Bill as Introduced

CHAPTER 129

SB 417-FN-LOCAL - FINAL VERSION

2/3/00....3060s

2000 SESSION

00-2662

10/09

SENATE BILL ***417-FN-LOCAL***

AN ACT allowing a beneficiary of an optional allowance under the New Hampshire retirement system to renounce his or her benefits.

SPONSORS: Sen. Gordon, Dist 2

COMMITTEE: Insurance

ANALYSIS

This bill allows a person named as a beneficiary of an optional allowance elected by a member of the retirement system, to renounce his or her benefits. The value of the renounced interest reverts to the retired member.

- -

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

2/3/00....3060s

00-2662

10/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand

AN ACT allowing a beneficiary of an optional allowance under the New Hampshire retirement system to renounce his or her benefits.

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

129:1 Optional Allowances; Renunciation by Beneficiary. Amend RSA 100-A:13, II to read as follows:

II.***(a)*** Any retired member who has elected option 2, 3, or 4, and whose beneficiary nominated by th retiree under such option was the retiree's spouse at the time of such election, may terminate such elected

option upon the issuance of a divorce decree and subsequent remarriage of the former spouse. Upon termination, the allowance received under the elected option shall be converted to the retirement allowance that would have been payable in the absence of such election. Any supplemental allowance, or COLAs, granted to the retiree and effective before the date of termination of the option shall continue in effect and shall not be adjusted as a result of the termination. Notice of such termination shall be given by the retiree on a form designated by the board. Payment of the converted allowance shall commence on the first day of the month following receipt of termination by the board. For any retiree whose divorce and the subsequent remarriage of the former spouse occurred on or before July 1, 1990, the notice shall be given to the board on or before October 1, 1990. Said termination action shall become effective on the first day of the month following receipt of such notice by the board. If the retiree dies after giving valid notice of such termination but before the effective date, the option shall terminate as of the date of the retiree's death.

(b) Where a retired member has elected option 2, 3, or 4, and has designated a single beneficiary, the beneficiary may at any time voluntarily renounce his or her right to any future benefits by signing and filing with the board a form designated by the board. Upon such renunciation, the allowance received under the elected option shall be converted to the retirement allowance that would have been payable in the absence of such election. Any supplemental allowance, or COLAs, granted to the retiree and effective before the date of renunciation of the option shall continue in effect and shall not be adjusted as a result of the renunciation. The renunciation shall become effective, and payment of the converted allowance shall commence, on the first day of the month following receipt of the signed form by the board. If the retiree dies after the board's receipt of such renunciation but before the effective date, the option shall terminate as of the date of the retiree's death.

129:2 Effective Date. This act shall take effect upon its passage.

(Approved: May 8, 2000)

(Effective Date: May 8, 2000)

00-2662

Revised 1/11/00

SB 417 FISCAL NOTE

AN ACT allowing a beneficiary of an optional allowance under the New Hampshire retirement system t renounce his or her benefits.

FISCAL IMPACT:

The N.H. Retirement System indicates this bill will have no fiscal impact on state, county and local revenue or expenditures.

METHODOLOGY:

The System indicates this bill will result in insignificant cost savings to the System.

The System states that this bill allows a person named as a beneficiary of an optional retirement allowance elected by a member of the System to voluntarily renounce his or her right to a futur benefit. The benefit payable to the member will be converted into the no option allowance. The savings to the System will be the difference between the no option allowance and the optional allowance for each month that the optional allowance was paid, which will be minimal. The System indicates that there is no administrative expense associated with this legislation.

The Actuary's letter is on file in the bill jacket in the Senate Clerk's Office.

Amendments

Insurance
January 12, 2000
2000-3060s
10/01

Amendment to SB 417-FN

Amend the bill by replacing section 2 with the following:

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

Committee Minutes

Date: January 11, 2000
Time: 10:52am
Room: State House, Room 103

The Senate Committee on **Insurance** held a hearing on the following:

SB417-FN-L *allowing a beneficiary of an optional allowance under the New Hampshire retirement system to renounce his or her benefits.*

Members of Committee present:

Senator Wheeler, Chairman
Senator Eaton
Senator Fraser
Senator Squires

The Chair, Senator **Katie Wheeler**, opened the hearing.

Senator Katherine W. Wheeler, D. 21:
Having passed the time for the next bill, I will call on Susan Duncan to introduce the bill and when the Prime Sponsor, Senator Gordon arrives he follow next to speak.

Susan Duncan – Legislative Aide:
Very good, thank you Madame Chair, Members of the Committee. My name is Susan Duncan, I live in Bristol and it's my pleasure to speak on behalf of Senator Gordon and kick SB417 off for you this morning. During the course of the years that Senator Gordon has been a member of this body, he has had the pleasure of working closely with Jim Barney. Who is on the real estate small section of the bar and has brought to him a number of issues that have needed to be dealt with. Jim approached Ned this back year and told him of.....Here he comes, all right..... and told him of this particular bill. And he will take over. I didn't put the 32 towns in Grafton and Belknap, so.

Senator Katherine W. Wheeler, D. 21:
Senator Gordon are you; would you like to testify? Well thank you I will continue with SB417 "allowing a beneficiary of an optional allowance under the New Hampshire retirement system to renounce his or her benefits" and call upon the Prime Sponsor, Senator Gordon.

Senator Edward M. Gordon, D. 2:
Thank you very much, I apologize for being late.

Senator Katherine W. Wheeler, D. 21:
That's certainly understandable.

Senator Edward M. Gordon, D. 2:
For the record my name is Ned Gordon, I represent Senate District 2, consisting of 32 towns in Grafton and Belknap counties. This is just a common sense bill, a very simple issue. And that is that under certain previsions in the New Hampshire Retirement System you are allowed to have allowance or provide for allowance, or spousal allowance in the event you in fact are married. I have a particular constituent, which precipitated this bill, and he did so provide for his spouse.

Unfortunately the marriage became dissolved, or their intentions in terms of the marriage were not carried out and that they decided they no longer wanted to be married. But unfortunately having made the allowance, the current law provides that that allowance has to continue. And there is no way, even if the spouse wants to voluntarily renounce that that can be undone.

What this would do is just a very common sense, makes a very common sense approach. And indicates that if in fact that spouse in the course of the divorce or however else decided that they did not want to make a claim. Because it wouldn't be appropriate, as it was in this case, for them to receive long term retirement benefits because it was a very short-term marriage. That they would be able to voluntarily renounce that, very simple. And there are other people who are going to testify who will have more technical information that would be more helpful to you.

Senator Katherine W. Wheeler, D. 21:
Are there any questions for Senator Gordon? Senator Fraser.

Senator Leo W. Fraser, Jr., D. 4:
Senator Gordon, would you *(inaudible)*. Are we trying to address part "b"?

Senator Edward M. Gordon, D. 2:
Yes, actually part "b" is a new portion of the bill.

Senator Leo W. Fraser, Jr., D. 4:
If I may Madame Chair?

Senator Katherine W. Wheeler, D. 21:
Sure.

Senator Leo W. Fraser, Jr., D. 4:
It doesn't address spouses; it just talks about a designated single beneficiary?

Senator Edward M. Gordon, D. 2:
I do not know the answer to that, Senator Fraser.

Senator Leo W. Fraser, Jr., D. 4:
Ok.

Senator Edward M. Gordon, D. 2:
But, it's my understanding in the particular case that I have a gentleman who had acquired benefits through the New Hampshire Retirement System. A former resident of Bristol and now I believe a resident of Arizona, had during his lifetime acquired substantial benefits under the system.

And then was remarried, had his second marriage and during the course of that marriage designated his new spouse as the beneficiary. And that may have been the beneficiary of his retirement benefits or he may have placed in the system at the time.

But in do so the second marriage did not last for a very long period of time, in fact it lasted a very short period of time. And having made the option, designated that option, even though the new spouse felt it wasn't appropriate for her to benefit from these accrued benefits over many, many years, for a very short-term marriage, he was not able to undo the option.

(Senator Gordon continues)

And this would allow that to happen. And there are people here who can explain in more detail that circumstance.

Senator Katherine W. Wheeler, D. 21:
Thank you. Any further questions for Senator Gordon? See none, thank you very much for your testimony.

Senator Edward M. Gordon, D. 2:
Thank you for being patient.

Senator Katherine W. Wheeler, D. 21:
Jim Barney.

James Barney – Legislation Committee, NH Bar Association:
Thank you Madame Chair, Senators my name is James Barney I am a lawyer with Fernald, Sulloway and Hollis here in Concord. I am not here on behalf of a client I am here basically in my capacity as a member of the Legislation Committee of a New Hampshire Bar Association, section on real property, probate and trust law.

My job as a member of that committee is to look at Legislation that has *(inaudible)* or work with other members who have ideas for Legislation that might be beneficial. And to, in this case, a member of the section pointed out, this particular Statute, which had the lack of flexibility *(inaudible)* Senator Gordon's just, been discussing.

And so, I helped in drafting the current bill to put in some more flexibility and Senator Gordon thought that was a good idea and sponsored it as Legislation. The bill deals with a particular section of the Retirement System law, RSA100:a;13. Which sets up a number of options a member can elect either before retirement or at retirement.

And the options that are relevant here have to do with selecting a contingent beneficiary. So that when a member retires instead of receiving what would have been the full pension; which is actuarially determined for the members lifetimes expectancy.

(James Barney continues)

The pension received by the member of retirement is reduced but when the member dies the contingent beneficiary continues to receive the pension or some part of it. And so because the pension is stretched over 2 lifetimes it has to be reduced for the whole period. So if the member elects the option, the pension he/she would have received just on there own is substantially reduced because there is a contingent beneficiary who will take over the pension upon the members death.

The particular sub-section that we are proposing an amendment to already has a provision, which is part of existing law, which deals with a case where a person designates a spouse as their contingent beneficiary and then there is a divorce and a remarriage. So that's already in the law, it's in the bill before you as a, it's re-designated subsection "A, II". And as you can see that says "a member who has elected one of these options, if they've designated their spouse as their beneficiary and then there is a divorce and the spouse remarries then the member can terminate the option." In that case the members pension will bounce back up to the level that it would have been originally if there hadn't been no contingent beneficiary.

The situation this does not cover is where there maybe a divorce but there is no remarriage and that's the situation of Senator Gordon's constituent. In that case there's a divorce, there's no remarriage, there's not likely to be a remarriage. This section here, in existing law, doesn't allow in that case the ex-spouse to terminate the option, or the member to terminate the option.

In that particular case the ex-spouse, because of the short marriage is willing to terminate the option but there is no mechanism under existing law to do that. So in addressing this we suggested adding a new subsection "b". And it doesn't talk about spouse because this really could be applicable to any contingent beneficiary, that for whatever reason wants to renounce the benefits. In fact the case of Senator Gordon's constituent, I believe at the time the member designated the beneficiary in that case, she was a fiancée, their marriage hadn't yet occurred.

So, in that case the marriage did occur and there was a divorce but a person could designate their fiancée and then for whatever reason the marriage might not occur. So, you would actually have a spousal situation but you could still have a situation where there is a contingent beneficiary designated and down the line for whatever reason they feel they don't need this contingent benefit. And by their giving it up it allows the member to go back up to the full pension level, which they would have had if there hadn't been a contingent beneficiary.

(James Barney continues)

So, subsection "b" really closely parallels subsection "a", you can see in terms of the way it's phrased. But will apply to any designated single beneficiary situation where the beneficiary wants to voluntarily renounce. So if there's renunciation then that goes to the Board and then it becomes effective immediately and the members pension will go back up to it's full level.

There didn't seem to be any good policy reason not to allow this kind of flexibility to be added on to the existing prevision that just deals with remarriage and divorce.

Senator Katherine W. Wheeler, D. 21:
Thank you. Senator Fraser.

Senator Leo W. Fraser, Jr., D. 4:
Thank you Madame Chair. Just to be sure now, I think I understand. Under the current law, the principal can re can leave under the divorce and renounce the beneficiary?

James Barney:
Divorce and remarry, there has to be a remarriage.

Senator Leo W. Fraser, Jr., D. 4:
Under section "b", what you're trying to address is that individual who's no longer married, as an example that this doesn't (inaudible) the marriage. But that beneficiary for whatever purpose can renounce, right?

James Barney:
Right.

Senator Leo W. Fraser, Jr., D. 4:
I guess my question is this; if you enter a divorce, section "1" would apply, converting the authority to the principal is that correct? Under section "2" the renouncement would come from the beneficiary?

James Barney:
That's right.

Senator Leo W. Fraser, Jr., D. 4:
Thank you.

Senator Katherine W. Wheeler, D. 21:
Senator Squires has a question.

Senator James W. Squires, D. 12:
Thank you Madame Chair. I don't have any trouble with the bill at all. It seems Senator Gordon said it would be common sense. My question is more of an actuarial one and I'm just curious about it. A person retires when they're 65 and they elect to have benefits paid with a beneficiary, consequently there is a reduction in the rate, which is standard. I'm assuming that the actuary must make some calculation as to the age of the beneficiary, somewhere in there.

So at age 66 the beneficiary dies, the person converts back to their single payment, at age 70 they marry a 20 year old so know we have a beneficiary again. So the fund know is, instead of looking at the likelihood of paying benefits over a period of say 30 years they maybe for 70 years. How does, how do the actuary do that?

James Barney:
There are some members from the Retirement, staff members of the Retirement System here who are going to be testifying after me who can answer more technical questions. But I believe the answer to that would that, I think the option to designate the beneficiary would no longer be available at that point.

I think the beneficiary has to be designated before or at retirement. And so that's when pension starts so I think once the pension has started there's a 120-day window on something like that. But I don't think after that point there could be a designation of a new beneficiary or a re-computation of the pension. But that's something that the retirement system people can answer more.

Senator James W. Squires, D. 12:
In Senator Gordon's case it sounded if though there was a beneficiary, the initial spouse, and then either they died or that marriage broke up and the person was able to designate a new beneficiary, at some future point in time.

James Barney:
I think that that designation occurred before retirement and again we can get more details. The constituent's attorney is here and she can give more specifics as to the particular case. And then there are people from the retirement system that can get into more of the technicalities.

Senator Katherine W. Wheeler, D. 21:
Thank you very much. Any other questions for Mr. Barney? See none, thank you for bringing this interesting case to us. Joyce Donohue.

Joyce Donohue – Glidden and Donohue:
Good Morning Madame Chairman and Members of the Committee, my name is Joyce Donohue. I am here representing Charles E. Greenwood who is a retired gentlemen now living in the State of Arizona, which is why you don't have the pleasure of hearing from him directly this morning.

To answer some of the questions that have already been posed this morning. By way of history, Mr. Greenwood had a first marriage that lasted approximately 30 years and ironically when he and his first wife divorced because he had not yet retired he was able to remove her as his beneficiary to certain benefits. Mr. Greenwood by the way was a teacher, for 25-30 years. I also am compelled to explain what a fine gentleman Mr. Greenwood is.

I represented him in his divorce from his first wife, and over my strenuous objections he gave the first Mrs. Greenwood over 80% of the combined assets, which included income producing property. So, when he left that marriage with his pension intact it was more than favorable to the first Mrs. Greenwood. He has no regrets in doing that and he did that enlarge measure for the benefit of his adult children.

When he designated his fiancée, who he didn't know at the time of the divorce, this all came about long after he had divorced his first wife. When he designated her to be his survivor beneficiary, as Attorney Barney said to you, she was his fiancée at that time. They will be married 5 years this year and the decision to divorce is not Mr. Greenwood decision, it's a very amiable divorce.

(Joyce Donohue continues)

The second Mrs. Greenwood was a widow for 15 years and she has own property, there was no prenuptial before the second marriage. And Mr. Greenwood has renounced any interest that he would have in any of her property, which is not insignificant. And the parties believe that the equitable thing to do is for Mr. Greenwood to be able to have his full pension benefits returned to him. That's what brings us before you this morning.

What I would like to tell you is, that no one is going to complain if this bill passes. There is no one out there that is opposing this as far as we know. And as I can explain to you from these exhibits that I have given you. ***(See document handed out in the hearing or attached to the original copy, Documents #1).***

The real, the most significant entity to gain if this bill is passed is the system itself. Just to quickly dispose of the copy of SB173, from the last session, which Attorney Barney has already spoken to. This bill took away the 90-day grace period that Attorney Barney explained to you. Before the bill passed last year; when a member who had designated a beneficiary to get a survivorship benefit, when the member divorced from the non-member so long as the non-member remarried and the member gave notice to the Board of Trustees with the Retirement System within 90-days of the remarriage then the option could be extinguished.

So, that the members benefit would "pop-up". And so what would happen, as I understand it, when parties would divorce the member might not know within 90 days his or her spouse had remarried and so would miss the opportunity to recognize his full pension benefits. So the 90-day grace period was taken out in the last session.

And the reason I mentioned this and the reason I give this bill to you is to suggest to you that Senator Gordon's bill, SB417 is in keeping with the spirit of the bill that passed last session. And indeed if the second Mrs. Greenwood were to remarry we would not have a problem. But she has indicated that she has no intention of marrying again. I guess she has decided she likes the single life.

Now, the second packet that I've passed out does speak to the actuarial aspects of this.
(See document handed out in the hearing or attached to the original copy, Document #1a).

(Joyce Donohue continues)

And the first page that I have shows you based on these actuarial tables; by the way Mr. Greenwood is know age 67 and the second Mrs. Greenwood is now age 61, so if and this is only computing everything through December 31, 1999. So these numbers get more, when in any event, the numbers would have to be recomputed as we move onward in time. I don't want to forget to tell you that every month that Mr. Greenwood is not allowed to have his pension benefit "popped-up" it's costing him approximately $300.00. He's getting approximately that much less in his monthly paycheck.

So, on page 1 what I've tried to show here is that if we are denied the relief that we are seeking, based on the actuarial tables, the system will end up paying out almost ½ million dollars over the next several years. If we are granted the relief that we're seeking, because the system will pay the amount out over, will pay a larger amount out per month but over a shorter period of time realizing a gain to the system of a little over a $137,000.00.

The gain to Mr. Greenwood if he is granted the relief that he seeks, will be over little over $48,000.00. So I hope that I've shown lucidly enough that the system is the bigger gainer if he is allowed to gain his full pension benefit. And the, what I've got labeled as exhibit "f" just shows you the amount that has been paid out in pension fund through "99".

And the amount that would had been paid had he not elected this survivorship benefit the difference is over $25,000.00. So that is $25,000.00 that this has cost Mr. Greenwood. That he will never regain. That is gone forever, period the end. And every month that he doesn't get his full pension benefits, that number increases by $300.00.

The last exhibits there, and I do want to preference my explain of these last exhibits by saying that we've been working with the New Hampshire Retirement System and we have absolutely no complaints with these people. They have been most gracious and most helpful to us and we are very, very grateful for that. The last 2 pages of that second packet are taken from documents that attended Mr. Greenwood applying for his pension benefits.

He retired in 1993 and he did not understand that he only had 120 days from the time that he made his election. He only had 120 days to change his mind. He didn't know about that 120-day window until all of this came to the floor when the current Mrs. Greenwood decided that she wanted a divorce. And I think that you can see the explanation, this is page 2 of the application for retirement benefits that was used at the time Mr. Greenwood applied for his pension.

(Joyce Donohue continues)

And it's not conspicuous in anyway .....*(TAPE CHANGE)...*
The last page is taken from the brochure that was part of the information that was given to Mr. Greenwood back in 1993 and as you can see in the southeast corner of that page, that is where it mentions the 120 day window. And again, it doesn't leap off the page at you. Considering that this has already cost this gentleman over $25,000.00; well they have revised a lot of these documents since then anyway.

One other thing I would like to point out before I conclude is that another cost to Mr. Greenwood that he will never recover is that even if he succeeds in the relief that we are seeking, his COLA will always be based on a lower amount. So he is never going to catch-up on his COLA's with what would have gone into his pocket had he not made this election to benefit his then fiancée back in 1993.

The last thing that I would like to implore the Committee to consider is if it decides to rule in favor of Mr. Greenwood and vote to pass Senator Gordon's bill, we would be very grateful if you could amend the bill so it would be effective on passage. Because as I've all ready belabored every month that he doesn't get relief it's $300.00 less that comes to Mr. Greenwood. So are there any questions?

Senator Katherine W. Wheeler, D. 21:
Any questions for Ms. Donohue? Senator Squires.

Senator James W. Squires, D. 12:
First an observational question. Would you believe that since survival actuarial tables are really depressing? I went straight to my number.....Oh, dear.

Senator Leo W. Fraser, Jr., D. 4:
I have a question Madame Chairman.

Senator Katherine W. Wheeler, D. 21:
Senator Squires is still brooding over there.

Senator James W. Squires, D. 12:
My question is, again just for information, if Mr. Greenwood should decide to try marriage a 3rd time, could he then elect to designate his new spouse a beneficiary and then revert down to a reduced rate?

Joyce Donohue:
He could not. He's precluded and nor does he wish to do that again. And I did forget to mention that since people are living longer now and unfortunately the divorce rate is higher than many would wish, this is something that is more than likely going to come back to haunt the system again. I dare say that Mr. Greenwood is not going to be the only person in the system that is going to come up against this brick wall. Then the agency is going to be dealing with this again.

Senator Katherine W. Wheeler, D. 21:
Thank you. Senator Fraser.

Senator Leo W. Fraser, Jr., D. 4:
I just have a quick, I'm not sure if it's a fair question, maybe I missed something. But, is the second Mrs. Greenwood currently collecting benefits?

Joyce Donohue:
No, she would only collect benefits if Mr. Greenwood were to die. So, the way this is right now is that if Mr. Greenwood were to die then, he's now getting $1,853.46 a month. She would, then that money would start being paid directly to her and would be paid to her for her lifetime. And then it would cease. If we are granted the relief we were after his benefit, his monthly benefits will pop-up to $2,146.20. And that amount will paid to him over his lifetime. This doesn't take into account the COLA. But no she is not presently receiving benefits, except indirectly. Their divorce is pending right now and they will continue to be friends.

Senator Leo W. Fraser, Jr., D. 4:
I have another question.

Senator Katherine W. Wheeler, D. 21:
Go ahead Senator Fraser.

Senator Leo W. Fraser, Jr., D. 4:
So, I guess my question really is that even if the divorce decree she should renounce, that would not be effective so far as the Retirement System is concerned?

Joyce Donohue:
That's correct. Even if there is a Court Order, what they run up against is RSA 100:a;13. But another irony here is that if we're not given the relief that we're after, she could "renounce" if she died or if she remarried. But she is not allowed to voluntarily renounce while she is alive and not remarried.

I will also say that I tried to find the Legislative history on this, I've been up with the State Archives and I could not find any policy reason underlying the 120-day window of opportunity.

Senator Katherine W. Wheeler, D. 21:
I have a question that Senator Squires prompted. If this were to pass and a person that had 2 marriages that ended in divorce and in both cases the ex-spouse voluntarily renounce the benefits and the person married the 3rd time where does it say the person couldn't assign the benefits to someone else a 3rd time?

Joyce Donohue:
Well, because an again the New Hampshire Retirement System people can speak to this, I understand it the same way Attorney Barney does. That you can make these elections within 120 days of retirement, I think. But I think that it is also during that 120-day period that you can change your mind. So once that 120 days passes you can't name anyone.

Senator Katherine W. Wheeler, D. 21:
Are we going to change that 120-day window?

Joyce Donohue:
No. Maybe someday somebody will come here and say, "hey, I ought to be able to", but we're not concerned about that. We're only concerned about recognizing the renouncing the current Mrs. Greenwood has signaled to the system.

Senator Katherine W. Wheeler, D. 21:
Thank you. Senator Squires.

Senator James W. Squires, D. 12:
Would you be willing to convey to Mr. Greenwood the opinion, please of at least one Senator? Given the testimony that the current Mrs. Greenwood has some financial resources of her own, when the go out to dinner, he might consider Dutch treat. That would be my opinion.

Joyce Donohue:
I will pass that along to him Senator Squires. And I also want to tell you that Mrs. Greenwood is represented by counsel so the playing field is level.

Senator Katherine W. Wheeler, D. 21:
Thank you very much. Any further questions? See none, thank you very much. No one else has signed to up to testify. Is there someone here from the Retirement System that wish to testify?

Women in the Audience:
We're just here to answer any questions.

Senator Katherine W. Wheeler, D. 21:
Does the Committee have any questions they would like answered at this point? Senator Fraser

Senator Leo W. Fraser, Jr., D. 4:
I guess maybe, I think I understand the bill but I think maybe.....

Senator Katherine W. Wheeler, D. 21:
Do you mind coming forward and presenting yourself for questions?

Women in the audience:
I think both of us could collaborate.

Senator Leo W. Fraser, Jr., D. 4:
Just to be sure I understand 417. If the 2nd Mrs. Greenwood remarried, then part I of the current bill would kick in, is that correct?

Maureen Kreeger – Admin Administrator:
Correct. She if she were to remarry the retired Mr. Greenwood could then come to the Board and say my ex-spouse remarried I want to cancel the option.

Senator Leo W. Fraser, Jr., D. 4:
So what we are trying to do here today is to address the beneficiary in the event that that beneficiary does not opt to remarry?

Maureen Kreeger:
Correct and the beneficiary would like to renounce. The beneficiary has an interest in renouncing the future benefit that she or he is entitled to.

Senator Leo W. Fraser, Jr., D. 4:
Thank you.

Senator Katherine W. Wheeler, D. 21:
Thank you. Just so I understand this 120 days, in this particular case, Mr. Greenwood was not yet retired when he assigned the benefits to his future 2nd Mrs. Greenwood?

Maureen Kreeger:
He did it at the time of retirement. At the time that he filed for his retirement benefits he designated the future Mrs. Greenwood. They were not yet married at the time that he designated her as beneficiary.

Senator Katherine W. Wheeler, D. 21:
Thank you.

Senator Leo W. Fraser, Jr., D. 4:
And after this Legislation, upon the death of Mr. Greenwood the 2nd Mrs. Greenwood is the beneficiary?

Maureen Kreeger:
That is correct.

Senator Leo W. Fraser, Jr., D. 4:
Thank you.

Senator Katherine W. Wheeler, D. 21:
Thank you. Any further questions? See none. Thank you for answering the questions. I will close the hearing on SB417 and entertain a motion to go into Executive Session.

Hearing closed on SB417 at 11:34am.

Respectively Submitted,
Linda Brosseau, Senate Secretary

1999 Revision that eliminated 90 day grace period.

Document #1

CHAPTER 181

SB 173-FN - FINAL VERSION

1999 SESSION

99-0832

10/01

SENATE BILL *173-FN*

AN ACT relative to optional allowances for beneficiaries of New Hampshire retirement system members.

SPONSORS: Sen. J. King, Dist 18; Sen. Hollingworth, Dist 23; Sen. Trombly, Dist 7; Rep. Dyer, Hills 8; Rep. Dwyer, Hills 43

COMMITTEE: Insurance

ANALYSIS

This bill clarifies the nomination of a spouse and/or children for the optional retirement allowances, and provides for the conversion of the payment of an optional allowance upon the remarriage of a former spouse designated as beneficiary.

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.

99-0832

10/01

STATE OF NEW HAMPSHIRE

In the Year of Our Lord One Thousand Nine Hundred and Ninety-Nine

AN ACT relative to optional allowances for beneficiaries of New Hampshire retirement system members.

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

181:1 Optional Allowances; Nomination of Beneficiaries; Payment. Amend RSA 100-A:13, I and II to read as follows:

I. Any member who has reached service retirement age as provided in RSA 100-A:5, I (a) or II(a), or RSA 100-A:19-b, or any retiree within 120 days after the effective date of retirement, may elect to receive, instead of the retirement allowance otherwise payable, a retirement allowance of equivalent actuarial value under one of the options named in paragraph III, or to redesignate any such option previously elected. When the member elects to receive an optional retirement allowance under paragraph III, the beneficiary or beneficiaries whom [~~he~~] ***the member*** nominates may include the member's ***spouse and/or*** children[~~, with the reduced retirement allowance payable to be divided equally among the children~~]. The notice of election or change of retirement option shall be on a form designated by the board. The optional allowance shall be effective upon retirement if the election is made before the effective date of retirement, and on the first day of the month following receipt by the board of the notice of election or change of option if made during the 120-day grace period. When an election or change of option is made during the 120-day grace period, no retroactive adjustments will be made in payments already received by the retiree. After expiration of the 120-day grace period no change in option selection shall be permitted except as provided in paragraph II. If a retiree dies after filing notice of election or change of option during the 120-day grace period but before the effective date, the election or change shall be effective as of the date of death. If a member dies after filing an election for a survivorship retirement option and before the effective date of retirement, whether or not the member has filed for retirement, the beneficiary who was nominated by the member in the election of the option may elect to receive either the optional survivor benefit which the member had elected or the ordinary death benefit provided under RSA 100-A:9, whichever is more advantageous to the beneficiary; provided that, in the case of the member's death before retirement, if the beneficiary named in the survivorship option election is not the same person as the beneficiary under RSA 100-A:9, then the death benefit under RSA 100-A:9, II, and not the survivorship option shall apply.

II. Any retired member who has elected option 2, 3, or 4, and whose beneficiary nominated by the retiree under such option was the retiree's spouse at the time of such election, may terminate such elected option upon the issuance of a divorce decree and subsequent remarriage of the former spouse. Upon termination, the allowance received under the elected option shall be converted to the retirement allowance that would have been payable in the absence of such election. Any supplemental allowance, or COLAs, granted to the retiree and effective before the date of termination of the option shall continue in effect and shall not be adjusted as a result of the termination. Notice of such termination shall be given by the retiree on a form designated by the board[~~, within 90 days after the date of the remarriage of the former spouse~~]. ***Payment of the converted allowance shall commence on the first day of the month following receipt of termination by the board.*** For any retiree whose divorce and the subsequent remarriage of the former spouse occurred on or before July 1, 1990, the notice shall be given to the board on or before October 1, 1990. Said termination action shall become

effective on the first day of the month following receipt of such notice by the board. If the retiree dies after giving valid notice of such termination but before the effective date, the option shall terminate as of the date of the retiree's death.

181:2 Effective Date. This act shall take effect 60 days after its passage.

(Approved: July 1, 1999)

(Effective Date: August 30, 1999)

LBAO

99-0832

2/10/99

SB 173-FN - FISCAL NOTE

AN ACT relative to optional allowances for beneficiaries of New Hampshire retirement system members.

FISCAL IMPACT:

The N.H. Retirement System indicates this bill will have no fiscal impact on state, county and local revenue or expenditures.

METHODOLOGY:

The System states this legislation clarifies existing procedures and benefit calculations, and as such, will have no fiscal impact.

The Actuary's letter is on file in the bill jacket in the Senate Clerk's Office.

Document 4
1a

CHARLES E. GREENWOOD
CONSEQUENCES OF ALLOWING/NOT ALLOWING "POP-UP"

Note 1: Reference is made to attached actuarial tables.
Note 2: The following computations do not take any COLAs into account.

I. COST TO SYSTEM

A. "Pop-up" not allowed:

$1853.46 × 265 months = $491,166.90

B. "Pop-up" allowed:

$2146.20 × 165 months = $354,123.00

Difference: $137,043.90

II. GAIN/COST TO CHARLES E. GREENWOOD

$2146.20 less $1853.46 = $292.74 additional per month x 165 months = $48,302.10

SOURCE: STATE MEDICAID MANUAL
Dated 11.94 presented as part of materials incident to 1998 CLE presentation - CLE.

LIFE EXPECTANCY TABLE - FEMALES

Age	Life Expectancy	Age	Life Expectancy	Age	Life Expectancy
0	78.79	40	40.61	80	9.11
1	78.42	41	39.66	81	8.58
2	77.48	42	38.72	82	8.06
3	76.51	43	37.78	83	7.56
4	75.54	44	36.85	84	7.08
5	74.56	45	35.92	85	6.63
6	73.57	46	35.00	86	6.20
7	72.59	47	34.08	87	5.79
8	71.60	48	33.17	88	5.41
9	70.61	49	32.27	89	5.05
10	69.62	50	31.37	90	4.71
11	68.63	51	30.48	91	4.40
12	67.64	52	29.60	92	4.11
13	66.65	53	28.72	93	3.84
14	65.67	54	27.86	94	3.59
15	64.68	55	27.00	95	3.36
16	63.71	56	26.15	96	3.16
17	62.74	57	25.31	97	2.97
18	61.77	58	24.48	98	2.80
19	60.80	59	23.67	99	2.64
20	59.83	60	22.86	100	2.48
21	58.86	61	22.06	101	2.34
22	57.89	62	21.27	102	2.20
23	56.92	63	20.49	103	2.06
24	55.95	64	19.72	104	1.93
25	54.98	65	18.96	105	1.81
26	54.02	66	18.21	106	1.69
27	53.05	67	17.48	107	1.58
28	52.08	68	16.76	108	1.48
29	51.12	69	16.04	109	1.38
30	50.15	70	15.35	110	1.28
31	49.19	71	14.66	111	1.19
32	48.23	72	13.99	112	1.10
33	47.27	73	13.33	113	1.02
34	46.31	74	12.68	114	0.96
35	45.35	75	12.05	115	0.89
36	44.40	76	11.43	116	0.83
37	43.45	77	10.83	117	0.77
38	42.50	78	10.24	118	0.71
39	41.55	79	9.67	119	0.66

SOURCE: STATE MEDICHID MANUAL
DATED 11.94 presented as part of materials incident to 1998 CLE presentation - CLE.

LIFE EXPECTANCY TABLE - MALES

Age	Life Expectancy	Age	Life Expectancy	Age	Life Expectancy
0	71.80	40	35.05	80	6.98
1	71.53	41	34.15	81	6.59
2	70.58	42	33.26	82	6.21
3	69.62	43	32.37	83	5.85
4	68.65	44	31.49	84	5.51
5	67.67	45	30.61	85	5.19
6	66.69	46	29.74	86	4.89
7	65.71	47	28.88	87	4.61
8	64.73	48	28.02	88	4.34
9	63.74	49	27.17	89	4.09
10	62.75	50	26.32	90	3.86
11	61.76	51	25.48	91	3.64
12	60.78	52	24.65	92	3.43
13	59.79	53	23.82	93	3.24
14	58.82	54	23.01	94	3.06
15	57.85	55	22.21	95	2.90
16	56.91	56	21.43	96	2.74
17	55.97	57	20.66	97	2.60
18	55.05	58	19.90	98	2.47
19	54.13	59	19.15	99	2.34
20	53.21	60	18.42	100	2.22
21	52.29	61	17.70	101	2.11
22	51.38	62	16.99	102	1.99
23	50.46	63	16.30	103	1.89
24	49.55	64	15.62	104	1.78
25	48.63	65	14.96	105	1.68
26	47.72	66	14.32	106	1.59
27	46.80	67	13.70	107	1.50
28	45.88	68	13.09	108	1.41
29	44.97	69	12.50	109	1.33
30	44.06	70	11.92	110	1.25
31	43.15	71	11.35	111	1.17
32	42.24	72	10.80	112	1.10
33	41.33	73	10.27	113	1.02
34	40.23	74	9.27	114	0.96
35	39.52	75	9.24	115	0.89
36	38.62	76	8.76	116	0.83
37	37.73	77	8.29	117	0.77
38	36.83	78	7.83	118	0.71
39	35.94	79	7.40	119	0.66

CHARLES E. GREENWOOD
PENSION COMPARISON
1 July 1993 through 31 December 1999

BENEFIT AMOUNTS UNDER OPTION 4

1993	$2068.07 × 6	= $12,408.42
1994	2068.07 × 12	= 24,816.84
1995	2068.07 × 12	= 24,816.84
1996	2068.07 × 12	= 24,816.84
1997	2068.07 × 10	= 20,680.70
1997	1853.46 × 2	= 3,706.92
1998	1853.46 × 12	= 22,241.52
1999	1853.46 × 12	= 22,241.52
		$155,729.60

COLA AMOUNTS UNDER OPTION 4 (N.B. No COLAs paid 93 & 94; COLAs effective each 7/1)

1995	$103.40 × 12	= $1240.80
1996	211.97 × 12	= 2543.64
1997	325.97 × 12	= 3911.64
1998	413.15 × 12	= 4957.80
1999	503.81 × 6	= 3022.86
		$15,676.74

TOTAL ACTUALLY PAID THROUGH 1999 = $171,406.34

MAXIMUM BENEFIT AMOUNTS

1993	$2360.81 × 6	= $14,164.86
1994	2360.81 × 12	= 28,329.72
1995	2360.81 × 12	= 28,329.72
1996	2360.81 × 12	= 28,329.72
1997	2360.81 × 10	= 23,608.10
1997	2146.20 × 2	= 4,292.40
1998	2146.20 × 12	= 25,754.40
1999	2146.20 × 12	= 25,754.40
		$178,563.32

COLA AMOUNTS BASED ON MAXIMUM BENEFIT AMOUNTS

1995	$118.04 × 12	= $1416.48
1996	241.98 × 12	= 2903.76
1997	372.12 × 12	= 4465.44
1998	472.85 × 12	= 5674.20
1999	577.61 × 6	= 3465.66
		$17,925.54

TOTAL THAT WOULD HAVE BEEN PAID AS MAXIMUM AMOUNT THROUGH 1999 = $196,488.86

COST OF OPTION 4 ELECTION THROUGH 1999: $25,082.52

State of New Hampshire

County of Merrimack

On this 6th day of MAY, 1993, before me, Tammy L. Eccard, the undersigned officer, personally appeared CHARLES E. GREENWOOD, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand and official seal.

TAMMY L. ECCARD, Notary Public
My Commission Expires January 3, 1998

Tammy L. Eccard

Notary Public or Justice of Peace

NOTE: INCONSPICUOUS NOTICE OF 120 DAY GRACE PERIOD. ALSO, SILENT AS TO JOINT-MEMBER'S OPTIONS

Extracts from the Laws Governing Optional Benefits of the

NEW HAMPSHIRE RETIREMENT SYSTEM
STATE OF NEW HAMPSHIRE

100-A:13 Optional Allowances. Any retired member may elect to convert, within 120 days after the effective date of his/her retirement, the retirement allowance otherwise payable on his/her account after retirement into a retirement allowance of equivalent actuarial value under one of the options named below or to redesignate his/her survivorship option, which election or redesignation and modified payment shall become effective on the first day of the month following 15 days after receipt by the Board of the retirant's written notice of such change. Such notice shall be on a form designated by the Board. If a member so electing dies before the first day of said month, the election shall become effective as of the date of his/her death. When an election of or change in survivorship option is made within the 120-day grace period, no retroactive adjustments will be made in the payments already received by the retirant. After expiration of the 120-day period, no change in survivorship option selection shall be permitted.

Option 1. A reduced retirement allowance payable during the retired member's life, with the provision that at his/her death a lump sum equal in amount to the difference between his/her accumulated contributions at the time of his/her retirement and the sum of the member annuity payments made to him/her during his/her lifetime shall be paid to the person, if any, nominated by him by written designation, duly acknowledged and filed with the Board of Trustees, if such person survives him/her, otherwise to the retired member's estate.

Option 2. A reduced retirement allowance payable during the retired member's life, with the provision that it shall continue after his/her death for the life of, and to, the beneficiary nominated by him/her by written designation, duly acknowledged and filed with the Board of Trustees, at the time of retirement.

Option 3. A reduced retirement allowance payable during the retired member's life, with the provision that it shall continue after his/her death at one-half the rate paid to him/her and be paid for the life of, and to, the beneficiary nominated by him/her by written designation, duly acknowledged and filed with the Board of Trustees, at the time of retirement.

Option 4. A reduced retirement allowance payable during the retired member's life, with some other benefit payable after his/her death, provided that such other benefit shall be approved by the Board of Trustees.

100% Pop-up - similar to Option 2 above except if beneficiary should die before you, your benefit "pops up" to maximum.

50% Pop-up - similar to Option 3 above except if beneficiary should die before you, your benefit "pops-up" to maximum.

Fixed Dollar Amount. A reduced retirement allowance payable during the retired member's life, with the provision that it shall continue after his/her death at a predetermined fixed dollar amount, and be paid for the life of, and to, the beneficiary nominated by him/her by written designation, duly acknowledged and filed with the Board of Trustees, at the time of retirement.

(314)

If you select a survivorship option and die before your effective date of retirement, your survivorship beneficiary or survivorship beneficiaries may choose between the survivorship option benefit or the ordinary death benefit, as long as the person or persons you've named in the survivorship option election is/are the same person or persons you've named as beneficiary under the ordinary death benefit. Otherwise, the ordinary death benefit provisions will apply.

OPTION 1: you receive a reduced lifetime retirement allowance and after your death your beneficiary receives a *lump sum payment* equal to any accumulated contributions not yet distributed as part of your member annuity. If you name more than one beneficiary, the lump sum payment will be distributed in equal shares among them.

OPTION 2: you receive a reduced lifetime retirement allowance and after your death your survivorship beneficiary receives *100%* of your reduced allowance for life. If you choose any number of your children as survivorship beneficiaries, your reduced allowance will be divided into equal shares and paid to each of your named beneficiaries for their lives.

OPTION 3: you receive a reduced lifetime retirement allowance and after your death your survivorship beneficiary receives *50%* of your reduced allowance for life. If you choose any number of your children as survivorship beneficiaries, *50%* of your reduced allowance will be divided into equal shares and paid to each of your named beneficiaries for their lives.

OPTION 4(A): 100% "pop-up" you receive a reduced lifetime retirement allowance and after your death your survivorship beneficiary receives *100%* of your reduced allowance for life. This option is similar to OPTION 2; however, if your survivorship beneficiary under this option dies before you, your monthly benefit "pops-up" to the full amount you would have received had you not chosen an option. If you choose any number of your children as survivorship beneficiaries, and if one or more of these children dies before you, your monthly allowance will "pop up" to an amount which will reflect, proportionally, the lesser number of beneficiaries. If none of your named children survives you, your reduced pension will pop up to the full amount you would have received had you not elected an option.

OPTION 4(B): 50% "pop-up" you receive a reduced lifetime retirement allowance and after your death your survivorship beneficiary receives *50%* of your reduced allowance for life. This option is similar to OPTION 3; except that if your survivorship beneficiary should die before you, your monthly benefit "pops up" to the full amount you would have received had you not chosen an option. If you choose any number of your children as survivorship beneficiaries, and if one or more of these children dies before you, your monthly allowance will "pop up" to an amount which will reflect, proportionally, the lesser number of beneficiaries. If none of your named children survives you, your reduced pension will pop up to the full amount you would have received had you not elected an option.

OPTION 4(C): you receive a reduced lifetime retirement allowance and after your death your beneficiary or beneficiaries receives *some other benefit* approved by the board of trustees.

If you choose survivorship OPTION 2, 3 or 4, the exact reduction in your benefit depends upon your age and the age(s) of the person or children you select as survivorship beneficiary(ies).

You can elect an option anytime before your allowance begins and up to 120 days thereafter. You may also change or cancel an election during this period.

SOURCE: NHRS BROCHURE.

NOTE: INCONSPICUOUS. ALSO, SILENT AS TO NON-MEMBER'S OPTIONS.

Date: January 11, 2000
Time: 10:52am
Room: State House, Room 103

The Senate Committee on **Insurance** held a hearing on the following:

SB417-FN-L *allowing a beneficiary of an optional allowance under the New Hampshire retirement system to renounce his or her benefits.*

Members of Committee present: *Senator Wheeler, Chairman*
Senator Eaton
Senator Fraser
Senator Squires

The Chair, Senator **Katie Wheeler**, opened the hearing.

Senator Katherine W. Wheeler, D. 21:
Having passed the time for the next bill, I will call on Susan Duncan to introduce the bill and when the Prime Sponsor, Senator Gordon arrives he follow next to speak.

Susan Duncan – Legislative Aide:
Very good, thank you Madame Chair, Members of the Committee. My name is Susan Duncan, I live in Bristol and it's my pleasure to speak on behalf of Senator Gordon and kick SB417 off for you this morning. During the course of the years that Senator Gordon has been a member of this body, he has had the pleasure of working closely with Jim Barney. Who is on the real estate small section of the bar and has brought to him a number of issues that have needed to be dealt with. Jim approached Ned this back year and told him of.....Here he comes, all right..... and told him of this particular bill. And he will take over. I didn't put the 32 towns in Grafton and Belknap, so.

Senator Katherine W. Wheeler, D. 21:
Senator Gordon are you; would you like to testify? Well thank you I will continue with **SB417** "allowing a beneficiary of an optional allowance under the New Hampshire retirement system to renounce his or her benefits" and call upon the Prime Sponsor, Senator Gordon.

Senator Edward M. Gordon, D. 2:
Thank you very much, I apologize for being late.

Senator Katherine W. Wheeler, D. 21:
That's certainly understandable.

Senator Edward M. Gordon, D. 2:
For the record my name is Ned Gordon, I represent Senate District 2, consisting of 32 towns in Grafton and Belknap counties. This is just a common sense bill, a very simple issue. And that is that under certain previsions in the New Hampshire Retirement System you are allowed to have allowance or provide for allowance, or spousal allowance in the event you in fact are married. I have a particular constituent, which precipitated this bill, and he did so provide for his spouse.

Unfortunately the marriage became dissolved, or their intentions in terms of the marriage were not carried out and that they decided they no longer wanted to be married. But unfortunately having made the allowance, the current law provides that that allowance has to continue. And there is no way, even if the spouse wants to voluntarily renounce that that can be undone.

What this would do is just a very common sense, makes a very common sense approach. And indicates that if in fact that spouse in the course of the divorce or however else decided that they did not want to make a claim. Because it wouldn't be appropriate, as it was in this case, for them to receive long term retirement benefits because it was a very short-term marriage. That they would be able to voluntarily renounce that, very simple. And there are other people who are going to testify who will have more technical information that would be more helpful to you.

Senator Katherine W. Wheeler, D. 21:
Are there any questions for Senator Gordon? Senator Fraser.

Senator Leo W. Fraser, Jr., D. 4:
Senator Gordon, would you *(inaudible)*. Are we trying to address part "b"?

Senator Edward M. Gordon, D. 2:
Yes, actually part "b" is a new portion of the bill.

Senator Leo W. Fraser, Jr., D. 4:
If I may Madame Chair?

Senator Katherine W. Wheeler, D. 21:
Sure.

Senator Leo W. Fraser, Jr., D. 4:
It doesn't address spouses; it just talks about a designated single beneficiary?

Senator Edward M. Gordon, D. 2:
I do not know the answer to that, Senator Fraser.

Senator Leo W. Fraser, Jr., D. 4:
Ok.

Senator Edward M. Gordon, D. 2:
But, it's my understanding in the particular case that I have a gentleman who had acquired benefits through the New Hampshire Retirement System. A former resident of Bristol and now I believe a resident of Arizona, had during his lifetime acquired substantial benefits under the system.

And then was remarried, had his second marriage and during the course of that marriage designated his new spouse as the beneficiary. And that may have been the beneficiary of his retirement benefits or he may have placed in the system at the time.

But in do so the second marriage did not last for a very long period of time, in fact it lasted a very short period of time. And having made the option, designated that option, even though the new spouse felt it wasn't appropriate for her to benefit from these accrued benefits over many, many years, for a very short-term marriage, he was not able to undo the option.

(Senator Gordon continues)

And this would allow that to happen. And there are people here who can explain in more detail that circumstance.

Senator Katherine W. Wheeler, D. 21:
Thank you. Any further questions for Senator Gordon? See none, thank you very much for your testimony.

Senator Edward M. Gordon, D. 2:
Thank you for being patient.

Senator Katherine W. Wheeler, D. 21:
Jim Barney.

James Barney – Legislation Committee, NH Bar Association:
Thank you Madame Chair, Senators my name is James Barney I am a lawyer with Fernald, Sulloway and Hollis here in Concord. I am not here on behalf of a client I am here basically in my capacity as a member of the Legislation Committee of a New Hampshire Bar Association, section on real property, probate and trust law.

My job as a member of that committee is to look at Legislation that has *(inaudible)* or work with other members who have ideas for Legislation that might be beneficial. And to, in this case, a member of the section pointed out, this particular Statute, which had the lack of flexibility *(inaudible)* Senator Gordon's just, been discussing.

And so, I helped in drafting the current bill to put in some more flexibility and Senator Gordon thought that was a good idea and sponsored it as Legislation. The bill deals with a particular section of the Retirement System law, RSA100:a;13. Which sets up a number of options a member can elect either before retirement or at retirement.

And the options that are relevant here have to do with selecting a contingent beneficiary. So that when a member retires instead of receiving what would have been the full pension; which is actuarially determined for the members lifetimes expectancy.

(James Barney continues)

The pension received by the member of retirement is reduced but when the member dies the contingent beneficiary continues to receive the pension or some part of it. And so because the pension is stretched over 2 lifetimes it has to be reduced for the whole period. So if the member elects the option, the pension he/she would have received just on there own is substantially reduced because there is a contingent beneficiary who will take over the pension upon the members death.

The particular sub-section that we are proposing an amendment to already has a provision, which is part of existing law, which deals with a case where a person designates a spouse as their contingent beneficiary and then there is a divorce and a remarriage. So that's already in the law, it's in the bill before you as a, it's re-designated subsection "A, II". And as you can see that says "a member who has elected one of these options, if they've designated their spouse as their beneficiary and then there is a divorce and the spouse remarries then the member can terminate the option." In that case the members pension will bounce back up to the level that it would have been originally if there hadn't been no contingent beneficiary.

The situation this does not cover is where there maybe a divorce but there is no remarriage and that's the situation of Senator Gordon's constituent. In that case there's a divorce, there's no remarriage, there's not likely to be a remarriage. This section here, in existing law, doesn't allow in that case the ex-spouse to terminate the option, or the member to terminate the option.

In that particular case the ex-spouse, because of the short marriage is willing to terminate the option but there is no mechanism under existing law to do that. So in addressing this we suggested adding a new subsection "b". And it doesn't talk about spouse because this really could be applicable to any contingent beneficiary, that for whatever reason wants to renounce the benefits. In fact the case of Senator Gordon's constituent, I believe at the time the member designated the beneficiary in that case, she was a fiancée, their marriage hadn't yet occurred.

So, in that case the marriage did occur and there was a divorce but a person could designate their fiancée and then for whatever reason the marriage might not occur. So, you would actually have a spousal situation but you could still have a situation where there is a contingent beneficiary designated and down the line for whatever reason they feel they don't need this contingent benefit. And by their giving it up it allows the member to go back up to the full pension level, which they would have had if there hadn't been a contingent beneficiary.

(James Barney continues)

So, subsection "b" really closely parallels subsection "a", you can see in terms of the way it's phrased. But will apply to any designated single beneficiary situation where the beneficiary wants to voluntarily renounce. So if there's renunciation then that goes to the Board and then it becomes effective immediately and the members pension will go back up to it's full level.

There didn't seem to be any good policy reason not to allow this kind of flexibility to be added on to the existing prevision that just deals with remarriage and divorce.

Senator Katherine W. Wheeler, D. 21:
Thank you. Senator Fraser.

Senator Leo W. Fraser, Jr., D. 4:
Thank you Madame Chair. Just to be sure now, I think I understand. Under the current law, the principal can re can leave under the divorce and renounce the beneficiary?

James Barney:
Divorce and remarry, there has to be a remarriage.

Senator Leo W. Fraser, Jr., D. 4:
Under section "b", what you're trying to address is that individual who's no longer married, as an example that this doesn't (inaudible) the marriage. But that beneficiary for whatever purpose can renounce, right?

James Barney:
Right.

Senator Leo W. Fraser, Jr., D. 4:
I guess my question is this; if you enter a divorce, section "1" would apply, converting the authority to the principal is that correct? Under section "2" the renouncement would come from the beneficiary?

James Barney:
That's right.

Senator Leo W. Fraser, Jr., D. 4:
Thank you.

Senator Katherine W. Wheeler, D. 21:
Senator Squires has a question.

Senator James W. Squires, D. 12:
Thank you Madame Chair. I don't have any trouble with the bill at all. It seems Senator Gordon said it would be common sense. My question is more of an actuarial one and I'm just curious about it. A person retires when they're 65 and they elect to have benefits paid with a beneficiary, consequently there is a reduction in the rate, which is standard. I'm assuming that the actuary must make some calculation as to the age of the beneficiary, somewhere in there.

So at age 66 the beneficiary dies, the person converts back to their single payment, at age 70 they marry a 20 year old so know we have a beneficiary again. So the fund know is, instead of looking at the likelihood of paying benefits over a period of say 30 years they maybe for 70 years. How does, how do the actuary do that?

James Barney:
There are some members from the Retirement, staff members of the Retirement System here who are going to be testifying after me who can answer more technical questions. But I believe the answer to that would that, I think the option to designate the beneficiary would no longer be available at that point.

I think the beneficiary has to be designated before or at retirement. And so that's when pension starts so I think once the pension has started there's a 120-day window on something like that. But I don't think after that point there could be a designation of a new beneficiary or a re-computation of the pension. But that's something that the retirement system people can answer more.

Senator James W. Squires, D. 12:
In Senator Gordon's case it sounded if though there was a beneficiary, the initial spouse, and then either they died or that marriage broke up and the person was able to designate a new beneficiary, at some future point in time.

James Barney:
I think that that designation occurred before retirement and again we can get more details. The constituent's attorney is here and she can give more specifics as to the particular case. And then there are people from the retirement system that can get into more of the technicalities.

Senator Katherine W. Wheeler, D. 21:
Thank you very much. Any other questions for Mr. Barney? See none, thank you for bringing this interesting case to us. Joyce Donohue.

Joyce Donohue – Glidden and Donohue:
Good Morning Madame Chairman and Members of the Committee, my name is Joyce Donohue. I am here representing Charles E. Greenwood who is a retired gentlemen now living in the State of Arizona, which is why you don't have the pleasure of hearing from him directly this morning.

To answer some of the questions that have already been posed this morning. By way of history, Mr. Greenwood had a first marriage that lasted approximately 30 years and ironically when he and his first wife divorced because he had not yet retired he was able to remove her as his beneficiary to certain benefits. Mr. Greenwood by the way was a teacher, for 25-30 years. I also am compelled to explain what a fine gentleman Mr. Greenwood is.

I represented him in his divorce from his first wife, and over my strenuous objections he gave the first Mrs. Greenwood over 80% of the combined assets, which included income producing property. So, when he left that marriage with his pension intact it was more than favorable to the first Mrs. Greenwood. He has no regrets in doing that and he did that enlarge measure for the benefit of his adult children.

When he designated his fiancée, who he didn't know at the time of the divorce, this all came about long after he had divorced his first wife. When he designated her to be his survivor beneficiary, as Attorney Barney said to you, she was his fiancée at that time. They will be married 5 years this year and the decision to divorce is not Mr. Greenwood decision, it's a very amiable divorce.

(Joyce Donohue continues)

The second Mrs. Greenwood was a widow for 15 years and she has own property, there was no prenuptial before the second marriage. And Mr. Greenwood has renounced any interest that he would have in any of her property, which is not insignificant. And the parties believe that the equitable thing to do is for Mr. Greenwood to be able to have his full pension benefits returned to him. That's what brings us before you this morning.

What I would like to tell you is, that no one is going to complain if this bill passes. There is no one out there that is opposing this as far as we know. And as I can explain to you from these exhibits that I have given you. ***(See document handed out in the hearing or attached to the original copy, Documents #1).***

The real, the most significant entity to gain if this bill is passed is the system itself. Just to quickly dispose of the copy of SB173, from the last session, which Attorney Barney has already spoken to. This bill took away the 90-day grace period that Attorney Barney explained to you. Before the bill passed last year; when a member who had designated a beneficiary to get a survivorship benefit, when the member divorced from the non-member so long as the non-member remarried and the member gave notice to the Board of Trustees with the Retirement System within 90-days of the remarriage then the option could be extinguished.

So, that the members benefit would "pop-up". And so what would happen, as I understand it, when parties would divorce the member might not know within 90 days his or her spouse had remarried and so would miss the opportunity to recognize his full pension benefits. So the 90-day grace period was taken out in the last session.

And the reason I mentioned this and the reason I give this bill to you is to suggest to you that Senator Gordon's bill, SB417 is in keeping with the spirit of the bill that passed last session. And indeed if the second Mrs. Greenwood were to remarry we would not have a problem. But she has indicated that she has no intention of marrying again. I guess she has decided she likes the single life.

Now, the second packet that I've passed out does speak to the actuarial aspects of this.
(See document handed out in the hearing or attached to the original copy, Document #1a).

(Joyce Donohue continues)

And the first page that I have shows you based on these actuarial tables; by the way Mr. Greenwood is know age 67 and the second Mrs. Greenwood is now age 61, so if and this is only computing everything through December 31, 1999. So these numbers get more, when in any event, the numbers would have to be recomputed as we move onward in time. I don't want to forget to tell you that every month that Mr. Greenwood is not allowed to have his pension benefit "popped-up" it's costing him approximately $300.00. He's getting approximately that much less in his monthly paycheck.

So, on page 1 what I've tried to show here is that if we are denied the relief that we are seeking, based on the actuarial tables, the system will end up paying out almost ½ million dollars over the next several years. If we are granted the relief that we're seeking, because the system will pay the amount out over, will pay a larger amount out per month but over a shorter period of time realizing a gain to the system of a little over a $137,000.00.

The gain to Mr. Greenwood if he is granted the relief that he seeks, will be over little over $48,000.00. So I hope that I've shown lucidly enough that the system is the bigger gainer if he is allowed to gain his full pension benefit. And the, what I've got labeled as exhibit "f" just shows you the amount that has been paid out in pension fund through "99".

And the amount that would had been paid had he not elected this survivorship benefit the difference is over $25,000.00. So that is $25,000.00 that this has cost Mr. Greenwood. That he will never regain. That is gone forever, period the end. And every month that he doesn't get his full pension benefits, that number increases by $300.00.

The last exhibits there, and I do want to preference my explain of these last exhibits by saying that we've been working with the New Hampshire Retirement System and we have absolutely no complaints with these people. They have been most gracious and most helpful to us and we are very, very grateful for that. The last 2 pages of that second packet are taken from documents that attended Mr. Greenwood applying for his pension benefits.

He retired in 1993 and he did not understand that he only had 120 days from the time that he made his election. He only had 120 days to change his mind. He didn't know about that 120-day window until all of this came to the floor when the current Mrs. Greenwood decided that she wanted a divorce. And I think that you can see the explanation, this is page 2 of the application for retirement benefits that was used at the time Mr. Greenwood applied for his pension.

(Joyce Donohue continues)

And it's not conspicuous in anyway *.....(TAPE CHANGE)...*
The last page is taken from the brochure that was part of the information that was given to Mr. Greenwood back in 1993 and as you can see in the southeast corner of that page, that is where it mentions the 120 day window. And again, it doesn't leap off the page at you. Considering that this has already cost this gentleman over $25,000.00; well they have revised a lot of these documents since then anyway.

One other thing I would like to point out before I conclude is that another cost to Mr. Greenwood that he will never recover is that even if he succeeds in the relief that we are seeking, his COLA will always be based on a lower amount. So he is never going to catch-up on his COLA's with what would have gone into his pocket had he not made this election to benefit his then fiancée back in 1993.

The last thing that I would like to implore the Committee to consider is if it decides to rule in favor of Mr. Greenwood and vote to pass Senator Gordon's bill, we would be very grateful if you could amend the bill so it would be effective on passage. Because as I've all ready belabored every month that he doesn't get relief it's $300.00 less that comes to Mr. Greenwood. So are there any questions?

Senator Katherine W. Wheeler, D. 21:
Any questions for Ms. Donohue? Senator Squires.

Senator James W. Squires, D. 12:
First an observational question. Would you believe that since survival actuarial tables are really depressing? I went straight to my number.....Oh, dear.

Senator Leo W. Fraser, Jr., D. 4:
I have a question Madame Chairman.

Senator Katherine W. Wheeler, D. 21:
Senator Squires is still brooding over there.

Senator James W. Squires, D. 12:
My question is, again just for information, if Mr. Greenwood should decide to try marriage a 3rd time, could he then elect to designate his new spouse a beneficiary and then revert down to a reduced rate?

Joyce Donohue:
He could not. He's precluded and nor does he wish to do that again. And I did forget to mention that since people are living longer now and unfortunately the divorce rate is higher than many would wish, this is something that is more than likely going to come back to haunt the system again. I dare say that Mr. Greenwood is not going to be the only person in the system that is going to come up against this brick wall. Then the agency is going to be dealing with this again.

Senator Katherine W. Wheeler, D. 21:
Thank you. Senator Fraser.

Senator Leo W. Fraser, Jr., D. 4:
I just have a quick, I'm not sure if it's a fair question, maybe I missed something. But, is the second Mrs. Greenwood currently collecting benefits?

Joyce Donohue:
No, she would only collect benefits if Mr. Greenwood were to die. So, the way this is right now is that if Mr. Greenwood were to die then, he's now getting $1,853.46 a month. She would, then that money would start being paid directly to her and would be paid to her for her lifetime. And then it would cease. If we are granted the relief we were after his benefit, his monthly benefits will pop-up to $2,146.20. And that amount will paid to him over his lifetime. This doesn't take into account the COLA. But no she is not presently receiving benefits, except indirectly. Their divorce is pending right now and they will continue to be friends.

Senator Leo W. Fraser, Jr., D. 4:
I have another question.

Senator Katherine W. Wheeler, D. 21:
Go ahead Senator Fraser.

Senator Leo W. Fraser, Jr., D. 4:
So, I guess my question really is that even if the divorce decree she should renounce, that would not be effective so far as the Retirement System is concerned?

Joyce Donohue:
That's correct. Even if there is a Court Order, what they run up against is RSA 100:a;13. But another irony here is that if we're not given the relief that we're after, she could "renounce" if she died or if she remarried. But she is not allowed to voluntarily renounce while she is alive and not remarried.

I will also say that I tried to find the Legislative history on this, I've been up with the State Archives and I could not find any policy reason underlying the 120-day window of opportunity.

Senator Katherine W. Wheeler, D. 21:
I have a question that Senator Squires prompted. If this were to pass and a person that had 2 marriages that ended in divorce and in both cases the ex-spouse voluntarily renounce the benefits and the person married the 3rd time where does it say the person couldn't assign the benefits to someone else a 3rd time?

Joyce Donohue:
Well, because an again the New Hampshire Retirement System people can speak to this, I understand it the same way Attorney Barney does. That you can make these elections within 120 days of retirement, I think. But I think that it is also during that 120-day period that you can change your mind. So once that 120 days passes you can't name anyone.

Senator Katherine W. Wheeler, D. 21:
Are we going to change that 120-day window?

Joyce Donohue:
No. Maybe someday somebody will come here and say, "hey, I ought to be able to", but we're not concerned about that. We're only concerned about recognizing the renouncing the current Mrs. Greenwood has signaled to the system.

Senator Katherine W. Wheeler, D. 21:
Thank you. Senator Squires.

Senator James W. Squires, D. 12:
Would you be willing to convey to Mr. Greenwood the opinion, please of at least one Senator? Given the testimony that the current Mrs. Greenwood has some financial resources of her own, when the go out to dinner, he might consider Dutch treat. That would be my opinion.

Joyce Donohue:
I will pass that along to him Senator Squires. And I also want to tell you that Mrs. Greenwood is represented by counsel so the playing field is level.

Senator Katherine W. Wheeler, D. 21:
Thank you very much. Any further questions? See none, thank you very much. No one else has signed to up to testify. Is there someone here from the Retirement System that wish to testify?

Women in the Audience:
We're just here to answer any questions.

Senator Katherine W. Wheeler, D. 21:
Does the Committee have any questions they would like answered at this point? Senator Fraser

Senator Leo W. Fraser, Jr., D. 4:
I guess maybe, I think I understand the bill but I think maybe.....

Senator Katherine W. Wheeler, D. 21:
Do you mind coming forward and presenting yourself for questions?

Women in the audience:
I think both of us could collaborate.

Senator Leo W. Fraser, Jr., D. 4:
Just to be sure I understand 417. If the 2nd Mrs. Greenwood remarried, then part I of the current bill would kick in, is that correct?

Maureen Kreeger – Admin Administrator:
Correct. She if she were to remarry the retired Mr. Greenwood could then come to the Board and say my ex-spouse remarried I want to cancel the option.

Senator Leo W. Fraser, Jr., D. 4:
So what we are trying to do here today is to address the beneficiary in the event that that beneficiary does not opt to remarry?

Maureen Kreeger:
Correct and the beneficiary would like to renounce. The beneficiary has an interest in renouncing the future benefit that she or he is entitled to.

Senator Leo W. Fraser, Jr., D. 4:
Thank you.

Senator Katherine W. Wheeler, D. 21:
Thank you. Just so I understand this 120 days, in this particular case, Mr. Greenwood was not yet retired when he assigned the benefits to his future 2nd Mrs. Greenwood?

Maureen Kreeger:
He did it at the time of retirement. At the time that he filed for his retirement benefits he designated the future Mrs. Greenwood. They were not yet married at the time that he designated her as beneficiary.

Senator Katherine W. Wheeler, D. 21:
Thank you.

Senator Leo W. Fraser, Jr., D. 4:
And after this Legislation, upon the death of Mr. Greenwood the 2nd Mrs. Greenwood is the beneficiary?

Maureen Kreeger:
That is correct.

Senator Leo W. Fraser, Jr., D. 4:
Thank you.

Senator Katherine W. Wheeler, D. 21:
Thank you. Any further questions? See none. Thank you for answering the questions. I will close the hearing on **SB417** and entertain a motion to go into Executive Session.

Hearing closed on SB417 at 11:34am.

Respectively Submitted,
Linda Brosseau, Senate Secretary

1999 Revision that eliminated 90 day grace period.

Document #1

CHAPTER 181

SB 173-FN - FINAL VERSION

1999 SESSION

99-0832

10/01

SENATE BILL *173-FN*

AN ACT relative to optional allowances for beneficiaries of New Hampshire retirement system members.

SPONSORS: Sen. J. King, Dist 18; Sen. Hollingworth, Dist 23; Sen. Trombly, Dist 7; Rep. Dyer, Hills 8; Rep. Dwyer, Hills 43

COMMITTEE: Insurance

ANALYSIS

This bill clarifies the nomination of a spouse and/or children for the optional retirement allowances, and provides for the conversion of the payment of an optional allowance upon the remarriage of a former spouse designated as beneficiary.

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.

99-0832

10/01

STATE OF NEW HAMPSHIRE

In the Year of Our Lord One Thousand Nine Hundred and Ninety-Nine

AN ACT relative to optional allowances for beneficiaries of New Hampshire retirement system members.

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

181:1 Optional Allowances; Nomination of Beneficiaries; Payment. Amend RSA 100-A:13, I and II to read as follows:

I. Any member who has reached service retirement age as provided in RSA 100-A:5, I (a) or II(a), or RSA 100-A:19-b, or any retiree within 120 days after the effective date of retirement, may elect to receive, instead of the retirement allowance otherwise payable, a retirement allowance of equivalent actuarial value under one of the options named in paragraph III, or to redesignate any such option previously elected. When the member elects to receive an optional retirement allowance under paragraph III, the beneficiary or beneficiaries whom [~~he~~] ***the member*** nominates may include the member's ***spouse and/or*** children[~~; with the reduced retirement allowance payable to be divided equally among the children~~]. The notice of election or change of retirement option shall be on a form designated by the board. The optional allowance shall be effective upon retirement if the election is made before the effective date of retirement, and on the first day of the month following receipt by the board of the notice of election or change of option if made during the 120-day grace period. When an election or change of option is made during the 120-day grace period, no retroactive adjustments will be made in payments already received by the retiree. After expiration of the 120-day grace period no change in option selection shall be permitted except as provided in paragraph II. If a retiree dies after filing notice of election or change of option during the 120-day grace period but before the effective date, the election or change shall be effective as of the date of death. If a member dies after filing an election for a survivorship retirement option and before the effective date of retirement, whether or not the member has filed for retirement, the beneficiary who was nominated by the member in the election of the option may elect to receive either the optional survivor benefit which the member had elected or the ordinary death benefit provided under RSA 100-A:9, whichever is more advantageous to the beneficiary; provided that, in the case of the member's death before retirement, if the beneficiary named in the survivorship option election is not the same person as the beneficiary under RSA 100-A:9, then the death benefit under RSA 100-A:9, II, and not the survivorship option shall apply.

II. Any retired member who has elected option 2, 3, or 4, and whose beneficiary nominated by the retiree under such option was the retiree's spouse at the time of such election, may terminate such elected option upon the issuance of a divorce decree and subsequent remarriage of the former spouse. Upon termination, the allowance received under the elected option shall be converted to the retirement allowance that would have been payable in the absence of such election. Any supplemental allowance, or COLAs, granted to the retiree and effective before the date of termination of the option shall continue in effect and shall not be adjusted as a result of the termination. Notice of such termination shall be given by the retiree on a form designated by the board[~~; within 90 days after the date of the remarriage of the former spouse~~]. ***Payment of the converted allowance shall commence on the first day of the month following receipt of termination by the board.*** For any retiree whose divorce and the subsequent remarriage of the former spouse occurred on or before July 1, 1990, the notice shall be given to the board on or before October 1, 1990. Said termination action shall become

effective on the first day of the month following receipt of such notice by the board. If the retiree dies after giving valid notice of such termination but before the effective date, the option shall terminate as of the date of the retiree's death.

181:2 Effective Date. This act shall take effect 60 days after its passage.

(Approved: July 1, 1999)

(Effective Date: August 30, 1999)

LBAO

99-0832

2/10/99

SB 173-FN - FISCAL NOTE

AN ACT relative to optional allowances for beneficiaries of New Hampshire retirement system members.

FISCAL IMPACT:

The N.H. Retirement System indicates this bill will have no fiscal impact on state, county and local revenue or expenditures.

METHODOLOGY:

The System states this legislation clarifies existing procedures and benefit calculations, and as such, will have no fiscal impact.

The Actuary's letter is on file in the bill jacket in the Senate Clerk's Office.

GREENWOOD EXHIBIT G

Document 4
1a

CHARLES E. GREENWOOD
CONSEQUENCES OF ALLOWING/NOT ALLOWING "POP-UP"

Note 1: Reference is made to attached actuarial tables.
Note 2: The following computations do not take any COLAs into account.

I. COST TO SYSTEM

A. "Pop-up" not allowed:

$1853.46 × 265 months = $491,166.90

B. "Pop-up" allowed:

$2146.20 × 165 months = $354,123.00

Difference: $137,043.90

II. GAIN/COST TO CHARLES E. GREENWOOD

$2146.20 less $1853.46 = $292.74 additional per month x 165 months = $48,302.10

SOURCE: STATE MEDICAID MANUAL
Dated 11.94 presented as part of materials incident to 1998 CLE presentation - CLE.

LIFE EXPECTANCY TABLE - FEMALES

Age	Life Expectancy	Age	Life Expectancy	Age	Life Expectancy
0	78.79	40	40.61	80	9.11
1	78.42	41	39.66	81	8.58
2	77.48	42	38.72	82	8.06
3	76.51	43	37.78	83	7.56
4	75.54	44	36.85	84	7.08
5	74.56	45	35.92	85	6.63
6	73.57	46	35.00	86	6.20
7	72.59	47	34.08	87	5.79
8	71.60	48	33.17	88	5.41
9	70.61	49	32.27	89	5.05
10	69.62	50	31.37	90	4.71
11	68.63	51	30.48	91	4.40
12	67.64	52	29.60	92	4.11
13	66.65	53	28.72	93	3.84
14	65.67	54	27.86	94	3.59
15	64.68	55	27.00	95	3.36
16	63.71	56	26.15	96	3.16
17	62.74	57	25.31	97	2.97
18	61.77	58	24.48	98	2.80
19	60.80	59	23.67	99	2.64
20	59.83	60	22.86	100	2.48
21	58.86	61	22.06	101	2.34
22	57.89	62	21.27	102	2.20
23	56.92	63	20.49	103	2.06
24	55.95	64	19.72	104	1.93
25	54.98	65	18.96	105	1.81
26	54.02	66	18.21	106	1.69
27	53.05	67	17.48	107	1.58
28	52.08	68	16.76	108	1.48
29	51.12	69	16.04	109	1.38
30	50.15	70	15.35	110	1.28
31	49.19	71	14.66	111	1.19
32	48.23	72	13.99	112	1.10
33	47.27	73	13.33	113	1.02
34	46.31	74	12.68	114	0.96
35	45.35	75	12.05	115	0.89
36	44.40	76	11.43	116	0.83
37	43.45	77	10.83	117	0.77
38	42.50	78	10.24	118	0.71
39	41.55	79	9.67	119	0.66

SOURCE: STATE MEDICAID MANUAL
DATED 11.94 presented as part of materials incident to 1998 CLE presentation - CLE.

LIFE EXPECTANCY TABLE - MALES

Age	Life Expectancy	Age	Life Expectancy	Age	Life Expectancy
0	71.80	40	35.05	80	6.98
1	71.53	41	34.15	81	6.59
2	70.58	42	33.26	82	6.21
3	69.62	43	32.37	83	5.85
4	68.65	44	31.49	84	5.51
5	67.67	45	30.61	85	5.19
6	66.69	46	29.74	86	4.89
7	65.71	47	28.88	87	4.61
8	64.73	48	28.02	88	4.34
9	63.74	49	27.17	89	4.09
10	62.75	50	26.32	90	3.86
11	61.76	51	25.48	91	3.64
12	60.78	52	24.65	92	3.43
13	59.79	53	23.82	93	3.24
14	58.82	54	23.01	94	3.06
15	57.85	55	22.21	95	2.90
16	56.91	56	21.43	96	2.74
17	55.97	57	20.66	97	2.60
18	55.05	58	19.90	98	2.47
19	54.13	59	19.15	99	2.34
20	53.21	60	18.42	100	2.22
21	52.29	61	17.70	101	2.11
22	51.38	62	16.99	102	1.99
23	50.46	63	16.30	103	1.89
24	49.55	64	15.62	104	1.78
25	48.63	65	14.96	105	1.68
26	47.72	66	14.32	106	1.59
27	46.80	67	13.70	107	1.50
28	45.88	68	13.09	108	1.41
29	44.97	69	12.50	109	1.33
30	44.06	70	11.92	110	1.25
31	43.15	71	11.35	111	1.17
32	42.24	72	10.80	112	1.10
33	41.33	73	10.27	113	1.02
34	40.23	74	9.27	114	0.96
35	39.52	75	9.24	115	0.89
36	38.62	76	8.76	116	0.83
37	37.73	77	8.29	117	0.77
38	36.83	78	7.83	118	0.71
39	35.94	79	7.40	119	0.66

GREENWOOD EXHIBIT F

CHARLES E. GREENWOOD
PENSION COMPARISON
1 July 1993 through 31 December 1999

BENEFIT AMOUNTS UNDER OPTION 4

1993	$2068.07 × 6	= $12,408.42
1994	2068.07 × 12	= 24,816.84
1995	2068.07 × 12	= 24,816.84
1996	2068.07 × 12	= 24,816.84
1997	2068.07 × 10	= 20,680.70
1997	1853.46 × 2	= 3,706.92
1998	1853.46 × 12	= 22,241.52
1999	1853.46 × 12	= 22,241.52
		$155,729.60

COLA AMOUNTS UNDER OPTION 4 (N.B. No COLAs paid 93 & 94; COLAs effective each 7/1)

1995	$103.40 × 12	= $1240.80
1996	211.97 × 12	= 2543.64
1997	325.97 × 12	= 3911.64
1998	413.15 × 12	= 4957.80
1999	503.81 × 6	= 3022.86
		$15,676.74

TOTAL ACTUALLY PAID THROUGH 1999 = $171,406.34

MAXIMUM BENEFIT AMOUNTS

1993	$2360.81 × 6	= $14,164.86
1994	2360.81 × 12	= 28,329.72
1995	2360.81 × 12	= 28,329.72
1996	2360.81 × 12	= 28,329.72
1997	2360.81 × 10	= 23,608.10
1997	2146.20 × 2	= 4,292.40
1998	2146.20 × 12	= 25,754.40
1999	2146.20 × 12	= 25,754.40
		$178,563.32

COLA AMOUNTS BASED ON MAXIMUM BENEFIT AMOUNTS

1995	$118.04 × 12	= $1416.48
1996	241.98 × 12	= 2903.76
1997	372.12 × 12	= 4465.44
1998	472.85 × 12	= 5674.20
1999	577.61 × 6	= 3465.66
		$17,925.54

TOTAL THAT WOULD HAVE BEEN PAID AS MAXIMUM AMOUNT THROUGH 1999 = $196,488.86

COST OF OPTION 4 ELECTION THROUGH 1999: $25,082.52

State of New Hampshire
County of Merrimack

On this 6th day of MAY, 1993, before me, Tammy L. Eccard, the undersigned officer, personally appeared CHARLES E. GREENWOOD, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand and official seal.

TAMMY L. ECCARD, Notary Public
My Commission Expires January 3, 1998

Tammy L. Eccard
Notary Public or Justice of Peace

NOTE: INCONSPICUOUS NOTICE OF 120 DAY GRACE PERIOD. ALSO, AS TO SILENT NON-MEMBER'S OPTIONS

Extracts from the Laws Governing Optional Benefits of the

NEW HAMPSHIRE RETIREMENT SYSTEM
STATE OF NEW HAMPSHIRE

100-A:13 Optional Allowances. Any retired member may elect to convert, within 120 days after the effective date of his/her retirement, the retirement allowance otherwise payable on his/her account after retirement into a retirement allowance of equivalent actuarial value under one of the options named below or to redesignate his/her survivorship option, which election or redesignation and modified payment shall become effective on the first day of the month following 15 days after receipt by the Board of the retirant's written notice of such change. Such notice shall be on a form designated by the Board. If a member so electing dies before the first day of said month, the election shall become effective as of the date of his/her death. When an election of or change in survivorship option is made within the 120-day grace period, no retroactive adjustments will be made in the payments already received by the retirant. After expiration of the 120-day period, no change in survivorship option selection shall be permitted.

Option 1. A reduced retirement allowance payable during the retired member's life, with the provision that at his/her death a lump sum equal in amount to the difference between his/her accumulated contributions at the time of his/her retirement and the sum of the member annuity payments made to him/her during his/her lifetime shall be paid to the person, if any, nominated by him by written designation, duly acknowledged and filed with the Board of Trustees, if such person survives him/her, otherwise to the retired member's estate.

Option 2. A reduced retirement allowance payable during the retired member's life, with the provision that it shall continue after his/her death for the life of, and to, the beneficiary nominated by him/her by written designation, duly acknowledged and filed with the Board of Trustees, at the time of retirement.

Option 3. A reduced retirement allowance payable during the retired member's life, with the provision that it shall continue after his/her death at one-half the rate paid to him/her and be paid for the life of, and to, the beneficiary nominated by him/her by written designation, duly acknowledged and filed with the Board of Trustees, at the time of retirement.

Option 4. A reduced retirement allowance payable during the retired member's life, with some other benefit payable after his/her death, provided that such other benefit shall be approved by the Board of Trustees.

100% Pop-up - similar to Option 2 above except if beneficiary should die before you, your benefit "pops up" to maximum.

50% Pop-up - similar to Option 3 above except if beneficiary should die before you, your benefit "pops-up" to maximum.

Fixed Dollar Amount. A reduced retirement allowance payable during the retired member's life, with the provision that it shall continue after his/her death at a predetermined fixed dollar amount, and be paid for the life of, and to, the beneficiary nominated by him/her by written designation, duly acknowledged and filed with the Board of Trustees, at the time of retirement.

(314)

If you select a survivorship option and die before your effective date of retirement, your survivorship beneficiary or survivorship beneficiaries may choose between the survivorship option benefit or the ordinary death benefit, as long as the person or persons you've named in the survivorship option election is/are the same person or persons you've named as beneficiary under the ordinary death benefit. Otherwise, the ordinary death benefit provisions will apply.

OPTION 1: you receive a reduced lifetime retirement allowance and after your death your beneficiary receives a *lump sum payment* equal to any accumulated contributions not yet distributed as part of your member annuity. If you name more than one beneficiary, the lump sum payment will be distributed in equal shares among them.

OPTION 2: you receive a reduced lifetime retirement allowance and after your death your survivorship beneficiary receives *100%* of your reduced allowance for life. If you choose any number of your children as survivorship beneficiaries, your reduced allowance will be divided into equal shares and paid to each of your named beneficiaries for their lives.

OPTION 3: you receive a reduced lifetime retirement allowance and after your death your survivorship beneficiary receives *50%* of your reduced allowance for life. If you choose any number of your children as survivorship beneficiaries, *50%* of your reduced allowance will be divided into equal shares and paid to each of your named beneficiaries for their lives.

→ OPTION 4(A): 100% "pop-up" you receive a reduced lifetime retirement allowance and after your death your survivorship beneficiary receives *100%* of your reduced allowance for life. This option is similar to OPTION 2; however, if your survivorship beneficiary under this option dies before you, your monthly benefit "pops-up" to the full amount you would have received had you not chosen an option. If you choose any number of your children as survivorship beneficiaries, and if one or more of these children dies before you, your monthly allowance will "pop up" to an amount which will reflect, proportionally, the lesser number of beneficiaries. If none of your named children survives you, your reduced pension will pop up to the full amount you would have received had you not elected an option.

OPTION 4(B): 50% "pop-up" you receive a reduced lifetime retirement allowance and after your death your survivorship beneficiary receives *50%* of your reduced allowance for life. This option is similar to OPTION 3; except that if your survivorship beneficiary should die before you, your monthly benefit "pops up" to the full amount you would have received had you not chosen an option. If you choose any number of your children as survivorship beneficiaries, and if one or more of these children dies before you, your monthly allowance will "pop up" to an amount which will reflect, proportionally, the lesser number of beneficiaries. If none of your named children survives you, your reduced pension will pop up to the full amount you would have received had you not elected an option.

OPTION 4(C): you receive a reduced lifetime retirement allowance and after your death your beneficiary or beneficiaries receives *some other benefit* approved by the board of trustees.

If you choose survivorship OPTION 2, 3 or 4, the exact reduction in your benefit depends upon your age and the age(s) of the person or children you select as survivorship beneficiary(ies).

You can elect an option anytime before your allowance begins and up to 120 days thereafter. You may also change or cancel an election during this period.

SOURCE: NHRS BROCHURE.

NOTE: INCONSPICUOUS. ALSO, SILENT AS TO NON-MEMBER'S OPTIONS.

Speakers

SENATE INSURARNCE COMMITTEE

Date January 11, 2000 Time 10:40am Public Hearing on SB417-FN-L

Appearing in FAVOR: (Please print) Please check box at left to speak.

Speaking?	Name	Address	Representing
✓ ☑	Jim Barney	c/o Sulloway Hollis, Concord, NH	Self
✓ ☑	Joyce Donohue	c/o Glidden & Donohue LACONIA NH	Charles E. Grigenas
✓ ☑	Sen. Ned Gordon	Distr. 2	
✓ ☐	Maureen Krueger and	Retirement System	
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Appearing in OPPOSITION: (Please Print) Please check box at left to speak.

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Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Date:

THE COMMITTEE ON Insurance

to which was referred Senate Bill 417-FN-L

AN ACT allowing a beneficiary of an optional allowance under the New Hampshire retirement system to renounce his or her benefits.

VOTE: 4-0

2000-3060s

Having considered the same, report the same with the following amendment and recommend that the bill: **AS AMENDED OUGHT TO PASS.**

Senator Leo W. Fraser, Jr.
For the Committee

SB417 Docket

Next|Previous|Results List|Bill Status

Bill Title: allowing a beneficiary of an optional allowance under the New Hampshire retirement system to renounce his or her benefits.

Date	Body	Description
1/5/00	**S**	Introduced and Ref. to Insurance; SJ Convening Day, Pg.13
1/6/00	**S**	Hearing, Jan. 11, 10:40 a.m., Room 103, SH; SC1, Pg.3
1/31/00	**S**	Committee Report, Ought to Pass with Amendment {3060}, 2/3/2000 ; SC8, Pg.38
2/3/00	**S**	Ought to Pass with Amendment {3060}, AA, VV, OT3rdg, MA, VV; SJ 2, Pg.82
2/10/00	**H**	Introduced and ref to Exec Depts & Admin; HJ18, p479
2/15/00	**H**	Copy to Chairman on 2/15/2000 due Early f
2/22/00	**H**	Hearing Mar 7 1:30 RM202,LOB
3/29/00	**H**	Retirement Subcom Work Session Apr 4 & 5 9:00 RM202,LOB (Rep Langer)
4/11/00	**H**	Maj Report OTP for Apr 20 (vote 12-2;CC)
4/20/00	**H**	Passed (Cons Cal by 2/3VV); HJ37, p1134 + 1187
4/27/00	**S**	Enrolled Bill, Adopted; SJ 12, Pg.340
5/2/00	**H**	4/20/2000 Enrolled; HJ39, p1203
5/8/00	**S**	Signed by the Governor on 5/8/2000 Eff: 5/8/2000 Chap: 0129

**Docket Abbreviation Explanations

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