

NH Retirement System Rolls Out Online Gateway for Members, Retirees
New “My Account” Portal Allows 24/7 Access to Account Information

New Hampshire Retirement System (NHRS) retirees may now access their personal account information online. Through the new My Account page on the NHRS website (www.nhrs.org), members and individuals in receipt of a pension may review secure, personal account information anytime, from any computer.

My Account is a gateway to conveniently access personal data such as account balances, beneficiary designations, year-to-date retirement benefit summaries, deductions, direct deposit status, and federal withholding information.

“By logging into My Account, members will have easy access to personal information that they previously would have had to contact us about,” said Dick Ingram, NHRS Executive Director. “Obviously, this is a big benefit for members and retirees, but it will also help NHRS staff offer them more proactive assistance.”

To create an account or access an existing account, pension recipients may visit the NHRS homepage at <http://www.nhrs.org/> and click on My Account, or go directly to: <https://www.nhrs.org/NHRSmemberservices/pgwebmember.exe>.

Online documentation including “How to Create an Account” and “My Account User Guide” is available on the Retirees Resources page at <http://www.nhrs.org/Retirees/WMS.aspx>.

Health Insurance Status Changes When You Become Medicare Eligible

If you are receiving health insurance through your former NHRS eligible employer, your insurance status will change when you become eligible for Medicare.

Typically, individuals become eligible for Medicare at age 65. However, a retiree or spouse may become Medicare eligible prior to age 65 due to eligibility for Social Security Disability. In addition, a retiree or spouse who has only Medicare Part A, but not Part B, is considered enrolled in Medicare, and, therefore, “Medicare eligible”.

Once a retiree or spouse becomes Medicare eligible, employer plans provide supplemental coverage and Medicare becomes the primary coverage. This change typically affects health insurance premiums; the premium rates are set by the former employer, not by NHRS. Medicare eligibility also results in a reduced medical subsidy amount paid by NHRS on behalf of retirees and spouses who were eligible for the subsidy at the time of retirement.

Medical subsidy recipients are responsible for notifying the former NHRS employer and NHRS when each becomes Medicare eligible. However, NHRS mails annual questionnaires to verify Medicare enrollments and eligibility, which allows NHRS to assist employers, retirees, and their surviving spouses to maintain continued appropriate coverage.

New Hampshire Retirement System Legislative Roundup

A status report on significant legislation affecting NHRS from the 2010 session

Only a few of the nearly two dozen bills introduced in the 2010 legislative session affecting New Hampshire Retirement System (NHRS) statutory provisions (RSA 100-A) were enacted into law.

2010 Legislation That Passed:

Special Session House Bill 1: COLA, TSA approved

Special Session House Bill 1 provides cost-of-living adjustments (COLAs) and temporary supplemental allowances (TSAs) for eligible retirees or beneficiaries. To view a detailed list of these adjustments, visit the NHRS website at: http://www.nhrs.org/News/Files/COLA_Eligible_Retired_Members_063010.pdf

Senate Bill 504: “Spiking” provision deferred

Senate Bill 504 extends the effective date of the 2008 legislation creating the so-called “spiking” provision (125% assessment) from July 1, 2010 to July 1, 2011. A study commission continues to evaluate proposals for the assessment methodology. For more information on this issue, visit the NHRS website at: <http://www.nhrs.org/Employers/Notices.aspx>

House Bill 1668: State health insurance for Group II members (RSA 21-I:30)

House Bill 1668 requires Group II (Police and Fire) members whose service with a state agency or department began on or after July 1, 2010, complete at least 20 years of creditable service with the state in order to qualify for post-retirement state health insurance coverage.

2010 Legislation That Did Not Pass:

A number of bills introduced in the 2010 legislative session affecting NHRS were not enacted into law. Among those bills were: House Bill 1664, which would have increased employee contribution rates in Fiscal Year 2011; House Bill 1530, which would have narrowed the definition of earnable compensation; House Bill 1277, which would have extended medical subsidy benefits for certain vested Group I (Employee and Teacher) members; and House Bill 1576, which would have repealed a provision allowing certain retirement system members to receive benefits while working at the same position from which they retired. (This bill was referred to interim study.)

To view the final disposition of all 2010 NHRS-related legislation, visit the NHRS website at <http://www.nhrs.org/News/LegUpdates.aspx>. To view the full text and fiscal notes of a bill, visit the State of New Hampshire General Court’s website at <http://gencourt.state.nh.us/>.

Deductions from Pensions for Health Insurance Premiums Cannot Be Pre-Tax

Retirees who participate in the health insurance plan of their former NHRS employer may elect to have insurance premiums deducted from their monthly pension. However, pursuant to Internal Revenue Code (IRC) regulations, it is not permissible for retiree health insurance premiums or contributions to a health savings account to be deducted from a retiree’s pension on a pre-tax basis.

Although retiree health insurance premiums cannot be deducted from a retiree’s or beneficiary’s pension on a pre-tax basis, those premiums may be deductible as a medical expense for federal income tax purposes for retirees who itemize deductions. Retirees with questions about potential tax deductions are encouraged to contact a tax consultant or the Internal Revenue Service.

2010 COLA for Eligible Retirees

Recently enacted legislation provides a cost-of-living adjustment (COLA) and other supplemental payments for eligible retirees, or their eligible beneficiaries, as described below:

Cost-of-Living Adjustment (COLA)

Retired members who have been receiving a pension for at least 12 months as of July 1, 2010, were granted a 1.5% permanent increase on the first \$30,000 of their annual pension, beginning with the pension payment for July 2010. The COLA was calculated retroactively to the retiree's most recent anniversary date of retirement.

One-Time Supplemental Payments

A separate one-time payment of \$1,000 in addition to the July 2010 regular pension payment was issued to retirees who had at least 15 years of creditable service at the time of retirement, whose annual pensions equaled \$20,000 or less as of their latest retirement anniversary date, and who have been receiving a pension for at least 12 months. Retirees who retired before January 1, 1993, received an additional, one-time payment of \$500.

Supplemental Allowances for Eligible Medical Subsidy Recipients

A separate one-time payment in addition to the July 2010 regular pension payment was issued to eligible retirees, as described below. Legislation enacted in 2008 provides eligible retirees who received the medical subsidy as of their latest anniversary date of retirement with an annual supplemental allowance through Fiscal Year 2011.

Medical subsidy recipients who are not eligible for Medicare and who retired from towns, cities, school districts, counties, or other local government employers received the following one-time, additional supplemental allowance:

- A one-person medical subsidy benefit recipient -- \$500
- A two-person medical subsidy benefit recipient -- \$1,000

Medical subsidy recipients who are Medicare eligible and who retired from towns, cities, school districts, counties, or other local government employers received up to 60% of the non-Medicare eligible amounts as follows:

- A one-person medical subsidy benefit recipient -- \$300
- A two-person medical subsidy benefit recipient -- \$600

A two-person medical subsidy benefit recipient may not receive more than \$1,000 per year.

State employees who retired from a state agency or department are not eligible for the supplemental payments related to the medical subsidy.

Questions about COLAs and other supplemental allowances should be directed to NHRS by calling (603) 410-3619 or toll-free at (877) 600-0158, extension 3619.

A recent online survey conducted by NHRS showed a 46% response rate from the retiree population. Thank you, retirees, for taking the time to provide valuable feedback! Survey results indicate that the retiree population is using the website as a resource for current information related to NHRS benefits and for access to forms. Forms most often downloaded from the NHRS website include the W-4P Tax Withholding Form, the Address Change Form, and the Direct Deposit Form, which are available at <http://www.nhrs.org/Retirees/Applications.aspx>

The New Hampshire Retirement System (NHRS) is governed by New Hampshire RSA 100-A, rules, regulations, and Federal laws including the Internal Revenue Code. NHRS also implements policies adopted by the Board of Trustees. These laws, rules, regulations, and policies are subject to change. Even though the goal of NHRS is to provide information that is current, correct, and complete, NHRS does not make any representation or warranty as to the current applicability, accuracy, or completeness of any information provided. The information herein is intended to provide general information only, and should not be construed as a legal opinion or as legal advice. Members are encouraged to address specific questions, regarding NHRS, with an NHRS representative. In the event of any conflict between the information herein and the laws, rules, and regulations which govern NHRS, the laws, rules, and regulations shall prevail.

Why Do Monthly Pension Checks Change From Time To Time?

Changes to monthly pension amounts can occur for a number of reasons and are typically seen in January and July. In January, a pension recipient may see a reduction in the pension amount due to changes in federal withholding tax tables. Traditionally, July is the effective date for any cost of living adjustments (COLAs) or supplemental allowances, which must be approved annually by the NH Legislature. These legislative decisions – which are not automatic – may result in an increase to the monthly amount, a separate check for a one-time payment, another type of adjustment, or no adjustment.

If pension recipients are receiving health insurance through their former NHRS eligible employer, monthly pension amounts will also be affected by changes to medical insurance premium deductions from the pension payment. Premium amounts are set by the former employer, not by NHRS, and typically change annually. In addition, pension amounts may change when retirees and/or their spouse become Medicare eligible, and the NHRS eligible employer moves the retiree and/or the spouse to the employer's post-65 supplemental plan. NHRS has no authority over this change. Retirees must contact their former employer about its rate structure for medical insurance coverage before and after age 65.

Pursuant to the current law, the pension benefit formula for Group I (Employee and Teacher) retirees changes when a retiree attains age 65, which results in an approximate 10 percent reduction to the monthly pension. For retirees with split benefits in Group I and Group II, the reduction only applies to the Group I portion of the pension.