

PRE-SELECTION

Pre-selection allows active Group II members who are age 45 or older with at least 20 years of creditable Group II service or who are age 60 or older to elect a maximum Survivorship Option for a beneficiary(ies) in the event of the member's death while in service and before filing an application for Service Retirement. The maximum Survivorship Option provides a lifetime allowance equal to the amount that the member would have received under the joint and 100% Survivor Option, calculated as if Service Retirement had occurred on the day before the member's date of death. More information about pre-selection may be found at www.nhrs.org.

MAXIMUM BENEFIT LIMITATIONS

Any allowance payable to a beneficiary is subject to the limitations set forth in RSA 100-A:13-b and Internal Revenue Code Section 401(a)(9). The total allowance payable to a retiree's beneficiary(ies) is limited to 100% of the retiree's allowance.

Section 401(a)(9) of the Internal Revenue Code limits the survivorship allowance payable to a non-spouse beneficiary who is more than ten years younger than the retiree. That limit is 52% to 96% of the retiree's allowance. The exact percentage will vary according to the age of the retiree and the age of the beneficiary(ies).

FILING REQUIREMENTS

Members must file an application for retirement with NHRS no more than 90 days or fewer than 30 days before their effective date of retirement, which for NHRS purposes is always the first of a month following the member's termination of NHRS-covered employment. Members must file their retirement application with NHRS while they are still actively contributing members of NHRS. Members who change their decision about retirement after filing for benefits must contact NHRS *in writing* before their effective date of retirement to change their retirement date or to withdraw their application.

GROUP II SERVICE RETIREMENT WORKSHEET (Firefighters & Police Officers)

PLEASE NOTE: This worksheet is intended to help Group II members calculate a basic **estimate** of the Service Retirement pension payable upon eligibility. Reductions under Optional Allowances and any income tax withholding are not included in the worksheet.

A Group II Service Retirement pension is payable at age 45 or older with a minimum of 20 years of Group II creditable service, or at age 60 or older regardless of service:

Your years of creditable service:

_____ years multiplied by 12 = _____ months

	Sample Estimate	Member's Estimate
1. Enter your months of NHRS Group II creditable service here (maximum 480 months)	240	
2. Multiply your months of Group II service by 0.002083 and enter here	.5	
3. Enter your Average Final Compensation (AFC) here. AFC is the average of your three highest paid years	\$40,000	
4. Multiply line 3 by line 2 and enter here. This is your approximate annual Service Retirement pension amount	\$20,000	

SERVICE RETIREMENT PLANNING GUIDE (Firefighters & Police Officers)

NHRS

New Hampshire Retirement System

New Hampshire Retirement System
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The New Hampshire Retirement System (NHRS) is governed by New Hampshire RSA 100-A, rules and regulations, and Federal laws including the Internal Revenue Code. NHRS also implements policies adopted by the Board of Trustees. These laws, rules, regulations and policies are subject to change. Even though the goal of NHRS is to provide information that is current, correct and complete, NHRS does not make any representation or warranty as to the current applicability, accuracy or completeness of any information provided in this publication. This publication is intended to provide general information only and should not be construed as a legal opinion or as legal advice. Members are encouraged to address specific questions regarding NHRS to an NHRS representative. In the event of any conflict between this publication and the laws, rules and regulations which govern NHRS, the laws, rules and regulations shall prevail.

Revised 3/07

PLANNING BEGINS NOW

This publication provides Group II members (firefighters and police officers) with general information about their Service Retirement benefit available through the New Hampshire Retirement System (NHRS). This publication does not provide information about Disability Retirement benefits or Group I (teachers and employees) benefits.

TYPE OF PLAN

NHRS is a defined benefit plan. Pensions are based on a formula which considers a member's salary credit ("average final compensation") and service credit ("creditable service").

NHRS TERMINOLOGY

Accumulated contributions – The sum of all mandatory NHRS contributions deducted from a member's compensation, any additional contributions and any contributions made by a member for purchases of service credit.

Allowance – A retirement pension.

Average Final Compensation (AFC) – The average of a member's three highest paid years of membership service (also referred to as "final average salary"). For benefit calculation purposes, a "year" refers to a ten or twelve month period of membership service (based on the member's normal working time), counting back from the final month of creditable service.

Creditable service – Membership service earned as a contributing NHRS member, plus service credit purchases. For more information about service credit purchases, please visit www.nhrs.org.

Earnable compensation – Gross earnings paid to a member by an NHRS participating employer, plus a member's earnings from a salary continuance or disability plan funded by an NHRS participating employer.

THE "120 DAY" LAW

Members must receive all compensation that is subject to NHRS contributions no later than 120 days after their termination of employment from their NHRS-covered position. Any compensation paid to members beyond the 120-day period will not be included in their benefit calculation. (There may be an exception in unusual circumstances, when it is established that the delay in payment was through no fault of the member.)

EARNINGS LIMITATION

For benefit calculation purposes, a member's final 12 months of earnable compensation is limited. The limit is 150% of the member's earnable compensation for the preceding 12 months or the higher earnable compensation for any year used in calculating the member's average final compensation, excluding the member's final 12 months. If the member exceeds the 150% limit and it is determined that the member is not eligible for grandfathered credits, NHRS will notify the member.

SERVICE RETIREMENT ELIGIBILITY

- Active Group II member age 45 or older with at least 20 years of creditable Group II service
- OR**
- Active Group II member age 60 or older

If members are eligible for Split Benefits (creditable service in both Group I and Group II), they may contact a benefits specialist to determine their eligibility for Service Retirement benefits.

OPTIONAL ALLOWANCES/ SURVIVORSHIP OPTIONS

At retirement, members must select one of the following benefit payment choices:

Maximum Retirement Allowance

The maximum allowance payable to a retiree until his/her death. Upon the retiree's death, the designated beneficiary(ies) will receive a lump sum payment of the amount, if any, of the retiree's accumulated contributions at retirement reduced by the total NHRS Service Retirement benefits that the retiree received during his/her lifetime, which were provided by his/her accumulated contributions and by the contributions of the employer.

Option 1

A reduced allowance payable to a retiree until his/her death. Upon the retiree's death, the designated beneficiary(ies) will receive a lump sum payment of the amount, if any, of the retiree's accumulated contributions at retirement reduced by the total NHRS Service Retirement benefits that the retiree received during his/her lifetime, which were provided solely by the retiree's accumulated contributions.

Survivorship Options

At retirement, a member may select a reduced allowance under one of the Survivorship Options to provide a lifetime allowance to a beneficiary(ies). Beneficiaries under a Survivorship Option may include any one person or any number of the member's children and/or the member's spouse. Multiple beneficiaries under a Survivorship Option may not include anyone other than the member's children and spouse. The amount of the reduction in the member's allowance will depend on which option was selected, the member's age at the time of retirement, and the age of each primary beneficiary.

Option 2 – 100% Survivorship

A reduced allowance payable until the death of a retiree with up to 100% of the retiree's reduced allowance payable thereafter to the retiree's primary beneficiary(ies) for life.

Option 3 – 50% Survivorship

A reduced allowance payable until the death of a retiree with 50% of the retiree's reduced allowance payable thereafter to the retiree's primary beneficiary(ies).

Option 4(A) – 100% Survivorship "pop-up"

Similar to Option 2; however, if the beneficiary predeceases the retiree, the retiree's allowance will increase ("pop up") to the Maximum Retirement Allowance that the retiree would have received had he/she not elected a Survivorship Option. If the retiree chooses multiple primary beneficiaries, and one or more of those beneficiaries predecease the retiree, the retiree's allowance will increase by a proportional share of the cost, based on the number of beneficiaries. If all of the primary beneficiaries predecease the retiree, then the allowance will increase to the Maximum Retirement Allowance.

Option 4(B) – 50% Survivorship "pop-up"

Similar to Option 3; however, if the beneficiary predeceases the retiree, the retiree's allowance will increase ("pop up") to the Maximum Retirement Allowance that the retiree would have received had he/she not elected a Survivorship Option. Refer to Option 4(A) for details regarding multiple primary beneficiaries.

Option 4(C)

A reduced allowance payable until the death of a retiree with some other benefit of the retiree's choice payable to the retiree's designated beneficiary(ies), subject to NHRS Board of Trustees approval.