

Bill as
Introduced

HB 130 - AS INTRODUCED

2021 SESSION

21-0073
10/08

HOUSE BILL **130**

AN ACT relative to administration by the retirement system of certain health care premium deductions.

SPONSORS: Rep. Schuett, Merr. 20; Rep. P. Schmidt, Straf. 19; Rep. McGuire, Merr. 29; Rep. S. Pearson, Rock. 6

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill clarifies the deduction by the retirement system of a member's or beneficiary's health care premium costs as determined by the department of administrative services.

Explanation: Matter added to current law appears in **bold italics**.
Matter removed from current law appears [~~in brackets and struck through~~].
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Twenty One

AN ACT relative to administration by the retirement system of certain health care premium deductions.

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

- 1 1 Retirement System; Insurance Premium Cost. Amend RSA 100-A:54, III(c) to read as follows:
- 2 (c) The department of administrative services shall provide information as to the total
- 3 monthly premium cost for each participant to the retirement system for purposes of calculating this
- 4 deduction. ~~[Deducted amounts, which shall be in addition to and notwithstanding any amounts~~
- 5 ~~payable]~~ ***The deductions pursuant to subparagraphs (a) and (b) shall be made prior to any***
- 6 ***payments made*** by the retirement system pursuant to RSA 100-A:52, RSA 100-A:52-a, and RSA
- 7 100-A:52-b, ***and*** shall be deposited in the employee and retiree benefit risk management fund. In
- 8 the event the retiree's monthly allowance is insufficient to cover the certified contribution amount,
- 9 the retirement system shall so notify the department of administrative services, which shall invoice
- 10 and collect from the retiree and/or each applicable spouse the remaining contribution amount.
- 11 Failure to remit payment of the contribution amount in full within 30 days of billing shall be
- 12 grounds for terminating benefits, effective from the beginning of the billing period. Reenrollment
- 13 shall be dependent upon payment of any outstanding contribution or other amounts within 6 months
- 14 of the termination date. The department of administrative services shall provide notice of the
- 15 termination of benefits as provided in RSA 21-I:30, XIII.
- 16 2 Effective Date. This act shall take effect 60 days after its passage.

Amendments

Amendment to HB 130

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT relative to administration by the retirement system of certain medical benefits
4 payments.

5

6 Amend the bill by replacing all after the enacting clause with the following:

7

8 1 Retirement System; Medical Benefits. Amend RSA 100-A:52, III and III-a to read as follows:

9 III. In the case of group II members retired from state employment before July 1, 1991, and
10 their beneficiaries who are eligible for coverage under this subdivision and also under the provisions
11 of RSA 21-I:26-36, ~~[the amount payable by]~~ the retirement system **shall pay not less than the**
12 **amounts provided in paragraph II** on account of such persons **and shall** ~~[be paid]~~ **pay those**
13 **amounts** over to the state. ~~[and]~~ **Such payments shall be** used to pay for all or part of the medical
14 benefits provided under RSA 21-I:26-36 for such persons, and the balance shall be paid by the state
15 as provided in RSA 21-I:26-36.

16 III-a. In the case of group II members retired from state employment on or after July 1,
17 1991, and their beneficiaries who are eligible for coverage under this subdivision and also under the
18 provisions of RSA 21-I:26-36, ~~[the amount payable by]~~ the retirement system **shall pay not less**
19 **than the amounts provided in paragraph II** on account of such persons **and shall** ~~[be paid]~~ **pay**
20 **those amounts** over to the state. ~~[and]~~ **Such payments shall be** used to pay for all or part of the
21 medical benefits provided under RSA 21-I:26-36 for such persons, and the state shall pay its portion
22 as provided in RSA 21-I:26-36. If the cost of the premium for any retired group II member and
23 spouse, surviving spouse, or any other person entitled to benefits under paragraph I shall exceed the
24 maximum under paragraph II, and the state does not elect to pay the excess cost above the amount
25 to be paid under RSA 21-I:26-36, the excess cost shall be paid by the retiree or qualified surviving
26 spouse and may be deducted from retirement benefits as provided in RSA 100-A:51. The state may
27 require, as a condition for coverage, that the retiree or surviving spouse apply for deduction of such
28 excess cost from retirement benefits as provided in RSA 100-A:51.

29 2 Retirement System; Medical Benefits. Amend RSA 100-A:52-b, V and VI to read as follows:

30 V. As of July 1, 2001, in the case of group I members retired from state employment before
31 July 1, 1991, and their beneficiaries who are eligible for coverage under this subdivision and also
32 under the provisions of RSA 21-I:26-36, ~~[the amount payable by]~~ the retirement system **shall pay**

1 *not less than the amounts provided in paragraph III* on account of such persons *and* shall ~~be~~
2 ~~paid~~ *pay those* over to the state. ~~and~~ *Such payments shall be* used to pay for all of part of the
3 medical benefits provided under RSA 21-I:26-36 for such persons, and the balance shall be paid by
4 the state as provided in RSA 21-I:26-36.

5 VI. As of July 1, 2001, in the case of group I members retired from state employment on or
6 after July 1, 1991, and their beneficiaries who are eligible for coverage under this subdivision and
7 also under the provisions of RSA 21-I:26-36, ~~the amount payable by~~ the retirement system *shall*
8 *pay not less than the amounts provided in paragraph III* on account of such persons *and* shall
9 ~~be paid~~ *pay those amounts* over to the state. ~~and~~ *Such payments shall be* used to pay for all
10 or part of the medical benefits provided under RSA 21-I:26-36 for such persons, and the state shall
11 pay its portion as provided in RSA 21-I:26-36. If the cost of the premium for any retired group I
12 member and spouse, surviving spouse, or any other person entitled to benefits under paragraph I
13 shall exceed the maximum under paragraph III, and the state does not elect to pay the excess cost
14 above the amount to be paid under RSA 21-I:26-36, the excess cost shall be paid by the retiree or
15 qualified surviving spouse and may be deducted from retirement benefits as provided in RSA 100-
16 A:51. The state may require, as a condition for coverage, that the retiree or surviving spouse apply
17 for deduction of such excess cost from retirement benefits as provided in RSA 100-A:51.

18 3. Retirement System; Medical Benefits. Amend RSA 100-A:54, III(c) to read as follows:

19 (c) The department of administrative services shall provide information as to the total
20 monthly premium cost for each participant to the retirement system for purposes of calculating this
21 deduction. Deducted amounts, which shall be in addition to and notwithstanding any amounts
22 payable by the retirement system pursuant to RSA 100-A:52, RSA 100-A:52-a, and RSA 100-A:52-b,
23 shall be deposited in the employee and retiree benefit risk management fund. *The deductions*
24 *pursuant to subparagraphs (a) and (b) shall be made prior to any payments made by the*
25 *retirement system pursuant to RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b.* In the
26 event the retiree's monthly allowance is insufficient to cover the certified contribution amount, the
27 retirement system shall so notify the department of administrative services, which shall invoice and
28 collect from the retiree and/or each applicable spouse the remaining contribution amount. Failure to
29 remit payment of the contribution amount in full within 30 days of billing shall be grounds for
30 terminating benefits, effective from the beginning of the billing period. Reenrollment shall be
31 dependent upon payment of any outstanding contribution or other amounts within 6 months of the
32 termination date. The department of administrative services shall provide notice of the termination
33 of benefits as provided in RSA 21-I:30, III.

34 4 Effective Date. This act shall take effect 60 days after its passage.

2021-1511s

AMENDED ANALYSIS

This bill clarifies the administration by the retirement system of payments made for medical benefits of state retiree's.

UNAPPROVED

Committee Minutes

SENATE CALENDAR NOTICE

Executive Departments and Administration

Sen Sharon Carson, Chair
Sen John Reagan, Vice Chair
Sen Denise Ricciardi, Member
Sen Kevin Cavanaugh, Member
Sen Suzanne Prentiss, Member

Date: April 14, 2021

HEARINGS

Wednesday	04/21/2021	
(Day)	(Date)	
Executive Departments and Administration	REMOTE 000	9:00 a.m.
(Name of Committee)	(Place)	(Time)
9:00 a.m.	HB 72	relative to ratification of amendments to the state building code and state fire code.
9:15 a.m.	HB 85	relative to using Atlantic Standard Time in New Hampshire.
9:30 a.m.	HB 130	relative to administration by the retirement system of certain health care premium deductions.
9:45 a.m.	HB 186	repealing certain inactive committees and revising the membership or duties of certain committees, councils, and boards.
10:00 a.m.	HB 218	repealing RSA 320 relative to hawkers and peddlers and RSA 321 relative to itinerant vendors.

Committee members will receive secure Zoom invitations via email.

Members of the public may attend using the following links:

1. Link to Zoom Webinar: <https://www.zoom.us/j/94468229006>
2. To listen via telephone: Dial (for higher quality, dial a number based on your current location): 1-301-715-8592, or 1-312-626-6799 or 1-929-205-6099, or 1-253-215-8782, or 1-346-248-7799, or 1-669-900-6833
3. Or iPhone one-tap: +13126266799,,94468229006# or +19292056099,,94468229006#
4. Webinar ID: **944 6822 9006**
5. To view/listen to this hearing on YouTube, use this link:
<https://www.youtube.com/channel/UCiBZdtriRnQdmg-2MPMiWrA>
6. To sign in to speak, register your position on a bill and/or submit testimony, use this link:
<http://gencourt.state.nh.us/remotecommittee/senate.aspx>

The following email will be monitored throughout the meeting by someone who can assist with and alert the committee to any technical issues: remotesenate@leg.state.nh.us or call (603-271-6931).

EXECUTIVE SESSION MAY FOLLOW

Sponsors:

HB 72

Rep. McGuire
Rep. Pearl
Rep. DeLemus

Rep. McWilliams
Rep. True
Rep. Mason

Rep. Pitre
Rep. T. Lekas

Rep. Edwards
Rep. Ankarberg

HB 85

Rep. Yokela
Rep. Hill

Rep. Yakubovich

Rep. A. Lekas

Rep. Schultz

HB 130

Rep. Schuett

Rep. P. Schmidt

Rep. McGuire

Rep. S. Pearson

HB 186

Rep. Ebel

Rep. Heath

Sen. Rosenwald

Sen. Carson

HB 218

Rep. Yokela

Cameron Lapine 271-2104

Sharon M Carson
Chairman

Senate Executive Departments and Administration Committee

Cameron Lapine 271-2104

HB 130, relative to administration by the retirement system of certain health care premium deductions.

Hearing Date: April 21, 2021

Time Opened: 9:50 a.m.

Time Closed: 10:15 a.m.

Members of the Committee Present: Senators Carson, Reagan, Ricciardi, Cavanaugh and Prentiss

Members of the Committee Absent: None

Bill Analysis: This bill clarifies the deduction by the retirement system of a member's or beneficiary's health care premium costs as determined by the department of administrative services.

Sponsors:

Rep. Schuett

Rep. P. Schmidt

Rep. McGuire

Rep. S. Pearson

Who supports the bill: Marty Karlon (NHRS), Charlie Arlinghaus (Department of Administrative Services), Cassie Keane (Department of Administrative Services), Joyce Pitman (Department of Administrative Services), Representative Dianne Schuett (Merrimack – District 20), and Representative Jeff Goley (Hillsborough – District 8).

Who opposes the bill: Nicholas Houhoulis.

Who is neutral on the bill: None.

Summary of testimony presented in support:

Representative Dianne Schuett

Merrimack – District 20

- Representative Schuett said that she was requested by the New Hampshire Retirement System (NHRS) to introduced HB 130 to resolve an inconsistency in statute.
- Rep. Schuett said that HB 130 deals with a deduction for certain retirees for health care allowances. She said that HB 130 clarifies if NHRS or the Department of Administrative Services (DAS) does the deduction.

- Rep. Schuett said that she presented an amendment to HB 130 during the House Executive Departments and Administration hearing to put the DAS deduction first but that committee voted unanimously to keep the original bill as the legislative intent. She said that that committee also removed language that could lead to deductions that exceed the medical premiums.
- Rep. Schuett said that the subject matter of HB 130 is a confusing concept and Mr. Karlon and Commissioner Arlinghaus could answer technical questions.

Charlie Arlinghaus

Commissioner, DAS

- Commissioner Arlinghaus testified with Deputy Commissioner Cassie Keane and Joyce Pitman, Director of Risks and Benefits at DAS.
- Commissioner Arlinghaus said that New Hampshire, through DAS, administers a retiree health benefit plan. He said that funding is often an issue and if there is not enough money, benefits have to be cut. He said that there have been significant changes to the revenue stream over recent years.
- Commissioner Arlinghaus said that there was a budget crisis in 2001, leading to battles between the House and Senate over the budget. He said that he specifically remembered former Senator Jack Barnes railing on the Senate floor about the importance of funding.
- Commissioner Arlinghaus clarified that there is a medical subsidy for political subdivision employees but that is entirely unrelated and not the issue at hand, despite the naming. He said that the medical subsidy is not employees' money; it has always been money that the State pays for and then the State gets back. He said that the subsidy to the retiree benefit plan is based on head count.
- Commissioner Arlinghaus said that DAS sends \$11 million to NHRS, which then "changes the color of the money" and sends it back to DAS. He said that the money goes over as 40% general fund money and comes back as 50% general fund money. He said that when the subsidy was created it covered an \$8 million budget hole; now that is more like a \$10 million or \$11 million budget hole.
- Commissioner Arlinghaus said that in 2009, some retirees were assessed a premium contribution. He said when the language was written, it said "in addition to and notwithstanding" any other premiums. He said that this was in place because the money was meant to be income for the plan. He said that it was not an issue for many years.
- Commissioner Arlinghaus said that recently NHRS has found the language confusing. He said that the DAS interpretation is that the funds should be in addition to and notwithstanding.
- Commissioner Arlinghaus said that NHRS and DAS both presented legislation and asked the Attorney General to research the issue. He said that the Attorney General's Office produced a 7-page memo on the history of the issue and the interpretation of the statute. He said NHRS did not agree with the memo's interpretation.
- Commissioner Arlinghaus said that there is parallel language in HB 2, which matches the proposed amendment Commissioner Arlinghaus had sent to the Committee.
- Commissioner Arlinghaus said that the goal is to support the retiree plan and the benefits of the plan. He said that the language of the statute is the language of the statute and the meaning is the meaning.
- Commissioner Arlinghaus said that the medical subsidy is meant to be sent on a per head basis and should be sent in its entirety. He said that it was written by lawyers and meant to

be comprehensive. He said it was written at a time when New Hampshire was procuring benefits in a different way but, if you go through the language, it is relatively clear. He said that revenue streams should support what they are meant to support.

- Commissioner Arlinghaus said that there is no room for interpretation in the amendment that DAS has offered. He said that the point of a good law is to eliminate interpretative issues.
- Commissioner Arlinghaus said that he would share the memo that the Attorney General's Office provided if the Committee was interested.
- Commissioner Arlinghaus said that DAS is billing 621 retirees for the retirement benefits. He said that many people question why they are being billed; he said that they are being billed because NHRS will not do the deduction anymore. Commissioner Arlinghaus said that they have to be billed under the statute and their health benefits will be terminated if they do not pay. He said that it has come close but no one's health benefits have been terminated to this point. He said that DAS is not staffed for billing, it is not a function DAS performs, and DAS does not have a billing office. He said that DAS is currently billing a \$300 million health benefit plan by hand to 621 retirees.
- Commissioner Arlinghaus said that the budget is counting on money being available so that there is no need to make dramatic changes to benefits.
- Senator Reagan asked how this would affect individual retirees' net pay.
 - Commissioner Arlinghaus said that HB 130 would not affect net pay, as it only affects who sends the bill for it. He said that 621 retirees are currently getting a bill from DAS, while the rest are getting it deducted from their benefits.
- Senator Reagan asked if HB 130 would let NHRS make the deduction and pay what DAS is now running through a billing cycle.
 - Commissioner Arlinghaus said that that was correct for 621 people. He said that the language clears up any misinterpretations on whether the premium is in addition to and notwithstanding. He said that it was in-line with the 2001 revenue plan for the benefit.
- Speaking for a second time, Commissioner Arlinghaus said that from a State budgetary standpoint, the DAS amendment protects revenue streams. He said that there is a difference between the two approaches from NHRS and DAS. He said that there would be a growing budgetary impact if the revenue streams are not protected.

Summary of testimony presented in opposition: None.

Neutral Information Presented:

Marty Karlon

NHRS

- Mr. Karlon said that NHRS does not have a position on HB 130. He said that NHRS had asked Rep. Schuett to sponsor clarifying language on a disagreement between NHRS and DAS on the billing for a retiree premium for a NHRS medical subsidy.
- Mr. Karlon said that the medical subsidy is not part of the core pension benefit but is a supplemental benefit that is an offset to insurance premium costs from a former employer. He said that the benefit was set up for Group II members in the late 1980s and Group I members were added in the 1990s but the benefit has been closed to new members going

forward. Mr. Karlon said that there is a finite amount of members eligible.

- Mr. Karlon said it has always been NHRS practice to pay the subsidy to the employer before assessing deductions to the premium. He said this year, a situation arose where the cost of the retiree insurance for Medicare eligible retirees was below the full subsidy amount. He said NHRS felt that it did not have the statutory authority to pay for 10% of the premium, which has been in statute since 2012. He said DAS has been doing monthly billing for 500 to 600 retirees.
- Mr. Karlon said that clarification was needed and they felt that the General Court was the best vehicle for clarity. He said that NHRS provided two pieces of draft legislation, one that put the precedence before the subsidy and one that allows a bill to be sent out and then reimbursement to DAS.
- Mr. Karlon said that HB 130 puts NHRS in a position to bill all retirees the same premium under the law. He said that NHRS had been working with DAS for some time but could not reach an agreement and needed a bill to settle the situation.
- Senator Carson asked if Mr. Karlon was aware of a potential draft amendment sent to the Committee by Commissioner Arlinghaus.
 - Mr. Karlon said he was not aware of it.
- Senator Reagan asked if either method adds or subtracts from the unfunded liability of the NHRS trust fund.
 - Mr. Karlon said that medical subsidy accounts are 401(h) trusts, outside of the pension trust. He said that they do not affect the unfunded liability and employer rates fund the medical subsidy on a pay-as-you-go basis.
- Speaking for a second time, Mr. Karlon said that he is aware of the HB 2 language. He said that he believed that the HB 130 language would allow NHRS to do all billing and the language in HB 2 is supplemental and not conflicting with HB 130.
- Senator Reagan asked what the least expensive way was to accomplish the deduction.
 - Mr. Karlon said that if DAS is not set up to manage the deduction, it would take a one-time reprogramming for NHRS. He said that he did not have an estimate on the cost but clarified it would be one-time and NHRS already manages the deduction for some retirees.
- Senator Reagan asked if this was the only thing that there is a deduction for.
 - Mr. Karlon said that many prefer to have deductions taken out of their pension directly. He said NHRS usually reimburses insurance plan administrators.

cml

Date Hearing Report completed: April 22, 2021

Speakers

Senate Remote Testify

Executive Departments and Administration Committee Testify List for Bill HB130 01

Support: 6 Oppose: 1 Neutral: 0 Total to Testify: 5

<u>Name</u>	<u>Email Address</u>	<u>Phone</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testify</u>
Karlon, Marty	marty.karlon@nhrs.org	603.410.3594	State Agency Staff	NHRS	Support	Yes
Arlinghaus, Charlie	Charles.M.Arlinghaus@das.nh.gov	603-271-1400	State Agency Staff	Department of Administrative Services	Support	Yes
Keane, Cassie	catherine.a.keane@das.nh.gov	603-271-2059	State Agency Staff	Myself	Support	Yes
Pitman, Joyce	joyce.i.pitman@das.nh.gov	603-271-3080	State Agency Staff	Myself	Support	Yes
Schuett, Dianne	dianne.schuett@leg.state.nh.us	603.224.0314	An Elected Official	Sponsor - (Merr. 20)	Support	Yes
Houhoulis, Nicholas	njprhou@hotmail.com	Not Given	A Member of the Public	Myself	Oppose	No
Goley, Rep. Jeff	Not Given	Not Given	An Elected Official	Myself	Support	No

Testimony

Cameron Lapine

From: Arlinghaus, Charles M <Charles.M.Arlinghaus@das.nh.gov>
Sent: Tuesday, April 20, 2021 7:00 PM
To: Sharon Carson; John Reagan; Kevin Cavanaugh; Denise Ricciardi; Suzanne Prentiss; Cameron Lapine
Subject: Potential HB130 Amendment
Attachments: Senate Phase Amendment to HB 130.docx

Dear Sen. Carson and honorable members of the committee,

Tomorrow you have a hearing on HB 130 regarding the statutes surrounding funding of the retiree health benefit plan. I hope to testify tomorrow with two of my colleagues about the complexities surrounding this issue and why our agency, which administers Retiree Health, believes a comprehensive amendment will address all the issues before you. I attach to this email a Word document outline the change we hope to convince you is a good idea. It is something we outlined to the House but in large part because of a communication failure on my part did not reach the full committee and I promised bring forth in the Senate rather than seek floor changes. I won't belabor the point here but hope to share with you the details surrounding the sources of funding of the plan and their history.

Look forward to seeing you tomorrow,

Charlie

Charlie Arlinghaus
Commissioner
Department of Administrative Services
25 Capitol Street
Concord, NH 03301
603-271-3201



New Hampshire Retirement System
54 Regional Drive, Concord, NH 03301
Phone: (603) 410-3500 - Fax: (603) 410-3501
Website: www.nhrs.org - Email: info@nhrs.org

May 18, 2021

Sen. Sharon Carson, Chair
Senate Executive Departments and Administration Committee
State House Room 106
107 North Main Street
Concord, NH 03301

Dear Sen. Carson and members of the Senate ED&A Committee:

I am writing in regard to the proposed amendment to House Bill 130 (2021-1511s), a copy of which was provided to the New Hampshire Retirement System yesterday.

Specifically, sections 1 and 2 of amendment 2021-1511s – requiring NHRS to pay the state the full medical subsidy amount in instances where the actual cost of the insurance is less than the full subsidy amount – could raise potential plan qualification issues.

The retirement system recently reached out to its external fiduciary and tax counsel, Groom Law Group, to review this language, which is also included in House Bill 2 (Sections 14-15). In summary, Groom indicated that the proposed amendments to RSA 100-A:52, III-III-a, and RSA 100-A:52-b, V-VI (i.e. sections 1 and 2 of amendment 2021-1511s) are ambiguous and potentially inconsistent with other plan provisions that denominate the “cost” that NHRS is required to pay based on the premium cost for each eligible individual. As such, these proposed changes might create exposure for NHRS under Internal Revenue Service (IRS) rules, including those requiring that plan benefits be definitely determinable and administered in accordance with plan terms and that plan assets are used for the exclusive benefit of NHRS participants and their beneficiaries.

As a result, Groom indicated that a conservative approach would be to obtain a favorable IRS determination letter, private letter ruling, or other type of IRS ruling addressing the application of this language prior to implementing such a change. This suggestion was, in part, based on the fact that NHRS has had to make corrections with the IRS regarding the administration of the medical subsidies in the past.

With the drafting of amendment 2021-1511s, the retirement system thought it was appropriate to share this analysis with your committee. NHRS staff has previously made the Board of Trustees aware of this potential issue, but, to date, the Board has not been asked to take a position on this legislation.

As referenced at the April 21, 2021 public hearing on HB 130, NHRS requested this legislation to clarify whether the insurance premium deduction for eligible state retirees was applied before or after the medical subsidy was paid. It has been NHRS’ long-standing administrative practice to pay the full subsidy owed, not to exceed the total insurance premium, prior to taking any authorized premium deduction. Section 3 of amendment 2021-1511s rewords the language in the House-passed version to achieve the same outcome: requiring the deduction of the retiree premium prior to applying the subsidy. NHRS has no concerns with this section.

By way of example, the current monthly insurance cost to the state for a Medicare-eligible state retiree is \$226.07. Retirees born after January 1, 1949, are required to pay 10% of the premium cost (\$22.61). The statutory maximum NHRS medical subsidy amount for Medicare-eligible retirees is \$236.84. Amendment 2021-1511s, as drafted, would require NHRS to deduct \$22.61 from an eligible retiree's monthly benefit and send that amount to the state, along with the full subsidy payment of \$236.84, for a grand total of \$259.45, which is \$33.38 more than the individual premium insurance cost.

Representatives of NHRS will monitor Wednesday's Senate ED&A Committee executive session and will be available to answer questions, if needed. If you would like to discuss this matter sooner, please contact Marty Karlon, NHRS Director of Communications & Legislative Affairs, at 410-3594 or marty.karlon@nhrs.org.

Regards,



Tim Crutchfield
Deputy Director and Chief Legal Counsel

cc. Sen. John Reagan, Sen. Kevin Cavanaugh, Sen. Denise Ricciardi, Sen. Suzanne Prentiss, Cameron Lapine.

**Amendment to HB 130
(2021-0073)**

Amend the bill by replacing all after the enacting clause with the following:

1 Retirement System; Medical Benefits. Amend RSA 100-A:52, III-III-a to read as follows:

III. In the case of group II members retired from state employment before July 1, 1991, and their beneficiaries who are eligible for coverage under this subdivision and also under the provisions of RSA 21-I:26-36, ~~[the amount payable by]~~ the retirement system ***shall pay not less than the amounts provided in paragraph II*** on account of such persons ***and shall*** ~~[be paid]~~ ***pay those amounts*** over to the state. ~~[and]~~ ***Such payments shall be*** used to pay for all or part of the medical benefits provided under RSA 21-I:26-36 for such persons, and the balance shall be paid by the state as provided in RSA 21-I:26-36.

III-a. In the case of group II members retired from state employment on or after July 1, 1991, and their beneficiaries who are eligible for coverage under this subdivision and also under the provisions of RSA 21-I:26-36, ~~[the amount payable by]~~ the retirement system ***shall pay not less than the amounts provided in paragraph II*** on account of such persons ***and shall*** ~~[be paid]~~ ***pay those amounts*** over to the state. ~~[and]~~ ***Such payments shall be*** used to pay for all or part of the medical benefits provided under RSA 21-I:26-36 for such persons, and the state shall pay its portion as provided in RSA 21-I:26-36. If the cost of the premium for any retired group II member and spouse, surviving spouse, or any other person entitled to benefits under paragraph I shall exceed the maximum under paragraph II, and the state does not elect to pay the excess cost above the amount to be paid under RSA 21-I:26-36, the excess cost shall be paid by the retiree or qualified surviving spouse and may be deducted from retirement benefits as provided in RSA 100-A:51. The state may require, as a condition for coverage, that the retiree or surviving spouse apply for deduction of such excess cost from retirement benefits as provided in RSA 100-A:51.

2 Retirement System; Medical Benefits. Amend RSA 100-A:52-b, V-VI to read as follows:

V. As of July 1, 2001, in the case of group I members retired from state employment before July 1, 1991, and their beneficiaries who are eligible for coverage under this subdivision and also under the provisions of RSA 21-I:26-36, ~~[the amount payable by]~~ the retirement system ***shall pay not less than the amounts provided in paragraph III*** on account of such persons ***and shall*** ~~[be paid]~~ ***pay those*** over to the state. ~~[and]~~ ***Such payments shall be*** used to pay for all of part of the medical benefits provided under RSA 21-I:26-36 for such persons, and the balance shall be paid by the state as provided in RSA 21-I:26-36.

VI. As of July 1, 2001, in the case of group I members retired from state employment on or after July 1, 1991, and their beneficiaries who are eligible for coverage under this subdivision and also under the provisions of RSA 21-I:26-36, [~~the amount payable by~~] the retirement system ***shall pay not less than the amounts provided in paragraph III*** on account of such persons *and* shall [~~be paid~~] ***pay those amounts*** over to the state. [~~and~~] ***Such payments shall be*** used to pay for all or part of the medical benefits provided under RSA 21-I:26-36 for such persons, and the state shall pay its portion as provided in RSA 21-I:26-36. If the cost of the premium for any retired group I member and spouse, surviving spouse, or any other person entitled to benefits under paragraph I shall exceed the maximum under paragraph III, and the state does not elect to pay the excess cost above the amount to be paid under RSA 21-I:26-36, the excess cost shall be paid by the retiree or qualified surviving spouse and may be deducted from retirement benefits as provided in RSA 100-A:51. The state may require, as a condition for coverage, that the retiree or surviving spouse apply for deduction of such excess cost from retirement benefits as provided in RSA 100-A:51.

3 Retirement System; Medical Benefits. Amend RSA 100-A:54, III(c) to read as follows:

(c) The department of administrative services shall provide information as to the total monthly premium cost for each participant to the retirement system for purposes of calculating this deduction. Deducted amounts, which shall be in addition to and notwithstanding any amounts payable by the retirement system pursuant to RSA 100-A:52, RSA 100-A:52-a, and RSA 100-A:52-b, shall be deposited in the employee and retiree benefit risk management fund. **The deductions pursuant to subparagraphs (a) and (b) above shall be made prior to any payments made by the retirement system pursuant to RSA 100-a:52, RSA 100-A: 52-a and RSA 100-A:52-b.** In the event the retiree's monthly allowance is insufficient to cover the certified contribution amount, the retirement system shall so notify the department of administrative services, which shall invoice and collect from the retiree and/or each applicable spouse the remaining contribution amount. Failure to remit payment of the contribution amount in full within 30 days of billing shall be grounds for terminating benefits, effective from the beginning of the billing period. Reenrollment shall be dependent upon payment of any outstanding contribution or other amounts within 6 months of the termination date. The department of administrative services shall provide notice of the termination of benefits as provided in RSA 21-I:30, III.

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

Voting Sheets

**Senate Executive Departments and
Administration Committee
EXECUTIVE SESSION RECORD
2021 Session**

Bill # HB 130

Hearing date: 4-21-21

Executive Session date: 5-19-21

Motion of: ITL Vote: 5-0

Committee Member	Present	Made by	Second	Yes	No
Sen. Carson, Chair	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Reagan, Vice Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Ricciardi	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Cavanaugh	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Prentiss	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: Consent Vote: 5-0

Committee Member	Present	Made by	Second	Yes	No
Sen. Carson, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Reagan, Vice Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Ricciardi	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Cavanaugh	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Prentiss	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: _____ Vote: _____

Committee Member	Present	Made by	Second	Yes	No
Sen. Carson, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Reagan, Vice Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Ricciardi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Cavanaugh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Prentiss	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reported out by: Sen. Carson

Notes: _____

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE
FOR THE CONSENT CALENDAR

Wednesday, May 19, 2021

THE COMMITTEE ON Executive Departments and Administration

to which was referred **HB 130**

AN ACT

relative to administration by the retirement system
of certain health care premium deductions.

Having considered the same, the committee recommends that the Bill

IS INEXPEDIENT TO LEGISLATE

BY A VOTE OF: 5-0

Senator Sharon Carson
For the Committee

This bill clarifies the deduction by the Retirement System of a member's or beneficiary's health care premium costs as determined by the Department of Administrative Services. The Committee heard testimony that this bill stems from a highly technical dispute between the Retirement System and the Department of Administrative Services regarding a specific deduction for certain retirees for a supplemental benefit that is no longer able to be enrolled in. The Committee felt it was better for the Retirement System and the Department to discuss the issue between themselves and then, if needed, bring an agreed-upon solution to the General Court.

Cameron Lapine 271-2104

FOR THE CONSENT CALENDAR

EXECUTIVE DEPARTMENTS AND ADMINISTRATION

HB 130, relative to administration by the retirement system of certain health care premium deductions.

Inexpedient to Legislate, Vote 5-0.

Senator Sharon Carson for the committee.

This bill clarifies the deduction by the Retirement System of a member's or beneficiary's health care premium costs as determined by the Department of Administrative Services. The Committee heard testimony that this bill stems from a highly technical dispute between the Retirement System and the Department of Administrative Services regarding a specific deduction for certain retirees for a supplemental benefit that is no longer able to be enrolled in. The Committee felt it was better for the Retirement System and the Department to discuss the issue between themselves and then, if needed, bring an agreed-upon solution to the General Court.

General Court of New Hampshire - Bill Status System

Docket of HB130

Docket Abbreviations

Bill Title: relative to administration by the retirement system of certain health care premium deductions.*Official Docket of HB130.:*

Date	Body	Description
1/4/2021	H	Introduced (in recess of) 01/06/2021 and referred to Executive Departments and Administration HJ 2 P. 36
1/21/2021	H	Public Hearing: 01/27/2021 01:15 pm Members of the public may attend using the following link: To join the webinar: https://zoom.us/j/92995497899 / Executive session on pending legislation may be held throughout the day (time permitting) from the time the committee is initially convened.
3/5/2021	H	Committee Report: Ought to Pass (Vote 19-0; CC) HC 18 P. 12
4/7/2021	H	Ought to Pass: MA VV 04/07/2021 HJ 5 P. 21
4/7/2021	H	Reconsider (Rep. Osborne): MF VV 04/07/2021 HJ 5 P. 50
4/7/2021	S	Introduced 04/01/2021 and Referred to Executive Departments and Administration; SJ 11
4/14/2021	S	Remote Hearing: 04/21/2021, 09:30 am; Links to join the hearing can be found in the Senate Calendar; SC 20
5/19/2021	S	Committee Report: Inexpedient to Legislate; Vote 5-0; CC; 05/27/2021; SC 25
5/27/2021	S	Inexpedient to Legislate, MA, VV === BILL KILLED ===; 05/27/2021; SJ 17

NH House

NH Senate

Other Referrals

Senate Inventory Checklist for Archives

Bill Number: HB 130

Senate Committee: EDxA

Please include all documents in the order listed below and indicate the documents which have been included with an "X" beside

Final docket found on Bill Status

Bill Hearing Documents: {Legislative Aides}

- Bill version as it came to the committee
- All Calendar Notices
- Hearing Sign-up sheet(s)
- Prepared testimony, presentations, & other submissions handed in at the public hearing
- Hearing Report
- Revised/Amended Fiscal Notes provided by the Senate Clerk's Office

Committee Action Documents: {Legislative Aides}

All amendments considered in committee (including those not adopted):

2021 - amendment # 15/15 ___ - amendment # ___
___ - amendment # ___ ___ - amendment # ___

- Executive Session Sheet
- Committee Report

Floor Action Documents: {Clerk's Office}

All floor amendments considered by the body during session (only if they are offered to the senate):

___ - amendment # ___ ___ - amendment # ___
___ - amendment # ___ ___ - amendment # ___

Post Floor Action: (if applicable) {Clerk's Office}

- Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):
- Enrolled Bill Amendment(s)
- Governor's Veto Message

All available versions of the bill: {Clerk's Office}

___ as amended by the senate ___ as amended by the house
___ final version

Completed Committee Report File Delivered to the Senate Clerk's Office By:

Cameron M. Japone
Committee Aide

7/20/21
Date

Senate Clerk's Office AK