

**Senate Executive Departments and Administration  
Committee**  
*Phil Jasak 271-1403*

**SB 57-FN**, relative to the reduction in the calculation of state retirement annuities at age 65.

**Hearing Date:** January 18, 2023

**Time Opened:** 10:48 a.m.

**Time Closed:** 11:01 a.m.

**Members of the Committee Present:** Senators Pearl, Carson, Gendreau, Perkins Kwoka and Altschiller

**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. D'Allesandro  
Sen. Soucy  
Sen. Whitley

Sen. Watters  
Sen. Innis

Sen. Rosenwald  
Sen. Avard

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**Who supports the bill:** Senator David Watters, Sen. Dan Innis, Se. Cindy Rosenwald, Sen. Donna Soucy, Glenn Brackett (AFL CIO-NH), Brian Hawkins (NEA-NH), Richard Gulla (SEA), Bob Blaisdell (SEA), Benjamin Ludwig, Juliana Llarena, Anne Hunnewell, Richard Hunnewell, Mary Anderson, Ruth Collins, Kathy Ritter, JoLee Horvath, Crystal Buswell, Ellen Ross-Unger, AnnMarie Morse, Tracey Lamb, Penny Culliton, Marlise Bryant, Michael Bryant, Margaret Keeler, Karen Sayward, Heather Diamond, Paul Diamond, Kent Hackmann, Leah Dought, Mary Terrio, Lisa Corbin, Amy Berube

**Who opposes the bill:** Candace St. Onge

**Who is neutral on the bill:** Marty Karlton (NHRS), Katherine Heck (NHMA)

**Summary of testimony presented in support:**

**Senator Perkins Kwoka for Senator D'Alessandro:**

- Senator Perkins Kwoka said that the intent of this bill is to address the age 65 group 1 retirement members getting a 10% reduction to their retirement benefit. She then said that prior to 1988 group 1 retiree benefits were linked to federal social security and their total benefit was calculated using both state and

federal benefits in an equation. She continued that in 1988 the legislature removed the link between the two benefits but kept the 10% reduction.

- Sen. Perkins Kwoka stated that when the retirement age was raised to 67 these group 1 employees were still receiving the 10% reduction even though they were not able to collect social security. She then stated that the intent is to connect the 10% reduction to when the member will receive their social security benefit.

**Brian Hawkins NEA NH:**

- Mr. Hawkins began by saying that NEA (National Educators Association) NH is in full support of the bill. He continued by saying that in 2017 when the Decennial Retirement Commission had its meeting, they recommended a bill getting rid of the 10% reduction for age 65 retirees since it is not the full retirement age at the federal level.
- Mr. Hawkins then stated that this money will help people pay for other costs associated with aging such as healthcare.

**Summary of testimony presented in opposition:** none

**Neutral Information Presented:**

**Marty Karlon NHRS:**

- Mr. Karlon said that the full retirement age for social security is now 67 and Group 1 of the NHRS is the largest at about 40,000 members. He said that these people will be the ones affected by this bill and that employer contribution rates would not change until fiscal year 2026-2027 and then would increase by 0.18% for employers and 0.26% for teachers totaling 1.2 million and 5 million for political sums. He also said there would be about 45 million dollars in unfunded liability which could be paid off by employer contributions over 20 years or the state could use the general fund for this upfront.
- Mr. Karlon then stated that this bill would be considered prospective which means that anyone who retired before the effective date would not be affected and this bill only affects those that retired on or after that date.
- Senator Carson stated that there was an attempt to pass this same bill last biennium, but it was found to be outside the budget.
  - Mr. Karlon responded by confirming Sen. Carson's statement. He then said that there have been other attempts at this same bill but they were always found to be outside the Budget.

PJ

Date Hearing Report completed: January 24, 2023