

Senate Executive Departments and Administration Committee

Chantell Wheeler 271-1403

HB 1497-FN, relative to optional allowances in the retirement system.

Hearing Date: March 16, 2022

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

Members of the Committee Absent : Senator Cavanaugh

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

Sponsors:
Rep. Lanzara

Who supports the bill: Rep. Goley, John McAllister and Brian Ryll (Professional Fire Fighters of NH), Arthur Beaudry (New Hampshire State Permanent Fire Fighters Retirement Association), Casey McCabe (NHRSC), Terry Donovan, Richard Gulla

Who opposes the bill: None

Who is neutral on the bill: Marty Karlon, New Hampshire Retirement System

Summary of testimony presented in support:

Rep. Goley introduced the bill.

- This bill, as amended, allows the required survivorship form for retirement pre-selection to be completed prior to the members retirement date.
- Rep. Goley reported that in his retirement experience during the COVID pandemic, by the time he got his final retirement numbers the change period had passed and he had no recourse.
- Rep. Goley suggested making the date to be 6 months after the member receives the final numbers.

John McAllister (Professional Fire Fighters of New Hampshire (PFFNH))

- Supports this bill and the testimony of Rep. Goley and Mr. Karlon.
- Mr. McAllister stated that this bill does not provide new or enhanced benefits, but is an effort to streamline the process.

Senator Reagan asked if Mr. McAllister knew the amount of the federal benefit.

Mr. McAllister said he did not know the federal benefit for corrections officers.

Senator Reagan asked about the federal benefit for safety officers.

Mr. McAllister stated the benefit is \$400,000.

Arthur Beaudry, New Hampshire State Permanent Fire Fighters Retirement Association

- Mr. Beaudry is in favor of this bill as amended and thanks the sponsors.
- The Manchester Fire Department had 2 tragic incidents of suicide.
- Under current law, the surviving spouse could lose out on half of the member benefit if the member did not make the selection.
- The untimely death of a member should not put an undue hardship on the surviving family.

Neutral Information Presented:

Marty Karlon, New Hampshire Retirement System (NHRS)

- NHRS takes no position on this bill. Mr. Karlon is here to provide background information.
- This change will allow members to pre-select an optional survivorship allowance at any point in their career.
- This bill allows members to "check it and forget it".
- There are very few in-service deaths and only a few are service retirement eligible.
- The second part of this bill was explained in Rep. Goley's earlier testimony and adjusts the post retirement grace period to change a survivor benefit optional retirement allowance to 120 days from the date of original NHRS notice of retirement.

Senator Carson asked if this issue was addressed in prior legislation.

Mr. Karlon stated that the issues in this bill are new. Prior bills in the last 3-5 years were focused on issues related to divorcing spouses and people who chose a non-spouse as a beneficiary and then wanted to change that.

Summary of testimony presented in opposition: None