



**NH Retirement System**  
**54 Regional Drive**  
**Concord, NH 03301**  
**Phone: (603) 410-3500**  
**www.nhrs.org**

**For Immediate Release:** July 11, 2011

## **Pension Deduction for Retired State Employee Medical Benefits to Increase**

*Recently enacted legislation changes cost of state retiree medical benefits*

CONCORD, N.H. – House Bill 2, which was enacted into law on June 29, 2011, increased the cost of state retiree medical coverage effective July 1, 2011. The new law directs the New Hampshire Retirement System (NHRS, the retirement system) to deduct 12.5% of the monthly premium rate per person from a retiree's monthly pension benefit for each covered state retiree and covered spouse who is ineligible for Medicare parts A & B.

Because the New Hampshire Retirement System is required by statute to deduct state retiree medical premiums from the monthly pension benefit paid to NHRS retirees and beneficiaries, the retirement system is sending this notice to retirees as a courtesy. Please be aware that state retiree medical benefits are administered through the N.H. Department of Administrative Services, Division of Personnel. If you are a retiree of a school district, county or municipality, this notice does not pertain to your coverage.

The new medical coverage deduction for state retirees and their spouses who are ineligible for Medicare parts A & B will begin with the July pension checks. The following are the contribution amounts effective from July 1, 2011 through December 31, 2011:

**Retiree Only Monthly Premium Rate:  $\$910.40 \times 12.5\% = \$113.80$  per month**

**Retiree and Spouse Monthly Premium Rate:  $\$1823.81 \times 12.5\% = \$227.98$  per month**

***Please note:** The monthly premium rate is recalculated each calendar year to reflect current claims experience and health plan design. Therefore, each January the 12.5% premium contribution amount may increase or decrease dependent upon the plan's experience from the previous year.*

The previous deduction was \$65 per person, per month, for each covered retiree and spouse.

This deduction only affects retired state employees currently receiving medical coverage through the State of New Hampshire. For those retirees who do not have a pension or their pension is insufficient to cover the new contribution amount, the Department of Administrative Services will send an invoice each month.

Questions concerning medical coverage should be directed to the Department of Administrative Services, Division of Personnel. State retiree benefit information is available at [http://admin.state.nh.us/hr/retirement\\_benefits.html](http://admin.state.nh.us/hr/retirement_benefits.html). For additional questions, contact Judy Shevlin at the Division of Personnel by email at [judy.shevlin@nh.gov](mailto:judy.shevlin@nh.gov) or by telephone at (603) 271-1432.

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Media inquires: Marty Karlon, Public Information Officer, 410-3594, [public\\_relations@nhrs.org](mailto:public_relations@nhrs.org).