704	1,388,147
Less Expected Member Contribution	-	-
Employer Normal Cost	\$1,490,704	\$1,388,147
Expected Administrative Expenses	45,000	45,000
UAAL Amortization Amount (30 Years)	(1,475,632)	(1,377,160)
Total Employer Contribution	\$60,072	\$55,987

* Members with at least 5 years of service and a last reported date within the last 5 years are valued similarly to deferred vested members in order to recognize potential liability these members hold.

SUMMARY OF PERA PLAN PROVISIONS:

Membership Eligibility:

The Public Employees Retirement Association of New Mexico includes employees of the State of New Mexico and employees of affiliated public employers. Effective July 1, 2013, legislation established two benefit tiers under each PERA coverage plan. A member is in Tier 1 if they were hired for the first time on or before June 30, 2013; had member contributions on account as of June 30, 2013 or was retired as of June 30, 2013. A member is in Tier 2 if they were hired for the first time on or after July 1, 2013; or refunded their employee contributions on or before June 30, 2013, and returned to work for a PERA affiliate on or after July 1, 2013. Employees excluded from PERA membership include: seasonal employees; student employees; part-time employees who work less than 20 hours per week; independent contractors; and retirees of the Educational (ERA), Judicial (JRA) or Magistrate (MRA) Retirement Systems. Elected officials become members unless they submit a written application for exemption from membership.

Vesting:

Retirement benefits become vested upon member's completion of the following years of qualifying service with accumulated member contributions remaining on deposit with the Association: five years for Tier 1 members, eight years for Tier 2 general members (non-public safety employees), and six years for Tier 2 public safety members.

Retirement Eligibility - Tier 1 Members

Age	Years of Credited Service
Any	25 or more
60+	20 or more
61+	17 or more
62+	14 or more
63+	11 or more
64+	8 or more
65+	5 or more

Retirement Eligibility – Tier 2 Members

- Rule of 85 – members must have eight or more years of service credit and age at time of retirement and years of service credit must equal 85; or
- Age 65 with 8 or more years of service credit.

The municipal police and fire coverage plans 3, 4, and 5 require any age with 20 or more years of credited service for Tier 1 members and any age with 25 or more years of credited service for Tier 2 members.

The service credit for Tier 1 members of State Police and Adult Correctional Officer Member Coverage Plan 1 shall be increased by twenty percent for service credit earned while under the plan. To qualify for retirement under the plan, adult correctional officers were required to contribute 18 months under the plan beginning July 1, 2004 and ending December 31, 2005 for those first eligible.

The service credit for Tier 1 members of Municipal Detention Officer Member Coverage Plan 1 shall be increased by twenty percent for service credit earned while under the plan. To qualify for retirement under the plan, municipal detention officers are required to contribute a minimum of 18 months under the plan. Members employed by municipalities which adopted the plan effective July 1, 2004 were first eligible after December 31, 2005.

Service Benefit Formula:

For Tier 1 members, the final average salary is calculated with highest 36 consecutive month's salary, multiplied by years of service, multiplied by the applicable plan pension factor, up to the maximum allowable pension. For Tier 2 members the final average salary is calculated with the highest 60 consecutive month's salary, multiplied by years of service, multiplied by the applicable plan pension factor, up to the maximum allowable pension.

Cost of Living Adjustment:

Effective July 1, 2013, PERA provides a COLA as follows:

- Retirees under normal retirement will receive a 2 percent annual compounding COLA.

- Retirees with 25 or more years of PERA serviced credit (not including reciprocity) with an annual pension of \$20,000 or less will receive a 2.5 percent annual compounding COLA.
- Retirees under disability retirement with an annual pension of \$20,000 or less will receive a 2.5 percent annual compounding COLA.

There is a graduated COLA eligibility period for members who retire under normal retirement:

- Retirement dates through June 1, 2014; two full calendar year eligibility period to receive a COLA;
- Retirement dates of July 1, 2014 through June 1, 2015: three full calendar year eligibility period to receive a COLA.
- Retirement dates of July 1, 2015 through June 1, 2016: four full calendar year eligibility period to receive a COLA: and
- Retirement dates on or after July 1, 2016: seven full calendar year eligibility period to receive a COLA.

Death Benefits:

PERA death benefits depend on whether or not the death occurred in the line of duty.

Death in the Line-of-Duty – A survivor pension is paid to the eligible spouse and children if the member has not designated a different survivor beneficiary under the “Elective Survivor Pension Beneficiary” provision. The amount of pension payable for life to an eligible spouse is the greater of 1) 50% of final average salary, or 2) the accrued normal retirement pension reduced for option B election. The amount of pension payable to each eligible child is an equal share of 25% of final average salary. If there is not an eligible spouse or the eligible spouse dies, and if there are 2 or more eligible children, the amount of pension payable to each eligible child is an equal share of 50% of final average salary.

Death NOT in the Line-of-Duty –Member must be vested for eligibility. A survivor pension is paid to the eligible spouse or children if the member has not designated a different survivor beneficiary under the “Elective Survivor Pension Beneficiary” provision. The amount of pension payable for life of an eligible spouse is the greater of 1) 30% of final average salary,

or 2) accrued normal retirement pension reduced for option B election. An eligible child pension is paid if there is not an eligible spouse or following the death of an eligible spouse. The amount of pension payable to each eligible child is an equal share of 25% of final average salary or if greater, 50% of accrued normal retirement pension.

Disability Retirement:

Applicable to vested members and vested former members. The vesting requirement is waived if the disability is incurred in the line of duty. The amount of disability pension is the accrued normal retirement pension at time of disability retirement. If the disability is in the line of duty, the credited service used is the amount that would have been acquired when first eligible for normal retirement.

Refunds:

A terminated member is eligible for a 100% refund of member contributions plus interest after being unemployed by an affiliated public employer for 30 days or more. There is a 30 to 45 day refund processing period after the completed application is received by PERA.

Purchase of Service Credit:

A PERA member or current contributing member of ERA, JRA, or MRA may purchase previously refunded service credit by paying a lump sum amount plus interest.

Contribution Rates:

Applicable member and employer contribution rates are dependent on the plan adopted by the affiliated public employer.

SUMMARY OF JUDICIAL PLAN PROVISIONS

Membership Eligibility:

Includes Metropolitan judges and all judges of district courts and justices of the Supreme Court and Court of Appeals. Judges and justices that received HJC/HB 216 exemptions prior to July 1, 2014 do not become members until the exemptions expire.

Retirement Eligibility:

A judge or justice may retire at: 1) Age 65 with five or more years of service, or 2) Age 60 with fifteen or

more years of service. For judges or justices hired after July 1, 2005: 1) Age 65 with five or more years of service, or 2) Age 55 with sixteen or more years of service.

Service Benefit Formula:

Pre 7-1-80 plan: 37.5% of one year final average salary plus 7.5% of one year final average salary for each year of service in excess of 5 years. Maximum is 75% of one year final average salary (10 or more years of service). For service credit earned on or after July 1, 2014, 3.5% of five year final average salary with a maximum of 85% of 5 year final average salary.

Post 7-1-80 plan: 37.5% of one year final average salary plus 3.75% of one year final average salary for each year of service in excess of 5 years. Maximum is 75% of one year final average salary (15 or more years of service). For service credit earned on or after July 1, 2014, 3.5% of five year final average salary with a maximum of 85% of 5 year final average salary.

Post 7-1-05 plan: 3.75% of one year final average salary for each year of service. Maximum is 75% of one year final average salary (20 or more years of service). For service credit earned on or after July 1, 2014, 3.5% of five year final average salary with a maximum of 85% of 5 year final average salary.

Early Retirement Pension:

Applicable to judges between the ages of 50 and 60 with 18 or more years of service. The pension is equal to 70% of FAS plus ½% of FAS multiplied by the number of complete years the age at retirement exceeds age 50. Members hired after July 1, 2005 are not eligible for early retirement.

Cost of Living Adjustment:

Effective July 1, 2014, there will be no COLA increases for 2014 and 2015. Starting July 1, 2016, annual 2% COLA increases will be subject to PERA's certification based on the Fund's current year and projected next year funded ratio being equal to or greater than 100%. At a minimum, a 2% COLA increase will be granted every third year. COLA increases are subject to the following eligibility periods:

- If member retires prior to July 1, 2014, COLA is payable after retirement has been in effect for at least 2 full calendar years.

- If member retires on or after July 1, 2014 but prior to July 1, 2015, COLA is payable after retirement has been in effect for at least 3 full calendar years.
- If member retires on or after July 1, 2015 but prior to July 1, 2016, COLA is payable after retirement has been in effect for at least 4 full calendar years.
- If member retires on or after July 1, 2016, COLA is payable after retirement has been in effect for at least 7 full calendar years.

If retired on account of disability or if at least age 65, the above waiting period is reduced to 1 full calendar year.

Death Benefits:

The surviving beneficiary of an active or retired member would receive 75% of the member's vested pension until death. The pension is payable to the deceased member's minor and dependent children if there is no eligible surviving spouse or designated survivor beneficiary.

Refunds:

A terminated member is eligible for a 100% refund of member contributions plus interest. There is a 30 to 45 day refund processing period after the completed application is received by PERA.

Purchase of Service Credit:

A JRA member or current contributing member of PERA, ERA, or MRA may purchase previously refunded service credit by paying a lump sum amount plus interest.

Other Service:

PERA, MRA and ERA service may be combined with Judicial service for purposes of satisfying age and service requirements once a member has attained one month of Judicial service. When combining service, members may retire under the JRA after satisfying either the JRA or PERA age and service requirements for immediate benefits.

Contribution Rates:

The contribution rate for judges and justices from July 1, 2005 is 7.5% of salary. For fiscal years 2010 and 2011, the member contribution rate is 9.0%. For fiscal years 2012 and 2013, the member contribution

rate is 10.75%. Effective July 1, 2014, the member contribution rate is 10.5%. From July 1, 2014, the employer contributes 15.0% with the docket fees charges remaining the same. From July 1, 2005 through June 30, 2014, the employer contributes 12% plus \$38 from each civil case docket fee paid in district court, \$25 from each civil case docket fee paid in metropolitan court and \$10 from each jury fee paid in metropolitan court. For fiscal years 2010 and 2011, the employer contribution was 10.5% and thereafter the rate is 12% with the docket fees charges remaining the same.

SUMMARY OF MAGISTRATE PLAN PROVISIONS

Membership Eligibility:

The Magistrate Retirement Plan of New Mexico includes all magistrate court judges. Magistrates that received HJC/HB 216 exemptions prior to July 1, 2014 do not become members until the exemptions expire.

Retirement Eligibility:

A magistrate may voluntarily retire: (1) at age 65 with 5 or more years of service; (2) at age 60 with 15 or more years of service; or (3) at any age with 24 or more years of service. Magistrates with one of more years of service in PERA, ERA or JRA may combine service credits to satisfy these voluntary retirement conditions.

Service Benefit Formula:

Annual pension is 37.5% of final average salary (FAS) plus 3.75% of FAS for each year of service in excess of 5 years. Maximum is 75% of FAS (15 or more years of service). For service credit earned on or after July 1, 2014, 3.5% of five year final average salary with a maximum of 85% of 5 year final average salary.

Cost of Living Adjustment:

Effective July 1, 2014, there will be no COLA increases for 2014 and 2015. Starting July 1, 2016, annual 2% COLA increases will be subject to PERA's certification based on the Fund's current year and projected next year funded ratio being equal to or greater than 100%. At a minimum, a 2% COLA increase will be granted every third year. COLA increases are subject to the following eligibility periods:

- If member retires prior to July 1, 2014, COLA is payable after retirement has been in effect for at

least 2 full calendar years.

- If member retires on or after July 1, 2014 but prior to July 1, 2015, COLA is payable after retirement has been in effect for at least 3 full calendar years.
- If member retires on or after July 1, 2015 but prior to July 1, 2016, COLA is payable after retirement has been in effect for at least 4 full calendar years.
- If member retires on or after July 1, 2016, COLA is payable after retirement has been in effect for at least 7 full calendar years.

If retired on account of disability or if at least age 65, the above waiting period is reduced to 1 full calendar year.

Death Benefits:

The surviving beneficiary of an active or retired member would receive 75% of the member's vested pension until death. The pension is payable to the deceased member's minor and dependent children if there is no eligible surviving spouse or designated survivor beneficiary.

Disability Retirement:

Applicable if magistrate has five or more years of magistrate service and becomes incapacitated to perform duties of office. Magistrate would receive vested pension. Five year service requirement is waived if the disability is duty-related.

Refunds:

A terminated member is eligible for a 100% refund of member contributions plus interest. There is a 30 to 45 day refund processing period after the completed application is received by PERA.

Purchase of Service Credit:

A MRA member or current contributing member of PERA, ERA, or JRA may purchase previously refunded service credit if employed by an affiliated public employer at the time of purchase by paying a lump sum amount plus interest.

Contribution Rates:

The contribution rate for judges and justices from July 1, 2005 is 7.5% of salary. For fiscal years 2010 and 2011, the member contribution rate is 9.0%. For fis-

cal years 2012 and 2013, the member contribution rate is 10.75%. Effective July 1, 2014, the member contribution rate is 10.5%. From July 1, 2014, the employer contributes 15.0% of salary with the docket fees charges remaining the same as the previous period. From July 1, 2005 through June 30, 2014, the employer contributes 11% plus \$25 from each civil case docket fee paid and \$10 from each jury fee paid in magistrate or metropolitan court. For fiscal years 2010 and 2011, the employer contribution was 9.5% and thereafter the rate is 11% with the docket fees charges remaining the same.

SUMMARY OF VOLUNTEER FIREFIGHTER PLAN PROVISIONS

Membership Eligibility:

The Volunteer Firefighter Retirement Plan of New Mexico includes any active volunteer non-salaried firefighter whose first year of service credit was earned during or after the year turning age 16.

Retirement Eligibility:

A member may retire at: 1) a full retirement annuity at age 55 with 25 or more years of service, or 2) with a reduced retirement annuity at age 55 with at least 10 but less than 25 years of service credit.

Service Credit:

A year of service credit may be granted upon required certification for each year the member: 1) attended 50% of all scheduled fire drills; 2) attended 50% of all scheduled business meetings; and 3) participated in at least 50% of all emergency response calls which the fire department held him/her responsible to attend.

Service Benefit Formula:

The full retirement annuity is \$250 per month. The reduced retirement annuity is \$125 per month.

Vested Retirement Annuity:

Any member with at least 10 years of service credit who ceases to be a volunteer non-salaried firefighter is eligible for a deferred retirement annuity commencing at age 55. The monthly amount is \$250 if the member has at least 25 years of service credit and \$125 if the member has between 10 and 25 years of service credit.

Cost of Living Adjustment:

Retired volunteer firefighters are not eligible for a

Cost of Living Adjustment.

Death Benefits:

1. 1) The surviving spouse of a deceased annuitant receives a pension equal to two-thirds of the retirement annuity being paid at the time of death. The annuity ceases upon the surviving spouse's marriage or death.
2. 2) If there is no surviving spouse, then a surviving depended child will receive an annuity equal to two-thirds of the retirement annuity being paid at the time of the member's death. The annuity will cease upon the earlier of the dependent child's 18th birthday or death.

Contribution Rates:

Funding from the New Mexico State's Fire Protection Fund is transferred annually to the Volunteer Firefighter Retirement Fund. The amount transferred in FY2015 was \$750,000.

SUMMARY OF LEGISLATIVE PLAN PROVISIONS:

Membership Eligibility:

The New Mexico Legislative Retirement Plan includes any state legislators and lieutenant governors.

State Legislator Member Coverage Plan 1 and Plan 1 Enhanced

Age	Years of Credited Service
Any	14 or more
60+	12 or more
63+	11 or more
64+	8 or more
65+	5 or more

State Legislator Member Coverage Plan 2

- 1) Any age with 10 or more years of service credit; or
- 2) Age 65 with 5 or more years of service credit.

Service Benefit Formula:

The annual pension for State Legislator Member Coverage Plan 1 is \$250 multiplied by the years of credited service.

Comprehensive Annual Financial Report *(continued)*

The annual pension for State Legislator Member Coverage Plan 1 Enhanced is \$500 multiplied by the years of credited service.

The annual pension for State Legislator Member Coverage Plan 2 is 11% of the per diem rate in effect multiplied by 60 and further multiplied by the member's service credit.

Cost of Living Adjustment:

Pensions are increased each July 1 by 2% if the retirement has been in effect for at least two full calendar years. If retired because of disability or if at least age 65, the two calendar year waiting period is reduced to one full calendar year.

Death Benefits:

Legislative death benefits depend on whether or not the death occurred in the line of duty.

Death in the Line-of-Duty – A survivor pension is paid to the eligible spouse and children if the member has not designated a different survivor beneficiary under the “Designated Survivor Pension Beneficiary” provision. The pension payable for life to an eligible beneficiary is 80% of the accrued normal retirement pension.

Death NOT in the Line-of-Duty – Requires five years of credited service for eligibility. A survivor pension is paid to the eligible spouse or children if the member has not designated a different survivor beneficiary under the “Designated Survivor Pension Beneficiary” provision. The pension payable for life to an eligible spouse is 80% of accrued normal retirement pension. An eligible child pension is paid if there is not an eligible spouse or following the death of an eligible spouse. The amount of pension payable to each eligible child is an equal share, with each other child, of 50% of accrued normal retirement pension. An eligible child is an unmarried natural or adopted child who is under age 18 years. A child's pension terminates upon death, marriage or reaching age 18. The pension of any remaining eligible children is recalculated whenever a child's pension is terminated.

Disability Retirement:

Applicable to members and vested former members with five or more years of credited service. The five year credited service requirement is waived if the disability is incurred in the line of duty. The amount of

disability pension is the accrued normal retirement pension at time of disability retirement. If the disability is in the line of duty, the credited service used is the amount that would have been acquired when first eligible for normal retirement.

Contribution Rates:

Members contribute \$100 for each year of credited service under State Legislator Member Coverage Plan 1, \$200 for each year of credited service under State Legislator Member Coverage Plan 1 Enhanced and \$500 for each year of credited service prior to 2012 and \$600 for each year of service beginning with the 2012 legislative session for the State Legislator Member Coverage Plan 2. An additional annual appropriation to the Legislative Retirement Fund is determined by the actuarial valuation.

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PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO
STATISTICAL SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015



**You're working hard
for your retirement.
So are we.**

STATISTICAL SECTION



PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

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Changes in Plan Net Position – Last Ten Fiscal Years

(in thousands of dollars)

Ten-year comparison showing changes in net position.

This includes the additions, deductions and the end of the year net position held in trust.

PERA RETIREMENT FUND	2006	2007	2008	2009
Additions:				
Contributions:				
Employers	\$249,740	\$269,571	\$292,569	\$311,082
Members	169,802	179,317	191,707	208,978
Purchased service credits	6,936	7,900	6,953	6,471
Total contributions	426,478	456,788	491,229	526,531
Investment income:				
Interest	177,827	209,510	166,135	61,455
Dividends	154,683	183,682	186,773	139,134
Net change in fair value of investments	854,078	1,611,782	(1,408,702)	(3,101,080)
Securities lending income (loss)	71,657	117,907	86,760	(84,776)
Rental income	1,342	631	-	-
Other investment income	6,648	1,201	310	49
	1,266,235	2,124,713	(968,724)	(2,985,218)
Less investment expenses				
Securities lending expenses	(66,168)	(111,293)	(76,721)	(17,063)
Brokerage fees and other investment expenses	(23,572)	(29,256)	(25,801)	(17,510)
Net investment income	1,176,495	1,984,164	(1,071,246)	(3,019,791)
Other income (loss)	495	10,496	4,140	(815)
Total additions	1,603,468	2,451,448	(575,877)	(2,494,075)
Deductions:				
Benefits Paid				
Retirement Benefits	467,102	511,709	557,190	579,939
Death Benefits/Survivors	***	***	***	11,478
Disability	***	***	***	12,686
Refunds to terminated employees	30,246	34,590	31,328	31,669
Administrative expenses	10,174	9,116	9,938	11,050
Total deductions	507,522	555,415	598,456	646,822
Net increase (decrease) in plan net position	1,095,946	1,896,033	(1,174,333)	(3,140,897)
Net position held in trust for pension benefits				
Beginning of year	10,119,070	11,215,016	13,111,049	11,936,716
End of year	\$11,215,016	\$13,111,049	\$11,936,716	\$8,795,819

***Information is not available in detail

Changes in Plan Net Position – Last Ten Fiscal Years (continued)

(in thousands of dollars) (continued)

2010	2011	2012	2013	2014	2015
\$291,683	\$283,377	\$274,906	\$285,561	\$296,409	\$314,764
224,330	216,941	248,070	226,165	240,180	253,637
6,186	15,526	10,150	9,133	8,214	7,682
522,199	515,844	533,126	520,859	544,803	576,083
133,218	100,244	112,835	118,160	122,474	294,214
117,814	135,203	135,833	175,225	174,628	191,912
1,160,259	1,963,257	(341,657)	1,222,052	1,860,874	(205,270)
3,259	5,990	3,392	(13,764)	(8,311)	(1,264)
-	-	-	-	-	-
-	4,925	(4,925)	-	-	-
1,414,550	2,209,619	(94,522)	1,501,673	2,149,665	279,592
(517)	(185)	(350)	(357)	(335)	(368)
(19,323)	(23,318)	(24,619)	(27,743)	(31,422)	(27,735)
1,394,710	2,186,116	(119,491)	1,473,573	2,117,908	251,489
1,225	46,316	27,691	9,795	17,390	25,296
1,918,134	2,748,276	441,326	2,004,227	2,680,101	852,868
592,470	648,398	708,187	760,632	905,329	966,236
50,868	56,292	59,531	67,102	-	-
10,390	11,990	12,427	14,977	-	-
32,735	43,108	45,771	45,114	47,377	46,010
10,999	10,524	9,841	8,612	10,417	9,886
697,462	770,312	835,757	896,437	963,123	1,022,132
1,220,672	1,977,964	(394,431)	1,107,790	1,716,978	(169,264)
8,795,819	10,016,491	11,994,455	11,600,024	12,707,814	14,424,792
\$10,016,491	\$11,994,455	\$11,600,024	\$12,707,814	\$14,424,792	\$14,255,528

Changes in Plan Net Position – Last Ten Fiscal Years *(continued)*

(in thousands of dollars) *(continued)*

Ten-year comparison showing changes in net position.

This includes the additions, deductions and the end of the year net position held in trust.

JUDICIAL RETIREMENT FUND	2006	2007	2008	2009
Additions:				
Contributions:				
Employers	\$3,154	\$3,623	\$3,832	\$4,058
Members	697	874	895	1,092
Purchased service credits	-	-	31	65
Total contributions	3,851	4,497	4,758	5,215
Investment income:				
Interest	1,222	1,402	1,076	404
Dividends	1,075	1,246	1,223	904
Net change in fair value of investments	5,956	10,976	(9,200)	(20,014)
Securities lending income (loss)	497	785	559	(608)
Other investment income (loss)	46	9	3	(1)
	8,796	14,418	(6,339)	(19,315)
Less investment expenses				
Securities lending expenses	(459)	(741)	(494)	(116)
Brokerage fees and other investment expenses	(201)	(189)	(168)	(119)
Net investment income	8,136	13,488	(7,001)	(19,550)
Other income	-	23	28	15
Total additions	11,987	18,008	(2,215)	(14,320)
Deductions:				
Benefits Paid				
Retirement Benefits	5,113	5,494	5,907	6,137
Death Benefits/Survivors	***	***	***	192
Disability	***	***	***	64
Refunds to terminated employees	26	10	26	13
Administrative expenses	23	21	34	22
Total deductions	5,162	5,525	5,967	6,428
Net increase (decrease) in plan net position	6,825	12,483	(8,182)	(20,748)
Net position held in trust for pension benefits				
Beginning of year	70,590	77,415	89,898	81,716
End of year	\$77,415	\$89,898	\$81,716	\$60,968

***Information is not available in detail

Changes in Plan Net Position – Last Ten Fiscal Years *(continued)*

(in thousands of dollars) *(continued)*

2010	2011	2012	2013	2014	2015
\$3,699	\$3,824	\$3,266	\$3,527	\$3,741	\$4,196
1,145	1,216	1,348	1,424	1,085	1,546
3	102	16	15	-	33
4,847	5,142	4,630	4,966	4,826	5,775
878	687	954	752	757	1,825
782	876	861	1,110	1,081	1,178
5,705	12,730	(2,266)	7,723	11,605	(1,312)
21	39	22	(82)	(51)	(7)
-	-	-	-	-	-
7,386	14,332	(429)	9,503	13,392	1,684
(3)	(1)	(2)	(2)	(2)	(2)
(125)	(153)	(160)	(177)	(193)	(170)
7,258	14,178	(591)	9,324	13,197	1,512
-	300	184	171	486	33
12,105	19,620	4,223	14,461	18,509	7,320
5,306	6,003	6,401	6,787	8,770	9,373
1,347	1,109	1,225	1,407	-	-
29	29	30	31	-	-
2	-	10	52	52	40
19	23	23	26	64	60
6,703	7,164	7,689	8,303	8,886	9,473
5,402	12,456	(3,466)	6,158	9,623	(2,153)
60,968	66,370	78,826	75,360	81,518	91,141
\$66,370	\$78,826	\$75,360	\$81,518	\$91,141	\$88,988

Changes in Plan Net Position – Last Ten Fiscal Years (continued)

(in thousands of dollars) (continued)

Ten-year comparison showing changes in net position.

This includes the additions, deductions and the end of the year net position held in trust.

MAGISTRATES RETIREMENT FUND	2006	2007	2008	2009
Additions:				
Contributions:				
Employers	\$849	\$920	\$981	\$1,000
Members	209	286	243	308
Purchased service credits	-	-	-	-
Total contributions	1,058	1,206	1,224	1,308
Investment income:				
Interest	558	651	492	175
Dividends	492	571	560	409
Net change in fair value of investments	2,726	5,028	(4,203)	(9,144)
Securities lending income (loss)	227	360	255	(251)
Other investment income	21	3	2	1
	4,024	6,613	(2,894)	(8,810)
Less investment expenses				
Securities lending expenses	(210)	(340)	(226)	(50)
Brokerage fees and other investment expenses	(95)	(87)	(77)	(52)
Net investment income	3,719	6,186	(3,197)	(8,912)
Other income	-	10	13	-
Total additions	4,777	7,402	(1,960)	(7,604)
Deductions:				
Benefits Paid				
Retirement Benefits	1,738	2,084	2,294	2,325
Death Benefits/Survivors	***	***	***	-
Disability	***	***	***	122
Contribution to the Judicial Retirement Fund	-	-	-	-
Refunds to terminated employees	-	80	20	-
Administrative expenses	9	8	18	11
Total deductions	1,747	2,172	2,332	2,458
Net increase (decrease) in plan net position	3,030	5,230	(4,292)	(10,062)
Net position held in trust for pension benefits				
Beginning of year	32,365	35,395	40,625	36,333
End of year	\$35,395	\$40,625	\$36,333	\$26,270

***Information is not available in detail

Changes in Plan Net Position – Last Ten Fiscal Years *(continued)*

(in thousands of dollars) *(continued)*

2010	2011	2012	2013	2014	2015
\$825	\$895	\$676	\$805	\$793	\$936
330	363	350	353	266	490
-	-	-	-	-	-
1,155	1,258	1,026	1,158	1,059	1,426
386	277	400	298	296	675
344	357	360	441	423	443
3,452	5,369	(920)	3,173	4,574	(471)
9	17	9	(34)	(19)	(3)
-	-	-	-	-	-
4,191	6,020	(151)	3,878	5,274	644
(1)	(1)	(1)	(1)	(1)	(1)
(54)	(62)	(65)	(67)	(74)	(64)
4,136	5,957	(217)	3,810	5,199	579
-	130	75	67	217	(19)
5,291	7,345	884	5,035	6,475	1,986
2,380	2,652	2,753	2,886	3,690	3,956
219	226	386	413	-	-
76	77	79	81	-	-
-	-	-	-	-	-
-	56	-	54	16	5
10	12	12	14	24	23
2,685	3,023	3,230	3,448	3,730	3,984
2,606	4,322	(2,346)	1,587	2,745	(1,998)
26,270	28,876	33,198	30,852	32,439	35,184
\$28,876	\$33,198	\$30,852	\$32,439	\$35,184	\$33,186

Changes in Plan Net Position – Last Ten Fiscal Years (continued)

(in thousands of dollars) (continued)

Ten-year comparison showing changes in net position.

This includes the additions, deductions and the end of the year net position held in trust.

VOLUNTEER FIRE FIGHTERS RETIREMENT FUND	2006	2007	2008	2009
Additions:				
Contributions:				
Employers	\$-	\$-	\$-	\$-
Members	-	-	-	-
Appropriations from the State of				
New Mexico Fire Protection Fund	750	750	750	750
Purchased service credits by members	-	-	-	-
Total contributions	750	750	750	750
Investment income:				
Interest	651	767	628	230
Dividends	574	680	695	523
Net change in fair value of investments	3,159	5,973	(5,250)	(11,612)
Securities lending income (loss)	266	437	324	(341)
Other investment income (loss)	25	4	1	(1)
	4,675	7,861	(3,602)	(11,201)
Less investment expenses				
Securities lending expenses	(246)	(413)	(287)	(66)
Brokerage fees and other investment expenses	(104)	(103)	(95)	(68)
Net investment income	4,325	7,345	(3,984)	(11,335)
Other income	-	1	15	-
Total additions	5,075	8,096	(3,219)	(10,585)
Deductions:				
Benefits Paid				
Retirement Benefits	405	499	539	588
Death Benefits/Survivors	***	***	***	-
Disability	***	***	***	-
Administrative expenses	-	-	-	-
Total deductions	405	499	539	588
Net increase (decrease) in plan net position	4,670	7,597	(3,758)	(11,173)
Net position held in trust for pension benefits				
Beginning of year	36,700	41,370	48,967	45,209
End of year	\$41,370	\$48,967	\$45,209	\$34,036

***Information is not available in detail

Changes in Plan Net Position – Last Ten Fiscal Years *(continued)*

(in thousands of dollars) *(continued)*

2010	2011	2012	2013	2014	2015
\$-	\$-	\$-	\$-	\$-	\$-
-	-	-	-	-	-
750	750	750	750	750	750
-	-	-	-	-	-
750	750	750	750	750	750
514	392	603	494	519	1,278
454	538	547	730	738	831
3,914	7,692	(1,343)	5,024	7,834	(888)
13	24	14	(62)	(36)	(5)
-	-	-	-	-	-
4,895	8,646	(179)	6,186	9,055	1,216
(2)	-	(1)	(2)	(1)	(2)
(75)	(93)	(100)	(118)	(135)	(120)
4,818	8,553	(280)	6,066	8,919	1,094
-	181	109	102	405	12
5,568	9,484	579	6,918	10,074	1,856
646	760	829	935	1,419	1,633
19	22	28	34	-	-
-	-	-	-	-	-
-	-	-	-	44	43
665	782	857	969	1,463	1,676
4,903	8,702	(278)	5,949	8,611	180
34,036	38,939	47,641	47,363	53,312	61,923
\$38,939	\$47,641	\$47,363	\$53,312	\$61,923	\$62,103

Changes in Plan Net Position – Last Eight Fiscal Years *(continued)*

(in thousands of dollars) *(continued)*

Eight-year comparison showing changes in net position.

This includes the additions, deductions and the end of the year net position held in trust

DEFERRED COMPENSATION (IRC 457) FUND	2007	2008	2009	2010
Additions:				
Contributions:				
Employers	\$-	\$-	\$-	\$-
Members	33,088	31,078	33,941	36,665
Purchased service credits by members	-	-	-	-
Total contributions	33,088	31,078	33,941	36,665
Investment income:				
Interest	5,590	5,461	5,647	2,457
Dividends	-	-	-	-
Net change in fair value of investments	30,275	(15,914)	(46,486)	18,905
Securities lending income (loss)	-	-	-	-
Other investment income (loss)	-	-	-	-
	35,865	(10,453)	(40,839)	21,362
Less investment expenses				
Securities lending expenses	-	-	-	-
Brokerage fees and other investment expenses	-	-	-	-
Net investment income	35,865	(10,453)	(40,839)	21,362
Other income	130	-	-	-
Total additions	69,083	20,625	(6,898)	58,027
Deductions:				
Benefits Paid				
Retirement Benefits	21,158	21,079	20,304	23,167
Life insurance premiums	187	171	154	136
Administrative expenses	803	843	1,001	1,058
Total deductions	22,148	22,093	21,459	24,361
Net increase (decrease) in plan net position	46,935	(1,468)	(28,357)	33,666
Net position held in trust for pension benefits				
Beginning of year	278,625	325,560	324,092	295,735
End of year	\$325,560	\$324,092	\$295,735	\$329,401

Note 1: Historical Data for the Deferred Compensation Fund began being reported as of 6/30/07.

Note 2: Beginning of Year Net Position was restated in FY 2014 by a reduction of \$1,953,123. See Note 14 in the Financial Section for further detail.

Changes in Plan Net Position – Last Eight Fiscal Years (continued)

(in thousands of dollars) (continued)

2011	2012	2013	2014	2015
\$-	\$-	\$-	\$-	\$-
35,818	33,869	35,921	35,911	34,628
-	-	-	-	-
35,818	33,869	35,921	35,911	34,628
2,735	2,497	2,597	427	450
-	-	-	-	-
50,273	(11)	37,604	59,543	18,933
-	-	-	-	-
-	(1,040)	(11)	-	-
53,008	1,446	40,190	59,970	19,383
-	-	-	-	-
-	-	-	-	-
53,008	1,446	40,190	59,970	19,383
-	-	-	-	-
88,826	35,315	76,111	95,881	54,011
28,583	29,960	36,194	37,303	38,954
123	112	92	76	62
987	956	918	930	996
29,693	31,028	37,204	38,309	40,012
59,133	4,287	38,907	57,572	13,999
329,401	388,534	392,821	429,775	487,347
\$388,534	\$392,821	\$431,728	\$487,347	\$501,346

Schedule of Retired Members by Type of Benefit Option

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

PERA FUND

Benefit Option	2011			2012		
	Number	Pension	Average	Number	Pension	Average
NORMAL RETIREMENT PENSIONS:						
Single life pension terminating on death	10,288	\$280,305,319	\$27,246	10,892	\$304,762,139	\$27,980
Two Life 100% survivor pension						
Retired member recipient	9,969	276,496,420	27,736	10,510	299,668,067	28,513
Survivor member recipient	1,751	32,009,048	18,280	1,833	35,286,291	19,251
Two life 50% survivor pension						
Retired member recipient	3,593	103,934,883	28,927	3,824	113,832,248	29,768
Survivor member recipient	708	7,548,254	10,661	727	8,179,913	11,252
Single Life with temporary child survivor pension						
Retired member recipient	178	6,029,713	33,875	186	6,562,932	35,285
Child recipient	3	95,749	31,916	5	148,183	29,637
Total Normal Retirement Pensions	26,490	\$706,419,386	\$26,667	27,977	\$768,439,773	\$27,467
DISABILITY RETIREMENT PENSIONS:						
Single life pension terminating on death	243	\$3,503,111	\$14,416	253	\$3,713,517	\$14,678
Two Life 100% survivor pension						
Retired member recipient	498	7,074,828	14,206	512	7,420,246	14,493
Survivor member recipient	177	2,374,930	13,418	171	2,366,385	13,839
Two life 50% survivor pension						
Retired member recipient	85	1,337,009	15,730	101	1,579,531	15,639
Survivor member recipient	19	132,570	6,977	19	140,156	7,377
Single Life with temporary child survivor pension						
Retired member recipient	12	178,712	14,893	11	152,784	13,889
Child recipient	5	61,579	12,316	5	63,426	12,685
Total Disability Retirement Pensions	1,039	\$14,662,739	\$14,112	1,072	\$15,436,045	\$14,399
PRE-RETIREMENT SURVIVOR PENSIONS:						
Pre-retirement survivor pension						
Spouse recipient	958	13,788,094	14,393	975	14,347,728	14,716
Child recipient	39	281,382	7,215	42	319,474	7,607
Total Pre-Retirement Survivor Pensions	997	\$14,069,476	\$14,112	1017	\$14,667,202	\$14,422
LEGISLATIVE RETIREMENT PENSIONS:						
Legislative retirement						
Retired member recipient	146	1,158,987	7,938	143	1,164,738	8,145
Survivor member recipient	19	127,449	6,708	20	145,136	7,257
Total Legislative Retirement Pensions	165	\$1,286,436	\$7,797	163	\$1,309,874	\$8,036
TOTAL PENSIONS BEING PAID	28,691	\$736,438,037	\$25,668	30,229	\$799,852,894	\$26,460

Schedule of Retired Members by Type of Benefit Option *(continued)*

2013			2014			2015		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
11,662	\$336,586,783	\$28,862	12,328	\$362,887,904	\$29,436	13,185	\$381,744,341	\$28,953
11,049	323,124,753	29,245	11,586	345,888,606	29,854	12,238	366,050,578	29,911
1,934	39,155,688	20,246	2,019	42,231,551	20,917	2,161	46,382,478	21,463
4,016	123,416,490	30,731	4,230	132,807,042	31,396	4,512	141,380,112	31,334
763	9,073,810	11,892	787	9,784,012	12,432	848	10,619,586	12,523
202	7,333,387	36,304	221	8,184,126	37,032	225	8,547,358	37,988
3	102,306	34,102	4	121,869	30,467	4	123,956	30,989
29,629	\$838,793,217	\$28,310	31,175	\$901,905,110	\$28,930	33,173	\$954,848,409	\$28,784
287	\$4,457,572	\$15,532	324	\$5,124,160	\$15,815	350	\$5,704,449	\$16,298
566	8,680,378	15,336	634	9,931,369	15,665	669	10,794,391	16,135
172	2,446,320	14,223	184	2,686,734	14,602	181	2,689,461	14,859
113	1,783,886	15,787	127	2,122,799	16,715	136	2,424,552	17,828
20	162,982	8,149	21	170,481	8,118	21	176,171	8,389
12	175,952	14,663	12	179,154	14,930	10	163,592	16,359
4	65,329	16,332	4	77,917	19,479	3	54,193	18,064
1,174	\$17,772,419	\$15,138	1,306	\$20,292,614	\$15,538	1,370	\$22,006,809	\$16,063
1,011	15,441,558	15,274	1,033	16,193,266	15,676	1,080	17,400,214	16,111
49	426,166	8,697	48	431,770	8,995	49	475,791	9,710
1060	\$15,867,724	\$14,970	1,081	\$16,625,036	\$15,379	1,129	\$17,876,005	\$15,833
156	1,387,399	8,894	153	1,338,047	8,745	161	1,503,723	9,340
23	190,339	8,276	25	209,506	8,380	25	231,554	9,262
179	\$1,577,738	\$8,814	178	\$1,547,553	\$8,694	186	\$1,735,277	\$9,329
32,042	\$874,011,098	\$27,277	33,740	\$940,370,313	\$27,871	35,858	\$996,466,500	\$27,789

Schedule of Retired Members by Type of Benefit Option *(continued)*

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

JUDICIAL FUND

Benefit Option	2011			2012		
	Number	Pension	Average	Number	Pension	Average
NORMAL RETIREMENT PENSIONS:						
Regular Benefit - 75% joint and survivor	90	\$5,967,856	\$66,310	96	\$6,378,249	\$66,310
Survivor/ co-payee beneficiary recipient	22	986,463	44,839	24	1,089,878	45,412
Total Normal Retirement Pensions	112	\$6,954,319	\$62,092	120	\$7,468,127	\$62,234
DISABILITY RETIREMENT PENSIONS:						
Duty Disability	1	\$29,384	\$29,384	1	\$30,265	\$29,384
Survivor/co-payee Recipient	1	24,793	24,793	1	25,536	24,793
Non-Duty Disability	0	-	n/a	0	-	n/a
Total Disability Retirement Pensions	2	\$54,177	\$27,089	2	\$55,801	\$27,901
PRE-RETIREMENT SURVIVOR PENSIONS:						
Pre-retirement survivor pension						
Spouse recipient	4	210,978	52,745	5	235,361	47,072
Child recipient	0	-	n/a	0	-	n/a
Total Pre-Retirement Survivor Pensions	4	\$210,978	\$52,745	5	\$235,361	\$47,072
TOTAL PENSIONS BEING PAID	118	\$7,219,474	\$61,182	127	\$7,759,289	\$61,097

Schedule of Retired Members by Type of Benefit Option (continued)

2013			2014			2015		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
98	\$6,691,958	\$68,285	105	\$7,258,691	\$69,130	111	\$7,734,725	\$69,682
28	1,294,167	46,220	29	1,301,721	44,887	33	1,407,355	42,647
126	\$7,986,125	\$63,382	134	\$8,560,412	\$63,884	144	\$9,142,080	\$63,487
1	\$31,173	\$31,173	1	\$31,797	\$31,797	1	\$31,797	\$31,797
0	-	n/a	0	-	n/a	0	-	n/a
0	-	n/a	0	-	n/a	1	41,398	41,398
1	\$31,173	\$31,173	1	\$31,797	\$31,797	2	\$73,195	\$36,598
6	281,387	46,898	6	286,224	47,704	6	286,224	47,704
0	-	n/a	0	-	n/a	0	-	n/a
6	\$281,387	\$46,898	6	\$286,224	\$47,704	6	\$286,224	\$47,704
133	\$8,298,685	\$62,396	141	\$8,878,433	\$62,968	152	\$9,501,499	\$62,510

Schedule of Retired Members by Type of Benefit Option *(continued)*

Five year comparison showing type of benefit option, number of members, actual pension (including COLA) and the average pension payments per each fiscal year.

MAGISTRATE FUND Benefit Option	2011			2012		
	Number	Pension	Average	Number	Pension	Average
NORMAL RETIREMENT PENSIONS:						
Regular Benefit - 75% joint and survivor	68	\$2,752,653	\$40,480	69	\$2,770,953	\$40,159
Survivor/ co-payee beneficiary recipient	8	225,585	28,198	14	428,897	30,636
Total Normal Retirement Pensions	76	\$2,978,238	\$39,187	83	\$3,199,850	\$38,552
DISABILITY RETIREMENT PENSIONS:						
Duty Disability	0	\$-	n/a	0	\$-	n/a
Survivor/ co-payee Recipient	0	-	n/a	0	-	n/a
Non-Duty Disability	2	76,532	38,266	2	78,828	39,414
Total Disability Retirement Pensions	2	\$76,532	\$37,773	2	\$78,828	\$39,414
PRE-RETIREMENT SURVIVOR PENSIONS:						
Pre-retirement survivor pension						
Spouse recipient	0	-	n/a	0	-	n/a
Child recipient	0	-	n/a	0	-	n/a
Total Pre-Retirement Survivor Pensions	0	\$-	\$-	0	\$-	\$-
TOTAL PENSIONS BEING PAID	78	\$3,054,770	\$39,164	85	\$3,278,678	\$38,573

Schedule of Retired Members by Type of Benefit Option (continued)

2013			2014			2015		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
70	\$2,909,302	\$41,561	76	\$3,266,755	\$42,984	81	\$3,340,941	\$41,246
13	392,620	30,202	14	459,287	32,806	17	483,170	28,422
83	\$3,301,922	\$39,782	90	\$3,726,042	\$41,400	98	\$3,824,111	\$39,022
1	\$45,272	\$45,272	1	\$46,177	\$46,177	1	\$46,177	\$46,177
0	-	n/a	0	-	n/a	0	-	n/a
1	35,921	35,921	2	95,362	47,681	2	95,362	47,681
2	\$81,193	\$40,597	3	\$141,539	\$47,180	3	\$141,539	\$47,180
1	\$46,337	\$46,337	1	\$46,337	\$46,337	1	\$46,337	\$46,337
0	-	n/a	0	-	n/a	0	-	n/a
1	\$46,337	\$46,337	1	\$46,337	\$46,337	1	\$46,337	\$46,337
86	\$3,429,452	\$39,877	94	\$3,913,918	\$41,637	102	\$4,011,987	\$39,333

Schedule of Retired Members by Type of Benefit Option (continued)

Five year comparison showing type of benefit option, number of members, actual pension and the average pension payments per each fiscal year.

VOLUNTEER FIREFIGHTERS FUND

Benefit Option

Benefit Option	2011			2012		
	Number	Pension	Average	Number	Pension	Average
NORMAL RETIREMENT PENSIONS:						
Regular Benefit - 66 2/3% joint and survivor	583	\$800,400	\$1,373	633	\$868,800	\$1,373
Survivor/ co-payee Recipient	26	21,545	829	34	27,953	822
Total Normal Retirement Pensions	609	\$821,945	\$1,350	667	\$896,753	\$1,344

TOTAL PENSIONS BEING PAID

	609	\$821,945	\$1,350	667	\$896,753	\$1,344
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Schedule of Retired Members by Type of Benefit Option (continued)

2013			2,014			2015		
Number	Pension	Average	Number	Pension	Average	Number	Pension	Average
720	\$1,244,400	\$1,728	845	\$1,488,750	\$1,762	952	\$1,683,750	\$1,769
42	34,153	813	48	40,551	845	52	43,751	841
762	\$1,278,553	\$1,678	893	\$1,529,301	\$1,713	1,004	\$1,727,501	\$1,721
762	\$1,278,553	\$1,678	893	\$1,529,301	\$1,713	1,004	\$1,727,501	\$1,721

Schedule of Average Benefit Payments

For The Fiscal Year Ended June 30

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan	Years of Credited Service							Total	
	Under 5	5-9	10-14	15-19	20-24	25-29	30+		
State General									
2006	Average Monthly Benefit	*	*	*	*	*	*	*	
	Average Final Average Salary	*	*	*	*	*	*	*	
	Number of Active Retired	*	*	*	*	*	*	*	
2007	Average Monthly Benefit	*	*	*	*	*	*	*	
	Average Final Average Salary	*	*	*	*	*	*	*	
	Number of Active Retired	*	*	*	*	*	*	*	
2008	Average Monthly Benefit	*	*	*	*	*	*	*	
	Average Final Average Salary	*	*	*	*	*	*	*	
	Number of Active Retired	*	*	*	*	*	*	*	
2009	Average Monthly Benefit	\$1,935	\$705	\$1,033	\$1,456	\$2,050	\$2,556	\$2,361	\$1,935
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	1,094	1,126	1,484	1,463	1,806	4,519	950	12,442
2010	Average Monthly Benefit	\$1,348	\$741	\$1,095	\$1,559	\$2,158	\$2,668	\$2,443	\$2,012
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	137	1,249	1,559	1,573	1,927	4,780	942	12,167
2011	Average Monthly Benefit	\$1,338	\$774	\$1,144	\$1,644	\$2,287	\$2,773	\$2,518	\$2,097
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	147	1,338	1,615	1,671	2,079	5,018	936	12,804
2012	Average Monthly Benefit	\$1,475	\$802	\$1,189	\$1,706	\$2,361	\$2,862	\$2,608	\$2,161
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	176	1,453	1,700	1,759	2,179	5,283	918	13,468
2013	Average Monthly Benefit	\$1,622	\$822	\$1,242	\$1,784	\$2,471	\$2,954	\$2,692	\$2,231
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	187	1,617	1,826	1,863	2,321	5,611	903	14,328
2014	Average Monthly Benefit	\$1,730	\$848	\$1,280	\$1,822	\$2,534	\$3,021	\$2,784	\$2,277
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	233	1,774	1,989	1,953	2,482	5,962	904	15,297
2015	Average Monthly Benefit	\$605	\$899	\$1,420	\$2,012	\$2,738	\$3,194	\$3,132	\$2,431
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	520	1,484	1,605	1,593	2,147	5,734	677	13,760

*Information not available from PERA's actuarial in breakdown of years of service.

- (a) Includes 971 members who did not have service reported
- (b) Excludes 814 members who did not have service reported
- (c) Excludes 835 members who did not have service reported
- (d) Excludes 923 members who did not have service reported
- (e) Excludes 990 members who did not have service reported
- (f) Excludes 792 members who did not have service reported
- (g) Excludes 488 members who did not have service reported

Schedule of Average Benefit Payments *(continued)*

For The Fiscal Year Ended June 30

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan	Years of Credited Service							Total	
	Under 5	5-9	10-14	15-19	20-24	25-29	30+		
State Police									
2006	Average Monthly Benefit	*	*	*	*	*	*	*	
	Average Final Average Salary	*	*	*	*	*	*	*	
	Number of Active Retired	*	*	*	*	*	*	*	
2007	Average Monthly Benefit	*	*	*	*	*	*	*	
	Average Final Average Salary	*	*	*	*	*	*	*	
	Number of Active Retired	*	*	*	*	*	*	*	
2008	Average Monthly Benefit	*	*	*	*	*	*	*	
	Average Final Average Salary	*	*	*	*	*	*	*	
	Number of Active Retired	*	*	*	*	*	*	*	
2009	Average Monthly Benefit	\$2,001	\$1,368	\$1,392	\$1,942	\$2,569	\$3,017	\$3,110	\$2,237
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	379	93	92	100	168	209	67	1,108
2010	Average Monthly Benefit	\$1,383	\$1,383	\$1,425	\$1,950	\$2,611	\$3,072	\$3,231	\$2,354
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	55	94	98	103	197	233	68	848
2011	Average Monthly Benefit	\$1,428	\$1,433	\$1,435	\$1,941	\$2,670	\$3,113	\$3,374	\$2,434
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	52	93	105	110	214	279	69	922
2012	Average Monthly Benefit	\$1,422	\$1,435	\$1,439	\$1,990	\$2,701	\$3,148	\$3,443	\$2,495
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	48	96	108	115	212	327	72	978
2013	Average Monthly Benefit	\$1,454	\$1,430	\$1,475	\$2,034	\$2,704	\$3,171	\$3,502	\$2,542
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	45	98	108	121	242	357	74	1,045
2014	Average Monthly Benefit	\$1,482	\$1,404	\$1,411	\$2,038	\$2,771	\$3,217	\$3,559	\$2,601
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	44	104	110	124	258	413	79	1,132
2015	Average Monthly Benefit	\$1,205	\$1,717	\$1,579	\$2,251	\$2,845	\$3,305	\$3,822	\$2,855
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	33	59	64	83	226	434	62	961

*Information not available from PERA's actuarial in breakdown of years of service.

- (a) Includes 330 members who did not have service reported
- (b) Excludes 309 members who did not have service reported
- (c) Excludes 305 members who did not have service reported
- (d) Excludes 311 members who did not have service reported
- (e) Excludes 281 members who did not have service reported
- (f) Excludes 270 members who did not have service reported
- (g) Excluded 202 members who did not have service reported

Schedule of Average Benefit Payments *(continued)*

For The Fiscal Year Ended June 30

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan	Years of Credited Service							Total	
	Under 5	5-9	10-14	15-19	20-24	25-29	30+		
Municipal General									
2006	Average Monthly Benefit	*	*	*	*	*	*	*	
	Average Final Average Salary	*	*	*	*	*	*	*	
	Number of Active Retired	*	*	*	*	*	*	*	
2007	Average Monthly Benefit	*	*	*	*	*	*	*	
	Average Final Average Salary	*	*	*	*	*	*	*	
	Number of Active Retired	*	*	*	*	*	*	*	
2008	Average Monthly Benefit	*	*	*	*	*	*	*	
	Average Final Average Salary	*	*	*	*	*	*	*	
	Number of Active Retired	*	*	*	*	*	*	*	
2009	Average Monthly Benefit	\$1,677	\$607	\$934	\$1,452	\$2,051	\$2,482	\$2,274	\$1,741
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	974	1,046	1,162	1,147	1,225	2,636	343	8,533
2010	Average Monthly Benefit	\$1,288	\$627	\$970	\$1,517	\$2,143	\$2,591	\$2,408	\$1,825
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	182	1,113	1,223	1,228	1,319	2,891	370	8,326
2011	Average Monthly Benefit	\$1,289	\$646	\$1,014	\$1,575	\$2,264	\$2,686	\$2,525	\$1,909
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	188	1,153	1,277	1,286	1,440	3,087	384	8,815
2012	Average Monthly Benefit	\$1,398	\$664	\$1,053	\$1,624	\$2,302	\$2,771	\$2,582	\$1,970
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	198	1,217	1,332	1,330	1,496	3,305	393	9,271
2013	Average Monthly Benefit	\$1,538	\$680	\$1,086	\$1,698	\$2,382	\$2,864	\$2,677	\$2,040
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	207	1,323	1,415	1,431	1,607	3,557	415	9,955
2014	Average Monthly Benefit	\$1,466	\$687	\$1,104	\$1,720	\$2,429	\$2,924	\$2,815	\$2,078
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	226	1,429	1,531	1,508	1,736	3,823	430	10,683
2015	Average Monthly Benefit	\$854	\$736	\$1,189	\$1,839	\$2,619	\$3,078	\$3,145	\$2,270
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	278	1,078	1,189	1,195	1,485	3,724	363	9,312

*Information not available from PERA's actuarial in breakdown of years of service.

- (a) Includes 829 members who did not have service reported
- (b) Excludes 714 members who did not have service reported
- (c) Excludes 723 members who did not have service reported
- (d) Excludes 788 members who did not have service reported
- (e) Excludes 756 members who did not have service reported
- (f) Excludes 609 members who did not have service reported
- (g) Excluded 319 members who did not have service reported

Schedule of Average Benefit Payments *(continued)*

For The Fiscal Year Ended June 30

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan	Years of Credited Service							Total
	Under 5	5-9	10-14	15-19	20-24	25-29	30+	
Municipal Police								
2006	Average Monthly Benefit	*	*	*	*	*	*	*
	Average Final Average Salary	*	*	*	*	*	*	*
	Number of Active Retired	*	*	*	*	*	*	*
2007	Average Monthly Benefit	*	*	*	*	*	*	*
	Average Final Average Salary	*	*	*	*	*	*	*
	Number of Active Retired	*	*	*	*	*	*	*
2008	Average Monthly Benefit	*	*	*	*	*	*	*
	Average Final Average Salary	*	*	*	*	*	*	*
	Number of Active Retired	*	*	*	*	*	*	*
2009	Average Monthly Benefit	\$2,354	\$1,378	\$1,591	\$2,550	\$2,955	\$2,789	\$2,992
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	315	74	117	465	1,160	129	2,298
2010	Average Monthly Benefit	\$1,600	\$1,424	\$1,636	\$2,628	\$3,043	\$2,937	\$3,138
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	52	75	119	482	1,274	134	2,175
2011	Average Monthly Benefit	\$1,696	\$1,434	\$1,641	\$2,706	\$3,151	\$3,045	\$3,224
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	52	77	126	515	1,366	136	2,311
2012	Average Monthly Benefit	\$1,716	\$1,425	\$1,719	\$2,774	\$3,227	\$3,199	\$3,391
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	51	80	126	514	1,483	142	2,437
2013	Average Monthly Benefit	\$1,869	\$1,470	\$1,747	\$2,822	\$3,310	\$3,293	\$3,375
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	60	78	130	525	1,596	147	2,579
2014	Average Monthly Benefit	\$1,918	\$1,481	\$1,789	\$2,878	\$3,370	\$3,511	\$3,456
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	58	82	139	547	1,771	155	2,796
2015	Average Monthly Benefit	\$2,054	\$1,589	\$2,080	\$3,167	\$3,584	\$3,925	\$3,657
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	42	49	81	467	1,702	133	2,509

*Information not available from PERA's actuarial in breakdown of years of service.

- (a) Includes 273 members who did not have service reported
- (b) Excludes 263 members who did not have service reported
- (c) Excludes 287 members who did not have service reported
- (d) Excludes 276 members who did not have service reported
- (e) Excludes 247 members who did not have service reported
- (f) Excluded 136 members who did not have service reported

Schedule of Average Benefit Payments *(continued)*

For The Fiscal Year Ended June 30

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan	Years of Credited Service							Total
	Under 5	5-9	10-14	15-19	20-24	25-29	30+	
Municipal Fire								
2006	Average Monthly Benefit	*	*	*	*	*	*	*
	Average Final Average Salary	*	*	*	*	*	*	*
	Number of Active Retired	*	*	*	*	*	*	*
2007	Average Monthly Benefit	*	*	*	*	*	*	*
	Average Final Average Salary	*	*	*	*	*	*	*
	Number of Active Retired	*	*	*	*	*	*	*
2008	Average Monthly Benefit	*	*	*	*	*	*	*
	Average Final Average Salary	*	*	*	*	*	*	*
	Number of Active Retired	*	*	*	*	*	*	*
2009	Average Monthly Benefit	\$2,354	\$1,591	\$2,009	\$2,588	\$2,934	\$2,444	\$2,378
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	112	30	84	269	801	70	46
2010	Average Monthly Benefit	\$1,747	\$1,658	\$2,053	\$2,651	\$3,043	\$2,591	\$2,450
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	11	29	83	277	854	71	46
2011	Average Monthly Benefit	\$1,893	\$1,723	\$2,086	\$2,749	\$3,168	\$2,716	\$2,531
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	10	30	85	288	913	71	47
2012	Average Monthly Benefit	\$1,950	\$1,683	\$2,187	\$2,843	\$3,269	\$2,886	\$2,594
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	10	32	85	279	963	73	45
2013	Average Monthly Benefit	\$1,760	\$1,746	\$2,278	\$2,915	\$3,366	\$3,031	\$2,705
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	11	34	84	281	1,014	71	44
2014	Average Monthly Benefit	\$1,883	\$1,776	\$2,358	\$2,976	\$3,441	\$3,315	\$2,835
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	12	34	84	292	1,083	74	46
2015	Average Monthly Benefit	\$2,229	\$2,032	\$2,767	\$3,247	\$3,692	\$3,694	\$3,400
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	10	23	48	220	1,027	57	35

*Information not available from PERA's actuarial in breakdown of years of service.

- (a) Includes 105 members who did not have service reported
- (b) Excludes 102 members who did not have service reported
- (c) Excludes 104 members who did not have service reported
- (d) Excludes 116 members who did not have service reported
- (e) Excludes 114 members who did not have service reported
- (f) Excludes 111 members who did not have service reported
- (g) Excludes 54 members who did not have service reported

Schedule of Average Benefit Payments *(continued)*

For The Fiscal Year Ended June 30

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan	Years of Credited Service							Total
	Under 5	5-9	10-14	15-19	20-24	25-29	30+	
Legislature								
2006	Average Monthly Benefit	*	*	*	*	*	*	*
	Average Final Average Salary	*	*	*	*	*	*	*
	Number of Active Retired	*	*	*	*	*	*	*
2007	Average Monthly Benefit	*	*	*	*	*	*	*
	Average Final Average Salary	*	*	*	*	*	*	*
	Number of Active Retired	*	*	*	*	*	*	*
2008	Average Monthly Benefit	*	*	*	*	*	*	*
	Average Final Average Salary	*	*	*	*	*	*	*
	Number of Active Retired	*	*	*	*	*	*	*
2009	Average Monthly Benefit	\$1,000	\$344	\$535	\$744	\$443	\$437	\$1,038
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	41	25	23	22	16	7	23
2010	Average Monthly Benefit	\$518	\$386	\$559	\$767	\$456	\$450	\$1,069
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	3	27	24	22	16	7	23
2011	Average Monthly Benefit	\$534	\$396	\$591	\$653	\$470	\$463	\$1,098
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	3	27	24	23	16	7	22
2012	Average Monthly Benefit	\$445	\$415	\$600	\$687	\$493	\$449	\$1,110
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	4	29	24	24	15	6	21
2013	Average Monthly Benefit	\$763	\$410	\$771	\$820	\$748	\$462	\$1,254
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	4	30	40	26	22	6	22
2014	Average Monthly Benefit	\$772	\$422	\$760	\$800	\$759	\$471	\$1,231
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	4	30	41	24	22	6	20
2015	Average Monthly Benefit	\$332	\$422	\$770	\$896	\$1,092	\$582	\$1,538
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	8	38	42	24	18	4	16

*Information not available from PERA's actuarial in breakdown of years of service.

(a) Includes 38 members who did not have service reported

(b) Excludes 38 members who did not have service reported

(c) Excludes 43 members who did not have service reported

(d) Excludes 40 members who did not have service reported

(e) Excludes 29 members who did not have service reported

(f) Excludes 31 members who did not have service reported

(g) Excludes 4 members who did not have service reported

Schedule of Average Benefit Payments *(continued)*

For The Fiscal Year Ended June 30

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan	Years of Credited Service							Total	
	Under 5	5-9	10-14	15-19	20-24	25-29	30+		
Judicial									
2006	Average Monthly Benefit	*	*	*	*	*	*	*	
	Average Final Average Salary	*	*	*	*	*	*	*	
	Number of Active Retired	*	*	*	*	*	*	*	
2007	Average Monthly Benefit	*	*	*	*	*	*	*	
	Average Final Average Salary	*	*	*	*	*	*	*	
	Number of Active Retired	*	*	*	*	*	*	*	
2008	Average Monthly Benefit	*	*	*	*	*	*	*	
	Average Final Average Salary	*	*	*	*	*	*	*	
	Number of Active Retired	*	*	*	*	*	*	*	
2009	Average Monthly Benefit	\$4,748	\$3,270	\$4,396	\$6,130	\$5,671	\$4,972	\$3,287	\$4,823
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	38	11	14	28	5	3	10	109
2010	Average Monthly Benefit	\$5,515	\$3,135	\$4,889	\$5,962	\$6,123	\$3,137	\$5,048	\$5,094
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	1	10	13	26	4	2	20	76
2011	Average Monthly Benefit	\$5,681	\$3,237	\$4,671	\$6,060	\$4,379	\$3,231	\$5,406	\$5,143
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	1	9	16	29	4	2	17	78
2012	Average Monthly Benefit	\$5,851	\$2,987	\$4,464	\$6,333	\$5,293	\$5,091	\$5,587	\$5,152
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	1	17	20	35	8	7	18	106
2013	Average Monthly Benefit	\$6,026	\$3,075	\$4,537	\$6,375	\$5,204	\$5,686	\$5,898	\$5,280
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	1	19	20	39	11	9	17	116
2014	Average Monthly Benefit	\$6,147	\$3,127	\$4,834	\$6,615	\$5,528	\$5,225	\$6,016	\$5,406
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	1	19	25	39	10	10	17	121
2015	Average Monthly Benefit	\$5,945	\$3,287	\$5,185	\$6,847	\$5,528	\$5,320	\$6,988	\$5,823
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	1	12	24	37	8	10	13	105

*Information not available from PERA's actuarial in breakdown of years of service.

(a) Includes 38 members who did not have service reported

(b) Excludes 34 members who did not have service reported

(c) Excludes 40 members who did not have service reported

(d) Excludes 21 members who did not have service reported

(e) Excludes 17 members who did not have service reported

(f) Excludes 20 members who did not have service reported

(g) Excludes 6 members who did not have service reported

Schedule of Average Benefit Payments *(continued)*

For The Fiscal Year Ended June 30

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan	Years of Credited Service							Total
	Under 5	5-9	10-14	15-19	20-24	25-29	30+	
Magistrate								
2006	Average Monthly Benefit	*	*	*	*	*	*	*
	Average Final Average Salary	*	*	*	*	*	*	*
	Number of Active Retired	*	*	*	*	*	*	*
2007	Average Monthly Benefit	*	*	*	*	*	*	*
	Average Final Average Salary	*	*	*	*	*	*	*
	Number of Active Retired	*	*	*	*	*	*	*
2008	Average Monthly Benefit	*	*	*	*	*	*	*
	Average Final Average Salary	*	*	*	*	*	*	*
	Number of Active Retired	*	*	*	*	*	*	*
2009	Average Monthly Benefit	\$3,348	\$2,997	\$3,983	\$3,530	\$4,214	\$-	\$3,479
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	15	19	20	6	1	-	61
2010	Average Monthly Benefit	\$3,537	\$3,519	\$3,491	\$3,478	\$4,269	\$5,871	\$3,622
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	7	20	13	6	3	1	51
2011	Average Monthly Benefit	\$3,215	\$3,210	\$3,897	\$2,968	\$3,978	\$3,527	\$3,470
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	8	22	16	6	5	2	60
2012	Average Monthly Benefit	\$3,019	\$2,976	\$3,607	\$3,434	\$3,031	\$3,275	\$3,255
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	8	28	18	13	8	5	82
2013	Average Monthly Benefit	\$3,288	\$3,056	\$3,616	\$3,600	\$3,121	\$3,205	\$3,359
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	7	28	18	14	8	6	85
2014	Average Monthly Benefit	\$3,354	\$3,117	\$3,769	\$3,872	\$3,183	\$3,352	\$3,504
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	7	28	20	19	8	7	93
2015	Average Monthly Benefit	\$3,359	\$2,936	\$4,011	\$4,046	\$3,665	\$3,016	\$3,477
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	5	24	15	18	6	7	80

*Information not available from PERA's actuarial in breakdown of years of service.

(a) Includes 14 members who did not have service reported

(b) Excludes 18 members who did not have service reported

(c) Excludes 1 member who did not have service reported

(d) Excludes 1 member who did not have service reported

(e) Excludes 1 member who did not have service reported

Schedule of Average Benefit Payments *(continued)*

For The Fiscal Year Ended June 30

As of June 30- Ten Year Comparison by years of service in 5 year increments, the number of active retired and the average monthly benefit (including COLA).

Div/Plan		Years of Credited Service						Total	
		Under 5	5-9	10-14	15-19	20-24	25-29		30+
Volunteer Firefighters									
2006	Average Monthly Benefit	*	*	*	*	*	*	*	*
	Average Final Average Salary	*	*	*	*	*	*	*	*
	Number of Active Retired	*	*	*	*	*	*	*	*
2007	Average Monthly Benefit	*	*	*	*	*	*	*	*
	Average Final Average Salary	*	*	*	*	*	*	*	*
	Number of Active Retired	*	*	*	*	*	*	*	*
2008	Average Monthly Benefit	*	*	*	*	*	*	*	*
	Average Final Average Salary	*	*	*	*	*	*	*	*
	Number of Active Retired	*	*	*	*	*	*	*	*
2009	Average Monthly Benefit	\$120	\$100	\$100	\$99	\$106	\$147	\$66	\$109
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (a)	183	2	141	90	31	17	6	470
2010	Average Monthly Benefit	\$100	\$110	\$100	\$99	\$123	\$163	\$89	\$107
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (b)	3	20	151	93	42	26	9	344
2011	Average Monthly Benefit	\$100	\$106	\$100	\$98	\$130	\$172	\$100	\$110
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (c)	6	33	159	103	46	35	10	392
2012	Average Monthly Benefit	\$110	\$100	\$99	\$98	\$106	\$188	\$120	\$111
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (d)	10	31	226	124	40	66	10	507
2013	Average Monthly Benefit	\$167	\$125	\$122	\$122	\$129	\$238	\$185	\$141
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (e)	3	16	348	157	49	95	17	685
2014	Average Monthly Benefit	\$125	\$125	\$123	\$122	\$118	\$247	\$215	\$143
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (f)	1	8	450	210	57	125	31	882
2015	Average Monthly Benefit	\$188	\$125	\$125	\$125	\$128	\$242	\$250	\$148
	Average Final Average Salary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retired (g)	6	2	505	201	56	147	29	946

*Information not available from PERA's actuarial in breakdown of years of service.

- (a) Includes 183 members who did not have service reported
- (b) Excludes 200 members who did not have service reported
- (c) Excludes 217 members who did not have service reported
- (d) Excludes 160 members who did not have service reported
- (e) Excludes 77 members who did not have service reported
- (f) Excludes 11 members who did not have service reported
- (g) Excludes 6 members who did not have service reported

Schedule of Average Benefit Payments

For The Fiscal Year Ended June 30

As of June 30 - Nine Year Comparison on the Number of Retired Member, Disabled Benefit and Survivor Benefit receiving pensions and the total Annual Pension (including COLA) for the fiscal year.

	Retired Members		Disabled Benefit		Survivor Pension Benefit		Total		Annual Pension	
	Number	Annual Pension	Number	Annual Pension	Number	Annual Pension	Number	Annual Pension	Percentage Change	
2015	PERA	30,183	897,846,722	1,142	18,962,651	4,347	77,921,850	35,672	994,731,223	5.62%
	Legislative	178	1,650,952	-	-	8	84,325	186	1,735,277	10.82%
	Judicial	144	9,142,080	2	73,195	6	286,224	152	9,501,499	6.56%
	Magistrate	98	3,824,111	3	141,539	1	46,337	102	4,011,987	2.44%
	VFF	953	1,684,500	-	-	51	43,001	1,004	1,727,501	11.47%
2014	PERA	28,390	849,916,611	1,072	17,208,549	4,100	71,697,600	33,562	938,822,760	7.07%
	Legislative	146	1,300,073	-	-	32	247,480	178	1,547,553	-1.95%
	Judicial	112	7,445,795	1	31,797	28	1,400,841	141	8,878,433	6.53%
	Magistrate	78	3,293,401	3	141,539	13	478,978	94	3,913,918	12.38%
	VFF	846	1,489,500	-	-	47	39,801	893	1,529,301	16.40%
2013	PERA	26,949	790,582,225	958	14,976,974	3,956	66,874,161	31,863	872,433,360	8.47%
	Legislative	149	1,350,169	-	-	30	227,569	179	1,577,738	16.98%
	Judicial	104	6,860,436	1	31,173	28	1,407,076	133	8,298,685	6.50%
	Magistrate	72	2,935,827	2	81,193	12	412,432	86	3,429,452	4.40%
	VFF	721	1,245,000	-	-	41	33,553	762	1,278,553	29.86%
2012	PERA	25,433	724,950,245	856	12,741,219	3,777	60,851,558	30,066	798,543,022	7.94%
	Legislative	136	1,126,978	-	-	27	182,896	163	1,309,874	1.79%
	Judicial	101	6,515,919	1	30,265	25	1,213,105	127	7,759,289	6.96%
	Magistrate	71	2,797,478	2	78,828	12	402,372	85	3,278,678	6.83%
	VFF	633	868,800	-	-	34	27,953	667	896,753	8.34%
2011	PERA	24,046	666,870,346	820	11,989,648	3,660	56,291,606	28,526	735,151,600	8.64%
	Legislative	136	1,110,816	-	-	29	175,620	165	1,286,436	-9.33%
	Judicial	94	6,081,239	1	29,384	23	1,108,851	118	7,219,474	8.31%
	Magistrate	68	2,752,653	2	76,532	8	225,585	78	3,054,770	3.25%
	VFF	583	800,400	-	-	26	21,545	609	821,945	11.24%
2010	PERA	22,736	608,687,723	772	10,696,980	3,581	52,233,317	27,089	671,618,020	8.29%
	Legislative	135	1,270,496	-	-	25	136,000	160	1,406,496	0.00%
	Judicial	81	5,250,445	1	28,528	28	1,340,417	110	6,619,390	4.69%
	Magistrate	59	2,660,870	2	75,545	8	219,027	69	2,955,442	13.84%
	VFF	521	710,400	-	-	23	19,145	544	729,545	15.41%
2009	PERA	22,376	568,356,188	*	*	3,417	47,562,322	25,793	615,918,510	7.27%
	Judicial	103	6,056,779	*	*	6	251,868	109	6,308,647	7.32%
	Magistrate	59	2,478,908	*	*	2	67,647	61	2,546,555	11.40%
	VFF	N/A	N/A	*	*	N/A	N/A	470	617,144	8.56%
2008	PERA	21,605	527,453,776	*	*	3,305	43,664,860	24,910	571,118,636	7.80%
	Judicial	79	4,399,192	*	*	26	1,447,835	105	5,847,027	4.99%
	Magistrate	52	2,095,040	*	*	4	161,156	56	2,256,196	3.60%
	VFF	N/A	N/A	*	*	N/A	N/A	435	564,344	12.83%
2007	PERA	20,690	486,674,374	*	*	3,154	39,905,350	23,844	526,579,724	*
	Judicial	70	4,009,067	*	*	27	1,546,355	97	5,555,422	*
	Magistrate	52	2,056,345	*	*	3	118,636	55	2,174,981	*
	VFF	N/A	N/A	*	*	N/A	N/A	388	491,944	*

*Information not available from PERA's actuarial for fiscal years prior to FY10

Distribution of Recent Retiree Ages at Retirement

Fiscal Year Ended June 30

Five year comparison showing the number of added retirees per fiscal year, their average monthly benefit and the average age the year of retirement.

	2011			2012			2013		
	Retirees Added	Average Monthly Benefit	Average Age At Retirement	Retirees Added	Average Monthly Benefit	Average Age At Retirement	Retirees Added	Average Monthly Benefit	Average Age At Retirement
State General	894	\$2,284	58.60	906	\$2,230	59.10	992	\$2,334	58.78
State Police/Corrections	76	2,628	51.87	72	2,438	52.80	60	2,589	51.52
Municipal General	665	2,192	57.85	640	2,055	58.33	711	2,107	59.04
Municipal Police	151	3,097	49.37	163	3,096	47.72	167	3,097	48.27
Municipal Fire	83	3,590	49.41	66	3,792	48.19	62	3,539	48.45
Legislative	5	518	68.17	3	430	59.00	20	1,106	63.59
Judicial	10	5,252	63.16	9	4,567	65.59	9	5,626	61.70
Magistrate	7	4,110	61.48	7	2,744	63.58	3	5,304	55.58
Volunteer Firefighters	65	117	62.57	67	111	63.57	103	126	62.41

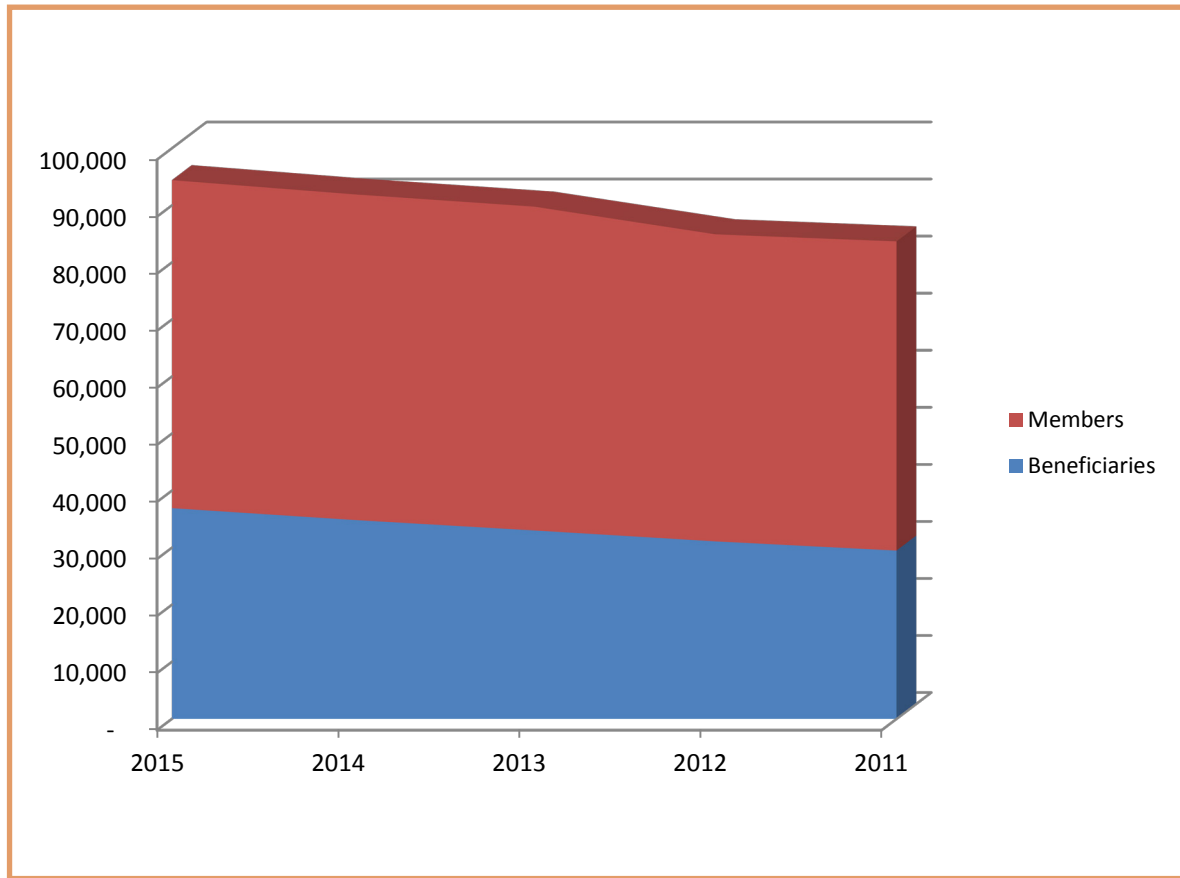
Distribution of Recent Retiree Ages at Retirement (continued)

Fiscal Year Ended June 30

2014			2015			All Current Retirees & Beneficiaries		
Retirees Added	Average Monthly Benefit	Average Age At Retirement	Retirees Added	Average Monthly Benefit	Average Age At Retirement	Retirees Added	Average Monthly Benefit	Average Age At Retirement
1,229	\$2,213	59.71	781	\$2,306	60.11	14,248	\$1,952	57.32
81	2,631	51.04	58	2,748	50.41	1,163	2,300	51.20
869	2,103	59.81	631	2,132	60.11	9,631	1,875	57.65
184	3,352	49.10	146	3,396	49.09	2,645	2,761	47.59
98	3,521	49.22	60	4,162	50.36	1,474	2,801	47.82
3	417	64.97	18	1,145	69.88	154	598	64.62
8	4,720	62.48	9	6,854	66.25	111	5,260	61.50
8	4,736	62.27	6	4,379	60.17	81	3,550	61.07
127	156	64.17	130	152	63.39	952	147	60.86

Combined System Participants

For the last 5 years



Five Year Comparison of change in members and pensioners as of June 30th.

Fiscal Year	Members (1)		Pensioners/ Beneficiaries		Total Participants	
	Members (1)	% Changed	Beneficiaries	% Changed	Participants	% Changed
2015	57,496	1%	36,930	6%	94,426	3%
2014	57,079	1%	34,868	6%	91,947	2%
2013	56,756	5%	33,023	6%	89,779	6%
2012	53,819	-1%	31,108	5%	84,927	1%
2011	54,189	-1%	29,496	5%	83,685	1%

(1) Excludes Inactive Members

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Membership by Age and Years of Service Per Division

Comparison at June 30, 2015 of Age Breakdown in 5 year increments to the Years of Service

	Nearest	COMPLETED YEARS OF SERVICE							Total
	Age	Under 5	5-9	10-14	15-19	20-24	25-29	30+	
PERA FUND	Under 20	210	0	0	0	0	0	0	210
	20-24	2,132	28	1	0	0	0	0	2,161
	25-29	3,734	1,059	38	0	0	0	0	4,831
	30-34	2,998	2,064	792	45	0	0	0	5,899
	35-39	2,367	1,768	1,460	628	30	0	0	6,253
	40-44	2,111	1,447	1,348	1,295	518	5	0	6,724
	45-49	1,888	1,202	1,214	1,153	945	120	3	6,525
	50-54	1,617	1,216	1,117	956	914	213	25	6,058
	55-59	1,315	1,166	992	884	806	202	40	5,405
	60 & Over	1,304	1,157	1,079	773	532	193	69	5,107
	Total	19,676	11,107	8,041	5,734	3,745	733	137	49,173
LEGISLATIVE FUND	Under 30	1	0	0	0	0	0	0	1
	30-34	1	0	0	0	0	0	0	1
	35-39	4	1	0	0	0	0	0	5
	40-44	7	2	0	0	0	0	0	9
	45-49	9	3	1	0	0	0	0	13
	50-54	11	1	4	0	1	0	0	17
	55-59	9	1	2	1	2	0	0	15
	60 & Over	18	10	9	8	7	3	5	60
	Total	60	18	16	9	10	3	5	121
JUDICIAL FUND	Under 20	0	0	0	0	0	0	0	0
	20-24	0	0	0	0	0	0	0	0
	25-29	0	0	0	0	0	0	0	0
	30-34	1	0	0	0	0	0	0	1
	35-39	1	1	0	0	0	0	0	2
	40-44	5	5	1	0	0	0	0	11
	45-49	7	5	2	1	1	0	0	16
	50-54	4	6	11	1	2	0	0	24
	55-59	4	8	8	6	0	0	0	26
	60 & Over	6	13	15	7	4	1	1	47
	Total	28	38	37	15	7	1	1	127
MAGISTRATE FUND	Under 20	0	0	0	0	0	0	0	0
	20-24	0	0	0	0	0	0	0	0
	25-29	0	0	0	0	0	0	0	0
	30-34	0	1	0	0	0	0	0	1
	35-39	1	0	1	0	0	0	0	2
	40-44	3	2	2	3	0	0	0	10
	45-49	1	0	0	1	3	0	0	5
	50-54	4	0	5	2	3	0	0	14
	55-59	11	1	1	0	0	0	0	13
	60 & Over	7	3	3	2	0	0	0	15
	Total	27	7	12	8	6	0	0	60
VOLUNTEER FIREFIGHTER FUND	Under 30	1,800	155	6	0	0	0	0	1,961
	30-34	626	139	39	0	0	0	0	804
	35-39	539	139	45	17	3	0	0	743
	40-44	1,234	114	59	20	13	0	0	1,440
	45-49	389	143	64	23	19	10	2	650
	50-54	344	150	70	49	31	18	9	671
	55-59	332	131	49	29	37	13	4	595
	60 & Over	774	353	75	33	22	10	5	1,272
	Total	6,038	1,324	407	171	125	51	20	8,136

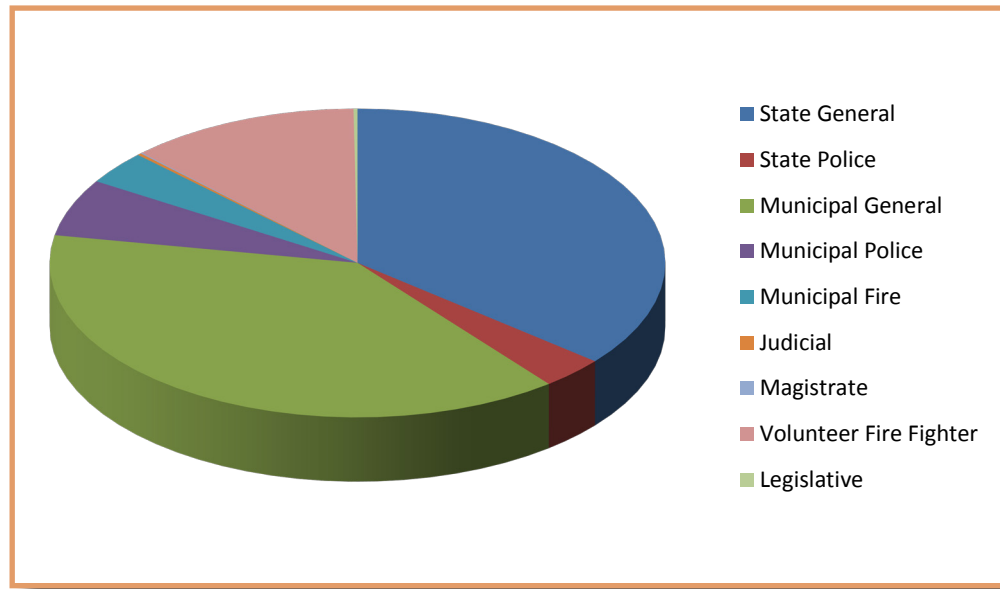
Membership by Status Per Division

Six Year Comparison of active and inactive members per division.

Division	Active	Inactive	Total
PERA			
2015	49,173	11,634	60,807
2014	49,288	9,882	59,170
2013	50,012	7,738	57,750
2012	48,483	6,557	55,040
2011	48,057	9,163	57,220
2010	49,097	8,342	57,439
Legislative			
2015	121	11	132
2014	126	15	141
2013	119	18	137
2012	111	20	131
2011	106	23	129
2010	105	24	129
Judicial			
2015	127	23	150
2014	121	23	144
2013	123	23	146
2012	118	18	136
2011	114	21	135
2010	121	14	135
Magistrate			
2015	60	16	76
2014	45	12	57
2013	41	13	54
2012	42	13	55
2011	45	16	61
2010	46	13	59
VFF			
2015	8,136	657	8,793
2014	7,499	737	8,236
2013	6,461	805	7,266
2012	5,065	906	5,971
2011	5,867	783	6,650
2010	5,422	529	5,951

Membership by Employer Type

As of June 30, 2015

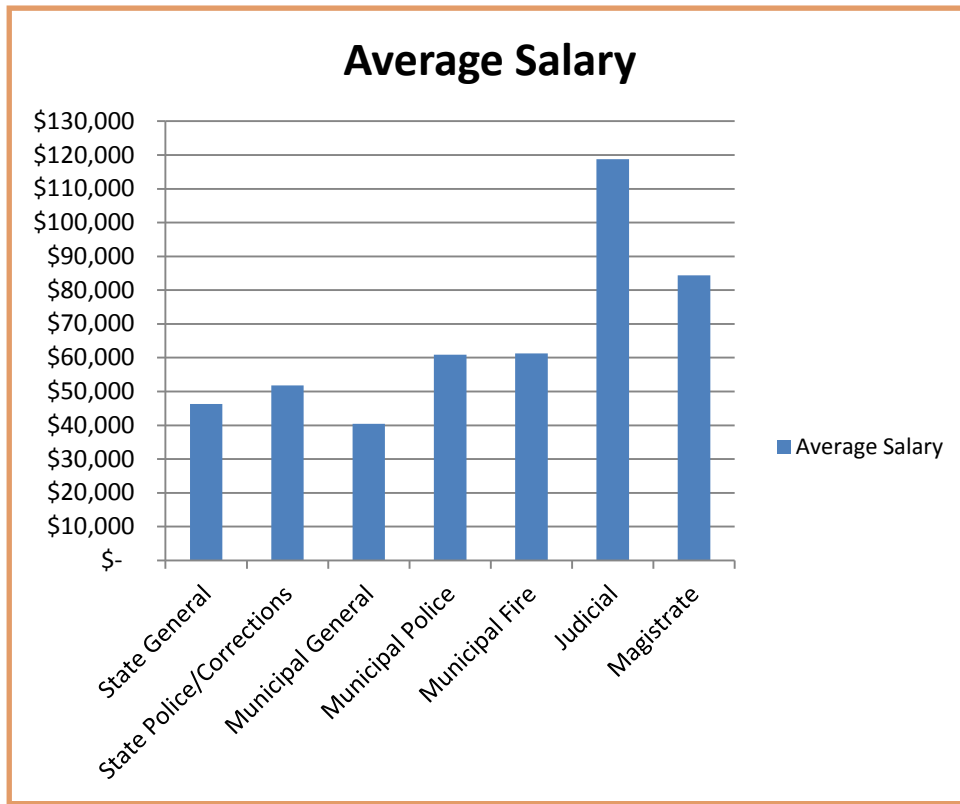


A summarized listing of members by employer type as of June 30, 2015

	Total*	Active	Inactive
State General	25,371	20,253	5,118
State Police	2,270	1,880	390
Municipal General	26,689	21,217	5,472
Municipal Police	4,111	3,647	464
Municipal Fire	2,366	2,176	190
Judicial	150	127	23
Magistrate	76	60	16
Volunteer Fire Fighter	8,793	8,136	657
Legislative	132	121	11

Average Salary by Employer Type

As of June 30, 2015



Average salary by employer type as of June 30, 2015.

	Average Salary	Members *	Total Salaries
State General	\$46,322	20,253	\$938,168,776
State Police/Corrections	51,783	1,880	97,352,917
Municipal General	40,404	21,217	857,243,239
Municipal Police	60,895	3,647	222,085,818
Municipal Fire	61,307	2,176	133,403,526
Judicial	118,774	127	15,084,263
Magistrate	\$84,430	60	\$5,065,798
Volunteer Fire Fighter	N/A **	8,136	N/A **
Legislative	N/A **	121	N/A **

* Only Active members receiving salary

** Plan is not based on percentage of payroll

Participating Employers

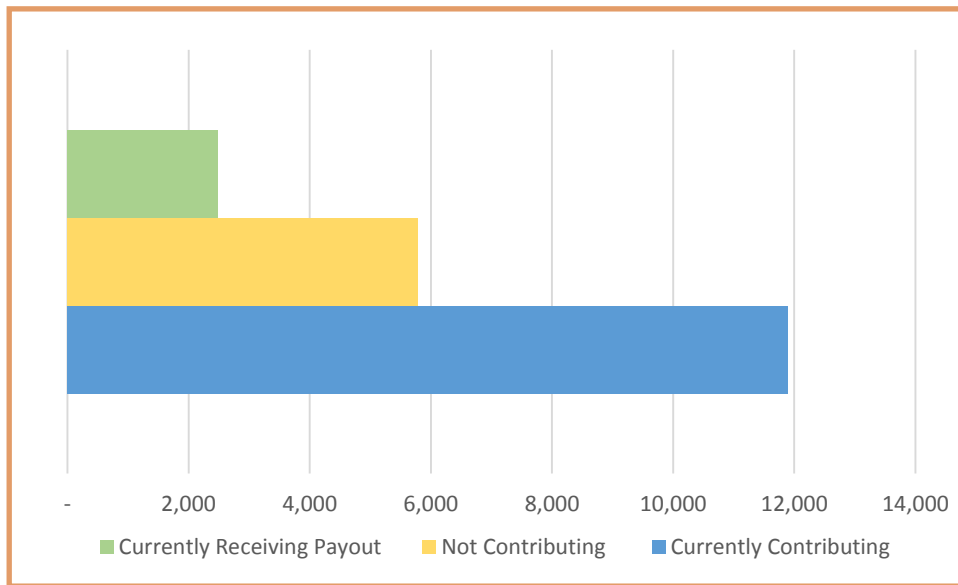
Current Year and Ten Years Ago

Ten year direct comparison of employers, active employees, and percentage of employees per division type.

	2015			2006		
	Employers	Active Employees	Percentage of Employees	Employers	Active Employees	Percentage of Employees
Public Employees Retirement Fund:						
State Agencies	177			118		
Subtotal State Division	177	27,641	39.63%	118	25,031	43.47%
Municipalities	88			81		
Counties	33			33		
Other local public bodies	53			38		
Housing Authorities	17			15		
Subtotal Municipal Division	191	33,166	47.55%	167	26,575	46.16%
Judicial Retirement Fund	15	75	0.11%	15	110	0.19%
Magistrate Retirement Fund	5	76	0.11%	18	50	0.09%
Volunteer Firefighters Fund	367	8,793	12.61%	373	5,804	10.08%
TOTAL	755	69,751	100.00%	691	57,570	100.00%

Principal employers:

- State of New Mexico
- City of Albuquerque, NM
- County of Bernalillo, NM



Participants at June 30, 2015

Total Plan Participants	20,176
Currently Contributing	11,902
Not Contributing	5,792
Currently Receiving Payout	2,482

Deferred Compensation Asset Allocation for June 30, 2015

Asset Allocation by Asset Class	Assets as of June 30, 2015	% of Total Assets
Domestic Equity Funds:		
Large Cap Funds	\$133,090,307	26.63%
Mid Cap Funds	44,564,838	8.92%
Small Cap Funds	10,453,143	2.09%
International Equity Funds	24,133,821	4.83%
Global Real Estate Funds	1,626,048	0.32%
Balanced Funds	21,713,257	4.35%
Fixed Income Funds	20,800,254	4.15%
Asset Allocation	101,076,944	20.23%
Suspense	1,319	0.00%
NW Variable Payout Assets	26,686	0.01%
NW Fixed Payout Assets	1,450,192	0.29%
Stable Value	129,588,734	25.93%
Self-Directed Option	3,461,542	0.69%
Contributions Receivable	180,923	0.04%
Loans Receivable	9,178,261	1.83%
TOTAL	\$501,346,269	100.31%

Deferred Compensation Program Comparative Investment Results

Fiscal Year Ended June 30, 2015

(Numbers extracted from Nationwide Investment Performance Report)

Comparative Investment Result Percentages Shown in 1, 3 and 5 Year Increments.

Manager	1-year 2015	3-year 2012-2015	5-year 2010-2015
Large Cap Funds			
Dodge & Cox Stock Fund	4.5%	20.4%	17.8%
Vanguard Institutional Index	7.4%	17.3%	17.3%
Fidelity Contrafund	10.4%	17.6%	17.2%
Mid Cap Funds			
Fidelity Low-Priced Stock Fund	7.2%	18.6%	17.3%
Principal MidCap Blend Fund	11.3%	20.2%	19.9%
T. Rowe Price Mid Cap Growth	15.6%	21.7%	20.0%
Small Cap Funds			
DFA US Small Cap Portfolio	5.8%	19.2%	18.5%
International Funds			
Fidelity Diversified Int'l	2.3%	14.2%	11.5%
American EuroPacific Growth Fund	1.0%	12.7%	10.1%
Aberdeen Emerging Markets	-7.9%	1.6%	5.4%
Vanguard Total International Stock Index	-4.6%	9.9%	n/a
Fixed Income Funds			
BlackRock Inflation Protected Bond Fund	-2.5%	-0.8%	3.0%
Vanguard Total Bond Market Index Fund	1.7%	1.7%	3.3%
Templeton Global Bond Fund	-1.5%	4.6%	5.3%
Real Estate			
INVESCO Global Real Estate Fund	0.8%	9.1%	11.7%
Balanced Funds			
Oakmark Equity & Income Fund	2.1%	12.0%	10.9%
Principal Diversified Real Asset Fund	-7.7%	3.9%	6.7%
Stable Value Fund			
New Mexico Stable Value Fund	1.4%	1.4%	1.5%
Asset Allocation			
Conservative Portfolio	0.7%	4.7%	5.9%
LifeCycle 2015 Portfolio	1.3%	6.4%	8.2%
LifeCycle 2025 Portfolio	1.9%	10.0%	10.3%
LifeCycle 2035 Portfolio	2.0%	11.3%	11.4%
LifeCycle 2045 Portfolio	2.1%	12.0%	12.0%
LifeCycle 2055 Portfolio	2.1%	12.3%	12.2%

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Public Employees Retirement Association of New Mexico
System and Plans Statistical Highlights
 For The Fiscal Year Ended June 30, 2015

Provides summarized information regarding the pension plans in regards to membership, financial and actuarial

	PERA	Legislative	Judicial	Magistrate	VFF
Membership Information					
Total Membership	96,479	318	302	178	9,797
Active	49,173	121	127	60	8,136
Inactive	11,634	11	23	16	657
Retired	35,672	186	152	102	1,004
Active Members					
Average Age	43.54	58.50	56.04	53.23	42.88
Average Years of Service	8.69	8.58	10.44	9.03	3.63
Average Annual Salary	\$45,721	N/A (1)	\$118,774	\$84,430	N/A (1)
Retirees					
Average Age	66.69	75.36	71.45	70.50	68.07
Average Annual Benefit	\$27,885	\$9,329	\$62,510	\$39,333	\$1,721
Financial Information					
Change in Net Position	\$(169,264,796)	(2)	\$(2,153,049)	\$(1,997,415)	\$179,975
Net Assets at Market Value	14,396,434,428	(2)	90,226,255	33,638,277	63,009,415
Liabilities	140,905,884	(2)	1,238,004	495,782	906,179
Totals for:					
Contributions	576,083,740	(2)	5,775,456	1,426,244	750,000
Investment Income	251,488,278	(2)	1,511,657	579,090	1,093,756
Pension Benefits	966,236,566	(2)	9,379,041	3,955,687	1,633,388
Refunds	46,010,197	(2)	40,197	4,918	-
Administrative Expenses	9,885,765	(2)	60,019	22,661	42,596

(1) Legislative and Volunteer Firefighters are not based on payroll contributions.

(2) Legislative Statutory Contribution is \$2.5 Million and is included in the PERA fund.

Public Employees Retirement Association of New Mexico
System and Plans Statistical Highlights *(continued)*
 for The Fiscal Year Ended June 30, 2015

DEFERRED CONTRIBUTION PLAN (IRC 457)

Membership Information

Total Membership	20,176
Currently Contributing	11,902
Not Contributing	5,792
Currently Receiving Payout	2,482

Financial Information

Changes in Net Position	\$13,998,712
Net Assets at Market Value	501,346,267
Totals for:	
Contributions	34,628,217
Investment Income	19,383,014
Pension Benefits	38,954,562
Life Insurance Benefits	61,779
Administrative Expenses	996,178

Public Employees Retirement Association of New Mexico

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PERA

Public Employees
Retirement Association
of New Mexico

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