



PROFESSIONAL FIRE FIGHTERS

O F N E W H A M P S H I R E

House Executive Departments and Administration Committee
1 Granite Place
Concord, NH 03301

RE: Testimony in support of HB 1170, relative to stipends for retired Group II members of the state retirement system

Dear Chairwoman Layon and Members of the Committee,

The Professional Fire Fighters of New Hampshire respectfully submit this testimony in strong support of HB 1170, which would provide supplemental allowances to certain retired Group II members of the New Hampshire Retirement System (NHRS) and their beneficiaries.

It is crucial to understand both the role The New Hampshire Retirement System and the buying power our retirees have on the strength of the local economy and the foundation it provides for our long-term growth in our state. A continuous focus on stimulating the local economy is vital for this legislature, especially during these uncertain times.

Through extensive research by national and in-state groups, the *National Institute on Retirement Security* (NIRS) provides an economic impact profile for each state across the country. [1] In 2021 NIRS research concluded that for every dollar of taxpayer contributions through employer rates, a net \$6.10 of economic impact is made to the New Hampshire economy. In addition to supporting the state's economy - from the 38,352 pensions - we saw \$210.4 million paid in federal, state, and local taxes. Our retirees are paying their fair share. Since these studies were conducted the numbers have only increased.

In addition to the local economic impact, supplemental allowances improve retirees' day-to-day financial security. Many NHRS beneficiaries receive comparatively modest pension benefits — in fiscal year 2023 the average annual benefit across all NHRS retirees was \$22,218, and the majority received less than \$25,000 annually [2].

For many retired Group II members, however, fixed pension benefits alone are increasingly insufficient to maintain financial security in the face of rising living costs. National trends show that retirees' purchasing power continues to be compressed by inflation, with many older Americans reporting concern about inflation eroding assets and income in retirement. One recent survey found that over 90 percent of retirees cite inflation as a significant concern, particularly due to increases in housing, healthcare, and everyday living costs [3].



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Supplemental allowances such as those proposed in HB 1170 play a critical role in helping long serving public safety retirees bridge the gap between fixed pension income and the real cost of living. Group II members devote careers to public service, oftentimes in physically demanding and hazardous occupations and many retire with decades of service. Yet, like many retirees nationwide, these public servants face tight budgets where even modest increases in healthcare premiums, property taxes, utilities, and other necessities can quickly erode financial stability.

HB 1170 is a responsible policy that provides targeted support to retired public servants who have committed decades of service to New Hampshire's safety and well-being. It builds on bipartisan efforts of the Legislature to improve retirement security for Group II members, evidenced by recent passage of legislation restoring key retirement benefits. Importantly, this bill funds the supplemental allowance from the state general fund and not from the retirement system, ensuring current and future retirees are supported without increasing employer and employee contribution rates to the retirement system.

For these reasons, the Professional Fire Fighters of New Hampshire strongly support HB 1170, and respectfully urge the Committee to recommend Ought to Pass.

Respectfully Submitted,

Brian Ryll
President
Professional Fire Fighters of NH

[1] Pensionomics 2021. (n.d.). <https://www.nirsonline.org/wp-content/uploads/2020/12/Pensionomics-2021-Report-Final-V6.pdf>

[2] NHRS will exceed \$1 billion in annual pension payments in FY 2024. (n.d.). <https://www.nhrs.org/about-nhrs/news/article/2024/06/11/nhrs-will-exceed--1-billion-in-annual-pension-payments-in-fy-2024?utm.com>

[3] Bradley, J. (n.d.). *Inflation is weighing heavily on retirees*. Investopedia. <https://www.investopedia.com/inflation-is-weighing-heavily-on-retirees-11745513>