HOUSE BILL 616-FN

AN ACT relative to a cost of living adjustment for retirees in the state retirement system.


COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill grants a cost of living adjustment to retirees who have been retired for at least 60 months. The total actuarial cost of the supplemental allowance is funded by retirement system funds.

Explanation: Matter added to current law appears in **bold italics.**
Matter removed from current law appears in [bracketed and struckthrough.]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.
In the Year of Our Lord Two Thousand Nineteen

AN ACT relative to a cost of living adjustment for retirees in the state retirement system.

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

340:1 New Section; Retirement System; Cost of Living Adjustment. Amend RSA 100-A by inserting after section 41-d the following new section:

100-A:41-e Cost of Living Adjustment; Supplemental Allowance.

I. Any retired member of the New Hampshire retirement system or any of its predecessor systems, who has been retired for at least 60 months prior to or on July 1, 2019, or any beneficiary of such member who is receiving an allowance, shall be entitled to receive a cost of living adjustment (COLA) as a supplemental allowance, on the retired member's first anniversary date occurring after July 1, 2020. The amount of such supplemental allowance shall be 1-1/2 percent of a member's or beneficiary's annual retirement allowance which is $50,000 or less, or otherwise 1-1/2 percent of the first $50,000 of a retired member's or beneficiary's allowance.

II. The total actuarial cost of the supplemental allowance under paragraph I, as determined by the actuary and certified by the board of trustees of the retirement system, shall be terminally funded from the state annuity accumulation fund.

III. The supplemental allowance shall become a permanent addition to the beneficiary's base retirement allowance and shall be included in the monthly annuity paid to the retired member, or to the member's beneficiary if the member is deceased and the beneficiary is receiving an allowance under RSA 100-A:8, 100-A:9, 100-A:12, 100-A:13, or similar provisions of predecessor systems.

340:2 Repeal. RSA 100-A:41-a through RSA 100-A:41-d, relative to prior provisions for supplemental allowances, are repealed.

340:3 Effective Date. This act shall take effect July 1, 2019.