

EXECUTIVE SUMMARY  
ACTUARIAL REVIEW OF RETURN TO WORK PROVISIONS IN THE  
NEW MEXICO PUBLIC EMPLOYEES RETIREMENT ASSOCIATION FOR  
THE CITY OF ALBUQUERQUE

Return to Work (RTW) for police officers in New Mexico can be accomplished without a negative impact on pension solvency. See page 6 of Actuarial Report.

In fact, in certain cases, there could be a net positive savings to PERA due to the fact that returning retired police officers would be paying into the retirement system but not accruing benefits. See page 5 Table.

One scenario where a police officer works 3-years past 20-year retirement and then returns to work for 5-years, would actually result in a savings of \$12,708 to the retirement system (PERA). See page 5, Table, Scenario C.

The Baseline Assumption for the analysis is the scenario where an employee retires after 23 years. This would cost the retirement system (PERA) \$467,807 versus \$455,099 for a Return to Work employee in Scenario C on the Table on Page 5. This accounts for the potential savings of \$12,708. See Page 5, Table comparing Scenario A with Scenario C.

By bringing retiring police officers back to work, the City would save approximately \$150,000 in recruiting and training costs associated with new police cadets. See page 7, Point 4.

Taxpayers would not only save \$150,000 per new recruit, but we would not lose the 20-year plus investment made for training and certifying experienced police officers.

Other Considerations:

A new recruit is unproven versus a 20-year law enforcement veteran who is experienced and tested in real-world scenarios.

Under Return to Work there would be no “learning curve.” Taxpayers would know what they are getting.

Currently, by not having Return to Work, New Mexico is losing the investment we have made in our law enforcement officers. Other states are benefitting at our expense.