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Education Retirement Board Resolution Endorsement

UNM Faculty Senate

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Education
Retirement
Board
Resolution
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April 26,
2011

RESOLUTION

WHEREAS the State of New Mexico has been severely impacted by the economic recession; and,

WHEREAS these events have negatively impacted the solvency of the Educational Retirement Board pension plan; and,

WHEREAS the NM State Legislature has NOT met its obligation to address the solvency of the fund; and,

WHEREAS the State of New Mexico has introduced a temporary ERB Swap increase two years ago to balance the state budget; and,

WHEREAS The State of New Mexico did not follow through with the promise to sunset the swap after two years; and,

WHEREAS the 2011 Legislative body is voting to further increase ERB employee contributions without addressing the solvency concerns of the ERB through a “Retirement Swap” that effectively imposes a tax on New Mexico’s education workforce, reducing take home pay; and,

WHEREAS employees do not have the choice of whether to contribute to the fund nor see any increased benefit as a result of increased contributions to the fund, making this swap effectively a new payroll tax; and,

WHEREAS many employees in New Mexico’s educational workforce cannot afford this reduction in take home pay and could lose their homes, ability to pay for health insurance, or worse, as a result of this unfair tax imposition; and,

WHEREAS a committed and capable workforce is the foundation of any organization; and,

WHEREAS compensation and benefit packages are important components in attracting and retaining high quality, motivated employees; and,

WHEREAS demands on higher education have grown with increasing enrollment during the recession, and lower state funding levels have forced New Mexico's education workforce to take on significantly more work with fewer staff and less compensation, causing stress and overtime; and,

WHEREAS the employees of the University of New Mexico have been active participants in cost containment efforts including retirement swap contributions, a hold on salaries and cost of living increases for more than 3 years

NOW, THEREFORE, be it resolved, that the UNM Staff Council finds ongoing use of ERB retirement swaps to be an unacceptable means of addressing state budget deficits that adversely affects the mission of the university and the employees who support that mission

NOW, THEREFORE, be it also resolved, that the UNM Staff Council calls on the Governor and the New Mexico State Legislature to discontinue the use of retirement swaps after FY12, and to live up to the State's obligation to address solvency issues that exist within the ERB.