

CONSENT CALENDAR

February 8, 2022

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on Executive Departments and Administration to which was referred HB 1497-FN,

AN ACT relative to optional allowances in the retirement system. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Michael Yakubovich

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Executive Departments and Administration
Bill Number:	HB 1497-FN
Title:	relative to optional allowances in the retirement system.
Date:	February 8, 2022
Consent Calendar:	CONSENT
Recommendation:	OUGHT TO PASS WITH AMENDMENT 2022-0437h

STATEMENT OF INTENT

This bill, as amended, corrects a clerical ambiguity in selection of the beneficiaries for members of the retirement system, allowing them to make a formal option at any time. It furthermore ensures that the member/beneficiary has the full 120-day window to finalize their options, regardless of delays by the system in delivering the notices and/or mailing issues.

Vote 18-0.

Rep. Michael Yakubovich
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Executive Departments and Administration

HB 1497-FN, relative to optional allowances in the retirement system. **OUGHT TO PASS WITH AMENDMENT.**

Rep. Michael Yakubovich for Executive Departments and Administration. This bill, as amended, corrects a clerical ambiguity in selection of the beneficiaries for members of the retirement system, allowing them to make a formal option at any time. It furthermore ensures that the member/beneficiary has the full 120-day window to finalize their options, regardless of delays by the system in delivering the notices and/or mailing issues. **Vote 18-0.**

Amendment to HB 1497-FN

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

2

3 1 Retirement System; Election of Optional Allowance. Amend RSA 100-A:13, I to read as
4 follows:

5 I. Any *active member; any member* who has reached service retirement age as provided in
6 RSA 100-A:5, I(a), or II(a), or RSA 100-A:19-b[-]; any retiree within 120 days after the [effective]
7 *date of the original notice of retirement provided by the retirement system, not to include*
8 *any future benefit adjustments that may be carried out by the retirement system relative to*
9 *a beneficiary's monthly annuity[-];* or any retiree within 120 days after a decision by the board of
10 trustees granting the retiree disability retirement benefits pursuant to RSA 100-A:6, may elect to
11 receive, instead of the retirement allowance otherwise payable, a retirement allowance of equivalent
12 actuarial value under one of the options named in paragraph III, or to redesignate any such option
13 previously elected. When the member or retiree elects to receive an optional retirement allowance
14 under paragraph III, the beneficiary or beneficiaries whom the member or retiree nominates may
15 include the member's spouse and/or children. The notice of non-election, election, or change of
16 retirement option shall be on a form designated by the board, which, if the member or retiree is
17 married, shall include a spousal acknowledgment. The optional allowance shall be effective upon
18 retirement if the election is made before the effective date of retirement, and on the first day of the
19 month following receipt by the board of the notice of election or change of option if made during a
20 120-day grace period. When an election or change of option is made during a 120-day grace period,
21 no retroactive adjustments will be made in payments already received by the retiree. When an
22 election or change of option is made within 120 days after a decision by the board of trustees
23 granting the retiree disability retirement benefits, the optional allowance shall be calculated using
24 retiree and beneficiary age factors applicable as of the first day of the month following receipt by the
25 board of the notice of election or change in option. After expiration of the 120-day grace period no
26 change in option selection shall be permitted except as provided in paragraph II. If a retiree dies
27 after filing notice of election or change of option during the 120-day grace period but before the
28 effective date, the election or change shall be effective as of the date of death. If a member dies after
29 filing an election for a survivorship retirement option and before the effective date of retirement,
30 whether or not the member has filed for retirement, the beneficiary who was nominated by the
31 member in the election of the option may elect to receive either the optional survivor benefit which
32 the member had elected or the ordinary death benefit provided under RSA 100-A:9, whichever is

Amendment to HB 1497-FN

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1 more advantageous to the beneficiary; provided that, in the case of the member's death before
2 retirement, if the beneficiary named in the survivorship option election is not the same person as the
3 beneficiary under RSA 100-A:9, then the death benefit under RSA 100-A:9, II, and not the
4 survivorship option shall apply.

2022-0437h

AMENDED ANALYSIS

This bill clarifies the time for election of a survivorship optional allowance by members and retirees in the retirement system.

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

EXECUTIVE SESSION on HB 1497-FN

BILL TITLE: relative to optional allowances in the retirement system.

DATE: February 7, 2022

LOB ROOM: 302-304

MOTIONS: OUGHT TO PASS WITH AMENDMENT

Moved by Rep. Yakubovich Seconded by Rep. Goley AM Vote: 18-0

Amendment # 2022-0437h

Moved by Rep. Yakubovich Seconded by Rep. Goley Vote: 18-0

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep John Sytek, Clerk



2021 SESSION

Executive Departments and Administration

Bill #: HB 1497 Motion: Adopt AM #: 0437H Exec Session Date: 2-7-22

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
McGuire, Carol M. Chairman	X		
Roy, Terry Vice Chairman	X		
Sytek, John Clerk	X		
Pearson, Stephen C.	X		
Yakubovich, Michael	X		
Lekas, Tony	X		
Alliegro, Mark C.	X		
Bailey, Glenn	X		
Lanzara, Tom E.	X		
Santonastaso, Matthew	X		
Goley, Jeffrey P.	X		
Schuett, Dianne E.	X		
Jeudy, Jean L.	X		
Schmidt, Peter B.			
Schultz, Kristina M.	X		
Fellows, Sallie D.	X		
Fontneau, Timothy J.	X		
Grote, Jaci L.	X		
O'Brien, Michael B.	X		
TOTAL VOTE:			



2021 SESSION

Executive Departments and Administration

Bill #: HB 1487 Motion: ADOPT ^{COTP/A} AM #: _____ Exec Session Date: 2-7-22

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
McGuire, Carol M. Chairman	✓		
Roy, Terry Vice Chairman	X		
Sytek, John Clerk	X		
Pearson, Stephen C.	✓		
Yakubovich, Michael	X		
Lekas, Tony	X		
Alliegro, Mark C.	X		
Bailey, Glenn			
Lanzara, Tom E.	X		
Santonastaso, Matthew	X		
Goley, Jeffrey P.	X		
Schuett, Dianne E.	X		
Jeudy, Jean L.	X		
Schmidt, Peter B.			
Schultz, Kristina M.	X		
Fellows, Sallie D.	X		
Fontneau, Timothy J.	X		
Grote, Jaci L.	X		
O'Brien, Michael B.	X		
TOTAL VOTE:			

180

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

PUBLIC HEARING ON HB 1497-FN

BILL TITLE: relative to optional allowances in the retirement system.

DATE: January 25, 2022

LOB ROOM: 302-304 **Time Public Hearing Called to Order:** 11:30 a.m.

Time Adjourned: 12:05 p.m.

Committee Members: Reps. McGuire, Rhodes, Sytek, S. Pearson, Yakubovich, T. Lekas, Alliegro, Bailey, Goley, Santonastaso, Fellows, Grote, O'Brien, Marsh, P. Schmidt, Jeudy and Schuett

Bill Sponsors:
Rep. Lanzara

TESTIMONY

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

Rep. Pearson introduced the bill on behalf of the sponsor, Rep. Lanzara and spoke in favor. He said that while choice of options normally was done at retirement, recent events where a death occurred before retirement caused a financial loss to the spouse because forms were not filled out. This bill would correct that situation by allowing appropriate form to be filled out at any time. He pointed out a gap in the bill leaving out some present employees and said that he or the sponsor would draft an amendment. He took Committee questions and deferred to Mr. Karlon.

Marty Karlon, NHRS, took no position and testified for informational purposes. His remarks led to a protracted and complex discussion concerning retirement benefits (and death benefits), who was eligible and when.

Arthur Beaudry, representing the NH State Permanent Retired Fire Fighters Ass'n, spoke in favor with the proposed amendment. He pointed out that this was an amendment in a Senate bill last year but did not pass. He took Committee questions.

Brian Ryll, Professional Fire Fighters NH, and captain in the Portsmouth fire department, spoke in favor. He described the bill as a "safeguard." He answered Committee questions.

House Remote Testify

Executive Departments and Administration Committee Testify List for Bill HB1497 on 2022-01-25

Support: 14 Oppose: 0 Neutral: 1 Total to Testify: 0

Export to Excel

<u>Name</u>	<u>City, State</u> <u>Email Address</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>Non-Germane</u>	<u>Signed Up</u>
mackinnon, ashley	derry, NH ashley@pffnh.org	A Member of the Public	Myself	Support	No	No	1/21/2022 9:40 AM
Wholey, Thomas	Goffstown, NH Wholes2001@yahoo.com	A Member of the Public	Myself	Support	No	No	1/21/2022 10:23 AM
McAllister, John	Nashua, NH nfr5061@comcast.net	A Member of the Public	Myself	Support	No	No	1/21/2022 11:57 AM
Tavitian, Martin	North Hampton, NH mtavitian@comcast.net	A Member of the Public	Myself	Support	No	No	1/21/2022 1:16 PM
Martel, Derek	Concord, NH djm75@comcast.net	A Member of the Public	Myself	Support	No	No	1/21/2022 4:56 PM
Robertson, Patrick	Windham, NH Robertsonpat@rocketmail.com	A Member of the Public	Myself	Support	No	No	1/21/2022 6:23 PM
Andrews, Robert	Dunbarton, NH Rdandrews5@gmail.com	State Agency Staff	Myself	Support	No	No	1/21/2022 6:25 PM
Goldstein, Michael	Milford, NH Stickersmfd79@gmail.com	A Member of the Public	Myself	Support	No	No	1/22/2022 10:04 PM
Le, Hon. Tamara	North Hampton, NH tamaranle@gmail.com	A Member of the Public	Myself	Support	No	No	1/23/2022 10:02 AM
Morse, Steve	Hampstead, NH Steveo1759@gmail.com	A Member of the Public	Myself	Support	No	No	1/23/2022 10:25 AM
Morse, Carolyn	Hampstead, NH Cmorse8506@gmail.com	A Member of the Public	Myself	Support	No	No	1/23/2022 10:25 AM
Howes, Deb	Bow, NH president@aft-nh.org	A Lobbyist	American Federation of Teachers - NH	Support	No	No	1/24/2022 2:57 PM
Ryll, Brian	Concord, NH brian@pffnh.org	A Lobbyist	Professional Fire Fighters of New Hampshire	Support	No	No	1/24/2022 4:54 PM

Amlaw, Sandra	Hudson, NH sandy_amlaw@yahoo.com	A Member of the Public	Myself	Support	No	No	1/24/2022 6:03 PM
Karlon, Marty	Concord, NH marty.karlon@nhrs.org	State Agency Staff	NHRS	Neutral	No	No	1/24/2022 7:17 PM

HB 1497-FN - AS INTRODUCED

2022 SESSION

22-2584

10/04

HOUSE BILL ***1497-FN***

AN ACT relative to optional allowances in the retirement system.

SPONSORS: Rep. Lanzara, Hills. 28

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill allows a member of the retirement system to elect a survivorship optional allowance upon joining the retirement system.

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 Twenty Two

AN ACT relative to optional allowances in the retirement system.

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

1 1 Retirement System; Election of Optional Allowance. Amend RSA 100-A:13, I to read as
2 follows:

3 I. Any **member upon joining the retirement system, any member** who has reached
4 service retirement age as provided in RSA 100-A:5, [~~I(a), or II(a),~~] or RSA 100-A:19-b, any retiree
5 within 120 days after the effective date of retirement, or any retiree within 120 days after a decision
6 by the board of trustees granting the retiree disability retirement benefits pursuant to RSA 100-A:6,
7 may elect to receive, instead of the retirement allowance otherwise payable, a retirement allowance
8 of equivalent actuarial value under one of the options named in paragraph III, or to redesignate any
9 such option previously elected. When the member or retiree elects to receive an optional retirement
10 allowance under paragraph III, the beneficiary or beneficiaries whom the member or retiree
11 nominates may include the member's spouse and/or children. The notice of non-election, election, or
12 change of retirement option shall be on a form designated by the board, which, if the member or
13 retiree is married, shall include a spousal acknowledgment. The optional allowance shall be
14 effective upon retirement if the election is made before the effective date of retirement, and on the
15 first day of the month following receipt by the board of the notice of election or change of option if
16 made during a 120-day grace period. When an election or change of option is made during a 120-day
17 grace period, no retroactive adjustments will be made in payments already received by the retiree.
18 When an election or change of option is made within 120 days after a decision by the board of
19 trustees granting the retiree disability retirement benefits, the optional allowance shall be
20 calculated using retiree and beneficiary age factors applicable as of the first day of the month
21 following receipt by the board of the notice of election or change in option. After expiration of the
22 120-day grace period no change in option selection shall be permitted except as provided in
23 paragraph II. If a retiree dies after filing notice of election or change of option during the 120-day
24 grace period but before the effective date, the election or change shall be effective as of the date of
25 death. If a member dies after filing an election for a survivorship retirement option and before the
26 effective date of retirement, whether or not the member has filed for retirement, the beneficiary who
27 was nominated by the member in the election of the option may elect to receive either the optional
28 survivor benefit which the member had elected or the ordinary death benefit provided under RSA
29 100-A:9, whichever is more advantageous to the beneficiary; provided that, in the case of the
30 member's death before retirement, if the beneficiary named in the survivorship option election is not

HB 1497-FN - AS INTRODUCED

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- 1 the same person as the beneficiary under RSA 100-A:9, then the death benefit under RSA 100-A:9,
- 2 II, and not the survivorship option shall apply.
- 3 2 Effective Date. This act shall take effect 60 days after its passage.

**HB 1497-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to optional allowances in the retirement system.

FISCAL IMPACT: State County Local None

STATE:	Estimated Increase / (Decrease)			
	FY 2022	FY 2023	FY 2024	FY 2025
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	Indeterminable Increase	Indeterminable Increase
Funding Source:	<input checked="" type="checkbox"/> General <input type="checkbox"/> Education <input checked="" type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Various State Agency Funds			

Political Subdivisions:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	Indeterminable Increase	Indeterminable Increase

*The New Hampshire Retirement System states it is not able to separate the fiscal impact of this legislation between county and local government, therefore the fiscal impact is shown together as political subdivisions.

METHODOLOGY:

This bill would allow New Hampshire retirement system members to elect survivorship option allowance upon joining the retirement system. This election would only be in effect if a member is eligible for service retirement under RSA 100-A:5 and dies while in active service.

The New Hampshire Retirement System states that in-service deaths of retirement-eligible members are rare and the fiscal impact would not be significant. However, the NHRS states the changes to the statute may entice more members to fill out a preselection form prior to service eligibility than they do under current law. Optional allowance pre-selections, may lead to an increase in actuarial liabilities, and thereby contribution rates for state and local employers, in certain cases where members die and meet the service retirement eligibility requirements at the time of death.

AGENCIES CONTACTED:

New Hampshire Retirement System