

## NHRS Unveils Website Upgrades

The New Hampshire Retirement System (NHRS, the retirement system) has added two new features to its website that allow employers and members easier access to presentations regarding the retirement system.

Through the *Request a Session* page, employers interested in hosting an NHRS member education session for their members and members from other local NHRS employers may request to host a session by completing an online form.

If members are unable to attend a live education session, they may now view a presentation online. These online presentations allow members and employers the opportunity to learn about various NHRS-related topics at their convenience. NHRS has posted a Group I (Employee and Teacher) Summary Presentation and a Group II (Police and Fire) Summary Presentation.

Additional presentations on other NHRS-related topics will be added periodically.

In addition to the new features, NHRS has also upgraded *My Account*, the online portal where users can access their personal account information from any computer.

The most noticeable change is in the pension recipient section, where the benefit payroll summary screen has been replaced by the pension recipient's actual monthly pay stub data. This change allows retirees to keep better track of their monthly payments, deductions, and taxes. Pay stub data is available back to January 1, 1999.

Other upgrades include:

- The way dates are entered has been changed to reduce error messages.
- In the Benefit Estimator section, the word "Monthly" has been added in front of the Average Final Compensation field and on the printout to reduce confusion.
- An issue with the date of birth field when a trust is named as a beneficiary has been fixed.

To create an account or access an existing account, members and pension recipients may visit [www.nhrs.org/](http://www.nhrs.org/) and click on *My Account*.

## Legislative Updates

Information regarding bills introduced in the 2011 legislative session can be found on the NHRS website at <http://www.nhrs.org/News/LegUpdates.aspx> starting in early January.

In addition, employers, town selectmen, city council members, and school superintendents or chief fiscal officers of school districts are emailed this important information directly.

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.

## Guidance for Hiring NHRS Retirees

NHRS advises its participating employers to exercise caution when hiring, continuing to employ, or re-hiring an NHRS retiree.

Employment arrangements with a retiree receiving an NHRS pension must comply with state and federal laws to avoid jeopardizing not only the retiree's pension, but also the tax-qualified status of NHRS. Failure to follow those laws would also have tax implications for the retiree and financial implications for both the retiree and the NHRS employer resulting from the non-payment of mandatory NHRS contributions and overpayment of NHRS benefits.

Many members wish to work after retirement for reasons of financial security and/or personal satisfaction. Generally, no restrictions apply to an NHRS retiree's employment by an employer in the private or non-profit

sectors, or by a public employer that is not a member of NHRS. However, specific restrictions apply to an NHRS retiree's employment by an NHRS participating employer.

Because post-retirement employment questions often have unique facts and circumstances, each must be individually analyzed. NHRS employers that have hired or may contemplate hiring someone who is receiving a pension from the system should contact an NHRS Employer Services representative at (603) 410-3681.

NHRS can assist employers in determining what types of post-retirement employment are permissible without requiring re-enrollment of the retiree and suspension of NHRS pension benefits.

## Member Education Sessions

NHRS offers retirement education sessions to members throughout the state who are not yet retired. During these general information programs, members of all ages and in various stages of their career will be provided with information about NHRS benefits, including an overview of NHRS as a defined benefit plan; service, early, disability, and vested deferred retirement; pre-retirement and post-retirement death benefits; and other important aspects of NHRS retirement benefits.

Because retirement benefits differ between Group I (Employee and Teacher) and Group II (Police and Fire), separate sessions are scheduled for members of each group.

To register, members may go to:

[www.nhrs.org/Events/Member.aspx](http://www.nhrs.org/Events/Member.aspx) and click on the session they want to attend. Additional sessions will be listed online as they are scheduled.

## Medicare Eligibility Affects Health Insurance Status

Retirees receiving health insurance through their former NHRS employer should be reminded that their insurance status will change when they become eligible for Medicare.

Typically, individuals become eligible for Medicare at age 65. However, a retiree or spouse may be 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 by NHRS to be 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.

Medicare eligibility results in a reduced Medical Subsidy amount paid by NHRS on behalf of retirees and spouses who qualified for the subsidy at the time of retirement as of the date that each becomes Medicare eligible. Medical Subsidy recipients are responsible for notifying their former NHRS employer and NHRS when they become Medicare eligible.

NHRS mails annual questionnaires to retirees or their beneficiaries to verify Medicare enrollments and eligibility, which allows the retirement system to assist employers, retirees, and their surviving spouses to ensure the appropriate level of Medical Subsidy benefit. However, Medical Subsidy recipients should not wait for this questionnaire to notify their former employer and NHRS of Medicare eligibility.

## Important Employer Reminders

- If a full-time employee filing for retirement plans to continue to work part-time for the same employer after retirement, there must be a clear and distinct termination/separation from full-time employment. Simply changing an existing employee's status from full-time to part-time without termination does not comply with NHRS Administrative Rules and could jeopardize the employee's retirement status.

Employers must submit an Employer's Notice of Termination form that certifies the member's date of termination from full-time employment. Note: There are two versions of the form – one for teachers and one for all other members. Forms are available at:

<http://www.nhrs.org/Employers/Forms.aspx>

- Assuming there are no legislative changes in the coming session, RSA 100-A:16, III-a, commonly known as the "spiking provision" or the "125 percent calculation provision," is scheduled to take effect on July 1, 2011. The provision states that if the member's average final compensation is greater than 125 percent of his/her average base pay for the same period then the employer is responsible for funding the cost of the member's pension that is attributed to the difference.

The NHRS website contains a calculator to assist employers who wish to estimate future costs under this law. The calculator is available on the Employer Notices page at <http://www.nhrs.org/Employers/Notices.aspx>.

- NHRS will no longer be moving reported wages/contributions between months. In order to prevent reconciliation issues that result when employers choose to take credits because of a prior overpayment, NHRS is

insisting that employers request refunds for overpayments. Likewise, if an employer has remitted too little in a given reporting month, NHRS will bill the employer for additional amounts due.

- Due to a lack of substantive changes to RSA 100-A in the 2010 legislative session, NHRS is not issuing revised Statutory Provision books for fiscal year 2010. Please continue to refer to the "Statutory Provisions 2009 Revised Edition."

An employer notice on this issue was sent out in November. Visit the NHRS website to read the full notice entitled:

[\*Employer Notice: Retain 2009 NHRS Statutory Provisions.\*](#)

- Employers with participating members who are elected or appointed should track the hours worked by those officials to confirm for NHRS audit purposes that they are meeting the following participation requirements stated in RSA 100-A:3, I(a):

1. The office held is a full-time position with eligibility for the same fringe benefits as other full-time employees of the employer;
2. The office held is the primary occupation of the person holding the office;
3. The base rate of annual compensation for the office held is at least \$15,000, and requires at least 1,700 hours of employment; and
4. The official satisfies the previous three conditions by using only one elected or appointed office to qualify.

Employers with questions are asked to contact a NHRS Employer Services representative at (603) 410-3681.

## NHRS Realizes 12.9 Percent Return on Investments in Fiscal Year 2010

The retirement system realized a 12.9 percent return on investments in the fiscal year ending June 30, 2010.

"All the major asset classes we invested in had positive returns for the fiscal year," said NHRS Executive Director Dick Ingram. "This is very good news in what is still a fragile economic environment."

In achieving a 12.9 percent return, NHRS exceeded its total fund custom benchmark return of 11.7 percent. A custom benchmark is composed of weighted

indices that match an actual investment portfolio's asset allocation and other characteristics; it is a widely accepted method to measure a portfolio's performance.

The fiscal year 2010 results exceeded the assumed rate of return needed to meet the retirement system's long-term obligations. Detailed fiscal year 2010 information is included in the retirement system's comprehensive annual financial report, available on the NHRS website ([www.nhrs.org](http://www.nhrs.org)) at:

<http://www.nhrs.org/Investments/Reports.aspx>