



# **New Hampshire Retirement System Here Today for Your Tomorrow**

## **Learning About Your Retirement Plan**



# What do these terms mean?



- **Membership**
  - **Active members contributing to NHRS and retirees and beneficiaries collecting a pension**
- **Group I**
  - **Employee and Teacher**
- **Group II**
  - **Police and Fire**
- **Service**
  - **Key component of pension formula**
  - **Active members earn service credit each month**
    - **Other service credit**

# What do these terms mean?

- **Accumulated Contributions**
  - **Member contributions plus credited interest**
    - **Not employer contributions**
- **Vesting**
  - **Being vested means you have earned the right to a future pension benefit**
  - **There are two ways to be vested:**
    - **Complete 10 years of creditable service, or**
    - **Members working in an NHRS-covered position at or beyond age 60 become eligible for service retirement, regardless of years of creditable service**
      - **Group I members hired on/after 7/1/11 cannot receive benefit until age 65**

# What is the retirement system?



- **NHRS is a public employee defined benefit plan providing retirement, disability, and death benefits to eligible members and their beneficiaries**
  - You and your employer each contribute toward your retirement nest egg
  - You can receive a lifetime pension at retirement, once eligibility requirements are met

# I know NHRS has to do with retirement but what else is there to know?



- ▶ Benefits are not based on contributions or investment returns
- ▶ Benefits are based on statutory formulas:
  - Service (Creditable Service)
  - Salary (Average Final Compensation)
- ▶ Benefit eligibility and calculations are dependent on vested date or hire date:
  - **Tier A:** Members vested prior to 1/1/2012
  - **Tier B:** Members in service prior to 7/1/2011 but not vested prior to 1/1/2012
  - **Tier C:** Members hired on/after 7/1/2011

# Who is responsible for running NHRS?



RSA 100-A

Administrative Rules

NHRS Board of Trustees

Internal Revenue Code

# How much is contributed toward my retirement?



- **You contribute (Set by statute)**
  - **Employees (Group I): 7%**
  - **Teachers (Group I): 7%**
  - **Police (Group II): 11.55%**
  - **Fire (Group II): 11.8%**
  - **If you terminate employment you can opt to withdraw or roll over your contributions and interest**
- **Your employer also contributes (Determined every two years)**
  - **Employer contributions are never paid out as a lump sum withdrawal, they are used to fund pension payments**

# Why do I have to contribute?



- **It's the law:**
  - **If you work for an NHRS-participating employer**
  - **If the position is full-time and permanent**

***Enrollment begins when you start working***



# Do my contributions earn interest?



- **Yes, interest is set by statute at the beginning of each calendar year and applied to your accumulated contributions**
- **The current interest range is between 4.75% and zero, based on investment earnings in the prior fiscal year**
- **Regardless of economic conditions, you will never lose money on your member contributions**

# Can I take a loan from my contributions while I am working?



**No, loans are not allowed**

# **Can I put extra monies into this pension plan?**



**New NHRS members cannot contribute extra money into their retirement account**

**Note: 'Additional Contributions' provision exists for members who signed up before this program was repealed in 2004**

# What types of retirement does NHRS offer?



- **Service**
- **Early Service**
- **Vested Deferred**
- **Disability**
  - **Non-job-related (ordinary)**
  - **Job-related (accidental)**

# What happens if I die while I am still working?



- If a member dies while in service the member's designated beneficiary may be eligible to receive a death benefit
- Death benefits vary depending on whether the death was job-related or not

**Regardless of whether or not your beneficiary is eligible for a death benefit, the beneficiary will receive a refund of your accumulated contributions**

# **What happens if I have past employment with an NHRS-participating employer?**

- **If you left your accumulated contributions with the retirement system**
  - **Membership status changed to ‘inactive member’**
  - **Years of service remain intact**
  - **Member will pick up where they left off**
- **If you withdrew your accumulated contributions**
  - **NHRS membership is terminated**
  - **Member is starting over with new date of hire**
  - **Previous service time may be purchased**

## **And what if I leave public employment?**



- **Leave your contributions with NHRS**
  - If you are vested and do not withdraw your funds, you can apply for a pension when you meet eligibility requirements
  - Even if you are not vested, leaving your contributions with NHRS preserves your years of service should you go to work for another NHRS-covered employer at a later date
  - Contributions may earn interest
- **Withdraw your contributions plus interest**
  - Pay taxes on the withdrawn funds
  - Terminates NHRS membership and forfeit right to lifetime pension
- **Roll over contributions and interest into another qualified plan**
  - No penalty, no tax consequences
  - Terminates NHRS membership and forfeit right to lifetime pension

# What if I leave my current employer for another NHRS employer?

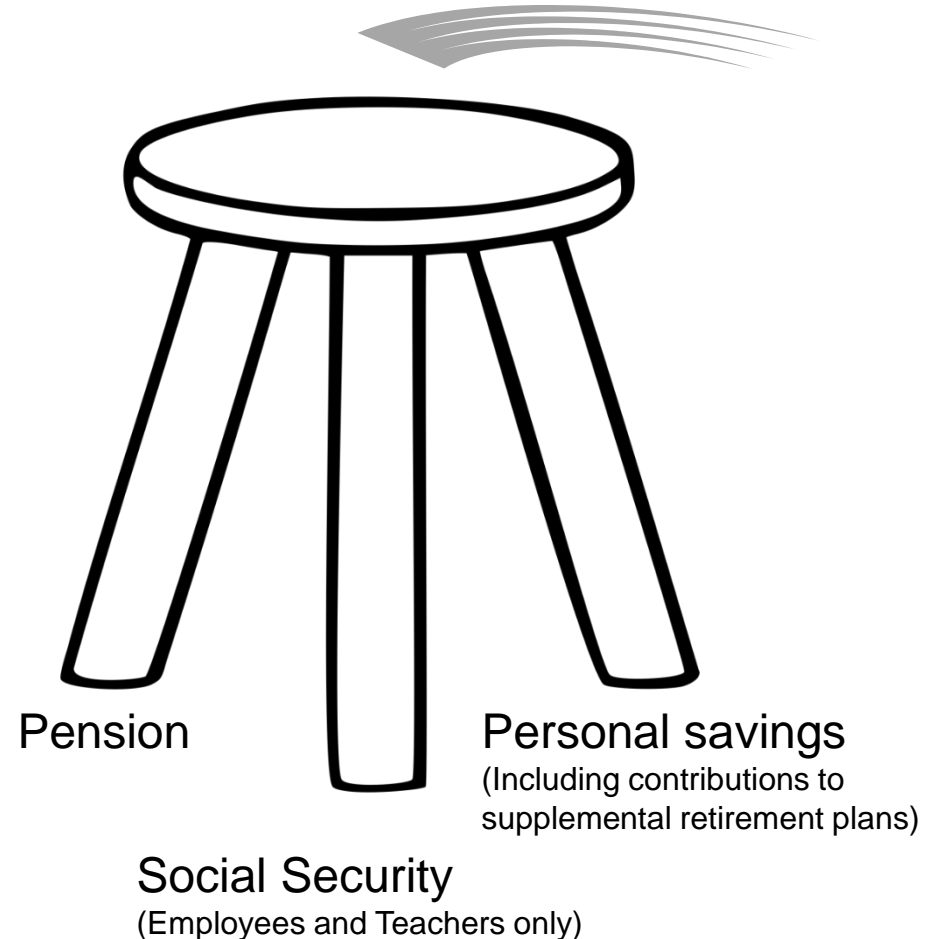


- **Nothing changes if you go to another NHRS employer**
  - **You still make contributions**
  - **You continue to add to your service**
  - **If vested:**
    - **Remain eligible for a lifetime benefit at retirement**
    - **Death and disability benefits stay intact**



# So...will my pension cover my retirement?

- **NHRS benefits are not intended to be your sole source of income**
  - **Employees and teachers also participate in Social Security**
  - **All members should explore additional ways to save for retirement, including employer-sponsored supplemental plans**



# Can I rollover funds from another state or local retirement plan?



- **No, NHRS cannot accept rollovers from other retirement plans**
  - **If you leave your NHRS employment in the future, you may be able to roll your NHRS contributions into another plan**
    - **This varies from plan to plan**

## How can I learn more?

- Visit our website at [www.nhrs.org](http://www.nhrs.org)
- Receive news updates and information with *NHRS Email Updates*
- Connect with us on social media

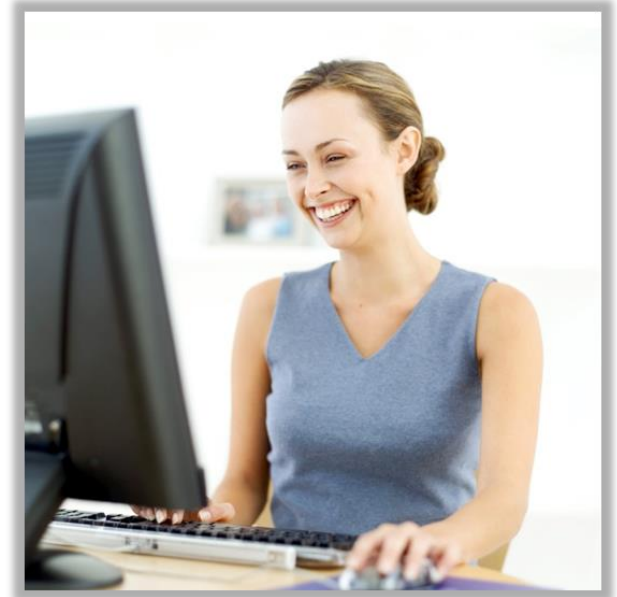


- Sign up for *My Account*

# Why would I want to sign up for *My Account*?

With *My Account* you have 24/7 access to:

- Summary information including service time and account balance
- Current beneficiary information
- Member annual statements
- A pension calculator to estimate future retirement benefits
- Submit forms online



# How do I sign up for *My Account*?

Members can register and sign-in to *My Account* right from the NHRS homepage

- 1) Visit [www.nhrs.org](https://www.nhrs.org)
- 2) Click on “My Account”
- 3) Create a new account or access your existing account

The screenshot shows the NHRS website homepage. At the top, there is a navigation bar with links for News, Meetings & Events, Contact Us, Forms, FAQs, DRS Quicklink, and Text Size. The NHRS logo is prominently displayed. A green arrow points to the 'My Account Login' button, which includes the text 'Don't have an account? Sign up here'. Below the navigation bar, there is a red alert banner: 'Alert: 2015 Member Annual Statements are available on My Account. Read More'. The main content area features a large image of a smiling couple with a text box that says 'Your stop for all your retirement needs.' and a 'Sign Up for My Account' button. A second green arrow points to this button. To the right of the image is a 'Welcome to NHRS' section with introductory text. At the bottom, there are tabs for 'Members', 'Retirees', and 'Employers', along with sections for 'Popular Forms' and 'What's New'.

# **I visited the website, signed up for My Account and I still have questions!**

- **Email: [newmember@nhrs.org](mailto:newmember@nhrs.org)**
- **Call: 603-410-3500 (press 3) or 877-600-0158**
- **A more in-depth version of this presentation and other education presentations can be accessed on the NHRS website at: <https://www.nhrs.org/education>**
- **Visit our ‘New NHRS Member’ page: <https://www.nhrs.org/members/plan-details/path-to-retirement/new-nhrs-member>**

# What's 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.