

LEGISLATIVE COMMITTEE MINUTES

**SB434**

Bill as  
Introduced

SB 434-FN - AS INTRODUCED

2022 SESSION

22-2983

10/04

SENATE BILL        **434-FN**

AN ACT            relative to the reduction in the calculation of state retirement annuities at age 65.

SPONSORS:        Sen. Cavanaugh, Dist 16; Sen. Rosenwald, Dist 13; Rep. Deshaies, Carr. 6; Rep. Allard, Merr. 21; Rep. Pratt, Rock. 3; Rep. Merner, Coos 7

COMMITTEE:       Executive Departments and Administration

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ANALYSIS

This bill provides for the application of the reduction of a retiree's annuity at the member's full retirement age under the federal Social Security system.

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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                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 the reduction in the calculation of state retirement annuities at age 65.

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

1 1 Retirement System; Service Retirement Benefits; Reduction Age. Amend RSA 100-A:5, I(b) to  
2 read as follows:

3 (b) Upon service retirement, an employee member or teacher member of group I shall  
4 receive a service retirement allowance which shall consist of a member annuity which shall be the  
5 actuarial equivalent of the member's accumulated contributions at the time of retirement, and a  
6 state annuity. Prior to the member's attainment of [~~age 65~~] ***the member's full retirement age for***  
7 ***Social Security***, the state annuity, together with the member annuity, shall be equal to 1/60 of the  
8 member's average final compensation multiplied by the number of years of creditable service. After  
9 attainment of [~~age 65~~] ***the member's full retirement age for Social Security***, the state annuity,  
10 together with the member annuity, shall be equal to 1/66 of the member's average final  
11 compensation multiplied by the number of years of creditable service. Provided, however, that a  
12 group I member who commenced service on or after July 1, 2011 shall not receive a service  
13 retirement allowance until attaining the age of 65; but may receive a reduced allowance after age 60  
14 if the member has at least 30 years of creditable service where the allowance shall be reduced, for  
15 each month by which the date on which benefits commence precedes the month after which the  
16 member attains 65 years of age, by 1/4 of one percent.

17 2 Retirement System; Ordinary Disability Retirement Benefits; Reduction Age. Amend  
18 RSA 100-A:6, I(b)(1)(A) and (B) to read as follows:

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20 ***age for Social Security***, the state annuity, together with the member annuity, shall be equal to  
21 1/60 of the member's average final compensation at the time of his ***or her*** ordinary disability  
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24 (B) After attainment of [~~age 65~~] ***the member's full retirement age for Social***  
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5 (B) After attainment of [~~age-65~~] *the member's full retirement age for Social*  
6 *Security*, the state annuity, together with the member annuity, shall be equal to 1/66 of the  
7 member's average final compensation at the time of his *or her* accidental disability retirement  
8 multiplied by the number of years of creditable service at the time of his *or her* accidental disability  
9 retirement;

10 4 Effective Date. This act shall take effect 60 days after its passage

**SB 434-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT relative to the reduction in the calculation of state retirement annuities at age 65.

**FISCAL IMPACT:**     State             County             Local             None

STATE:	Estimated Increase / (Decrease)			
	FY 2022	FY 2023	FY 2024	FY 2025
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$1.23 million	\$1.27 million
<b>Funding Source:</b>	<input checked="" type="checkbox"/> General Funds	<input type="checkbox"/> Education	<input checked="" type="checkbox"/> Highway	<input checked="" type="checkbox"/> Other - Various

**POLITICAL  
SUBDIVISIONS:**

<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$4.26 million	\$4.38 million

\*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 provides for the application of the statutory recalculation of a Group I (employee or teacher) retiree's annuity at the member's full retirement age under the federal Social Security system, rather than at age 65.

The New Hampshire Retirement System's (NHRS) actuary assumed the bill will become effective on 7/1/2022 and applied the new provisions to Group I members who retire on or after 7/1/2022. The NHRS also notes that because the employer rates are already set for FY 2022 and FY 2023 the rates associated with the bill will not begin until FY 2024. Using the June 30, 2019 actuarial valuation assumptions of an annual rate of return of 6.75 percent, wage inflation at 2.75 percent a year, and using the entry-age actuarial cost valuation method, the System's actuary determined the following increases:

State

Employer Pension Rates as a Percent of Payroll		
Current 2022-2023 Rates	Impact of Proposal	Proposed 2022-2023 Rates

Employees	13.75%	0.19%	13.94%
Police	30.67%	0.00%	30.67%
Fire	29.78%	0.00%	29.78%
<b>Expected Employer Dollar Increase (Decrease) Due to Proposal</b>			
	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Employees	-	-	\$1,230,000
Police	-	-	\$0
Fire	-	-	\$0
<b>TOTAL</b>	-	-	\$1,230,000

**Political Subdivisions**

<b>Employer Pension Rates as a Percent of Payroll</b>			
	<b>Current 2022-2023 Rates</b>	<b>Impact of Proposal</b>	<b>Proposed 2022-2023 Rates</b>
Employees	13.75%	0.19%	13.94%
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Police	30.67%	0.00%	30.67%
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<b>Expected Employer Dollar Increase (Decrease) Due to Proposal</b>			
	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Employees	-	-	\$1,470,000
Teachers	-	-	\$2,790,000
Police	-	-	\$0
Fire	-	-	\$0
<b>TOTAL</b>	-	-	\$4,260,000

The NHRS actuarial projects an increase in the actuarial accrued liability of \$44.2 million based on the provisions in the bill. They also note a modification will need to be made to the PensionGold software to meet the requirements of the bill. However, they expect the cost to be less than \$10,000. Lastly, the NHRS actuarial states there will be additional impact to FY 2026.

**AGENCIES CONTACTED:**

New Hampshire Retirement System

SB 434-FN - AS INTRODUCED

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SENATE BILL

**434-FN**

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COMMITTEE:

Executive Departments and Administration

OTP 5-0 CONSENT

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ANALYSIS

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LBA  
22-2983  
12/27/21

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**AGENCIES CONTACTED:**

New Hampshire Retirement System

# 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: January 3, 2022

**HEARINGS**

Thursday	01/13/2022	
(Day)	(Date)	
Executive Departments and Administration	State House 103	9:00 a.m.
(Name of Committee)	(Place)	(Time)
9:00 a.m.	<b>SB 438-FN-LOCAL</b>	establishing state and local procurement policies intended to promote the use of American materials.
9:20 a.m.	<b>SB 434-FN</b>	relative to the reduction in the calculation of state retirement annuities at age 65.
9:40 a.m.	<b>SB 411-FN</b>	relative to critical incident stress management for emergency services providers, and establishing a violent act injury disability retirement for public safety employees.
10:00 a.m.	<b>SB 383-FN</b>	relative to land surveying services.
10:20 a.m.	<b>SB 433</b>	relative to online access to state information on economic relief disbursements.

**EXECUTIVE SESSION MAY FOLLOW**

**Sponsors:**

**SB 438-FN-LOCAL**

Sen. Sherman  
Sen. Soucy  
Sen. Carson  
Rep. Malloy

Sen. Hennessey  
Sen. Watters  
Sen. Perkins Kwoka  
Rep. Potucek

Sen. Ricciardi  
Sen. Avar  
Rep. Creighton

Sen. Birdsell  
Sen. D'Allesandro  
Rep. Hamblet

**SB 434-FN**

Sen. Cavanaugh  
Rep. Pratt

Sen. Rosenwald  
Rep. Merner

Rep. Deshaies

Rep. Allard

**SB 411-FN**

Sen. Cavanaugh

**SB 383-FN**

Sen. Ricciardi

Rep. Dolan

**SB 433**

Sen. Whitley  
Sen. Sherman  
Sen. Gannon  
Rep. Espitia

Sen. Watters  
Sen. Prentiss  
Sen. Cavanaugh  
Rep. Luneau

Sen. Perkins Kwoka  
Sen. Rosenwald  
Sen. Reagan  
Rep. Myler

Sen. D'Allesandro  
Sen. Soucy  
Rep. Wilhelm

Chantell Wheeler 271-1403

Sharon M Carson  
Chairman

**AMENDED**  
**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

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10:00 a.m.	<b>SB 383-FN</b>	relative to land surveying services.
10:20 a.m.	<b>SB 443-FN</b>	relative to municipal authority regarding the state building code.



**EXECUTIVE SESSION MAY FOLLOW**

Chantell Wheeler 271-1403

Sharon M Carson  
Chairman

**Sponsors:**

**SB 438-FN-LOCAL**

Sen. Sherman

Sen. Soucy

Sen. Carson

Rep. Malloy

**SB 434-FN**

Sen. Cavanaugh

Rep. Pratt

**SB 411-FN**

Sen. Cavanaugh

**SB 383-FN**

Sen. Ricciardi

**SB 443-FN**

Sen. Carson

Sen. Hennessey

Sen. Watters

Sen. Perkins Kwoka

Rep. Potucek

Sen. Rosenwald

Rep. Merner

Rep. Dolan

Sen. Giuda

Sen. Ricciardi

Sen. Avar

Rep. Creighton

Rep. Deshaies

Rep. McGuire

Sen. Birdsell

Sen. D'Allesandro

Rep. Hamblet

Rep. Allard

# Senate Executive Departments and Administration Committee

*Chantell Wheeler 271-1403*

**SB 434-FN**, relative to the reduction in the calculation of state retirement annuities at age 65.

**Hearing Date:** January 13, 2022

**Time Opened:** 9:50 a.m.

**Time Closed:** 9:58 a.m.

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

**Members of the Committee Absent :** None

**Bill Analysis:** This bill provides for the application of the reduction of a retiree's annuity at the member's full retirement age under the federal Social Security system.

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**Sponsors:**

Sen. Cavanaugh

Sen. Rosenwald

Rep. Deshaies

Rep. Allard

Rep. Pratt

Rep. Merner

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**Who supports the bill:** Senators Cavanaugh and Rosenwald, Brian Hawkins (NEA-NH), Richard Gulla (SEA-NH), Karen Cloutier, Wendy Kessler, Helen DeMarco, Jim Schuler, Karen Irwin, Virginia Clifford, Brenna Desbiens, Ken Asai, Brian Deschenes, Tom Finnerty, Dana Mosher, Maria Pliakos, Theresa McGinnis, Claudia Slaney, Jordan Vachon, Carolyn Maki, David Lees, Katharine Lanzim, Casey McCabe, Leslie Derbyshire, Maureen Callaghan, Alison Martinez, Nancy Moore, Michelle Bean, Rich Gulla, Wendy Dufoe, Cullen Tiernan, Denise Clark,, Louise Pajak, Patricia Viveiros, Wendy Kessler, Barbara Zaenglein, Paula Hedrich, Jennifer LaFrance, Geoffrey Gannon, Dana Dexter, Christine Guay, Elizabeth Fenner-Lukaitis, Heidi Hamer, Gary Hamer, Brenda Courchaine, Michelle Heaton, Joline Manseau.

**Who opposes the bill:** Katherine Heck (NH Municipal Association), Neil Johnson

**Who is neutral on the bill:** Marty Karlon, NH Retirement System

**Summary of testimony presented in support:**

**Senator Cavanaugh:**

- This was a large discussion of the 2017 Governor's Decennial Commission on Retirement in which the NH Retirement Security Coalition provided

information and testimony on why the reduction should be eliminated or at least linked to the actual age of social security.

- Following the commission, HB1427 was introduced in 2018 to link the reduction to social security age as a first step. We were nearly successful, but the bill became overly amended and was not able to pass the full Senate.
- Introduce the same bill from 2018 in 2020. This bill passed the full House out of the policy committee, but due to COVID-19 and the changes for that legislative session, it did not make it out of the House Finance Committee.
- At age 65 Group I members get hit with 10% reduction to their retirement benefit. A 10% reduction can make a significant impact to a retiree's benefit (i.e., a \$30,000 pension becomes a \$27,000 benefit at 65).
- Prior to 1988, Group I retiree benefits were linked to federal social security benefits and a retiree's benefit was calculated using an equation taking both benefits into account. In 1988, the legislature removed this linkage but kept the 10% reduction at 65.
- Now that the age of social security has risen to 67, Group I members are still getting hit with the reduction without receiving social security.
- Right now, an employee's benefit is 1/60th of their average final compensation (AFC) prior to 65, at age 65 it becomes 1/66th of their AFC.
- Intent of previous legislation has been to connect 10% reduction to the age in which the member will begin to collect social security. So, while they are still hit with a 10% reduction, they will receive their social security benefit at the same time to offset this reduction. Aligning the reduction with social security will lessen this impact slightly.

#### **Brian Hawkins, NEA-NH**

- Teachers make up 36% of beneficiaries.
- In FY20 the average benefit was \$22,460.00.
- This bill is important for teachers to plan for the rising inflation costs, there was only one COLA over the last 10 years.

#### **Summary of testimony presented in opposition:**

##### **Margaret Byrnes, NH Municipal Association**

- Opposition is based on the financial impact for political subdivisions which will increase employer costs by \$4.26 million in FY24 and \$4.38 million in FY25.

#### **Neutral Information Presented:**

##### **Marty Karlon – NH Retirement System**

- In 1988, the Legislature removed the coordination of Group I pension benefits with Social Security benefits (SB 327, Chapter 193), but left in the law a pension

recalculation provision that reduced Group I pension benefits approximately 10 percent at age 65.

- The way the law works is that when a retiree attains age 65, his or her pension benefit is recalculated. Under the benefit formula for Group I members retiring between the ages of 60-64, a member's average final compensation (AFC) is divided by 60 and that amount is multiplied by the member's months and years of creditable service. Upon attainment of age 65, the formula changes so that a retiree's AFC is divided by 66 instead of 60, and the benefit is recalculated, resulting in a benefit reduction of just under 10 percent. All retirees receive written notice of this adjustment upon retirement and again prior to their 65th birthday. Note: Any Group I member who retires after age 65 has his or her benefit calculated with a divisor of 66 from the outset; this includes all Group I members hired on or after July 1, 2011, for whom eligibility to begin receiving an unreduced service retirement is 65.
- When NHRS Group I pension benefits were no longer coordinated with Social Security benefits in 1988, the Normal Social Security Retirement Age (NSSRA) was, and remains, 65 for anyone born in 1937 or earlier. Currently, the NSSRA is 67 for anyone born in 1960 or later. For people born between 1938 and 1959, the NSSRA varies from 65 years, 2 months, to 66 years, 10 months.
- GRS Consulting, the New Hampshire Retirement System's independent actuary, estimates that this bill would increase employer contribution rates by 0.19% of covered payroll for employees and 0.22% of covered payroll for teachers in fiscal year 2024 and thereafter. This bill would increase the unfunded actuarial accrued liability (UAAL) by \$44.2million (a 0.2 percent decrease in the funded ratio). The UAAL was \$5.72 billion as of June 30, 2021.

**Senator Carson** asked for clarification on page 1, line 6 that replaced age 65 with member's full retirement age for Social Security. Mr. Karlon explained that the language is linked to the Social Security full retirement age. The impact would be the same if the age were raised to 67.

cbw

Date Hearing Report completed: January 18, 2022

# Speakers



## Senate Remote Testify

Executive Departments and Administration Committee Testify List for Bill SB434 on 2022-01-13

Support: 106 Oppose: 1

<u>Name</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>
Rosenwald, Cindy	An Elected Official	SD 13	Support
Deschaine, Paul	A Member of the Public	Myself	Support
Johnson, Neil	An Elected Official	Myself	Oppose
Diamond, Heather	A Member of the Public	Myself	Support
Frye, Kim	A Member of the Public	Myself	Support
Ladd, Karen	A Member of the Public	Myself	Support
Istel, Claudia	A Member of the Public	Myself	Support
Boyle, Cynthia	A Member of the Public	Myself	Support
McAllister, John	A Lobbyist	Professional Fire Fighters of New Hampshire	Support
Amlaw, Sandra	A Member of the Public	Myself	Support
Bryant, Marlise	A Member of the Public	Myself	Support
Bryant, Michael	A Member of the Public	Myself	Support
Karlon, Marty	State Agency Staff	NHRS	Neutral
Anderson, Violet	A Member of the Public	Myself	Support
Fitzpatrick, Anne	A Member of the Public	Myself	Support
Bordonaro, Robin	A Member of the Public	Myself	Support
Torrey, Wanda	State Agency Staff	Myself	Support
Pearl, Diane	A Member of the Public	Myself	Support
MacDonald, Brenda	A Member of the Public	Myself	Support
Holt, Ellen	A Member of the Public	Myself	Support
Gage, Josie	State Agency Staff	Myself	Support
Clifford, Virginia	A Member of the Public	Myself	Support
Desbiens, Brenna	A Member of the Public	Myself	Support
Asai, Ken	A Member of the Public	Myself	Support
Deschenes, Brian	State Agency Staff	Myself	Support
Finnerty, Tom	A Member of the Public	Myself	Support
Mosher, Dana	A Member of the Public	Myself	Support
Pliakos, Maria	A Member of the Public	Myself	Support
McGinnis, Theresa	A Member of the Public	Myself	Support
Slaney, Claudia	State Agency Staff	Myself	Support
Vachon, Jordan	State Agency Staff	Myself	Support
DESROSIERS, Roger	A Member of the Public	Myself	Support
Maki, Carolyn	State Agency Staff	Myself	Support
Lees, David	State Agency Staff	Myself	Support
Lanzim, Katharine	A Member of the Public	Myself	Support
McCabe, Casey	A Lobbyist	NH Retirement Security Coalition	Support
Derbyshire, Leslie	A Member of the Public	Myself	Support
Callaghan, Maureen	A Member of the Public	Myself	Support
Martinez, Alison	A Member of the Public	Myself	Support
Moore, Nancy M	A Member of the Public	Myself	Support
Bean, Michelle	A Member of the Public	Myself	Support
Gulla, Rich	A Lobbyist	SEA SEIU 1984	Support
Dufoe, Wendy	A Member of the Public	Myself	Support
Tiernan, Cullen	A Lobbyist	SEA SEIU 1984	Support
M Clark, Denise	A Member of the Public	Myself	Support
Pajak, Louise	A Member of the Public	Myself	Support
Viveiros, Patricia	A Member of the Public	Myself	Support
Kessler, Wendy	A Member of the Public	Myself	Support
Zaenglein, Barbara	A Member of the Public	Myself	Support
Hedrich, Paula	A Member of the Public	Myself	Support
LaFrance, Jennifer	A Member of the Public	Myself	Support
SHEEHAN, COREY	A Member of the Public	Myself	Support
Gannon, Geoffrey	A Member of the Public	Myself	Support
Dexter, Dana	A Member of the Public	Myself	Support
Guay, Christine	State Agency Staff	Myself	Support

Fenner-Lukaitis, Elizabeth	A Member of the Public	Myself	Support
Hamer, Heidi	An Elected Official	Myself	Support
Hamer, Gary	An Elected Official	Myself	Support
Courchaine, Brenda	State Agency Staff	Myself	Support
Heaton, Michelle	A Member of the Public	Myself	Support
Manseau, Joline	A Member of the Public	Myself	Support
Constant, David	A Member of the Public	Myself	Support
Campbell, Kay	A Member of the Public	Myself	Support
Field, Bryan	A Member of the Public	Myself	Support
Duffy, Mara	A Member of the Public	Myself	Support
Leighton, Gloria-Jean	A Member of the Public	Myself	Support
doyle, maralyn	A Member of the Public	Myself	Support
Bonoli-Stohberg, Christine	State Agency Staff	Myself	Support
Kneeland, Deborah	A Member of the Public	Myself	Support
Hixson, Marie	State Agency Staff	Myself	Support
Liakos, Maureen	A Member of the Public	Myself	Support
Doyle, Kathryn	State Agency Staff	Myself	Support
Coons, Caroline	A Member of the Public	Myself	Support
Toomey, Dan	An Elected Official	Myself	Support
Joe, Kamal	A Member of the Public	Myself	Support
Fryer, George	A Member of the Public	Myself	Support
Hamblet, Joan	An Elected Official	Myself	Support
Callahan, Elizabeth	A Member of the Public	Myself	Support
Wright, Stephanie	A Member of the Public	Myself	Support
BonEnfant, Bruce	A Member of the Public	Myself	Support
Towne, Cheryl	State Agency Staff	Myself	Support
Chalbeck, Kevin	State Agency Staff	Myself	Support
Smith, Cory	State Agency Staff	Myself	Support
Schmidt, Dillan	State Agency Staff	Myself	Support
Field, Linda	A Member of the Public	Myself	Support
MORRISON, TRISHA	State Agency Staff	Myself	Support
Jones-Yellin, Mose	A Member of the Public	Myself	Support
Goodnough, Lynn	A Member of the Public	Myself	Support
Blanchard, David	A Member of the Public	Myself	Support
Bouthot, Diane	State Agency Staff	Myself	Support
Mohamed Gabir, Ahmed	State Agency Staff	Myself	Support
Guertin, Carol	State Agency Staff	Myself	Support
Brackett, Glenn	A Lobbyist	NH AFL-CIO	Support
bonney, daniel	A Member of the Public	Myself	Support
Fischer, Timothy	State Agency Staff	Myself	Support
Kimel, Karen	A Member of the Public	Myself	Support
Garland, Lucinda	State Agency Staff	Myself	Support
Starke, Kathy	A Member of the Public	Myself	Support
Feener, Tamara	State Agency Staff	Myself	Support
O'Connor, Lauren	State Agency Staff	Myself	Support
Raff, Alan	A Member of the Public	Myself	Support
Koester, Patricia	A Member of the Public	Myself	Support
Crane, Avis	A Member of the Public	Myself	Support
Perry, NANCY	A Member of the Public	Myself	Support
Boronski, Michael	A Member of the Public	Myself	Support
Carmichael, Suzanne	A Member of the Public	Myself	Support
Howes, Deb	A Lobbyist	American Federation of Teachers - NH	Support
Callahan, Catherine	State Agency Staff	Myself	Support



# Testimony



January 13, 2022

Hon. Sharon Carson, Chair  
Executive Departments and Administration Committee  
Legislative Office Building, Room 101  
Concord, New Hampshire

*Re: SB 434, relative to a reduction in the calculation of state retirement annuities at age 65*

Dear Senator Carson and Committee Members:

I write to express the New Hampshire Municipal Association's opposition to SB 434. The New Hampshire Retirement System's actuary has estimated that this bill would result in an increase in the retirement system's actuarial accrued liability of \$44.2 million, and would increase employer costs for political subdivisions (municipalities, counties, and school districts) by \$4.26 million in fiscal year 2024 and \$4.38 million in fiscal year 2025. Similar increases would continue into the future.

Under current law (RSA 100-A:5, I(b)) when a group I member of the retirement system retires before age 65, the retiree's "service retirement allowance" is equal to 1/60<sup>th</sup> of his or her average final compensation multiplied by the number of years of service. After age 65, the fraction is reduced to 1/66<sup>th</sup>. Thus, for example, if an employee retires at age 60 with a final average compensation of \$40,000 and 30 years of service, the calculation is as follows:

$$\$40,000 \div 60 = \$666.67 \times 30 = \$20,000.$$

When the employee reaches age 65, the calculation becomes:

$$\$40,000 \div 66 = \$606.07 \times 30 = \$18,182$$

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NEW HAMPSHIRE MUNICIPAL ASSOCIATION

25 Triangle Park Drive • Concord, NH 03301 • Tel: 603.224.7447

NHMAinfo@nhmunicipal.org • governmentaffairs@nhmunicipal.org • legalinquiries@nhmunicipal.org

www.nhmunicipal.org

SB 434 would move the recalculation date from age 65 to the date at which a retiree reaches full retirement age for purposes of Social Security. For most current employees (anyone born in 1960 or later), this will be age 67, meaning retirees would get the benefit of the higher allowance for approximately two years.

Presumably, the argument for this change is that since full Social Security retirement age has been increased from 65 to 67, the recalculation of NHRS benefits should occur at that age, too. However, the current statutory scheme was put in place in 1988, five years *after* Congress in 1983 increased the Social Security retirement age for persons retiring beginning in 2000. Although the federal change did not take effect until 2000, it was clearly the 1988 legislature's intent that the recalculation age should not be tied to Social Security retirement age.

We are sympathetic to retirees' needs, but retirement costs have been one of the most significant drivers of increased local property taxes for many years. Unless the state itself is willing to fund the additional costs this bill would impose, we ask the committee to recommend it as Inexpedient to Legislate.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Katherine Heck', written in a cursive style.

Katherine Heck  
Government Finance Advisor

cc: Committee members



# The State Employees' Association Of New Hampshire, Inc.

Service Employees International Union, Local 1984, CTW, CLC

Executive Departments and Administration Committee  
New Hampshire Senate  
Legislative Office Building Rm 103  
Concord, NH 03301

January 13, 2022

Re: SB434-FN: relative to the reduction in the calculation of state retirement annuities at age 65.

Dear Chairwoman Carson and Committee Members,

On behalf of the 10,000 hardworking New Hampshire public employees and retirees of SEA | SEIU Local 1984, I ask for your support on SB434-FN: relative to the reduction in the calculation of state retirement annuities at age 65.

Our members dedicate their careers to public service. They maintain our highways, keep our children safe and our elderly cared for, and they support the effectiveness and efficiencies of our State's administrative duties. Most recently many of our employees have dedicated time, effort, and hours assisting our citizens through a once in a lifetime pandemic. They are proud of what they do, and we should be equally proud of their commitment.

Currently, all Group I members in the New Hampshire Retirement System receive a 10% reduction in their benefit when they reach age 65. A 10% reduction can make a significant impact to a retiree's benefit. For example, a member whose benefit is \$30,000 will become \$27,000 at age 65.

Prior to 1988, Group I retiree benefits were linked to federal social security benefits and a retiree's benefit was calculated using an equation taking both benefits into account. In 1988, the legislature removed this linkage but kept the 10% reduction at 65. Therefore, currently members can be with a 10% reduction in their benefit but are of yet eligible to receive social security for up to 2 years.

This issue has been before the legislature several times. In 2017 the Governor's Decennial Commission discussed this issue at length and in 2018 and 2020 similar bills were brought before the NH House of Representatives. We believe it is time to finally correct this issue and realign the 10% benefit reduction to social security age eligibility.

This is an important issue to our membership and so I am asking for your support to find SB434-FN Ought To Pass to ensure our members are not left for two years with a reduction in their benefit and without access to social security.

Thank you for your time and consideration on this matter.

Richard Gulla  
President SEA

## Chantell Wheeler

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**From:** fagelbagel@aol.com  
**Sent:** Monday, January 10, 2022 4:05 PM  
**To:** Sharon Carson  
**Subject:** Please Support Senate Bill 434

Dear Senator Carson,

I am writing about SB 434. I hope you will support its passage. As a recent retiree, I can tell you that the 10 % reduction of my pension at age 65 was a big hit. Since I wasn't at full retirement age for social security until I reached the age of 66 and 2 month, I didn't have social security available to make up for the short fall, without being penalized.

I understand the reduction was put into place many years ago when everyone was at full retirement age when they reached 65. That is no longer the case, however, so we have many retirees who struggle until they reach their new full retirement age, which for some, would be age 67.

Please vote yes to change the language to make the pension reduction effective at full retirement age, rather than at age 65.

Thank you.  
Wendy Kessler

## Chantell Wheeler

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**From:** karencl@ne.rr.com  
**Sent:** Wednesday, January 12, 2022 4:25 PM  
**To:** Sharon Carson; John Reagan; Chantell Wheeler; Suzanne Prentiss; Chantell Wheeler  
**Subject:** SB434:FN: relative to the reduction in the calculation of state retirement annuities at age 65.

Dear Senate Executive Departments & Administration Committee Members,

Thank you for your service and thank you for taking the time to read my correspondence today.

*I am an elementary school teacher who is retiring in June. I have taught for 36 years, 32 of them in New Hampshire at Fuller Elementary School in Keene. Many years we have received very small raises. This year my annual raise was \$150 while insurance premiums and the cost of living have continue to increase a lot. Having my retirement benefit cut by 10% when I turn 65 will certainly make things more difficult as my full retirement age for social security is 67. I think teachers deserve to have their full pension until at least their full social security age. We have worked very hard our entire careers, especially these past couple of years during the pandemic, for not great pay, and doing away with the 10% reduction in benefits at 65 would show great support of teachers and help make their retirement years less stressful financially.*

I am writing to ask for your support on **SB434-FN: relative to the reduction in the calculation of state retirement annuities at age 65.**

Currently, all Group I members receive a 10% reduction in their retirement benefit at the age of 65. Legislative history would show that this reduction was once linked to social security eligibility age. In the late 1980s this link was broken. Afterwards, the 10% reduction took place at age 65 no matter what social security eligibility age would become.

Now that social security age eligibility is as late as age 67, there is a 2-year timeframe in which my benefit will be reduced by 10%, but I won't be able to collect social security.

*[insert here this 10% reduction will impact you and your family financially and how connecting it to social security age eligibility would impact you and your family.]*

SB434-FN returns the original intent of the reduction to social security age eligibility and relinks the reduction and collection of social security to the same time. It will prevent members like myself from receiving a reduction in my pension without the ability to collect social security.

Thank you for your consideration of my viewpoint on this matter. I want to emphasize the importance of what SB434-FN would be mean to me and my family and the thousands and thousands of other Group I members who continue to commit their time and effort to public service here in NH.

Sincerely,

Karen Cloutier

Keene NH

## Chantell Wheeler

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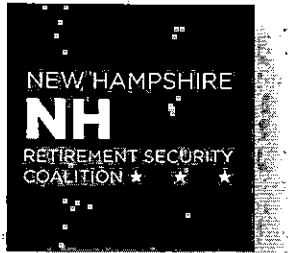
**From:** Jim & Surbjit Schuler <ingsoc@comcast.net>  
**Sent:** Wednesday, January 12, 2022 6:55 PM  
**To:** Sharon Carson; Denise Ricciardi  
**Subject:** In favor of SB434

Good evening,

Recently retired from the Public Utilities Commission after 24 years. Wanted to stay longer but you know about that debacle. Anyway, I'm not asking for a handout, just what is right and something that should have been fixed long ago. I'm looking at a pay cut for almost two years until I can collect social security. Right this wrong. Show, for a change, that the State appreciates it's workers.

Thank you  
Jim Schuler

Sent from Mail for Windows



## 10% REDUCTION AT AGE 65 YEARS FOR GROUP 1 MEMBERS

### HISTORY

- This was a large discussion of the 2017 Governor's Decennial Commission on Retirement in which the Coalition provided information and testimony on why the reduction should be eliminated or at least linked to the actual age of social security. You can access that information here on our website: [2017 Decennial Commission](#).
- Following the commission, we helped introduce HB1427 in 2018 to link the reduction to social security age as a first step. We were nearly successful, but the bill became overly amended and was not able to pass the full Senate. You can access that bill and its history here: [HB1757](#)
- We tried again in 2020 to introduce the same bill from 2018. This bill passed the full House out of the policy committee, but due to COVID-19 and the changes for that legislative session, it did not make it out of the House Finance committee for further action. You can find that bill and its history here: [HB1205-FN](#)

### TALKING POINTS

- At age 65 Group I members get hit with 10% reduction to their retirement benefit. A 10% reduction can make a significant impact to a retiree's benefit (i.e., a \$30,000 pension becomes a \$27,000 benefit at 65).
- Prior to 1988, Group I retiree benefits were linked to federal social security benefits and a retiree's benefit was calculated using an equation taking both benefits into account. In 1988, the legislature removed this linkage but kept the 10% reduction at 65.
- Now that the age of social security has risen to 67, Group I members are still getting hit with the reduction without receiving social security.
- Right now, an employee's benefit is 1/60th of their average final compensation (AFC) prior to 65, at age 65 it becomes 1/66th of their AFC.
- Intent of previous legislation has been to connect 10% reduction to the age in which the member will begin to collect social security. So, while they are still hit with a 10% reduction, they will receive their social security benefit at the same time to offset this reduction. Aligning the reduction with social security will lessen this impact slightly.

New Hampshire Retirement Security Coalition

Email: [info@nhretirementsecuritycoalition.com](mailto:info@nhretirementsecuritycoalition.com)

Website: [www.nhretirementfacts.com](http://www.nhretirementfacts.com)





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

## NHRS Bill Brief: SB 434-FN (as introduced)

*Prepared for the Senate ED&A Committee*

**Summary:** "AN ACT relative to the reduction in the calculation of state retirement system annuities at age 65."

**Analysis:** "This bill provides for the application of the reduction of a retiree's annuity at the member's full retirement age under the federal Social Security system."

**Sponsors:** Sen. Cavanaugh, Dist 16; Sen. Rosenwald, Dist 13; Rep. Deshaies, Carr. 6; Rep. Allard, Merr. 21; Rep. Pratt, Rock. 3; Rep. Merner, Coos 7

### Background

Prior to 1988, the law governing the New Hampshire Retirement System coordinated Group I pension benefits to federal Social Security benefits. Because of this coordination, Group I pension recipients could see an NHRS pension benefit reduction of anywhere from 10 percent to as much as 50 percent when they turned 65. The recalculation of the pension benefit was based on a variety of factors, including a member's service time, age at retirement, and how much, if any, of his or her Earnable Compensation exceeded the maximum amount of taxable earnings for Social Security benefits.

In 1988, the Legislature removed the coordination of Group I pension benefits with Social Security benefits (SB 327, Chapter 193), but left in the law a pension recalculation provision that reduced Group I pension benefits approximately 10 percent at age 65.

The way the law works is that when a retiree attains age 65, his or her pension benefit is recalculated. Under the benefit formula for Group I members retiring between the ages of 60-64, a member's average final compensation (AFC) is divided by 60 and that amount is multiplied by the member's months and years of creditable service. Upon attainment of age 65, the formula changes so that a retiree's AFC is divided by 66 instead of 60, and the benefit is recalculated, resulting in a benefit reduction of just under 10 percent. All retirees receive written notice of this adjustment upon retirement and again prior to their 65th birthday. Note: Any Group I member who retires after age 65 has his or her benefit calculated with a divisor of 66 from the outset; this includes all Group I members hired on or after July 1, 2011, for whom eligibility to begin receiving an unreduced service retirement is 65.

Here is a sample pension calculation for a member in service prior to July 1, 2011, who retires at age 60 with an AFC of \$50,000 and 30 years of service:

**Age 60:**  $\$50,000 \div 60 \times 30 \text{ years} = \$25,000$  annual pension

**Age 65:**  $\$50,000 \div 66 \times 30 \text{ years} = \$22,727$  annual pension

When NHRS Group I pension benefits were no longer coordinated with Social Security benefits in 1988, the Normal Social Security Retirement Age (NSSRA) was, and remains, 65 for anyone born in 1937 or earlier. Currently, the NSSRA is 67 for anyone born in 1960 or later. For people born between 1938 and 1959, the NSSRA varies from 65 years, 2 months, to 66 years, 10 months. (The normal age of eligibility

for Medicare is 65 regardless of when one begins receiving Social Security benefits, although some people may qualify for Medicare earlier due to disability.)

This bill would index the pension recalculation to the age at which a retiree reaches his or her NSSRA; any future modifications to the NSSRA would be recognized automatically.

This bill does not impact Group II (Police and Fire) members because they do not participate in Social Security.

### **Financial Considerations**

GRS Consulting, the New Hampshire Retirement System's independent actuary, estimates that this bill would increase employer contribution rates by 0.19% of covered payroll for employees and 0.22% of covered payroll for teachers in fiscal year 2024 and thereafter.

This bill would increase the unfunded actuarial accrued liability (UAAL) by \$44.2million (a 0.2 percent decrease in the funded ratio). The UAAL was \$5.72 billion as of June 30, 2021.

The actuary's projected employer costs for fiscal years 2024-26 are:

	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>State</b>	\$1,230,000	\$1,270,000	\$1,300,000
<b>Political Subdivisions</b>	\$4,260,000	\$4,380,000	\$4,480,000

(Note: Since the rates for the 2024-25 biennium are unknown at this time, the impact of the proposal shown is based on the June 30, 2019 actuarial valuation.)

In addition, the fiscal impact to NHRS for the necessary software customizations to accommodate the requirements in this bill would be less than \$10,000.

### **Other Considerations**

-- The bill will be effective 60 days after passage, and therefore applies to Group I members who retire on or after the effective date. As written, the retirement system does not believe the bill would apply retroactively to people who are already retired.

# # #

**Note:** The content provided above is for informational purposes; NHRS neither supports nor opposes this legislation.

Karen K. Irwin  
102 Bassett Mill Road  
Hopkinton, NH 03229  
(603)-496-2637  
[k.irwin.nh@gmail.com](mailto:k.irwin.nh@gmail.com)

January 13, 2022

Honorable Senator Carson, Chairman  
Executive Departments and Administration Committee  
Members of the Committee  
Representative's Hall  
Concord, NH 03301

Re: Public Hearing on Retirement Funding of Reduction in the calculation of the State Retirement Annuities at age 65 – SB434

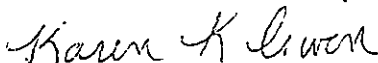
Honorable Senator Carson and Members of the Committee:

I would like to request that the Executive Departments and Administration Committee join me in support SB 434. This bill will make a very big difference in retirees lives as 10% of a pension is a significant amount of money. In my case with over 39 years in the pension system and at age 65 it will amount to \$547 dollars per month for life or \$6,564 per year. Whomever ever heard of a pension system that goes down as your trust investment balances should grow every year. In fact, when I am projecting my own financial investments I do not use anything lower than 8% especially if you have as much money as the retirement system has in investments. Also, I will try to make sure I don't take more than 4-5% in income. Currently I pay in 7% of my paycheck every week for retirement over the last five years that amounted to \$30,867. If for health reasons for me or my spouse I needed to take retirement at 65 and needed social security to pay the bills taking social security at 65 before full retirement would be another \$377 per month or \$4,524 per year. This would result in two permanent decreases for life or \$11,088 per year over being able to wait until full retirement. A permanent reduction for life of \$924 per month.

To further support that point I am reflecting direct quotes from Chairman of the Retirement Board of Trustees Lesko in the Audited Annual Comprehensive Financial Report. Which stated as follows: "At the close of the fiscal year, the retirement system's net position held in trust was \$11.574 Billion, an increase of approximately \$2.44 Billion over the prior year, an all time high for the system." Additionally, it was stated that "NHRS realized a 29.4% return on investments in the fiscal year ended June 30, 2021, well above the retirements assumed rate of return of 6.75% and the highest one-year return in more than 30 years. It is important to note that these investment returns are for a single year, and need to be considered in the context of the portfolios performance over time as compared to the assumed rate of return. The three year, five year, 10 year, 20 year and 25 year returns for the periods ended June 30, 2021 were 11.4%, 11.3%, 9.3%, 7.2% and 7.9% respectively. All returns are net of fees."

As you can see none of these cumulated returns up to the 25 year return are lower than 6.75%. The fiscal note accounts for the 6.75% assumed rate of return which is the amount used to add to the employee individual accounts. The employees individual accounts are where the retirement payments come from for the first 5-6 years since that balance is used first from their individual accounts. Since I have a lot more than the \$13,128 or \$547 x 24 months in my individual state of NH retirement account I will pretty much be using up my own money to not take a 10% cut. My current balance with the 6.75 percent would result in an increase in my account by \$19,435 over the prior year since this year state employees will be capped at the 6.75% assumed rate of return. Since changes in social security were further compounded by financial charges for medical made by the state so premiums went beyond age 65. So, you would think that both the State and the Public Sector could afford to at a minimum make the small investment in re-aligning the dates back to the original principal established back in 1988. If you divide 5.49 million by the 2.44 Billion return you get .2250% and all of this money would come out of the employees retirement accounts so it effectively does not affect the unfunded liability to bring state employees retirements back to at least the 10% reduction only at full social security benefit. I hope you would consider in the future eliminating the 10% reduction all together or at least something less than 10%. Thank you for your time and I respectfully request that Senate Executive Departments and Administration approves this small investment that really doesn't hurt the state or private sector at all and doesn't significantly detract from meeting the obligations of the unfunded liability.

Respectfully,



Karen K. Irwin

## Chantell Wheeler

---

**From:** Helen Demarco <hdemarco33@gmail.com>  
**Sent:** Thursday, January 13, 2022 2:18 AM  
**To:** Sharon Carson  
**Subject:** In favor of SB434

We are in favor of this bill. Please do your best to pass it. I am 60 years old and work in a nursing home. I do not need a reduction in my retirement plan. Thank you  
Helen DeMarco

**Debra Martone**

---

**From:** NH Retirement Security Coalition <info@nhretirementsecuritycoalition.com>  
**Sent:** Monday, March 21, 2022 5:44 PM  
**Subject:** SB434-FN Information  
**Attachments:** Reduction at 65 History and Talking Points.pdf

Dear Chairman Daniels and Honorable Committee Members,

Last week, the full Senate passed *SB434-FN: relative to the reduction in the calculation of state retirement annuities at age 65*, which now resides in your committee. Please find attached an informational document from the partners of the NH Retirement Security Coalition outlining the importance of this bill and the impact it would make for our Group I members.

If you have any questions or would like further information, please don't hesitate to reach out to me or any of the partner organizations directly.

Thank you for time and consideration.

Best,  
Casey

---  
Casey McCabe  
Director  
603-573-1722  
NH Retirement Security Coalition  
[www.nhretirementfacts.com](http://www.nhretirementfacts.com)



## 10% REDUCTION AT AGE 65 YEARS FOR GROUP 1 MEMBERS

### HISTORY

- This was a large discussion of the 2017 Governor's Decennial Commission on Retirement in which the Coalition provided information and testimony on why the reduction should be eliminated or at least linked to the actual age of social security. You can access that information here on our website: [2017 Decennial Commission](#).
- Following the commission, we helped introduce HB1427 in 2018 to link the reduction to social security age as a first step. We were nearly successful, but the bill became overly amended and was not able to pass the full Senate. You can access that bill and its history here: [HB1757](#)
- We tried again in 2020 to introduce the same bill from 2018. This bill passed the full House out of the policy committee, but due to COVID-19 and the changes for that legislative session, it did not make it out of the House Finance committee for further action. You can find that bill and its history here: [HB1205-FN](#)

### TALKING POINTS

- At age 65 Group I members get hit with 10% reduction to their retirement benefit. A 10% reduction can make a significant impact to a retiree's benefit (i.e., a \$30,000 pension becomes a \$27,000 benefit at 65).
- Prior to 1988, Group I retiree benefits were linked to federal social security benefits and a retiree's benefit was calculated using an equation taking both benefits into account. In 1988, the legislature removed this linkage but kept the 10% reduction at 65.
- Now that the age of social security has risen to 67, Group I members are still getting hit with the reduction without receiving social security.
- Right now, an employee's benefit is 1/60th of their average final compensation (AFC) prior to 65, at age 65 it becomes 1/66th of their AFC.
- Intent of previous legislation has been to connect 10% reduction to the age in which the member will begin to collect social security. So, while they are still hit with a 10% reduction, they will receive their social security benefit at the same time to offset this reduction. Aligning the reduction with social security will lessen this impact slightly.

New Hampshire Retirement Security Coalition

Email: [info@nhretirementsecuritycoalition.com](mailto:info@nhretirementsecuritycoalition.com)

Website: [www.nhretirementfacts.com](http://www.nhretirementfacts.com)

# Voting Sheets

**Senate Executive Departments and  
Administration Committee  
EXECUTIVE SESSION RECORD  
2022 Session**

Bill # SB434

Hearing date: 1/13/2022

Executive Session date: 2/23/2022

Motion of: OTF Vote: 90

Committee Member	Present	Made by	Second	Yes	No
Sen. Carson, Chair	/	/	/	/	/
Sen. Reagan, Vice Chair	/	/	/	/	/
Sen. Ricciardi	/	/	/	/	/
Sen. Cavanaugh	/	/	/	/	/
Sen. Prentiss	/	/	/	/	/

Motion of: CONSENT Vote: 50

Committee Member	Present	Made by	Second	Yes	No
Sen. Carson, Chair	/	/	/	/	/
Sen. Reagan, Vice Chair	/	/	/	/	/
Sen. Ricciardi	/	/	/	/	/
Sen. Cavanaugh	/	/	/	/	/
Sen. Prentiss	/	/	/	/	/

Motion of: \_\_\_\_\_ Vote: \_\_\_\_\_

Committee Member	Present	Made by	Second	Yes	No
Sen. Carson, Chair	/	/	/	/	/
Sen. Reagan, Vice Chair	/	/	/	/	/
Sen. Ricciardi	/	/	/	/	/
Sen. Cavanaugh	/	/	/	/	/
Sen. Prentiss	/	/	/	/	/

Reported out by: Sen. Carson

Notes: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



# Senate Finance Committee

## EXECUTIVE SESSION

Bill # SB 434-FW

Hearing date: N/A

Executive session date: 03/22/22

Motion of: Interim Study

*D'Allesandro  
Rosenwald*

VOTE: 3-2

<u>Made by</u> Daniels <input type="checkbox"/>	<u>Seconded</u> Daniels <input checked="" type="checkbox"/>	<u>Reported</u> Daniels <input checked="" type="checkbox"/>
<u>Senator:</u> Reagan <input checked="" type="checkbox"/>	<u>by Senator:</u> Reagan <input checked="" type="checkbox"/>	<u>by Senator:</u> Reagan <input type="checkbox"/>
Giuda <input type="checkbox"/>	Giuda <input type="checkbox"/>	Giuda <input type="checkbox"/>
Rosenwald <input type="checkbox"/>	Rosenwald <input type="checkbox"/>	Rosenwald <input type="checkbox"/>
D'Allesandro <input type="checkbox"/>	D'Allesandro <input type="checkbox"/>	D'Allesandro <input type="checkbox"/>
Morse <input type="checkbox"/>	Morse <input type="checkbox"/>	Morse <input type="checkbox"/>
Hennessey <input type="checkbox"/>	Hennessey <input type="checkbox"/>	Hennessey <input type="checkbox"/>

Motion of: \_\_\_\_\_ VOTE: \_\_\_\_\_

<u>Made by</u> Daniels <input type="checkbox"/>	<u>Seconded</u> Daniels <input type="checkbox"/>	<u>Reported</u> Daniels <input type="checkbox"/>
<u>Senator:</u> Reagan <input type="checkbox"/>	<u>by Senator:</u> Reagan <input type="checkbox"/>	<u>by Senator:</u> Reagan <input type="checkbox"/>
Giuda <input type="checkbox"/>	Giuda <input type="checkbox"/>	Giuda <input type="checkbox"/>
Rosenwald <input type="checkbox"/>	Rosenwald <input type="checkbox"/>	Rosenwald <input type="checkbox"/>
D'Allesandro <input type="checkbox"/>	D'Allesandro <input type="checkbox"/>	D'Allesandro <input type="checkbox"/>
Morse <input type="checkbox"/>	Morse <input type="checkbox"/>	Morse <input type="checkbox"/>
Hennessey <input type="checkbox"/>	Hennessey <input type="checkbox"/>	Hennessey <input type="checkbox"/>

<u>Committee Member</u>	<u>Present</u>	<u>Yes</u>	<u>No</u>	<u>Reported out by</u>
Senator Daniels, Chairman	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Senator Reagan, Vice-Chair	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Giuda	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Hennessey	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Rosenwald	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Senator Morse	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator D'Allesandro	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Amendments: \_\_\_\_\_

Notes: \_\_\_\_\_

# Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE  
FOR THE CONSENT CALENDAR

Wednesday, February 23, 2022

THE COMMITTEE ON Executive Departments and Administration

to which was referred **SB 434-FN**

AN ACT

relative to the reduction in the calculation of state  
retirement annuities at age 65.

Having considered the same, the committee recommends that the Bill

OUGHT TO PASS

BY A VOTE OF: 5-0

Senator Sharon Carson  
For the Committee

This bill provides for the application of the statutory recalculation of a Group I (employee or teacher) retiree's annuity at the member's full retirement age under the federal Social Security system, rather than at age 65. Currently, Group I members are subject to a 10% reduction to their retirement benefit upon reaching age 65 while the age for Social Security benefits has increased to 67. Members are subjected to a 10% reduction at age 65, while still 2 years away from receiving Social Security benefits. Aligning the 10% reduction with social security will lessen the impact to members.

Chantell Wheeler 271-1403



# Docket of SB434

Docket Abbreviations

**Bill Title:** relative to the reduction in the calculation of state retirement annuities at age 65.

Official Docket of **SB434**:

Date	Body	Description
12/30/2021	S	To Be <b>Introduced</b> 01/05/2022 and Referred to Executive Departments and Administration; <b>SJ 1</b>
1/3/2022	S	<b>Hearing:</b> 01/13/2022, Room 103, SH, 09:20 am; <b>SC 2</b>
3/8/2022	S	Committee Report: Ought to Pass, 03/17/2022; Vote 5-0; CC; <b>SC 11</b>
3/17/2022	S	Ought to Pass: MA, VV; Refer to Finance Rule 4-5; 03/17/2022; <b>SJ 5</b>
3/23/2022	S	Committee Report: Referred to Interim Study, 03/31/2022; <b>SC 13</b>
3/31/2022	S	Refer to Interim Study, <b>RC 13Y-11N, MA</b> ; 03/31/2022; <b>SJ 7</b>

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NH House

NH Senate

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# Other Referrals

**Senate Inventory Checklist for Archives**

Bill Number: SB434

Senate Committee: FDA

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):

- amendment # \_\_\_\_\_       - 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:

OBW  
Committee Aide

3.1.22  
Date

Senate Clerk's Office AK

**Senate Inventory Checklist for Archives**

Bill Number: SB 434-FN

Senate Committee: FINANCE

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):

\_\_\_ - amendment # \_\_\_      \_\_\_ - 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:

Debra A. Martone  
Committee Aide

06/27/22  
Date

Senate Clerk's Office AK