

## PNM Resource Employees' Retirement Plan FAQs

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### **This applies to you if you were hired before January 01, 1998**

**Q:** I am considering retirement, how do I submit a notice of retirement?

**A:** Print and complete the [Notice of Retirement Election Form](#). Submit the form to the Benefits Department at MS 0745.

**Q:** How often do pension checks get paid?

**A:** If you elect a monthly annuity, pension checks are paid monthly on the first of each month.

**Q:** Can I elect direct deposit of my pension check?

**A:** Yes, but it can only go to either a savings or checking account. Payments cannot be split between two types of accounts. Checks are made payable by BNY Mellon Bank.

**Q:** Does the Employees' Retirement Plan offer a Lump Sum/Rollover option?

**A:** Yes. If you separate employment on or after January 1, 2014, you can elect a Lump Sum distribution of your pension benefit. This is only available for 90 days after your date of termination. A rehired employee who had previously commenced pension benefits is not eligible for a lump sum distribution.

**Q:** Is it true I need to provide birth certificates and marriage certificate when I complete my pension paperwork?

**A:** Yes, your pension benefit takes into account yours and your spouse's birth date. You must also provide a marriage certificate.

**Q:** Is it true that if I am married and elect an option that does not provide a lifetime benefit to my spouse, my spouse has to give notarized consent?

**A:** Yes. If you are married and do not provide a lifetime benefit to spouse, he or she must consent to this election in writing.

**Q:** If I don't elect one of the surviving spouse options on my pension when I retire, is my spouse still entitled to retiree medical if I pre-decease he or she?

**A:** Yes, but he or she must have been your spouse on the date of retirement.

**Q:** If I elected a surviving spouse option and later get divorced, can I revert to a Single Life Annuity and change my benefit option?

**A:** Yes, but only after notifying the Benefits department within 18 months of divorce and written consent from former spouse. For instructions visit the reversion section within [PNMR Pension SPD Summary Plan Description website](#). For further assistance contact the Benefits department at 505-241-4919 for complete details.

**Q:** Will PNM Resources retiree medical insurance costs be deducted from my pension check?

**A:** Yes. If your premium is more than your pension or if you elect a Lump Sum option, we will bill you by our Third Party Administrator, AonHewitt.

**Q:** I have over 33 years of service and am under age 55. If I retire today, am I eligible for retiree health insurance at age 55?

**A:** Yes, but you must pay the entire cost until you turn 55. PNM Resources does not subsidize rates for retirees under age 55.

**Q:** Are retiree premiums for health insurance the same as for actives?

**A:** No, retiree rates are based on your age and years of service.

**Q:** If I don't meet the criteria to retire but I am vested at termination, can I commence my pension at a later date? Will I be eligible for Health Insurance at that date?

**A:** Yes. You can either elect or defer your pension upon termination; however, you will not be eligible for retiree health benefits.

**Q:** If my position is impacted and I am over 55 with more than 10 years of service at PNMR, will I receive BOTH my pension and a severance package?

**A:** Yes. If you are retirement eligible, severance has no impact on your pension.

**Q:** If my position is impacted how long am I covered under medical, dental and vision?

**A:** You are covered for either three or six months depending on the severance option you elect. Deductions from your retiree check will not commence until after the three or six month period. The three or six month premium for your benefits will be deducted from your actual severance check. After this period, premiums will be deducted from your retiree check, or you may be billed by AonHewitt if there is no monthly option elected.

**Q:** If I choose any of the Joint & Survivor options at retirement and my spouse passes away first, does my retirement benefit change?

**A:** No. Elections made at retirement are irrevocable.

**Q:** If I sign up for retirement as a single and later get married, can I add my new spouse after I'm retired?

**A:** No. You must be married at the time of retirement to elect a Joint & Survivor option. The same applies to retiree medical.

**Q:** Does pension count as income (W-2 wages) towards Social Security annual wage limits?

**A:** No. Your Social Security check is not offset by your Pension. Pension is not considered earned income.

**Q:** If the retiree passes away do the health benefits pass on to the surviving spouse?

**A:** Yes, if the spouse was the spouse at the time of retirement.

**Q:** If I lose my job and have 29 years and 900 hours of service at termination, do my PTO and Legacy Bank count toward my total service?

**A:** Yes. Any earned unused PTO and Legacy count towards the 1,000-hour rule. This time only counts from your anniversary date (not calendar year).

**Q:** What do I have to do to continue life insurance after retirement?

**A:** You must complete the [Portability form](#). Please note that Sections 2 & 3 of the Application are to be *completed by the Employer* (because it requires verification that your employment ended on a specific date, Sections 2 & 3 are completed on or after your last day as an active). So, if you wish to port out your life insurance, please e-mail [benefitshelp@pnmresources.com](mailto:benefitshelp@pnmresources.com) as to what will be your last day, request a life insurance port-out, and the Benefits department will send you a completed

Section 2 and 3 at that time. Then, you can complete, attach, and send your entire application directly to Prudential Life for port-out. Your application is due to Prudential within 31 days after your active employee benefits end. You can also view the [Portability Rates attachment](#) to see what you can expect the rates will be after you retire.

**Q:** If I have not used up all of my Flexible Spending Account (FSA), can I use it after my termination date?

**A:** FSA expenses must be incurred prior to your separation of employment. Claims must be processed by the IRS deadline for the calendar year. You will forfeit any FSA monies if you do not have enough claims before your last day of work. You have the option to continue participating for the remainder of the year, but it's through COBRA and your contributions are on an after-tax basis.

**Q:** If I decide to retire on the 20th of a month and am due a pension check on the 1st of the next month, will my payments be retroactive if I haven't provided the required 6 to 8 weeks notice of retirement?

**A:** Yes. Your first check will most likely be delayed, but you will be entitled to it and that month will be retroactive.

**Q:** If I had 100 hours of Paid Time Off (PTO) carried over at the end of the year, will that be paid out at termination in addition to the earned PTO for the current year?

**A:** Yes. All earned unused PTO and Legacy are part of your final paycheck.

**Q:** How do I request a calculation of my retirement?

**A:** Contact [Transamerica](#) at 800-755-5801 from 8 AM to 8 PM Eastern Standard Time.