



Getting Ready for Retirement

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Overview

- ▶ **NHRS is a contributory, multi-employer, defined benefit plan established in 1967**
- ▶ **Provides retirement, disability, and death benefits, as well as a post-retirement Medical Subsidy to eligible members and their beneficiaries**
- ▶ **Once members attain eligibility, they can receive a guaranteed lifetime pension**
- ▶ **Pension benefits are funded through employee and employer contributions and investment returns**
 - **Investment returns have historically provided the majority of funding for pension benefits**

Overview

RSA 100-A

Administrative Rules

NHRS Board of Trustees

Internal Revenue Code

Benefits

- ▶ Four types of retirement: service, disability, early service, and vested deferred
- ▶ Different benefits provisions apply to Group I and Group II
- ▶ Different benefits provisions apply based on vested status and date of hire
 - **Tier A:** Vested prior to 1/1/2012
 - **Tier B:** In service prior to 7/1/2011 but not vested prior to 1/1/2012
 - **Tier C:** Hired on/after 7/1/2011

Benefits

- ▶ Pension benefits are determined by statutory formulas that consist of three components
 - Creditable Service
 - Average Final Compensation
 - Benefit Multiplier

- ▶ Detailed benefit information for specific member tiers: www.nhrs.org/benefits

Planning for Retirement

The image shows a sample of the NHRS application form. The form is titled "NHRS APPLICATION FOR SERVICE/VESTED DEFERRED RETIREMENT GROUP 1 (EMPLOYEE AND TEACHER)". It includes sections for "SECTION I - MEMBER INFORMATION (Please print)", "SECTION II - SELECTION OF RETIREMENT BENEFIT (Check and sign with one benefit payment option. Enter all others blank.)", and "SECTION III - DESIGNATION OF PRIMARY BENEFICIARY (Please print)". The form contains various fields for personal information, contact details, and benefit selection options.

- ▶ Estimate Card
- ▶ Application is online
 - Download a retirement application at www.nhrs.org
- ▶ Personal appointment
 - Advance notice is required
 - Call (877) 600-0158 x3500
- ▶ How to Fill Out an Application Packet webinars
 - <https://www.nhrs.org/meetings-events/>

Filing for Retirement

- ▶ Retirement is not the same as termination or last day of employment
- ▶ File with NHRS 30–90 days prior to effective date of retirement (always the first of a month)
- ▶ Terminate NHRS–covered employment prior to the effective date of retirement



Survivorship Options



- ▶ **Lifetime pension to beneficiary(ies)**
 - Any one person
 - Any number of children and may include spouse
- ▶ **Reduced pension based on option selected, member's age, and the age of the primary beneficiary(ies)**

Group I Pension Adjustment

- ▶ All Group I members experience a reduction in their pension amount beginning at their full Social Security retirement age, based on the benefit formula, regardless of their effective date of retirement

Health Insurance

- ▶ Health insurance benefits for retired state employees are administered by the Bureau of Risk Management at DAS
- ▶ By law, members who are not state employees may elect health insurance coverage with their last NHRS-covered employer
 - Election must be made at time of retirement
 - Contact last NHRS employer for details
- ▶ Premium amounts may change annually
- ▶ NHRS does not administer any health or life insurance

Please Inform NHRS

- ▶ **Address changes**
- ▶ **Death of a retiree or a beneficiary**
 - Especially those who chose a survivorship option with a pop-up provision
- ▶ **Divorce of a retiree**
- ▶ **Medicare eligibility**



Federal Tax Withholding



- ▶ Federal tax tables may change annually
- ▶ W-4P form

Questions regarding taxation should be directed to a tax consultant or the IRS

Working After Retirement

- ▶ May work for any non-NHRS employer with no restrictions
- ▶ May not occupy a full-time NHRS-covered position and receive pension
- ▶ NHRS retirees working part-time for retirement system participating employers are restricted to working a maximum of 1,352 hours per calendar year
 - Financial penalty for any retirees exceeding the statutory limits on annual hours worked
- ▶ 28-day separation from service
- ▶ FAQ on website at: <https://www.nhrs.org/faqs/faq-part-time-employment>

My Account

- ▶ **View personal account information**
 - Including annual statements
- ▶ **Complete and submit forms**
- ▶ **Use our online calculators to estimate your future benefits**



We are here for you...stay in touch!

- ▶ Visit www.nhrs.org
- ▶ Receive news updates and information with NHRS Email Updates
- ▶ Connect with us on social media



Contact:

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Phone: 603-410-3500

Toll Free: 877-600-0158

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The Fine Print

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.