

**NEW MEXICO RETIREE HEALTH CARE AUTHORITY
TABLES FOR CALCULATING ACTUARIAL EQUIVALENCE OF
SERVICE PURCHASE**

**EXHIBIT I
ACTUARIAL EQUIVALENCE TABLES (Retiree Coverage Only)**

**Actuarial Equivalent Value of Reduction in Retiree Contribution for
Each Additional Year of Service – Total Less Than 20**

Age at Retirement	Retirements Commencing from July 1, 2017 through June 30, 2018	Retirements Commencing from July 1, 2018 through June 30, 2019
40	\$8,737	\$9,208
41	8,551	9,012
42	8,360	8,812
43	8,165	8,607
44	7,965	8,397
45	7,760	8,182
46	7,550	7,962
47	7,335	7,736
48	7,115	7,505
49	6,890	7,268
50	6,658	7,025
51	6,421	6,776
52	6,179	6,522
53	5,930	6,260
54	5,675	5,992
55	5,413	5,718
56	5,145	5,436
57	4,871	5,148
58	4,590	4,853
59	4,302	4,551
60	4,007	4,241
61	3,707	3,924
62	3,402	3,601
63	3,094	3,273
64	2,783	2,941
65	2,470	2,606
66	2,395	2,527
67	2,319	2,448
68	2,244	2,368
69	2,167	2,288
70	2,090	2,207
71	2,013	2,126
72	1,935	2,044
73	1,857	1,963
74	1,780	1,881
75	1,702	1,800
76	1,625	1,719
77	1,549	1,638
78	1,473	1,559
79	1,399	1,481
80	1,326	1,405

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**EXHIBIT II
CALCULATION EXAMPLES**

Example 1:

Retirement Date:	August 1, 2017
Age at Retirement	58
Service at retirement, before addition of service	14
Actuarial equivalent cost per additional year of service	\$4,590

Example 2:

Retirement date:	February 1, 2018
Age at retirement	67
Service at retirement, before addition of 3 years of Service	10
Actuarial equivalent cost of 3 additional years of service	\$6,957 (3 X \$2,319)

Example 3:

Retirement date:	October 1, 2018
Age at retirement	62
Service at retirement, before addition of Service	7
Actuarial equivalent cost per additional year of service	\$3,601

Example 4:

Retirement Date:	October 1, 2017
Age at Retirement	60
Service at Retirement, before addition of Service	22
Actuarial equivalent cost per additional year of service	Not Eligible

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**EXHIBIT III
ACTUARIAL ASSUMPTIONS**

Service Purchase does not apply to the spousal subsidy rate.

Discount Rate: 7.75%

Mortality Rates:

The mortality basis for the actuarial equivalence is a weighted average of the healthy post-retirement mortality rates from the June 30, 2016 GASB 43 valuation:

- 30% PERA Healthy Male
- 20% PERA Healthy Female
- 15% ERB Healthy Male*
- 35% ERB Healthy Female*

Below is a series of sample rates:

Age	Mortality Rate (%)
40	0.1017
45	0.1432
50	0.1921
55	0.2715
60	0.4363
65	0.7877
70	1.3159
75	2.2557
80	4.1047
85	7.5339
90	13.6610

* The ERB mortality tables were changed from a generational projection in the valuation to static projection to 2018 for the service purchase calculation.

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**EXHIBIT III
ACTUARIAL ASSUMPTIONS**

Retiree Contribution Increments Used for Actuarial Equivalence

Reduction in annual retiree contribution for additional year of service, when total years of service does not exceed 20:

Under Age 65

12-month period from July 1, 2017 through June 30, 2018	\$ 395.94
12-month period from July 1, 2018 through June 30, 2019	\$ 426.63

Age 65 and Older

12-month period from July 1, 2017 through June 30, 2018	\$ 148.47
12-month period from July 1, 2018 through June 30, 2019	\$ 159.98

Assumed Increases in Future Retiree Contributions

Year Ended June 30,	Assumed Rate of Increase Over Preceding 12-month Period
2020	7.25%
2021	6.75%
2022	6.25%
2023	5.75%
2024	5.25%
2025 and Later	5.00%