Committee Minutes

Date: April 2, 2003
Time: 2:15 p.m.
Room: 102 LOB

The Senate Committee on Executive Departments and Administration held a hearing on the following:

HB 321	relative to ordinary and accidental death benefits in the city of Manchester employees contributory retirement system.

Members of Committee present:	Senator Prescott Senator Cohen Senator Estabrook Senator Kenney

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The Chair, Senator Russell Prescott, opened the hearing.

I'd like to start the Executive Departments & Administration hearings on House Bill 321 relative to ordinary and accidental death benefits in the city of Manchester employees contributory retirement system.

I'd like to call upon the prime sponsor or Representative Ben Baroody.

Representative Baroody: Thank you Mr. Chairman and members of the committee. The prime sponsor of this bill has been tied up in Manchester and he can't make it. So I guess I'm it as far as sponsors go. This is a Manchester bill. In talking to all the reps in Manchester, most of them are agreeable with me. Of course it's a slow day today in the house so they're not here. We've got quite a lineup here behind us. These are people who work in Manchester in different capacities and they know more about this bill than I as far as the technical questions. What I'd like to do if you don't mind is introduce the bill and if you have any real questions to defer them. I don't know how much time you have allotted for each bill. There are four of them here, I'm sure they can take up quite a bit of time for you. They are all good people from Manchester and they work in this system every day. If you don't mind we can do that.

Senator Russell E. Prescott, D. 23: Thank you very much Representative Baroody.

Representative Baroody: For the record I'm Ben Baroody and I'm from Hillsborough 54 which is Ward 6 in Manchester.

Senator Russell E. Prescott, D. 23: Arthur Beaudry.

Arthur Beaudry, Manchester Retirement System: Thank you Mr. Chair and members of the committee. For the record my name is Arthur Beaudry. I am a current trustee of the Manchester Contributory Retirement System. I am also the Chairman of the Board. Prior to that in my capacity I was the liaison between the Retirement Board and the Advisory Committee which another speaker behind me, Harry Ntapalis is the Chairman of the Advisory Committee which established the legislation. I'm here in favor of House Bill 321. Basically when the system was derived in 1974 there was very little benefits granted to post 74 people most of your pre-74's had a twenty-year and out pension.

It was a non-contributory system prior to 1974. After 1974 they did contribute and the only advantage they had was they were able to pick a spousal benefit. Roughly that was about the only benefit they had where prior pension fund, twenty years and out, the pension died with you. Since that time there has been very little activity in the retirement system for additional benefits. What we would like to achieve is to try to get the City of Manchester members equal to the state retirement group 1 members. The language that's before you today is pretty much equivalent to what it is for group 1 pensioners in the state retirement system. A lot of the language is pulled right out of their law.

Current benefits right now, if a member were to die and he or she wasn't eligible to retire or didn't have the rule of 80 they would just get their money back in the system in interest, roughly 4% interest. So you could have 25 years of service with the city of Manchester, be age 50 years old, die of a heart attack and all your spouse is going to get back is your members contributions and interest. This legislation, what it will do, it will allow them to get a monthly annuity and it can also go to your children if they are under 18 or 23 if they attending college. It's definitely beneficial to the spouses and the children of a member. The accidental death is considerably better. Again, accidental death under the current benefit, you'd have to be eligible to retire to receive an accidental death.

It's similar to, you get your money back in interest if you're not eligible to retire. The accidental death in this clause, you'd get your money plus interest plus your spouse would be getting a 50% annuity. So she would also or he would also be getting a monthly annuity plus you would get your money

back with interest and one years final compensation, whatever you were earning for that year. The big thing on this piece of legislation, it's somewhat of a formality that it has to come before the legislature, under 218, the bills have to come through here. Most importantly, it has to go on a referendum ballot and the citizens of Manchester have the final say on this. So we would hope that you would pass this through and get it to the voters in the City of Manchester.

I will answer any questions.

Senator Russell E. Prescott, D. 23: You mentioned Group 1 insurance for the retirement system mirroring that on the state side, mirroring that on the town side or the City of Manchester side. What parts mirror that and what parts don't on the bill?

Mr. Beaudry: The whole bill mirrors it. What we did is, this is what is in our current legislation, current law. There's one line, paragraph one, that's the old section, the rest of this bill is basically out of the state retirement. The only thing we changed is that we have a five-year vesting period where the state retirement system has a ten-year vesting period. We changed the years for vesting. Other than that it's pretty much identical to what group 1 employees of the state retirement system are receiving.

Senator Iris Estabrook, D. 21: Has this issue or a similar issue been brought to the voters before on referendum?

Mr. Beaudry: No, not this issue.

Senator Russell E. Prescott, D. 23: Senator Kenney.

Senator Joseph D. Kenney, D. 3: The annuity that is paid to the spouse in the case of a death of the husband. Is that paid in by the retirement system or does the individual contribute to that in any way?

Mr. Beaudry: I don't understand the question. If I were in the City of Manchester retirement system and I were to pass away, the retirement system itself would be paying 50% of my AFC to my spouse. It would come out of the city retirement system general fund.

Senator Joseph D. Kenney, D. 3: So that's what you're classifying as the annuity?

Mr. Beaudry: Yes.

Senator Joseph D. Kenney, D. 3: Yes. I didn't know if it was separate. OK.

Mr. Beaudry: It comes out of the retirement system general fund. Any other questions?

Senator Russell E. Prescott, D. 23: Thank you very much. Harry Ntapolis.

Harry Ntapalis, Chairman of the Retirement Advisory Committee: thank you Mr. Chairman, ladies and gentlemen. Thank you for allowing me the opportunity to speak. My name is Harry Ntapalis. I am the Chairman of the Retirement Advisory Committee with the City of Manchester. A lot of what has been said here today was covered pretty well by Trustee Beaudry. I'll reiterate a couple of the items but for the most part the legislation for the most part is something we were looking at very keenly last year as a municipality that is not part of the state group 1 retirement plan.

Having had experience within the City of Manchester with unfortunately some untimely deaths of some of our workers in the past, it had been a heart wrenching episode more often than not were younger people who had a lot of years of service, had dependent children many of whom were young school age children and never did get a chance in some instances to go on to college. The person passed on and the spouse that was left behind came to the mayor and the Board of Alderman pretty much of the impression thinking they were going to be receiving some sort of pension allotment only to find out whether they went to the board or a committee of the board that there's only that lump sum payment that is made as Trustee Beaudry had explained, plus interest, whatever the interest happened to be at the time. It created a lot of sadness because I know the City of Manchester always wanted to afford and do a lot more for it's employees in the city's retirement plan.

Last year when we had worked as an advisory committee in conjunction with the Board of Trustees of the city's retirement plan, this was the number one priority that we wanted to address and come to the legislature and look for their blessing and go on and pass it to the citizens of Manchester as a referendum. At that time we hadn't worked out all the kinks, we didn't want to reinvent a different type of program so we took the time, spent the following year trying to make sure that we dovetail it as to how the benefits work pretty much with the state of New Hampshire in consideration of a death benefit for it's employees. This is what we had come up with.

As Trustee Beaudry also indicated it is something that is embraced by, I know our Mayor because we talked to him, our fiscal people in the City of Manchester, the Aldermen that we had talked to and again they also know that it's going to be in the hands of their constituency, the voters come

September or November, whenever it's placed on the ballot. On average, we probably have experienced maybe three or four deaths in the past decade that were non work related, were untimely and more often than not they were people who had put in a lot of years in service, some very close to actually being within reaching distance of that retirement age. That made it all that more difficult to say no to the widow and orphan children. That's all we're trying to do right now, is try to correct something that we felt was a gap in our benefit package with the city's retirement plan.

Senator Russell E. Prescott, D. 23: I have a question concerning the procedure we're going through. We're passing a bill from the State Senate to allow Manchester to do something with their charter or what is it, why is it here and not in Manchester?

Mr. Ntapalis: Evidently some years ago, as Arthur Beaudry had mentioned earlier, when the city's plan took effect in January of 1974 any piece or any change that was to effect the contributory retirement system that went into place for our employees was destined to come through the legislative process. It had not, at least five times as you mentioned, to the City of Manchester voters through referendum. Only to find out a couple of years back there was a court decision that it was improperly done in that fashion and it made for a lot of unfortunate extra work for some of our individuals and a great deal of embarrassment for others that didn't realize. It wasn't a deliberate attempt to circumvent the law but indeed we did. So now we're just trying each and every time to make sure that we are sensitive to the fact that it has to go through the legislative process for a blessing basically and then back to the City of Manchester for the voters to decide whether they want to vote it up or down. That's the reason we're before you.

Senator Russell E. Prescott, D. 23: Is that a vote of a majority or supermajority?

Mr. Ntapalis: You mean by the voters sir?

Senator Russell E. Prescott, D. 23: Yes.

Mr. Ntapalis: It would be a majority vote. We had one piece that came through the legislative process last year for increasing employee benefits and what it had to do was meet with the house and senate approval to go back to the voters and it was put on the ballot in November and the success or not successful outcome is dependent on majority vote.

Senator Russell E. Prescott, D. 23: Any other questions from the committee? Thank you very much for your testimony. We have two others that are

signed up in favor of the bill. Ron Ludwig also of the Advisory Committee, do you wish to speak? Representative Peter Sullivan signed up in favor, not wishing to speak. Any one else wishes to speak on behalf of House Bill 321? Seeing none, I'll close the hearing on HB 321.

Hearing closed at2: 30 p.m.

Respectfully submitted

Pamela Manocchi

Pamela Manocchi
April 11, 2003

Speakers

SENATE Executive Departments & Administration

Date 4/2/03 Time 2:15 Public Hearing on

Bill # HB 321 relative to ordinary and accidental death benefits in the city of Manchester employees contributory retirement system.

(Please print) *Please check box(es) at left that apply.*

SPEAKING?	FAVOR	OPPOSED	NAME	REPRESENTING
☒	☒	☐	Rep. Ben Baroody	
☐	☐	☐		
☒	☒	☐	Arthur T. Beaudry	Trustee
☒	☒	☐	Harry Ntapalis	Advisory Committee Chair
☑	☒	☐	RON LUDWIG	ADVISORY COMMITTEE
☐	☑	☐	Rep. Peter M. Sullivan	District #50
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Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Date: April 2, 2003

THE COMMITTEE ON Executive Departments and Administration

to which was referred House Bill 321

AN ACT relative to ordinary and accidental death benefits in the city of Manchester employees contributory retirement system.

VOTE: 4-0

Having considered the same, report the same without amendment and recommend that the bill: **OUGHT TO PASS.**

Senator Russell E. Prescott
For the Committee

HB321 Docket

Next|Prev|Results List|Main|Bill Status

Bill Title: relative to ordinary and accidental death benefits in the city of Manchester employees contributory retirement system.

Date	Body	Description
1/9/2003	H	Introduced and ref to Exec Depts & Admin; HJ 12, p190
1/21/2003	H	Copy to Chairman on 1/21/2003
1/21/2003	H	Hearing Feb 5 11:15 RM100, St House
2/11/2003	H	Maj Report OTP for Feb 20 (vote 15-0;CC)
2/20/2003	H	Passed; HJ 18, p391 + 420
3/13/2003	S	Introduced and Ref. to Executive Departments & Administration; SJ 8, Pg.106
3/21/2003	S	Hearing; April 2, 2003, Room 102, LOB, 2:15 p.m.; SC15
4/4/2003	S	Committee Report; Ought to Pass, [04/10/03]; SC17
4/10/2003	S	Ought to Pass, MA, VV; OT3rdg; SJ 12, Pg.278
4/10/2003	S	Passed by 3rd Reading Resolution; SJ 12, Pg.311
4/17/2003	H	Enrolled; HJ 36, p1188
4/17/2003	S	Enrolled; SJ 13, Pg.329
4/22/2003	H	Signed by the Governor on 4/22/2003 Eff: 4/22/2003* Chap: 0016
4/22/2003	H	*Multiple effective dates, see Chapter

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Docket Abbreviations