

# AFT-NH RETIREMENT UPDATE

January 16, 2007

- \* Legislative Service Requests-Deadline Approaches
- \* Revised Joint Process Statement (NH Retirement Coalition Employee-Employer Committee)

LSR is an acronym for Legislative Service Request. A Legislative Service Request is the process by which a legislator makes a request for the drafting of a bill. The last day for a sponsor(s) to sign off on the language in a LSR's is January 19, 2007 at 3:p.m. We will then begin having actual copies of bills that we can begin to analyze and prepare our response.

The work of AFT-NH remains focused on the protection and preservation of the integrity and solvency of the NH retirement system as well as examining what can be done to reauthorize the health insurance subsidy for teachers and employees in 2008. As you can see from the below list of LSRs, just from the titles alone, many of these are a direct attack on our retirement benefits.

We will have a much stronger voice when working together so it is very important to talk to your colleagues and get them to sign up for the AFT-NH "GET-ACTIVE" program, so everyone will receive updates and information when action is needed.

There are three easy ways to sign up:

- Visit our website at [www.aft-nh.org](http://www.aft-nh.org)
- Email [cwhite@aft-nh.org](mailto:cwhite@aft-nh.org)
- Fax your name and email address to 226-0133

As of January 12, 2006, 18 LSRs have been reserved on issues relating to the NH Retirement System (see below). LSRs 2007-S-0098-R (Senate Bill 37) and 2007-S-0751-R(Senate Bill 39) are the only two that have the language in the bill and are signed off by the sponsor(s) (see below). AFT-NH continues our work with the Retirement Coalition to preserve our New Hampshire Retirement System benefits. Be assured that AFT-NH will be monitoring the language of the LSRs very closely and once we know more, another AFT-NH retirement update will be sent out.

In solidarity,



Laura Hailey

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The NH Retirement Coalition and a group of management representatives have formed a subcommittee that has been working with a federal mediator and has released the following Joint Process Statement.

## **Joint Public Statement of Employee and Employer Working Group on the NH Retirement**

The New Hampshire Retirement System is a defined benefit program that provides eligible retirees a secure lifetime pension (annuity). In the year ending June 30, 2005, there were 51,000 active members and 19,000

retired members in the system. During that year, the system paid out more than 329 million dollars in pension benefits providing a significant contribution to the NH economy.

Throughout the last legislative session, a great deal of attention was focused on the NHRS System. Health care subsidies for some of the participating groups will expire as early as 2011 and long-term prospects for other groups are less than encouraging. This reality, coupled with increasing employer contribution rates has sparked a debate at a number of levels. Rising employer costs present considerable challenges at the state and local level. Employees both active and retired are on alert watching closely for any action that might diminish future benefits.

It is in this environment, anticipating the issue will continue to attract the attention of the State Legislature and various constituencies, that a working group has been formed bringing together representatives from employers (e.g. New Hampshire Municipal Assn, NH Association of Counties, School Boards Association, and public employees (e.g. labor unions, member associations and other beneficiaries of the system). With the help and guidance of the “Federal Mediation & Conciliation Service” this group has spent considerable time learning about the system, developing a common understanding of the problems that face the New Hampshire Retirement System, and considering possible legislative solutions. In fact, as of the date of this publication, the whole group has met more than thirteen (13) times, or better than 40 hours, and spent additional time in sub-committee meetings and preparation work.

With this information in hand, the next step for the working group is to sift through a number of ideas that have been presented and determine the impact the proposals will have on all the stakeholders in the system. We are encouraged with the common understandings we have reached and are optimistic that solutions can be achieved. All of this work goes on with the knowledge that any proposal will have to be considered by the various member organizations and ultimately voted on by the New Hampshire Legislature.

In summary, it is our collective hope that we will, in the near future, develop comprehensive ideas, in the form of proposed legislation that will protect the defined benefit (annuity) aspect of the system, ensure its affordability for both employers and employees, and improve the system’s long-term viability.

**Working Group members include representatives of:**

- AFSCME Council 93
- American Federation of Teachers – NH
- National Education Association - NH
- NH AFL-CIO
- NH Municipal Association
- NH Association of Counties
- NH School Boards Association
- NH School Administrators Association
- State Employees Association

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*2007 Legislative Service Requests*

**2007-H-0064-R** repealing the option to purchase nonqualified service credit in the New Hampshire retirement system. **Sponsors: (Prime)** Ken Hawkins, Maurice L Pilotte, John A Graham

**2007-H-0072-R** relative to the retirement age for retirement system group II members. **Sponsors: (Prime)** Ken Hawkins

**2007-H-0073-R** relative to the membership of the New Hampshire retirement system board of trustees.  
**(Sponsors: Prime)** KenHawkins, Pamela G Price

**2007-H-0074-R** excluding extra or special duty pay from earnable compensation in the retirement system.  
**Sponsors: (Prime)** Ken Hawkins

**2007-S-0098-R****SB37** relative to accidental death benefit payments in the city of Manchester employees' contributory retirement system. **Sponsors: (Prime)** Lou D'Allesandro, Betsi DeVries

**2007-H-0124-R** allowing municipalities to exclude certain retirement assets from consideration in qualifying for the elderly property tax exemption. **Sponsors: (Prime)** James R Martin, Stephen T Pelkey, David H Kidder

**2007-H-0382-R** relative to funding of retirement system benefits and supplemental allowances.  
**Sponsors: (Prime)** Benjamin C Baroody

**2007-H-0398-R** relative to eliminating the special account in the retirement system, changing the definition of earnable compensation for retirement system members, and revising the calculation of employee and employer contribution rates. **Sponsors: (Prime)** Neal M Kurk

**2007-H-0453-R** relative to certain accidental disability retirement allowances payable to surviving spouses or retired members. **Sponsors: (Prime)** J. David Knox, Stanley E Stevens, Donald R Buxton

**2007-H-0627-R** relative to authorizing continued membership in the Manchester employees' contributory retirement system. **Sponsors: (Prime)** Benjamin C Baroody

**2007-H-0710-R** relative to the judicial retirement plan. **Sponsors: (Prime)** Cynthia J Dokmo, Theodore L Gatsas

**2007-H-0711-R** providing for limited payment to retired full-time judges for service after retirement.  
**Sponsors: (Prime)** Cynthia J Dokmo, Joseph A Foster

**2007-S-0751-r****SB39** allowing a newly-retired supreme court justice to continue to participate as a temporary justice in a case held before retirement but decided after. **Sponsors: (Prime)** Joseph A Foster, Cynthia J Dokmo

**2007-H-0908-R** granting group II retirement system status to certain positions in the department of corrections.  
**Sponsors: (Prime)** Matthew J Quandt, Marshall E Quandt

**2007-H-0958-R** relative to a retirement system calculation exemption for certain retired teachers of the Concord school district. **Sponsors: (Prime)** John DeJoie, Candace C W Bouchard, James R MacKay, Robert W Williams

**2007-H-1003-L** establishing a defined contribution retirement option in the New Hampshire retirement system.  
**Sponsors: (Prime)** Lars T Christiansen

**2007-H-1082-R** establishing a new state defined contribution retirement plan for new state employees and establishing a committee to study the transition of current employees into the new plan and administration of the new plan. **Sponsors: (Prime)** Fran Wendelboe, Daniel C Itse, Neal M Kurk

**2007-S-1245-R** establishing a commission to study inclusion of service as a part-time district court judge in the calculation of retirement benefits. **Sponsors: (Prime)** Margaret W Hassan

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**SB 37 – AS INTRODUCED**

**2007 SESSION**

07-0098

10/05

**SENATE BILL 37**

AN ACT relative to accidental death benefit payments in the city of Manchester employees' contributory retirement system.

SPONSORS: Sen. D'Allesandro, Dist 20; Sen. DeVries, Dist 18

COMMITTEE: Executive Departments and Administration

**ANALYSIS**

This bill clarifies the payment of accidental death benefits in the city of Manchester employees' contributory retirement system.

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Explanation: Matter added to current law appears in *bold italics*.

Matter removed from current law appears [~~in brackets and struck through.~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

07-0098

10/05

**STATE OF NEW HAMPSHIRE**

*In the Year of Our Lord Two Thousand Seven*

AN ACT relative to accidental death benefit payments in the city of Manchester employees' contributory retirement system.

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

1 Manchester Retirement System; Accidental Death Benefits. Amend 1973, 218:16, I(b), as amended by 2002, 194:1 and 2003, 16:1, to read as follows:

(b) Upon the accidental death of a member the amount of the [~~monthly~~] *annual* benefit payable shall be equal to 50 percent of the member's final average earnings *paid in equal monthly installments*.

2 Effective Date. This act shall take effect upon its passage.

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**SB 39 – AS INTRODUCED**

**2007 SESSION**

07-0751

09/03

**SENATE BILL 39**

AN ACT allowing a newly-retired supreme court justice to continue to participate as a temporary justice in a case held before retirement but decided after.

SPONSORS: Sen. Foster, Dist 13; Rep. Dokmo, Hills 6

COMMITTEE: Judiciary

**ANALYSIS**

This bill allows a newly-retired supreme court justice to continue to participate as a temporary justice in a case held before retirement but decided after.

This bill was requested by the supreme court.

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Explanation: Matter added to current law appears in ***bold italics***.

Matter removed from current law appears [~~in brackets and struck through.~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

07-0751

09/03

**STATE OF NEW HAMPSHIRE**

*In the Year of Our Lord Two Thousand Seven*

AN ACT allowing a newly-retired supreme court justice to continue to participate as a temporary justice in a case held before retirement but decided after.

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

1 New Paragraph; Temporary Justices. Amend RSA 490:3 by inserting after paragraph II-a the following new paragraph:

II-b. The chief justice of the supreme court may assign to a cause or matter as a temporary justice on a non-random basis a justice of the supreme court who sat in the cause or matter while it was pending before such court and who retired before the decision thereof.

2 Effective Date. This act shall take effect upon its passage.