

Bill as Introduced

HB 302-FN - AS INTRODUCED

2001 SESSION

01-0337
10/01

HOUSE BILL

302-FN

AN ACT

relative to an optional retirement allowance for certain spouses upon a retiree's remarriage.

SPONSORS:

Rep. Dyer, Hills 8

COMMITTEE:

Executive Departments and Administration

ANALYSIS

This bill allows for a retired member who has remarried to elect to nominate his or her spouse as a beneficiary of an optional allowance.

Explanation:

Matter added to current law appears in ***bold italics***.

Matter removed from current law appears [~~in brackets and struckthrough.~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand One

AN ACT relative to an optional retirement allowance for certain spouses upon a retiree's remarriage.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Optional Allowances; Nomination of Current Spouse Upon Remarriage. Amend
2 RSA 100-A:13, II(a) to read as follows:

3 (a) Any retired member who has elected option 2, 3, or 4, and whose beneficiary
4 nominated by the retiree under such option was the retiree's spouse at the time of such election,
5 may:

6 (1) Terminate such elected option upon the issuance of a divorce decree and
7 subsequent remarriage of the former spouse. Upon termination, the allowance received under the
8 elected option shall be converted to the retirement allowance that would have been payable in the
9 absence of such election. Any supplemental allowance, or COLAs, granted to the retiree and
10 effective before the date of termination of the option shall continue in effect and shall not be adjusted
11 as a result of the termination. Notice of such termination shall be given by the retiree on a form
12 designated by the board. Payment of the converted allowance shall commence on the first day of the
13 month following receipt of termination by the board. For any retiree whose divorce and the
14 subsequent remarriage of the former spouse occurred on or before July 1, 1990, the notice shall be
15 given to the board on or before October 1, 1990. Said termination action shall become effective on
16 the first day of the month following receipt of such notice by the board. If the retiree dies after
17 giving valid notice of such termination but before the effective date, the option shall terminate as of
18 the date of the retiree's death.

19 (2) *Due to the death of a former spouse and the retiree's subsequent*
20 *remarriage, elect to nominate the current spouse as beneficiary under one of the options*
21 *named in paragraph III. The notice of election shall be on a form designated by the board.*
22 *The optional allowance shall be effective the first of the month following receipt of the*
23 *notice. If a retiree dies after filing such notice but before the effective date, the change*
24 *shall be effective as of the date of death. The optional allowance shall be of equivalent*
25 *actuarial value. Any supplemental allowances, or COLAs, granted to the retiree before the*
26 *effective date of the election shall terminate on such effective date, but the value of such*
27 *COLA's shall be included in the actuarial determination of the amount of the allowance*
28 *payable under the elected option.*

29 2 Optional Allowances; References Added. Amend RSA 100-A:13, III to read as follows:

1 III. The options, each of which shall be of equivalent actuarial value to the allowance
2 payable in the absence of election of an option, are:

3 Option 1. A reduced retirement allowance payable during the retired member's life, with the
4 provision that at ~~[his]~~ **the member's** death a lump sum equal in amount to the difference between
5 ~~[his]~~ **the** accumulated contributions at the time of ~~[his]~~ retirement and the sum of the member
6 annuity payments made to ~~[him]~~ **the member** during ~~[his]~~ lifetime shall be paid to the beneficiaries
7 or contingent beneficiaries, if any, nominated ~~[by him]~~ by written designation duly acknowledged
8 and filed with the board of trustees if such beneficiaries or contingent beneficiaries survive ~~[him]~~ **the**
9 **member**, otherwise to the retired member's estate.

10 Option 2. A reduced retirement allowance payable during the retired member's life, with the
11 provision that it shall continue after ~~[his]~~ **the member's** death for the life of, and to, the beneficiary
12 nominated ~~[by him]~~ by written designation duly acknowledged and filed with the board of trustees at
13 the time of retirement, **or as provided in subparagraph II(a)(2).**

14 Option 3. A reduced retirement allowance payable during the retired member's life, with the
15 provision that it shall continue after ~~[his]~~ death at 1/2 the rate paid to ~~[him]~~ **the member** and be
16 paid for the life of, and to, the beneficiary nominated ~~[by him]~~ by written designation duly
17 acknowledged and filed with the board of trustees at the time of retirement, **or as provided in**
18 **subparagraph (a)(2).**

19 Option 4. A reduced retirement allowance payable during the retired member's life, with some
20 other benefit payable after ~~[his]~~ death, provided that such other benefit shall be approved by the
21 board of trustees, **or a reduced retirement allowance payable during the retired member's**
22 **life, with some other benefit payable after death, pursuant to the provisions of**
23 **subparagraph II(s)(2).**

24 3 Effective Date. This act shall take effect 60 days after its passage.

LBAO
01-0337
1/23/01

HB 302-FN - FISCAL NOTE

AN ACT relative to an optional retirement allowance for certain spouses upon a retiree's remarriage.

FISCAL IMPACT:

The New Hampshire Retirement System states this bill will increase state restricted expenditures by an indeterminable amount in FY 2001 and each year thereafter. There will be no fiscal impact on state, county and local revenue or county and local expenditures.

METHODOLOGY:

The System states this bill would allow a retired member who remarries after the death of his or her former spouse (who was a designated beneficiary), to designate the current spouse as beneficiary. The System states there will be no cost to the New Hampshire Retirement System because the newly elected optional allowance will be determined on an actuarial equivalent basis (equivalent value computed using actuarial assumptions).

The System states there will be additional administrative expenses associated with the proposed legislation. The newly elected optional allowance could be calculated either by the Actuary at a rate of \$250 per calculation, or with an Excel Spreadsheet developed by the Actuary for the System at a one-time cost of \$6,000. In addition, the System estimates an additional annual ongoing administrative expense of \$3,000 for the staff to administer the newly elected allowance.

The Actuary's letter is on file in the bill jacket in the House Clerk's Office.

HB 302 FISCAL NOTE

AN ACT relative to an optional retirement allowance for certain spouses upon a retiree's remarriage.

FISCAL IMPACT:

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METHODOLOGY:

The System states this bill would allow a retired member who remarries after the death of his or her former spouse (who was a designated beneficiary), to designate the current spouse as beneficiary. The System states there will be no cost to the New Hampshire Retirement System because the newly elected optional allowance will be determined on an actuarial equivalent basis. Under this methodology, the actuarial reserve of the member's allowance will be converted into the newly elected optional allowance.

The System states there will be additional administrative expenses associated with this bill. The newly elected optional allowance could be calculated either by the Actuary at a rate of \$250 per calculation, or with an Excel Spreadsheet developed by the Actuary for the System at a one-time cost of \$6,000. In addition, the System estimates an additional annual ongoing administrative expense of \$3,000 for the staff to administer the newly elected allowance.

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Amendments

Amendment to HB 302-FN

1 Amend the bill by replacing section 2 with the following:

2

3 2 Optional Allowances; References Added. Amend RSA 100-A:13, III to read as follows:

4 III. The options, each of which shall be of equivalent actuarial value to the allowance
5 payable in the absence of election of an option, are:

6 Option 1. A reduced retirement allowance payable during the retired member's life, with the
7 provision that at ~~[his]~~ *the member's* death a lump sum equal in amount to the difference between
8 ~~[his]~~ *the* accumulated contributions at the time of ~~[his]~~ retirement and the sum of the member
9 annuity payments made to ~~[him]~~ *the member* during ~~[his]~~ lifetime shall be paid to the beneficiaries
10 or contingent beneficiaries, if any, nominated ~~[by him]~~ by written designation duly acknowledged
11 and filed with the board of trustees if such beneficiaries or contingent beneficiaries survive ~~[him]~~ *the*
12 *member*, otherwise to the retired member's estate.

13 Option 2. A reduced retirement allowance payable during the retired member's life, with the
14 provision that it shall continue after ~~[his]~~ *the member's* death for the life of, and to, the beneficiary
15 nominated ~~[by him]~~ by written designation duly acknowledged and filed with the board of trustees at
16 the time of retirement, *or as provided in subparagraph II(a)(2).*

17 Option 3. A reduced retirement allowance payable during the retired member's life, with the
18 provision that it shall continue after ~~[his]~~ death at 1/2 the rate paid to ~~[him]~~ *the member* and be
19 paid for the life of, and to, the beneficiary nominated ~~[by him]~~ by written designation duly
20 acknowledged and filed with the board of trustees at the time of retirement, *or as provided in*
21 *subparagraph II(a)(2).*

22 Option 4. A reduced retirement allowance payable during the retired member's life, with some
23 other benefit payable after ~~[his]~~ death, provided that such other benefit shall be approved by the
24 board of trustees, *or a reduced retirement allowance payable during the retired member's*
25 *life, with some other benefit payable after death, pursuant to the provisions of*
26 *subparagraph II(a)(2).*

Speakers

Hearing Minutes

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

PUBLIC HEARING ON HB 302-FN

BILL TITLE: relative to an optional retirement allowance for certain spouses upon a retiree's remarriage.

DATE: February 6, 2001

LOB ROOM: 100 SH **Time Public Hearing Called to Order:** 11:30 Am

Time Adjourned: 12 Noon

(please circle if present)

Committee Members: Reps. Peterson, Dyer, Langer, Goulet, Hamel, Poulin, Zolla, Dodge, Allan, Cummings, Dexter, C. Hall, Robertson, Lent, Landers, Andosca, Clayton, Pawlek, Schulze and Drabniewicz.

Bill Sponsors: {Type SPONSORS' NAMES}


TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. Dyer, sponsor. Supports bill. Prepared an amendment.

Denis Parker, representing SEA. Supports bill. Now second wife is unable to get an annuity should first spouse be deceased. If you remarry after 1st spouse passes away, there is no provision to re-negotiate another agreement.

Respectfully submitted,

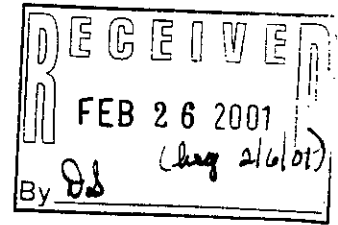

Rep. Ray Langer, Clerk

Testimony

BUCK CONSULTANTS

500 Plaza Drive
Secaucus, New Jersey 07098-1533

January 23, 2001



Mr. Eric Henry
Executive Director
New Hampshire Retirement System
4 Chenell Drive
Concord, New Hampshire 03301-8509

HB 302

Re: LSR 01-0337

Dear Eric:

This letter replaces our letter dated January 22, 2001.


As requested, we have reviewed LSR 01-337 which will allow a retired member, who remarries after his or her former spouse dies and the former spouse was a designated beneficiary, to designate the current spouse as beneficiary.

There will be no cost to the New Hampshire Retirement System because the newly elected optional allowance will be determined on an actuarial equivalent basis. Under this methodology, the actuarial reserve of the member's allowance will be converted into the newly elected optional allowance. The basis of the factors used to determine the reserve and to convert the reserve will be the interest and mortality assumptions used in the actuarial valuation of the New Hampshire Retirement System and the member and spouse's respective ages on the election date.

There will be additional administrative expenses associated with this proposed legislation. An Excel spreadsheet could be developed to calculate the newly elected optional allowance for a one-time fee of \$6,000. Alternatively, the newly elected optional allowance could be determined for \$250 per calculation. In addition, we estimate the additional annual ongoing administrative expense for the NHRS staff to administer the newly elected allowance to be \$3,000.

If you have any questions, please do not hesitate to call.

Very truly yours,


Lisa A. Witten
Principal & Consulting Actuary

LAW:MG
Enc.
DOC:L00294LW.DOC

pc: Board of Trustees

Voting Sheets

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

EXECUTIVE SESSION on HB 302-FN

BILL TITLE: relative to an optional retirement allowance for certain spouses upon a retiree's remarriage.

DATE: 3-28-2001

LOB ROOM: 100 SH

Amendments:

Sponsor: Rep. *Dyer* OLS Document #: 00726
Sponsor: Rep. OLS Document #:
Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A ITL, Interim Study (Please circle one.)

Moved by Rep. *Zolla*

Seconded by Rep. *Langer*

Vote: *14/0* (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE:

*Consent
OK*

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Ray F. Langer, Clerk

EXECUTIVE DEPARTMENTS AND ADMINISTRATION

Bill #: HB 302FN Title: _____PH Date: 1 / 1 / _____Exec Session Date: 3 / 18 / 2001Motion: OTP/AAmendment #: 0072h

MEMBER	YEAS	NAYS
Peterson, Andrew R, Chairman		
Dyer, Merton S, V Chairman		
Langer, Ray F, Clerk	1	
Goulet, Maurice E	2	
Hamel, Albert W		
Poulin, David G	3	
Zolla, William R	4	
Dodge, Robert K	5	
Allan, Nelson S		
Cummings, Raymond C	6	
Dexter, Judson K	7	
Hall, Charles Q	8	
Robertson, Carl G	9	
Lent, Donald R	10	
Landers, Dana L		
Andosca, Mary L	11	
Clayton, William K		
Pawlek, Marion J	12	
Schulze, Joan H	13	
Drabinowicz, A Theresa	14	
	14	0
TOTAL VOTE:		

Printed: 1/26/2001

Committee Report

COMMITTEE REPORT

COMMITTEE: **Executive Departments and Administration**

BILL NUMBER: **HB 302-FN**

TITLE: relative to an optional retirement allowance for certain spouses upon a retiree's remarriage.

DATE: March 29, 2001

CONSENT CALENDAR YES NO

- OUGHT TO PASS
- OUGHT TO PASS WITH AMENDMENT
- INEXPEDIENT TO LEGISLATE
- REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT (Include Committee Vote)

This bill allows for a retired member who has remarried due to the death of a former spouse to elect to nominate the member's new spouse as a beneficiary for an optional allowance. There will be no additional cost to the New Hampshire retirement system because the newly elected option allowance shall be determined on an actuarial equivalent basis. The amendment simply clarifies some language in affected sections of the bill and introduces gender neutral language.

Vote 14-0.

Rep. William R. Zolla
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

CONSENT CALENDAR

Executive Departments and Administration

HB 302-FN, relative to an optional retirement allowance for certain spouses upon a retiree's remarriage. **OUGHT TO PASS WITH AMENDMENT**

Rep. William R. Zolla for Executive Departments and Administration: This bill allows for a retired member who has remarried due to the death of a former spouse to elect to nominate the member's new spouse as a beneficiary for an optional allowance. There will be no additional cost to the New Hampshire retirement system because the newly elected option allowance shall be determined on an actuarial equivalent basis. The amendment simply clarifies some language in affected sections of the bill and introduces gender neutral language. **Vote 14-0.**

HB 302 FN

OUGHT TO PASS WITH AMENDMENT

William R. Zolla This bill allows for a retired member who has remarried due to the death of a former spouse to elect to nominate the member's new spouse as a beneficiary of an optional allowance. There will be no additional cost to the New Hampshire Retirement System because the newly elected option allowance shall be determined on an actuarial equivalent basis. The amendment simply clarifies some language in affected sections of the bill and introduces gender neutral language.

Committee Vote 14-0