

**Gov. Lynch Signs Retirement System Reforms**

CONCORD - Gov. John Lynch has signed a new law aimed at reforming the state Retirement System, helping to ensure its long-term viability and providing cost savings to local taxpayers. The new law (HB 1645) is an outgrowth of a process that began with the passage of legislation last year and the creation of the Commission to Study the Long Term Viability of the Retirement System. The recommendations of that commission formed the basis for this year's legislation. "This is a significant new law that will strengthen the long-term viability of the Retirement System. It's also an important example of the progress we can make, addressing long-neglected challenges, when we work together," Gov. Lynch said. "Our firefighters, police officers, teachers, municipal and state employees serve our citizens with distinction and dedication, which is why it is so important that we take action now to ensure they receive the retirement they've earned," Gov. Lynch said. "This comprehensive law addresses the issues facing the retirement system in a manner that protects local communities and workers." Decisions made as far back as the 1980s - about accounting methods, special accounts and investments - created problems with the system's finances. This new law helps restore the system to solid financial footing, and avoids an employer rate increase of fifty percent or more, which would have occurred without the passage of the law. The law also establishes study commissions that will continue to review the long-term sustainability of retiree medical benefits and cost of living adjustments. These commissions will report their findings and recommendations to the legislature by Dec. 1, 2008. "I want to thank the members of the House and Senate, particularly the House and Senate Finance and Executive Departments and Administration committees, the members of the committee of conference, and the representatives of the municipalities and the employees who worked extremely hard to find compromise and make progress on this complex issue. I also want to thank the study commission chaired by Bill Bartlett, and retirement system board Chairman Lisa Shapiro for her leadership on this issue," Gov. Lynch said. HB 1645 was sponsored by Reps. Daniel Eaton, Alida Millham, Laurie Harding, Neal Kurk; and Sens. Peter Burling and Martha Fuller Clark.



**2008 COLA for Eligible Retirees**

Legislation regarding the Cost-of-Living Adjustment (COLA) is different from prior years and includes several provisions. Please read below to determine what you may qualify for.

- Effective July 1, 2008, eligible retirees will be entitled to receive a 1.5% increase up to the first \$30,000 of the pension amounts on the retired member's latest anniversary date. To be eligible for the increase the retiree must be retired at least 12 months. This increase will become a permanent addition to the retirement allowance.
- Retirees with at least 15 years of creditable service at retirement and pensions of \$20,000 or less on the retired member's latest anniversary date will receive a one time payment of \$1,000. To be eligible for the increase, retirees must be retired at least 12 months.
- Those who retired prior to January 1, 1993 will receive a one time payment of \$500.
- Subsidy recipients will receive an additional supplemental allowance each year from 2008 through

2011. Subsidy recipients who are not Medicare eligible who retired from towns, cities, school districts, counties or other local government employers who receive a one person medical subsidy benefit will receive a payment of \$500. Those who receive a two person medical subsidy benefit will receive a payment of \$1,000.

- All Medicare eligible subsidy recipients who retired from towns, cities, school districts, counties or other local government employers will receive up to 60% of the non-Medicare eligible amounts. For a one person medical subsidy benefit, the retiree will receive a payment of \$300 and for a two person medical subsidy benefit, the payment will be \$600.
- A two person medical subsidy benefit recipient may not receive more than \$1,000 per year.
- Beneficiaries are also eligible to receive these COLA benefits. Changes in the amount of a pension payment due to COLAs and retroactive payments may affect the amount of any applicable federal income tax withholding. One time payments will be issued as separate payments on or after July 1, 2008.

**HAS YOUR NAME OR ADDRESS CHANGED?**

To receive a Change of Address/Name form please contact NHRS, at (603) 410-3500, or download the form from the NHRS web site at <http://www.nhrs.org/>.

**Cost-of-Living Adjustment (COLA)**

**and Medical Subsidy Study Commissions**

A COLA study commission and a Medical Subsidy study commission have been created to study future funding for cost-of-living adjustments and the medical subsidy. The initial reports for both study commissions are due by December 1, 2008. The final reports are due by December 1, 2009.

**HB 1645 Passed Into Law**

House Bill (HB) 1645 was signed into law by Governor Lynch on June 30, 2008. HB 1645, provided a series of revisions to the laws that govern the NH Retirement System. The New Hampshire Retirement System has posted and disseminated information reflecting the changes implemented as a result of HB 1645. To view the information and information regarding other legislation, please visit the NHRS website at <http://www.nhrs.org/>.

To see the full text for HB 1645 please visit the State of New Hampshire website at <http://www.gencourt.state.nh.us/legislation/2008/HB1645.html>.

New Hampshire Retirement System  
54 Regional Drive  
Concord, NH 03301-8507

RRSRT STD  
US POSTAGE  
PAID  
MANCHESTER, NH  
PERMIT NO. #417

# Medical Subsidy Rates

The medical subsidy is a payment made by NHRS toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree, the retiree's spouse or the qualified surviving spouse. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical subsidy. The medical subsidy is an offset to the cost of health insurance provided by the retirees former employer. It is not a separate health insurance plan.

Pursuant to the current New Hampshire Retirement System (NHRS) statutory provisions, starting July 1, 2008 the medical subsidy amounts payable shall not be increased for four years. Commencing July 1, 2012 and each July 1<sup>st</sup> thereafter, the medical subsidy rate will increase by 4% for eligible retired members. The current rates are listed below.

### Effective July 1, 2008

1 Person = \$375.56  
 2 Person = \$751.12  
 1 Person Medicare Supplement = \$236.84  
 2 Person Medicare Supplement = \$473.68

Subsidy recipients will receive an additional supplemental allowance each year from 2008 through 2011. Subsidy recipients who are not Medicare eligible who retired from towns, cities, school districts, counties or other local government employers who receive a one person medical subsidy benefit will receive a payment of \$500. Those who receive a two person medical subsidy benefit will receive a payment of \$1,000. All Medicare eligible subsidy recipients who retired from towns, cities, school districts, counties or other local government employers will receive up to 60% of the non-Medicare eligible amounts. For a one person medical subsidy benefit, the retiree will receive a payment of \$300 and for a two person medical subsidy benefit, the payment will be \$600. A two person medical subsidy benefit recipient may not receive more than \$1,000 per year.

Please note: Members who retired from State service and their beneficiaries are not affected by the legislative changes in the Cost-of-Living Adjustments since the health coverage premium cost is borne by the State.



Dr. Lisa K. Shapiro, Chair of the NHRS Board of Trustees was honored by the state Senate at its June 4, 2008 session with a resolution thanking her for her invaluable assistance in developing legislation to stabilize the state retirement system. Presenting the resolution was Senator Harold Janeway (also a member of the NHRS Board of Trustees) at the podium. From left, Senate President Sylvia Larsen, Senator Peter Burling, Senator Michael Downing, Senator Harold Janeway, and Dr. Shapiro.

The New Hampshire Retirement System (NHRS) is governed by New Hampshire RSA 100-A, the rules and regulations promulgated by the NHRS Board of Trustees, 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 in this publication. This publication 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 this publication and the laws, rules and regulations which govern NHRS, the laws, rules and regulations shall prevail.

## DO YOU WANT THE MOST CURRENT INFORMATION REGARDING THE NEW HAMPSHIRE RETIREMENT SYSTEM? SUBSCRIBE TO THE NHRS EMAIL UPDATES!

- ◆ Visit our website at [www.nhrs.org](http://www.nhrs.org).
- ◆ Enter your information where it says "Email Updates".
- ◆ Then click on the "Subscribe" button.

## Electronic Direct Deposit

85% of NHRS retirees benefit from direct deposit. Take advantage of the convenience of direct deposit to receive your annuity payment. This will allow you to have your annuity payment electronically deposited directly into your bank account, and you may access it immediately without waiting for a mailed check. This deposit will take place on the last business day of each month. Deposit dates for Fiscal Year 2008 are as follows:

July 31, 2008	Aug. 29, 2008	Sept. 30, 2008	Oct. 31, 2008	Nov. 28, 2008	Dec. 31, 2008
Jan. 30, 2009	Feb. 27, 2009	Mar. 31, 2009	April 30, 2009	May 29, 2009	June 30, 2009

Please complete the request form below and return to the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301-8507.

## Electronic Direct Deposit Authorization for Retirees

Check One

- New  
 Change  
 Delete

PLEASE PRINT

LAST  FIRST  M

Social Security (Last Four Digits)

I hereby authorize the New Hampshire Retirement System (NHRS) to make net payroll deposits to my account as indicated below. NOTE: It takes 45 to 60 days from the date NHRS receives your direct deposit form, because there must be a "pre-note" test of the delivery first. This means that you will receive at least one payment by mail. Upon successful completion of the pre-note process, the following month's payment will be automatically deposited in your account.

FINANCIAL INSTITUTION (not available in foreign countries)	Check One
TRANSIT ROUTING NUMBER AND ACCOUNT NUMBER	<input type="checkbox"/> Savings
<input type="text"/>	<input type="checkbox"/> Checking
Example: 000000000 000000000 (Lower lefthand corner of check)	

Attach a voided check here - this will be used to verify your bank transit routing and account number

YOUR SIGNATURE

DATE