HB 1435-FN - AS INTRODUCED

2024 SESSION

24-2565
10/08

HOUSE BILL ***1435-FN***

AN ACT relative to retirement system allowances for former spouses of retirees.

SPONSORS: Rep. Comtois, Belk. 7

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill provides that if a retirement system retiree returns to being a member of the system, the portion of the retiree's allowance which is paid to a former spouse under a qualified domestic relations order will continue.

- -

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

24-2565
10/08

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Four

AN ACT relative to retirement system allowances for former spouses of retirees.

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

1 Retirement System; Working After Retirement; Divorced Spouse. Amend RSA 100-A:7, I to read as follows:

I. Any retired member returning to work for a participating employer in a position requiring mandatory membership pursuant to RSA 100-A:3 shall be restored to service and the retiree's retirement allowance shall cease, the retiree shall again become a member of the retirement system, and the retiree shall contribute at the percentage payable pursuant to RSA 100-A:16, I(a). ***Provided, however that if a retiree's retirement allowance ceases, the portion of the retiree's allowance which is subject to a qualified domestic relations order shall continue to be paid to a divorced spouse.*** Anything herein to the contrary notwithstanding, any credit for membership service and for any prior service on the basis of which the retired member's creditable service was computed at the time of his or her former retirement shall be restored to full force and effect; upon subsequent retirement, the retiree shall receive a retirement allowance based on his or her combined creditable service and average final compensation.

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

LBA
24-2565
11/6/23

HB 1435-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to retirement system allowances for former spouses of retirees.

FISCAL IMPACT: [X] State [X] County [X] Local [ ] None

Estimated State Impact - Increase / (Decrease)				
	FY 2024	**FY 2025**	**FY 2026**	**FY 2027**
Revenue	$0	$0	$0	$0
Revenue Fund(s)	None			
Expenditures	$0	Indeterminable	Indeterminable	Indeterminable
Funding Source(s)	General Fund and Highway Fund Various Agency Funds			
Appropriations	$0	$0	$0	$0
Funding Source(s)	None			

- Does this bill provide sufficient funding to cover estimated expenditures? [X] N/A
- Does this bill authorize new positions to implement this bill? [X] N/A

Estimated Political Subdivision Impact - Increase / (Decrease)				
	FY 2024	**FY 2025**	**FY 2026**	**FY 2027**
Revenue	$0	Indeterminable	Indeterminable	Indeterminable
Expenditures	$0	Indeterminable	Indeterminable	Indeterminable

***The New Hampshire Retirement System states it is not able to separate the fiscal impact of this legislation between county and local government, therefore the fiscal impact is shown together as political subdivisions.**

METHODOLOGY:

This bill stipulates that if a retiree reverts to being a member of the retirement system, the portion of their allowance paid to a former spouse under a qualified domestic relations order will continue.

The New Hampshire Retirement System (NHRS) states, in the past the NHRS followed existing laws by allowing "shared payment" qualified domestic relations orders (QDROs), where a divorced spouse could receive a portion or the entirety of a retiree's benefit. However, when a retiree returns to service as per RSA 100-A:7, their benefits cease, and there is no payment to divide. The NHRS states allowing otherwise would pose problems related to Section 401(a)(13)

of the Internal Revenue Code and would breach RSA 100-A:26 and 26-a. Because of this provision there is no historical data and the fiscal impact is indeterminable.

AGENCIES CONTACTED:

New Hampshire Retirement System