

# Frequently Asked Questions

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

Answer: Effective July 1, 2012, ER/EE contribution rates are 1.0% and 2.0% respectively. The rates did not change for fiscal year 2014.

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

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

## **Can member institutions forward their contribution electronically?**

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

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

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

Please note that unless an employee is required to pay contributions to ERB or PERA for purposes of obtaining service credit with ERB or PERA, they are not required to pay the employee contribution to NMRHCA. The only exceptions are return to work employees who, as of July 1, 2009, are required to contribute the employee share to NMRHCA and the employer is required to pay the employer share of all return to work employees.

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

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

## **How do I set up an electronic contribution fund transfer?**

Contact your financial institution and provide the following information:

**BANK ADDRESS:**

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

**ROUTING AND TRANSIT CRT#:**

121000248

**ACCOUNT #:**

4123105413

When you initiate the transfer please either scan and email or fax (505) 884-8611 your contribution reporting to the Albuquerque office.

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

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

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

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

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

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

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