

New Hampshire Retirement System



New Retiree Presentation

April 2016

Overview of Program

- **NHRS Facts**
- **Survivorship Options**
- **Age 65 Reduction**
- **Taxes/Insurance**
- **Working After Retirement**
- **Keeping in Touch**

- **RSA 100-A**
- **Administrative Rules**
- **NHRS Board of Trustees**
- **Internal Revenue Code**

Approximately 48,000 Active Members

Group I: Employee and Teacher members of the state, school districts, municipalities, counties, and other political subdivisions

Group II: Police and Fire members

Approximately 31,000 retirees or their beneficiaries receive pensions

Average Annual Benefits

at June 30, 2015



Group I

- Employee: \$13,462
- Teacher: \$22,961

Group II

- Police: \$35,002*
- Fire: \$37,557*

All Retirees

- Aggregate: \$20,320

Note: Plan does not include automatic cost-of-living adjustments

Distribution of Benefits

at 12/31/15



- Annual benefit under \$10k: 31%
- Annual benefit under \$25k: 68%
- Annual benefit under \$50k: 95%
- Annual benefit under \$75k: 99%
- Annual benefit greater than \$75k: 1.0%

Trust Fund Income



Contributions + Investment Income = Benefit Payments and Expenses

The Trust Fund earned 3.5% on investments in FY 2015
The Trust Fund earned 17.6% on investments in FY 2014
The Trust Fund earned 14.5% on investments in FY 2013
Trust fund assets at 6/30/15: \$7.5 billion

- **Retirement**

- **Not the same as 'termination' or the last day of employment**

- **Must file for retirement 30-90**

days prior to your effective date of retirement, which is always the first of the month



Survivorship Options

Post-Retirement Death Benefits



- **Lifetime pension to beneficiary(ies)**
 - Any one person
 - Any number of children and may include spouse
 - Can change beneficiary within 120 days of retirement, with limited exceptions
- **Reduced pension based on option selected, member's age, and the age of the primary beneficiary(ies)**

Pension Payments

- First pension payment is issued at the end of the month in which you retired
- First few payments are ‘preliminary’ benefits, which will be finalized once employer reports any trailing wages
- All retirees are encouraged to use electronic direct deposit; forms are available online



Reduction at Age 65



Group I members will experience a reduction in their pension amount beginning at age 65, based on the statutory benefit formula, regardless of their effective date of retirement

Not linked to Social Security benefits

Cost-of-Living Adjustment



- Not automatic; subject to legislative action
- No COLA granted in recent years

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

Health Insurance Premiums

- By law, members who are not state employees may elect health insurance coverage with their last NHRS-covered employer
- Premium amounts are set by the retiree's former employer
- May change annually
- NHRS does not administer any health or life insurance
- Contact last NHRS employer for details

Medicare Eligibility

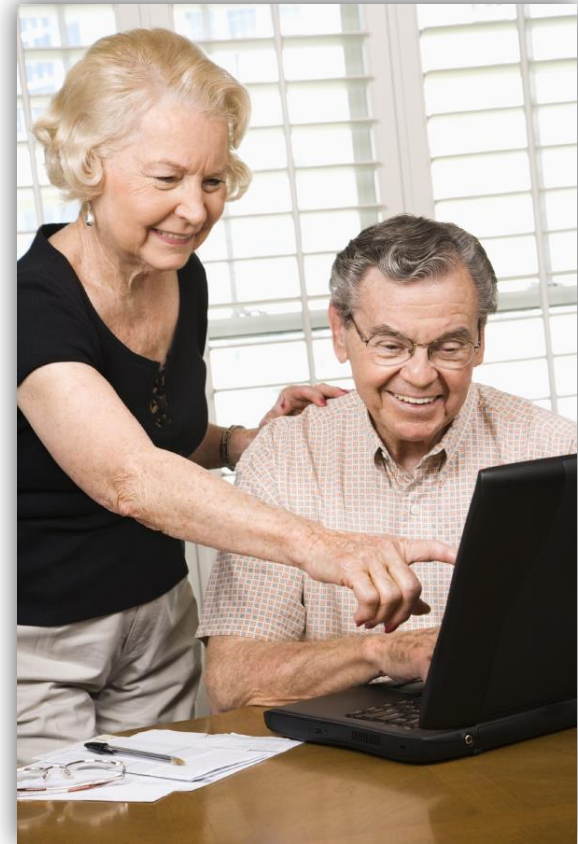
- A retiree or spouse typically becomes eligible for Medicare at age 65
- A retiree or spouse may also be Medicare eligible prior to age 65 due to Social Security Disability
- Once a retiree or spouse becomes Medicare eligible, employer plans provide supplemental coverage and Medicare becomes the primary coverage
- Once Medicare eligible the former employer will move the retiree and/or spouse to the employer's post-65 supplemental insurance plan

Working After Retirement

- May work for non-NHRS employer
- May not occupy NHRS-covered position and receive pension
- ‘Part-time’ employment with an NHRS-participating employer:
 - No more than 32 hours per week (Note: If an individual employer defines part-time as fewer than 32 hours, the local employer’s policy prevails)
 - 32-hour limit may be exceeded, but only within a five-consecutive month period in a calendar year; retiree is limited to 1,300 hours in calendar year
- Disability retirements: Contact 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**

- Personal account information is now available online
 - Online Forms
 - Advice Copies
- Visit www.nhrs.org
- Click on “My Account”
- Create a new account or access your existing account



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



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