Bill as Introduced

SB 159-FN – AS INTRODUCED

2001 SESSION

01-0194
10/01

SENATE BILL ***159-FN***

AN ACT relative to benefit options for surviving spouses and designated beneficiaries of deceased members of the retirement system.

SPONSORS: Sen. Wheeler, Dist 21; Rep. Pepino, Hills 40; Rep. L. Fraser, Merr 9

COMMITTEE: Insurance

ANALYSIS

This bill provides for survivor benefits and options for spouses and designated beneficiaries of deceased retirement system members.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

SB 159-FN – AS INTRODUCED

01-0194
10/01

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand One

AN ACT relative to benefit options for surviving spouses and designated beneficiaries of deceased members of the retirement system.

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

1 Accidental Death; Group I; Option to Lump Sum Payment. Amend RSA 100-A:8, I(a) to read as follows:

(a) If, upon the receipt by the board of trustees of proper proof of the death of a group I member in service indicating that such death was the natural and proximate result of an accident occurring while in the performance of duty at some definite time and place, the board decides that death was the result of an accident in the performance of duty and not caused by willful negligence on the part of the member, a state annuity shall be paid to his widow, to continue during her widowhood; or if there is no widow, or if the widow dies or remarries before the youngest child of the deceased member has attained age 18, then to his child or children under such age, divided in such manner as the board in its discretion shall determine, to continue as a joint and survivorship state annuity for the benefit of such child or children under said age until every child dies or attains said age; or if there is no widow or child under age 18 living at the death of the member, then to his dependent father or dependent mother as the board shall determine, to continue for life; or if the deceased member is a female, the foregoing benefits shall be payable to her widower, children or dependent parents only in like manner and amount; provided that if none of the aforementioned beneficiaries is living or eligible for benefits under the provisions of this section, there shall be payable to the person or persons nominated by the member, if living, otherwise to the member's estate, a lump sum amount which is equal to the deceased member's base salary plus accrued benefits not paid at the time of death, in addition to the amount payable under RSA 100-A:11. ***In lieu of such lump sum amount, the designated beneficiary or beneficiaries may elect to receive the applicable ordinary death benefit that, under RSA 100-A:9, would have been payable to the beneficiary or beneficiaries if the member's death had not been the result of an accident occurring while in the performance of duty.***

2 Accidental Death; Group II; Option to Lump Sum Payment. Amend RSA 100-A:8, II(a) to read as follows:

(a) If, upon the receipt by the board of trustees of proper proof of the death of a group II member in service indicating that such death was the natural and proximate result of an accident occurring while in the performance of duty at some definite time and place, or as the natural and proximate result of repeated trauma or gradual degeneration occurring while in the actual performance of duty or arising out of and in the course of employment or of any occupational disease arising out of or in the course of employment, as defined by RSA 281-A:2, XI and found to be

compensable by the commissioner of labor pursuant to RSA 281-A:43; the board decides that death was the result of an accident in the performance of duty and not caused by willful negligence on the part of the member, a state annuity shall be paid to the member's surviving spouse, to continue until the surviving spouse remarries; or if there is no surviving spouse, or if the surviving spouse dies or remarries before the youngest child of the deceased member has attained age 18, then to the deceased members' child or children under such age, divided in such manner as the board in its discretion shall determine, to continue as a joint and survivorship state annuity for the benefit of such child or children under said age until every child dies or attains said age; or if there is no surviving spouse or child under age 18 living at the death of the member, then to the member's dependent father or dependent mother as the board shall determine, to continue for life; provided that if none of the aforementioned beneficiaries is living or eligible for benefits under the provisions of this section, there shall be payable to the person or persons nominated by the member, if living, otherwise to the member's estate, a lump sum amount which is equal to the deceased member's base salary plus accrued benefits not paid at the time of death, in addition to the amount payable under RSA 100-A:11. ***In lieu of such lump sum amount, the designated beneficiary or beneficiaries may elect to receive the applicable ordinary death benefit that, under RSA 100-A:9, would have been payable to the beneficiary or beneficiaries if the member's death had not been the result of an accident occurring while in the performance of duty.***

3 Ordinary Death Benefit. RSA 100-A:9 is repealed and reenacted to read as follows:

100-A:9 Ordinary Death Benefit; Group I and II Members.

I. Upon receipt by the board of trustees of proper proof of the death of a group I or group II member in service indicating that such death was not the result of an accident occurring while in the performance of duty, there shall be a death benefit payable to either the member's surviving spouse or, if the member has designated a beneficiary other than the member's spouse, the member's designated beneficiary or beneficiaries, if living, otherwise to the member's estate.

II. If the member was eligible for service retirement pursuant to RSA 100-A:5, I(a) or (c), RSA 100-A:5, II(a), or RSA 100-A:19-b at the time of the member's death, there shall be payable to the member's surviving spouse or designated beneficiary or beneficiaries, if living, a service retirement allowance, continuing until death equal to the survivor benefit payable under RSA 100-A:13, III, Option 2 had the member retired immediately prior to death, based on average final compensation and creditable service at the time of death. In lieu of the allowance, the surviving spouse or designated beneficiary or beneficiaries may elect to receive the lump sum benefit set forth in paragraph IV. If the member's spouse beneficiary or the member's designated non-spouse beneficiary or beneficiaries predecease the member, the member's estate shall receive the lump sum benefit set forth in paragraph IV.

III. If the member has at least 10 years combined creditable service, but was not eligible for service retirement pursuant to RSA 100-A:5, I(a) or (c), RSA 100-A:5, II(a), or RSA 100-A:19-b at the

time of the member's death and has not designated a beneficiary or beneficiaries other than the member's spouse, there shall be payable to the member's surviving spouse an allowance, continuing until the spouse's death or remarriage, equal to 50 percent of the service retirement allowance that would have been payable to the member had the member retired immediately prior to death, based on average final compensation and creditable service at the time of death. In lieu of such allowance, the surviving spouse may elect the lump sum benefit set forth in paragraph IV. If the member has designated a beneficiary or beneficiaries other than the member's spouse, the designated beneficiary or beneficiaries, if living, otherwise the member's estate, shall receive the lump sum benefit set forth in paragraph IV.

IV. If the member did not have at least 10 years combined creditable service and was not eligible for service retirement at the time of death, there shall be payable to the member's surviving spouse or the member's designated beneficiary or beneficiaries, if other than a spouse, if living, otherwise to the member's estate, a lump sum benefit equal to the deceased member's annual earnable compensation at the time of death in addition to the amount payable under RSA 100-A:11.

V. A member may designate multiple beneficiaries, however, only the member's spouse and/or children shall be eligible to receive the survivor benefit set forth in paragraph II. When a survivor benefit is payable to multiple beneficiaries, the unanimous written consent of all multiple beneficiaries is required to authorize the receipt of a lump sum death benefit in lieu of the survivor benefit. If a member designates, as a multiple beneficiary, any person other than the member's spouse and/or children, all of the member's designated multiple beneficiaries shall be limited to receipt of the lump sum benefit in paragraph IV.

VI. Any beneficiary designation properly executed by a member and timely filed with the retirement system shall revoke any beneficiary designation previously filed by the member.

4 Optional Allowances; Survivorship Option. Amend RSA 100-A:13, I 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,~~] ***Any eligible member applying for retirement*** 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 the member nominates may include the member's spouse and/or children. The notice of non-election, election, or change of retirement option shall be on a form designated by the board, which, if the member is married, shall include a spousal acknowledgment. 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~~].

5 New Paragraph; Optional Allowances; Beneficiary Designation. Amend RSA 100-A:13 by inserting after paragraph III the following new paragraph:

IV. Any beneficiary designation properly executed by a member and timely filed with the retirement system shall revoke any beneficiary designation previously filed by the member.

6 Effective Date. This act shall take effect 60 days after its passage.

LBAO
01-0194
2/27/01

SB 159-FN - FISCAL NOTE

AN ACT relative to benefit options for surviving spouses and designated beneficiaries of deceased members of the retirement system.

FISCAL IMPACT:

The New Hampshire Retirement System states this bill will increase state, county and local expenditures by an indeterminable amount in FY 2001 and each year thereafter. There will be no fiscal impact on state, county and local revenue.

METHODOLOGY:

The System stated this bill would allow a designated beneficiary or beneficiaries to elect in lieu of a lump sum amount, the applicable ordinary death benefit under RSA 100-A:9 that would have been payable to them if the member's death had not been the result of an accident occurring while in the performance of duty. Benefits would be as follows:

I. Spouses or beneficiaries of members who are eligible for a service retirement allowance under RSA 100-A:5, I(a) or (c) would receive a 100% joint and survivor benefit;

II. Spouses or beneficiaries of members who have at least 10 years of creditable service but who are not eligible for a service retirement under RSA 100-A:5, I(a) or (c) would receive a benefit equal to 50% of the service retirement allowance; and

III. Spouses or beneficiaries who have less than 10 years of creditable service would receive a lump sum equal to the deceased member's annual compensation.

The System states this bill would increase normal rates (% rate of employer contribution) by .11% for Employee members, .08% for Teacher members, .03% for Policemen members, and .02% for Firefighter members. This increase in normal rates will total approximately $712,000, $533,000, $45,000, and $13,000, for the respective member groups.

The System states this bill will eliminate the actuarial loss that occurs each time a member dies in active service, since the cost of the 100% joint and survivor benefit for death in active service will be funded while the member is working rather than at the time of death.

The System estimates a one-time administrative expense of $15,000 in FY 2001 to modify the System's computer program, and estimates an annual administrative expense for NHRS staff of $3,000 in FY 2001 and each year thereafter.

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

Speakers

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # SB 159-FN Date May 15, 2001

Committee ED+A

**** Please Print All Information ****

Name	Address	Phone	Representing	(check one) Pro	Con
Dennis Murphy	Concord		DFA-NH	✓	
Jeffrey Brown	Seabrook		Professional Firefighters	✓	
John Bardelli	Manchester		Retired firefighter	✓	
Dennis Parker	Concord		SEA	✓	

Hearing Minutes

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

PUBLIC HEARING ON SB 159-FN

BILL TITLE: relative to benefit options for surviving spouses and designated beneficiaries of deceased members of the retirement system.

DATE: May 15, 2001

LOB ROOM: 100 SH **Time Public Hearing Called to Order:** 11:15 AM

Time Adjourned: 12:05 PM

(please circle if present)

Committee Members: Reps. Peterson, Dyer, Langer, Goulet, Hamel, Poulin, Zolla, Dodge, Allan, Cummings, Dexter, C. Hall, Robertson, Lent, Landers, Andosca, Clayton, Pawlek, Schulze and Drabinowicz.

Bill Sponsors: Sen. Wheeler, Dist 21; Rep. Pepino, Hills 40; Rep. L. Fraser, Merr 9

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Sen. Wheeler, sponsor. Whole lot smaller than it looks. Right now, if you have met retirement functions and want to keep working, you must come to Concord to sign a designated beneficiaries form every 90 days. This bill says that a recipient will automatically receive the higher benefits without coming to Concord to sign the form. Is this cost a 28A issue?
Arthur Beaudry, representing NH State Permanent Firefighters. 30 Bow St., Manchester, 622-3473. **Supports**. Actuaries have reviewed this every year. This is pre-funded rather than post-funded. This was last year's bill that was ITL'd and he thinks ED&A should have looked into this. There were some that died prior to signing their form.
Eric Henry, representing NHRS, 271-3355. Issue is selecting an option – if member does select #2, the higher option will apply and the option will be paid. The only way the higher of the two options is available is for the form to be signed every 90 days. Try to keep out of this but there is an additional cost. Would impact all of the city, town or state taxes.
Dennis Murphy, representing NEA-NH. **Supports**. Legislature made this available at age 50. Now there are people who file a form, cancel, it, file a new form. This is not fair because signing is required frequently. There has never been a challenge under 28A. He doesn't know if there is a 28A change. There has only been one challenge of 28A in the past.

Respectfully submitted,

Rep. Ray Langer, Clerk

Sub-Committee Minutes

Final Report of the House ED&A Subcommittee on Retirement

October 3, 2002

Submitted to: Rep. Andrew R. Peterson, Chairman and the members of the House Executive Departments and Administration Committee

The 2002 House ED&A Retirement Subcommittee consisted of Rep. Michael O'Neil (Chairman), Rep. William Zolla, Rep. Al Hamel, Rep. Carl Robertson, Rep. Mert Dyer, Rep. Charles Hall, Rep. Ray Langer, Rep. William Clayton and Rep. Theresa Drabinowicz. At the request of Rep. O'Neil, Rep. Robert Wheeler from Division I of the House Finance Committee agreed to participate in the subcommittee proceedings. In addition, Rep. Judson Dexter, Rep. Raymond Cummings and Rep. James Holland also participated in many of the discussions.

The subcommittee was assigned to review six bills related to the New Hampshire Retirement System (NHRS) that had been referred for interim study. It was charged with reviewing these bills to determine if new legislation in these areas should be introduced in the upcoming legislative session. These bills were:

1. HB 341, adding police officers of the New Hampshire hospital campus police force to group II of the New Hampshire retirement system

2. HB 1206, (New Title) increasing the annuity paid to a surviving spouse or beneficiary upon the accidental death of a group II permanent firemen member in the performance of duty.

3. SB 159, relative to benefit options for surviving spouses and designated beneficiaries of deceased members of the retirement system

4. SB 194, relative to retirement allowances for certain surviving spouses of group II retirement system members

5. SB 332, (2nd New Title) relative to the payment of medical benefits costs for certain group II permanent firemen members injured in the performance of duty.

6. SB 396, relative to group II retirement status for criminalists employed by the department of safety

In addition to reviewing the 6 bills noted above, members decided to use the interim study period to review all major components of the NHRS. Eric Henry, Executive Director of NHRS, and his staff were invaluable resources for this review. It

involved discussion of the historical employer contribution rates, the cap on average final compensation, the current status of NHRS special account balances, demographic issues, the actual number of years of service served by both Group I and Group II retirees, the impact of job category shifts from Group I to Group II, and disability benefits. Also, in the course of this discussion, subcommittee members talked about the implications of expansion of the definition of Group II membership and the possible establishment of a Group III. Additional public policy issues related to the special accounts were also discussed. These issues included cost-of-living adjustments, health insurance subsidies and future benefits.

A. Revising the Definition of Group II

Throughout the 2001-2002 legislative session, there was a significant amount of discussion concerning the need to either expand or clarify the description of positions included in Group II of the retirement system. HB 341 and SB 396 proposed adding two new employee groups into the definition of Group II. In the entire biennium, however, the addition of at least 4 other position descriptions were considered [police and corrections officers who become police trainers (Chapter 165, 2001), gaming enforcement officers (HB 1265, 2001) certain correctional line personnel (HB 324, 2001 and HB 1351, 2002), and emergency medical service personnel (HB 1458)]

The subcommittee reviewed the current descriptions of positions that are defined as Group II as well as the history of the last thorough revision of these descriptions which took place in 1987. These revisions were made with the goal of sharpening and clarifying the requirements for membership in Group II and limiting the conditions under which a job could be reclassified from Group I to Group II. Also, in 1989, the Director of Personnel decertified certain positions in the Department of Corrections, moving them from Group II to Group I. There has been pressure to shift certain employee groups affected by this decision back into Group II.

Eric Henry, Executive Director of the New Hampshire Retirement System reported to the subcommittee that the Retirement System Board feels that the existing Group II definitions are sufficient. He further commented that the addition of more job descriptions to Group II will serve only to increase confusion and significantly increase the administrative costs of the system as the impact on the system is calculated for each bill that is introduced.

Committee members concluded that it is not necessary to further define the job categories that are included in Group II as set forth in RSA 100-A:1, VII and VIII. They do feel that it is appropriate to reassert that membership in Group II should not be considered as a retention or recruitment tool or a method for subsidizing below-market salaries. They also decided that although Group II members tend to face stress and hazardous work conditions, these conditions are not sufficient to warrant inclusion in Group II in and of themselves. Generally, all Group II members should:

a. Be a full-time employee;
b. Be fully certified in his or her area by the appropriate authority as outlined in RSA 100-A:1
c. Meet other criteria detailed in RSA 100-A:1 for the appropriate position
d. Meet all physical, mental, educational and other qualifications for continuing certification as a condition of employment, which involves annual retraining

Having come to the conclusions noted above, members further determined that Group II members who are promoted to administrative positions should retain their Group II status.

B. Disposition of the Bills Referred for Interim Study

Both HB 341 and SB 396 were referred to interim study to use as vehicles for the review of the definitions of Group II members. Beyond this discussion, the specific goal of each bill was also reviewed and discussed.

1. HB 341, adding police officers of the New Hampshire hospital campus police force to group II of the New Hampshire retirement system

In reviewing HB 341, there was a considerable amount of discussion about the powers of the state hospital campus police force in an area that is under the jurisdiction of the Concord Police Department.

The subcommittee further noted that members of the hospital campus police force do have powers of arrest for activity that takes place on the campus but do not carry weapons. The subcommittee determined that RSA 100-A:1 should not be amended to add the NH Hospital campus police before a policy of requiring attendance at the 12-week full-time police academy as a condition of employment is instituted. They also noted that current members of the campus police force should not be 'grandfathered' in by any proposed legislation.

Subcommittee Vote: Not Recommend for Future Legislation, May 30

2. SB 396, relative to group II retirement status for criminalists employed by the department of safety

The subcommittee reviewed previous discussions on this bill and the information submitted by the Department of Safety in support of transferring criminalists from Group I to Group II. In accordance with their discussions relative to the expansion of job categories included in Group II, the subcommittee agreed that SB 396 should not be the subject of legislation in the upcoming legislative session.

Subcommittee Vote: Not Recommend for Future Legislation, May 30

3. HB 1206, (New Title) increasing the annuity paid to a surviving spouse or beneficiary upon the accidental death of a group II permanent firemen member in the performance of duty.

This bill increased the annuity paid to a surviving spouse or beneficiary upon the accidental death of a group II permanent firemen member in the performance of duty. After lengthy discussions with the former commissioner of the New Hampshire Labor Department, Diane Symonds, the subcommittee determined that the bill should not be the subject of future legislation. Discussion revealed that the spouse and minor dependents of an employee who dies on the job currently receives 60% of the employee's salary from workers' compensation payments and 50% of the employees' salary from the NHRS. Both of these payments are tax-free. The subcommittee felt that 110% of salary is a reasonable benefit and that an increase would not be appropriate.

Subcommittee Vote: Not Recommend for Future Legislation, June 25; vote 6-1

4. SB 159, relative to benefit options for surviving spouses and designated beneficiaries of deceased members of the retirement system

This bill provides that the beneficiary of a member, who dies while still working but who was eligible for retirement, will automatically receive the maximum spousal benefit. Currently, only beneficiaries of employees who have declared their intent to retire have the ability to select this option.

Subcommittee members expressed concern that there could be some unintended funding consequences to the adoption of this bill.

Subcommittee Vote: Not Recommend for Future Legislation, June 25; vote 4-3

5. SB 194, relative to retirement allowances for certain surviving spouses of group II retirement system members

The subcommittee noted that his bill would benefit the spouses of a small number of Group II members who retired prior to becoming eligible for retirement benefits. They determined that it is not appropriate to change eligibility requirements for a small group to allow them to obtain access to benefits.

This bill generated a general discussion about the propriety of setting the age of 45 as the minimum retirement age for Group II members given the fact that life expectancy has been increasing over time.

Subcommittee Vote: Not Recommend for Future Legislation, June 25; vote 7-0

6. SB 332, (2nd New Title) relative to the payment of medical benefits costs for certain group II permanent firemen members injured in the performance of duty.

This bill would provide a health insurance subsidy to minor children of firefighters retired on a disability pension. This subsidy is presently available only to a certifiably dependent child with a disability living in the household and being cared for by the qualified member, the member's spouse, or the qualified spouse. The funds for this program come from the medical subtrust.

The subcommittee noted that this bill applied only to firefighters and felt that all member groups within the NHRS should be treated equally.

Subcommittee Vote: Not Recommend for Future Legislation, June 25; vote 6-1

C. Comments from each of the Member Groups

The committee invited representatives from each of the member groups to testify before them and to comment on changes that they would like to see in the system. Representatives of the NEA, SEA, Police Chiefs Association, New Hampshire Police Association, Professional Firefighters Association, Permanent Firefighters Association, Association of Counties, NH Municipal Association, and county correctional officers addressed the subcommittee.

Comments from the representatives were remarkably similar. Speakers noted that the system is very sound and they do not want to see any dramatic changes made. Most presenters stated that they feel that the primary purpose of the special account is to fund cost of living adjustments; funding health insurance subsidies was a secondary concern. They do not want to see other benefits increased at the expense of the special account.

One presenter commented that he feared the special account might be used to help fund employer contributions.

Group II representatives voiced the opinion that the definition of Group II should not be expanded to include new categories of employees. A number of member representatives expressed concern about the amount of legislation that has been introduced to amend RSA 100-A in recent years. One noted that he hoped to use peer pressure to keep this to a minimum so that the ED&A Committee would be able to concentrate on truly necessary legislative proposals.

D. Topics Discussed Relative to Possible Future Legislation

In the course of the subcommittee deliberations, a number of issues that could be incorporated in legislation were mentioned by various participants. The subcommittee has not examined these issues sufficiently to make a recommendation on any one of them. They were:

1. Fund the health insurance subsidy when prior service is bought back

2. Allow a charge to the appropriate special account for costs incurred for the analysis of proposed legislation

3. Eliminate the service retirement rate differential for Group I retirees age 60-64 and age 65 and over by blending the rates so that the formula is cost-neutral or applying a new rate only to people who retire after a specified date

4. Allow political subdivisions to opt-in to Medicare participation for Group II employees

5. Introduce a DROP plan option for firefighters only

Respectfully submitted,

Rep. Michael O'Neil, Retirement Subcommittee Chairman

Documents Enclosed With

SB159

Report of the House ED&A Subcommittee on Licensing

September 30, 2002

The members of the House ED&A Licensing subcommittee were: Rep. Judson Dexter (Chairman), Rep. Michael O'Neil, Rep. Mary Andosca, Rep. Raymond Cummings, and Rep. Joan Schulze. Other members of the ED&A Committee participated from time to time in the discussions of the subcommittee.

The subcommittee was charged with reviewing two bills to determine if new legislation should be considered in the future or if no further legislation was recommended. These bills were:

1. SB 420, making an appropriation for the purpose of hiring a recreational ride and lift inspector

2. HB 1470, transferring tobacco products sales licensing authority to the liquor commission and increasing tobacco products sales license fees

Disposition of Bills

1. SB 420, making an appropriation for the purpose of hiring a recreational ride and lift inspector

This subcommittee met on May 11, June 11 and June 25.

Reps. Albert Hamel, Robert Wheeler participated in the discussions of the subcommittee.

This bill was referred back to ED&A by the House Finance Committee because the original bill did not include a funding mechanism. The subcommittee invited David Barrett, Director of the Division of Safety Services at the Department of Safety and Bruce Burroughs, Chief of the Bureau of Tramway and Amusement Ride Safety to assist them with work on this bill. Mr. Burroughs is the only full-time lift inspector currently employed by the state. The subcommittee spoke with Mr. Barrett and Mr. Burroughs about the state's responsibilities and problems under the current statutes as well as possible solutions.

The subcommittee determined that

a. there are approximately 553 fixed lifts and amusement rides that, under current state law, should be inspected at least annually. The inspection personnel should be increased by one and one half individuals.

b. Fees to fund new positions should not be charged to the people of New Hampshire. Funding should be generated by the people enjoying the rides through some additional surcharge and/or by the owners of the rides. States, such as Vermont, which have a similar number of fixed lifts and amusement rides, could be used as a model (i.e., charge a fee per linear foot for fixed lifts and increase the fees for amusement rides).

Subcommittee Vote: Recommended for Future Legislation, 5-0; June 11, 2002

2. HB 1470, transferring tobacco products sales licensing authority to the liquor commission and increasing tobacco products sales license fees

This subcommittee met on June 18 and June 25.

This bill was introduced in an effort to simplify the inspection process that is currently being used by the Department of Revenue Administration to control and monitor the legal (and illegal) distribution and sale of tobacco products in the state. The subcommittee heard from representatives from the Department of Revenue Administration including Commissioner Arnold and Commissioner Byrne and Chief of Enforcement Aidan Moore form the Liquor Commission. The New Hampshire Grocer's Association and other parties also participated in discussions.

After an extensive discussion, it became obvious that there were many problems with the bill as presented to the subcommittee with regard to funding and the transfer of fees, the transfer of inspection responsibility, fines and penalties, privacy, and the exchange of information between departments. While it was felt that the idea had some merit, it was determined that the resolution of these issues would require more time than was available to this subcommittee.

Subcommittee Vote: Not Recommended for Future Legislation, 4-0; June 25, 2002

Respectfully submitted,

Rep. Judson Dexter, Chairman

Final Report of the House ED&A Subcommittee on Efficiency in State Government

October 7, 2002

The 2002 House ED&A Subcommittee studying bills designed to improve the efficiency of state government was composed of Rep. Nelson Allan (Chairman), Rep. Donald Lent, Rep. Raymond Cummings, Rep. Mary Andosca, Rep. Marion Pawlek, Rep. Judson Dexter, Rep. Joan Schulze, Rep. Merton Dyer and Rep. Michael O'Neil.

The subcommittee was assigned to review four bills that had been referred for interim study by the House ED&A Committee in the 2002 legislative session. These bills were:

1. HB 1183, establishing a committee to study the conformity of administrative rules to statutory authority.

2. HB 1359, establishing a department of financial services

3. HB 1378, establishing a sunset review process for executive agency and judicial programs and making an appropriation therefor.

4. SB 324, urging a study of the operating efficiency of state government

Meetings were held on May 28, May 30, June 6, June 11, June 13, June 18, June 25, June 27, August 27 and Sept. 12. All bills were discussed at the initial meetings; once a vote was taken on a bill, it was no longer discussed in subcommittee.

Subcommittee Votes:

HB 1183 - June 27, Not Recommended for Future Legislation, 5-0
HB 1359 - June 27, Not Recommended for Future Legislation, 5-0
HB 1378 – May 28, Not Recommended for Future Legislation, 5-0
SB 324 – Sept. 12, Not Recommended for Future Legislation, 6-0

Committee Deliberations

A. HB 1183, establishing a committee to study the conformity of administrative rules to statutory authority.

Work session attendees/presenters:

Rep. Lars Christiansen, sponsor

Gretchen Rule, Department of Environmental Services
Scott Eaton, Director, Administrative Rules, OLS

Documents reviewed:

1. information submitted by Rep. Christiansen relative to DCYF
2. amendment submitted by Rep. Patten, 2324h, January 25, 2002
3. memo by Scott Eaton addressing the Patten amendment and making additional suggestions, February 5, 2002

Issues discussed:

- Compliance of administrative rules with statute and the state constitution
- Amendments to RSA 541-A

Summary and recommendations:

The subcommittee met on several occasions to consider HB 1183.

This amendment offered by Rep. Patten during the House ED&A hearing on this bill was dissected and two sections of it were attached to other bills. The section that increased the number of alternates on the Joint Legislative Committee on Administrative Rules from a total of 4 to a total of 10 was adopted in SB 331 (Chapter 150, Laws of 2002). And the section requiring the recommendation of the Director of OLS after consultation with the chair and vice-chair of JLCAR for staffing changes for JLCAR was adopted in HB 1415 (Chapter 217, Laws of 2002)

It was determined that when the Legislative Budget Assistant conducts audits, the audit staff has a chance to review agency compliance with both administrative rules and the state laws.

In conclusion, the subcommittee advocated recommending no further legislation.

B. HB 1359, establishing a department of financial services

Work session attendees/presenters:

Paula Rogers, Insurance Commissioner
Tom Weston, Examiner, Insurance Department
Deb O'Loughlin, Insurance Department
Peter Hilliard, Bank Commissioner
Donna Soucy, Legal Coordinator, Banking Department
Mark Connelly, Director, Bureau of Securities Regulation
George Roussos, NH Association of Domestic Insurance Companies
Bonnie Packard, NH Association of Domestic Insurance Companies

Anthony Juliano, NH Association of Health Underwriters

Documents reviewed:

1. organization of state insurance departments, 2001, NAIC
2. list of federal agencies that regulate banks

Issues discussed:

- Structure, function and number of employees in each department/division
- Current mode of communication between departments/division when an issue that overlaps their jurisdictions arises

Summary and recommendations:

The subcommittee met with representatives of the Insurance Department, Banking Department and Bureau of Securities Regulation and discussed the possible merger of the three agencies into one organization. It was found that there is a disparity in their organizational structure and funding mechanisms. It was determined that at this time no advantage would be gained by combining the departments. The Vice-Chair of the ED&A Committee conferred with the Chair of the Commerce Committee who concurred that a merger would not be advisable. The three departments plan to continue exchanging information for the benefit of the citizens of the state as well as the operation of the departments.

In conclusion, the subcommittee voted to recommend no future legislation.

C. HB 1378, establishing a sunset review process for executive agency and judicial programs and making an appropriation therefor.

Work session attendees/presenters:

Rep. Dyer

Documents reviewed:

1. March 17, 1999 memo tracing the history of the Sunset Act and summarizing the activities of the Sunset Committee
2. Disposition of HB 393, 1999 legislative session

Issues discussed:

- Lack of effectiveness of the 1978-1987 sunset review process; reasons for problems

Summary and recommendations:

The sunset review process was an established activity in the state legislature between 1978 and 1987. Now, after the many years of growing state revenues and associated government growth, this subcommittee reviewed the advisability of reestablishing this government size and efficiency control process. The subcommittee's hearings showed that the legislature had subsequently incorporated a performance audit process into the standard practice for program monitoring and control. This effectively superseded the disruptive and costly sunset review process.

The subcommittee unanimously recommended no further legislative action to the full ED&A Committee.

D. SB 324, urging a study of the operating efficiency of state government

Work session attendees/presenters:

Ken Crossman, Rutherford Consulting
Donald Hill, Commissioner of Administrative Services
Donald Shumway, Commissioner of Health and Human Services
Matt Cookson, Legislative Director, Department of Health and Human Services
Eric Kerr, BAE, consultant
Michael Buckley, Legislative Budget Assistant
Rep. Dyer

Documents reviewed:

1. March 29, 2002 memo summarizing work of subcommittee during regular session
2. May 24, 2002 memo describing recent legislative proposals to establish commissions to improve state government efficiency
3. Report of the Task Force on Government Operations, 1992
4. Final Report of the Governor's Management Review, 1982

Issues discussed:

- Ways of improving the processes employed by the Joint Performance Audit and Oversight Committee; establishing a set schedule of agency reviews, expanding the distribution of audit reports, strengthening the follow-up process
- Increasing the staff of the Legislative Budget Assistant
- Structuring a commission with appropriate representation from the Executive Branch
- The possibility of hiring an outside consultant to review the organization of NH state government

Summary and recommendations:

While some may feel the phrase "efficient government" is a challenging topic, this well-intentioned bill was given additional study in interim study. The subcommittee believes that strong leadership from the top motivates efficient organizations. The incorporation of proven and existing legislative processes to help pinpoint improvements in efficiency were studied, such as those employed by the Joint Legislative Performance Audit and Oversight Committee. That committee's process seems well controlled and adequately staffed for its current assigned workload.

Similarities between SB 324 and HB 1378 (to establish a sunset review process) were also considered.

The timely preparation of fiscal impact statements by the Legislative Budget Assistant (LBA) was reviewed. Discussions with Mike Buckley revealed that state agencies are not responding to LBA's request for information required to complete fiscal notes for bills. Agencies are required to respond to such requests in a timely manner. Mr. Buckley noted that he intends to exert more pressure on the agencies to adhere to this requirement in the future and the subcommittee supported his efforts.

After four subcommittee review meetings, the recommendation of no further action was unanimously forwarded to the full committee.

Respectfully submitted,

Rep. Nelson S. Allan, Chairman

After the subcommittee's final recommendations were made, Rep. Dyer submitted this addendum:

I support the subcommittee recommendation of 'not recommended for future legislation'.

This bill would have established a task force to review and if necessary make suggestions for increasing the efficiency of state government. When considering this type of bill, there are some issues that legislators should keep in mind. The state government is composed of three equal branches of government – the executive branch with the Governor as CEO, the legislature with the Senate president and the Speaker as the CEO's and the judicial branch with the Chief Justice as the CEO. These three branches must work in concert to provide an efficient and smoothly operating government.

Under this bill, the legislature would have a certain amount of authority to examine practices within the executive branch. The legislature needs to keep an eye on what the executive is doing. However, there needs to be a certain amount of coordination in the efforts of the two branches in order for such work to be effective. Currently, legislative oversight does exist in the form of performance audits conducted by the Audit Division of the Legislative Budget Assistant's (LBA) Office. Audits are conducted at the direction of the Joint Legislative Performance Audit and Oversight Committee.

In order to improve upon the existing process for handling performance audits, audit reports should be formally presented to the House and Senate ED&A Committees and the House and Senate committees that oversee the department addressed in the audit. Currently, audits are only presented to the Fiscal Committee and the Performance Audit and Oversight Committee. All of the legislators to whom the audits have been presented should meet to discuss any deficiencies uncovered by the audit. There should be designated people in the Governor's Office and the Department of Administrative Services to whom legislative concerns and suggestions can be brought. The subcommittee felt that the legislature should wait until the new governor takes office and then work with a designated individual in the governor's office and the Department of Administrative Services.

Legislation could be introduced to effect these processes, but I think that increased discussion of the audit reports would resolve most of the problems now in the system. At some time in the future it may be necessary to have an office in the executive branch to work with agencies on a regular basis to smooth out operations and to keep everybody on the same page.

Testimony

BUCK CONSULTANTS
500 Plaza Drive
Secaucus, New Jersey 07096-1533

March 31, 2000

Mr. J. P. Singh
Director of Finance
New Hampshire Retirement System
4 Chenell Drive
Concord, New Hampshire 03301-8509

Re: Amendment to SB 389-FN

Dear J.P.:

As requested, we have reviewed the amendment to SB 389-FN which would amend RSA 100-A:8, I(a) (Accidental Death), and RSA 100-A:9 (Ordinary Death). RSA 100-A:8, I(a) would be amended to allow the designated beneficiary or beneficiaries to elect in lieu of a lump sum amount the applicable ordinary death benefit that, under RSA 100-A:9, would have been payable to the beneficiary or beneficiaries if the member's death had not been the result of an accident occurring while in the performance of duty. RSA 100-A:9 would be amended as follows: i) spouse or beneficiaries of members who are eligible for a service retirement allowance under RSA 100-A:5, I(a) or (c) would receive a 100% Joint and Survivor benefit, ii) spouses or beneficiaries of members who have at least 10 years of creditable service but who are not eligible for a service retirement under RSA 100-A:5, I (a) or (c) would receive a benefit equal to 50% of the service retirement allowance and iii) beneficiaries or spouses of members who have less than 10 years of creditable service would receive a lump sum equal to the deceased member's annual compensation.

Currently, under RSA 100-A:13 a Group I or Group II member in active service who has reached age 60 or age 45 and 20 years of service, respectively, may elect an option. For valuation purposes, we assume that active members do not pre-select a 100% joint and survivor option. If a member pre-selects a 100% joint and survivor option, the NHRS will incur a slight experience loss if the member dies in active service since the 100% joint and survivor option factors are slightly greater than actuarial equivalent factors.

As stated above, the legislation automatically provides a 100% joint and survivor option for members who previously could pre-select an option and also provides for Group I members who die in active service after attaining age 50 and completing 10 years of service or who have completed 20 years of service and meet the Rule of 70 a 100% joint and survivor benefit to the beneficiary.

This amendment would increase the normal rates as follows:

Membership Classification	Additional Normal Rate
Employees	.11%
Teachers	.08%
Policemen	.03%
Firemen	.02%

The increase in normal rates for Group II is the actuarial loss described above. The increase in normal rates for Group I is the actuarial loss for members over age 60 and the cost for the 100% joint and survivor benefit to the beneficiary for the members who meet the Rule of 70 or have at least 10 years of service and are over age 50. This legislation eliminates the actuarial loss which occurs each time a member dies in active service. In other words, the cost of the 100% joint and survivor benefit for death in active service will be funded while the member is working instead of at the time of death.

It is our understanding that the System pays either an annuity or a return of contributions to a member or beneficiary. Therefore, our costs assume that any beneficiary who is paid an annuity upon the death of a member in active service will not receive a return of contributions.

Our results are based on same data, methods and assumptions as were used in the June 30, 1999 actuarial valuation of the System, including a 9% interest.

If you have any questions, please call.

Very truly yours,

Lisa A. Witlen
Principal & Consulting Actuary

LAW:LA
DOC:L28701LW.DOC

pc: Board of Trustees

Voting Sheets

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

EXECUTIVE SESSION on SB 159-FN

BILL TITLE: **relative to benefit options for surviving spouses and designated beneficiaries of deceased members of the retirement system.**

DATE: 5/23/01

LOB ROOM: 100 SH

for 28A
Retain
Lent
Dyer
18-0

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE:

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Ray F. Langer, Clerk

EXECUTIVE DEPARTMENTS AND ADMINISTRATION

Bill #: SB159 Title: _____

PH Date: ____/____/____ Exec Session Date: 5/23/01

Motion: Retain Amendment #: _____

MEMBER	YEAS	NAYS
Peterson, Andrew R, Chairman		
Dyer, Merton S, V Chairman		
Langer, Ray F, Clerk		
Goulet, Maurice E		
Hamel, Albert W		
Poulin, David G		
Zolla, William R		
Dodge, Robert K		
Allan, Nelson S		
Cummings, Raymond C		
Dexter, Judson K		
Hall, Charles Q		
Robertson, Carl G		
Lent, Donald R		
Landers, Dana L		
Andosca, Mary L		
Clayton, William K		
Pawlek, Marion J		
Schulze, Joan H		
Drabinowicz, A Theresa		
TOTAL VOTE:		

Printed: 1/26/2001

SB 159-FN RETAIN

This bill removes a complication in the processing of benefit options for surviving spouses and designated beneficiaries of deceased members of the retirement system. It allows spouses and beneficiaries to receive the same retirement benefit due them at the time of the member's death that they would have received had the member retired immediately prior to death. The committee retains the bill in order to have time to make certain it contains no violation of Art 28A of the New Hampshire Constitution .

Donald Lent

EXECUTIVE SESSION

COMMITTEE ED + A

BILL NUMBER SB 159 FM

BILL TITLE: RELATIVE TO BENEFIT OPTIONS OF DECEASED MEMBERS

DATE: 11/14/01 **LOB ROOM:** 100 SH

Amendments:

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Motions: OTP, OTP/A, (ITL), Re-Refer, Interim Study (Please circle one.)

Moved by Rep. Zolla

Seconded by Rep. DYER

Vote: 6-8 (Please attach record of roll call vote.) FAILED

Motions: OTP, OTP/A, ITL, Re-Refer, (Interim Study) (Please circle one.)

Moved by Rep. GOULET

Seconded by Rep. LANDERS

Vote: 13-1 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: _____

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. CARL ROBERTSON, Acting Clerk

OFFICE OF THE HOUSE CLERK 2001 SESSION

EXECUTIVE DEPARTMENTS AND ADMINISTRATION

Bill #: SB 159-FN **Title:** BENEFIT OPTIONS

PH Date: __/__/__ Exec Session Date: 11/14/01

Motion: ITL Amendment #:

MEMBER	YEAS	NAYS
Peterson. Andrew R. Chairman		
Dver. Merton S. V Chairman	1	
Langer. Rav F. Clerk		
Goulet. Maurice E	2	
Hamel. Albert W	3	
Zolla. William R	4	
Allan. Nelson S	5	
Cummings. Ravmond C	6	
Dexter. Judson K		
Hall. Charles Q		1
Robertson. Carl G		2
Lent. Donald R		3
Landers. Dana L		4
Andosca. Marv L		5
Clavton. William K		6
Pawlek. Marion J		7
Schulze. Joan H		8
Drabinowicz. A Theresa		

TOTAL VOTE: FAILS 6-8
Printed: 11/13/2001

OFFICE OF THE HOUSE CLERK 2001 SESSION

EXECUTIVE DEPARTMENTS AND ADMINISTRATION

Bill #: SB 159FN Title: RELATIVE TO BENEFITS OPTIONS FOR DECEASED MEMBERS

PH Date: __/__/__ Exec Session Date: 11/14/01

Motion: INTRIM STUDY Amendment #:

MEMBER	YEAS	NAYS
Peterson, Andrew R. Chairman		
Dyer, Merton S. V Chairman	1	
Langer, Ray F. Clerk		
Goulet, Maurice E	2	
Hamel, Albert W	3	
Zolla, William R	4	
Allan, Nelson S	5	
Cummings, Raymond C	6	
Dexter, Judson K		
Hall, Charles Q	7	
Robertson, Carl G	8	
Lent, Donald R	9	
Landers, Dana L	10	
Andosca, Mary L	11	
Clayton, William K	12	
Pawlek, Marion J	13	
Schulze, Joan H		#
Drabinowicz, A Theresa		1

TOTAL VOTE: 13 — 1
Printed: 11/13/2001

INTERIM STUDY
EXECUTIVE SESSION

COMMITTEE: **EXECUTIVE DEPARTMENTS AND ADMINISTRATION**

BILL NUMBER: **SB 159-FN**

BILL TITLE: **relative to benefit options for surviving spouses and designated beneficiaries of deceased members of the retirement system**

DATE: October 15, 2002

MOTION
(Please circle one)

RECOMMENDED **NOT RECOMMENDED**

Moved by: Rep. William R. Zolla

Seconded by: Rep. Michael O'Neil

Vote: 13-0
(Note: Attach record of roll call vote)

Rep. Ray F. Langer
Clerk

Original: Committee Bill File

OFFICE OF THE HOUSE CLERK 2001 SESSION

EXECUTIVE DEPARTMENTS AND ADMINISTRATION

Bill #: SB 159 Title: relative to benefit options for surviving spouses and designated beneficiaries of deceased members of the retirement system

PH Date: ___/___/___ Exec Session Date: 10/15/02

Motion: X/R Amendment #:

MEMBER	YEAS	NAYS
Peterson. Andrew R. Chairman		
Dver. Merton S. V Chairman	1	
Langer. Rav F. Clerk	2	
Goulet. Maurice E	3	
Hamel. Albert W		
Zolla. William R	4	
Allan. Nelson S	5	
Cummings. Ravmond C	6	
Dexter. Judson K	7	
Hall. Charles Q	8	
Robertson. Carl G	9	
O'Neil. Michael	10	
Lent. Donald R		
Landers. Dana L		
Andosca. Marv L	11	
Clavton. William K		
Pawlek. Marion J		
Schulze. Joan H	12	
Drabinowicz. A Theresa	13	
	13	0

Zolla
O'Neil

TOTAL VOTE:
Printed: 12/5/2001

Committee Report

COMMITTEE REPORT

COMMITTEE: **Executive Departments and Administration**

BILL NUMBER: **SB 159-FN**

TITLE: relative to benefit options for surviving spouses and designated beneficiaries of deceased members of the retirement system.

DATE: November 14, 2001 CONSENT CALENDAR YES ☐ NO ☒

☐ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☒ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

There was much discussion when this bill was examined in executive session. The initial motion brought forth was inexpedient to legislate. This motion was defeated 6-8. The issue of contention regarding this bill was the impact of a 28-A concern. Interim study was offered as an optional motion so that the committee can provide additional study to the impact of this constitutional situation.

Vote 13-1.

Rep. Maurice E. Goulet
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

Executive Departments and Administration

SB 159-FN, relative to benefit options for surviving spouses and designated beneficiaries of deceased members of the retirement system. **REFER TO COMMITTEE FOR INTERIM STUDY**

Rep. Maurice E. Goulet for Executive Departments and Administration: There was much discussion when this bill was examined in executive session. The initial motion brought forth was inexpedient to legislate. This motion was defeated 6-8. The issue of contention regarding this bill was the impact of a 28-A concern. Interim study was offered as an optional motion so that the committee can provide additional study to the impact of this constitutional situation. **Vote 13-1.**

"Lewis" SB 159

Motion: Interim Study Vote:

There was much discussion when the bill was examined in Executive Session. The initial motion brought forth was Do Not Concur & Legislate. This motion was defeated 6-8. The issue of contention regarding the bill was the impact of the 2004 Election Study Laws & several questioned an optional motion so that the Committee can provide additional study to the impact of this Constitutional Initiative. Interim study provided.

Maurice E. Goulet

INTERIM STUDY
COMMITTEE REPORT

COMMITTEE: **Executive Departments and Administration**

BILL NUMBER: **SB 159-FN**

TITLE: relative to benefit options for surviving spouses and designated beneficiaries of deceased members of the retirement system.

DATE: October 15, 2002

☐ RECOMMENDED

☒ NOT RECOMMENDED

STATEMENT OF INTENT
(may be handwritten)

This bill provides that the beneficiary of a member who dies while still working but who was eligible for retirement will automatically receive the maximum spousal benefit. Currently, only beneficiaries of employees who have declared their intent to retire have the ability to select this option. Committee members were concerned about the unintended financial consequences that adoption of this bill may have on the retirement system.

Vote: 13-0.
(Note: Attach record of roll call vote)

LSR Number: .
(If legislation if already filed, please list LSR number)

Rep. Michael O'Neil
Chairman/Clerk

Original: House Clerk
Copy: Committee Bill file

Executive Departments and Administration

SB 159-FN, relative to benefit options for surviving spouses and designated beneficiaries of deceased members of the retirement system. **NOT RECOMMENDED**

Rep. Michael O'Neil for Executive Departments and Administration: This bill provides that the beneficiary of a member who dies while still working but who was eligible for retirement will automatically receive the maximum spousal benefit. Currently, only beneficiaries of employees who have declared their intent to retire have the ability to select this option. Committee members were concerned about the unintended financial consequences that adoption of this bill may have on the retirement system. **Vote 13-0.**

SB 159

Rep. Michael O'Neil:

This bill provides that the beneficiary of a member, who dies while still working but who was eligible for retirement, will automatically receive the maximum spousal benefit. Currently, only beneficiaries of employees who have declared their intent to retire have the ability to select this option. Committee members were concerned about the unintended financial consequences that adoption of this bill may have on the retirement system.