



New Hampshire Retirement System

Here Today for Your Tomorrow

Learning About Your Retirement Plan



What do these terms mean?



- **Membership**
 - **Active members contributing to NHRS and retirees and beneficiaries collecting a pension**
- **Group I**
 - **Employee and Teacher**
- **Group II**
 - **Police and Fire**
- **Service**
 - **Key component of pension formula**
 - **Active members earn service credit each month**
 - **Other service credit**

What do these terms mean?



- **Accumulated Contributions**
 - **Member contributions plus credited interest**
 - **Not employer contributions**
- **Vesting**
 - **Being vested means you have earned the right to a future pension benefit**
 - **There are two ways to be vested:**
 - **Complete 10 years of creditable service, or**
 - **Be working in an NHRS-covered position at or beyond normal service retirement age, regardless of years of creditable service**
 - **Age 60: Group I members in service prior to 7/1/11; All Group II members; Age 65: Group I members hired on/after 7/1/11**

I know NHRS has to do with retirement but what else is there to know?

- **NHRS is a public employee defined benefit plan providing retirement, disability, and death benefits to eligible members and their beneficiaries (qualified as a 401(a) plan)**
 - **You and your employer each contribute toward your retirement nest egg**
 - **You can receive a lifetime pension at retirement, once eligibility requirements are met**
 - **The benefit is calculated based on years of service and average salary using formulas outlined in state law**



What is the difference between NHRS and a 401k plan?



A 401k is a defined contribution plan, where the retirement benefit is based on contributions and investment earnings over the course of your career

- Your employer may provide you with access to a defined contribution plan such as a 403b or 457 plan**

Who is responsible for running NHRS?



- **NH Legislature: Plan Sponsor**
 - **RSA 100-A, administrative rules and policies serve as plan documents**
 - **Also subject to Internal Revenue Code**
- **NHRS staff administers the plan**
 - **We are a unit of state government, but not a state agency**
- **NHRS Board of Trustees and Independent Investment Committee members are fiduciaries. Which means they must act solely in the interest of the membership**



How much is contributed toward my retirement?



- **You Contribute (Set by statute)**
 - **Employees (Group I): 7%**
 - **Teachers (Group I): 7%**
 - **Police (Group II): 11.55%**
 - **Fire (Group II): 11.8%**
- **Your Employer also Contributes (Determined every two years)**
 - **Employer contributions are never paid out as a lump sum withdrawal, they are used to fund pension payments**
 - **If you terminate employment and opt to withdraw or roll over your accumulated contributions, you will receive your contributions and interest**

What do you do with my money?



Contributions and investment income go into the NHRS trust fund to pay benefits and cover administrative expenses. Investment earnings have historically provided the majority of trust fund assets.



Equation must balance in the long term

Do I pick the investments?



- **No, you don't pick. NHRS investments are professionally managed**
- **The retirement system's Independent Investment Committee and investment staff work with outside consultants**
- **Advantages of professional management:**
 - **Pooled risk**
 - **Significantly lower fees**
 - **Access to investments not available to individual investors**

Why do I have to contribute?



- **It's the law:**
 - **If you work for an NHRS-participating employer**
 - **If the position is full-time and permanent**

Enrollment begins when you start working

But I could use that money now!



- **Retirement may seem far away, so you think you can put off saving for it, but research shows many Americans never save for retirement**
 - **31% of all adults don't have any retirement savings; more than half haven't calculated what they will need for retirement**
 - **53% of people age 55-64 have less than \$10,000 in retirement savings**
 - **42% of millennials have not started saving for retirement**

Be a saver and reward your future self!

Why do I have to save for retirement?



- **You will need a substantial portion of your pre-retirement income to maintain your standard of living**
- **No one wants to face financial uncertainty in retirement**
- **Starting now harnesses the power of compound interest**

Do my contributions earn interest?



- **Yes, interest is set by statute at the beginning of each calendar year and applied to your accumulated contributions**
- **The current interest range is between 4.75% and zero, based on investment earnings in the prior fiscal year**
- **Regardless of economic conditions, you will never lose money on your member contributions**

Can I take a loan from my contributions while I am working?



No, loans are not allowed



Can I put extra monies into this pension plan?



New NHRS members cannot contribute extra money into their retirement account

Note: ‘Additional Contributions’ provision exists for members who signed up before this program was repealed in 2004

What types of retirement does NHRS offer?



- **Service**
- **Early Service**
- **Vested Deferred**
- **Disability**
 - **Non-job-related (ordinary)**
 - **Job-related (accidental)**

What can I expect to receive for a pension?



- **Benefits are based on service and average final salary**
 - **The longer you work and the more you make, the bigger your benefit will be**
 - **Example: Group I member hired after 7/1/11 retiring at 65 with an average final salary of \$50,000:**
 - **Benefit with 10 years of service: \$7,576/year**
 - **Benefit with 20 years of service: \$15,152/year**
 - **Benefit with 30 years of service: \$23,077/year**



Remember, this is a lifetime benefit

What happens if I die while I am still working?



- If a member dies while in service the member's designated beneficiary may be eligible to receive a death benefit
- Death benefits vary depending on whether the death was job-related or not

Regardless of whether or not your beneficiary is eligible for a death benefit, the beneficiary will receive a refund of your accumulated contributions

And what if I leave public employment?



- **Leave your contributions with NHRS**
 - If you are vested and do not withdraw your funds, you can apply for a pension when you meet eligibility requirements
 - Even if you are not vested, leaving your contributions with NHRS preserves your years of service should you go to work for another NHRS-covered employer at a later date
 - Contributions may earn interest
- **Withdraw your contributions plus interest**
 - Pay taxes on the withdrawn funds
 - Terminates NHRS membership and forfeit right to lifetime pension
- **Roll over contributions and interest into another qualified plan**
 - No penalty, no tax consequences
 - Terminates NHRS membership and forfeit right to lifetime pension



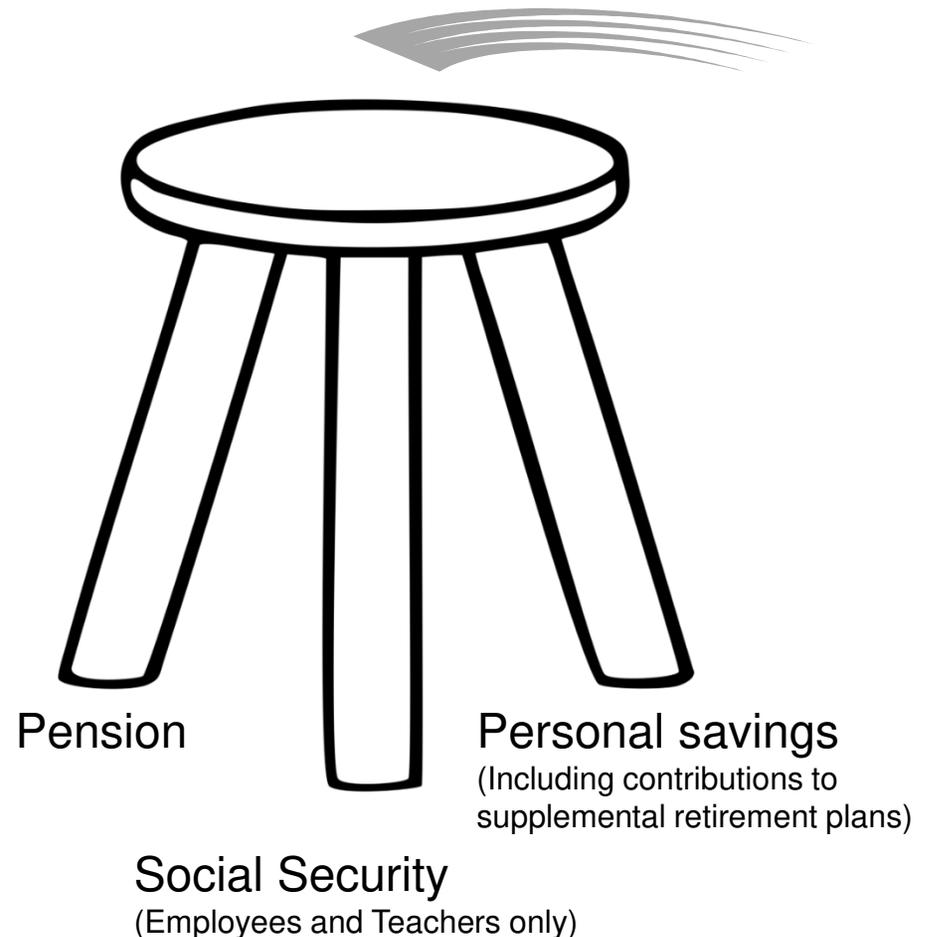
What if I leave my current employer for another NHRS employer?



- **Nothing changes if you go to another NHRS employer**
 - **You still make contributions**
 - **You continue to add to your service**
 - **If vested:**
 - **Remain eligible for a lifetime benefit at retirement**
 - **Death and disability benefits stay intact**

So...will my pension cover my retirement?

- **NHRS benefits are not intended to be your sole source of income**
 - **Employees and teachers also participate in Social Security**
 - **All members should explore additional ways to save for retirement, including employer-sponsored supplemental plans**



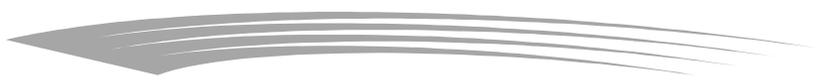
Personal finance, retirement, and other resources -
<https://www.nhrs.org/members/the-bigger-picture>

I worked for a public employer in another state; can I transfer that service to NHRS?



- **Service earned in another public employee pension plan is not transferrable**
 - **This includes federal employment**
 - **If you move, your NHRS service may be transferrable to another state or local plan**
 - **Check with your new employer for details**

How can I learn more?



- Visit our website at www.nhrs.org
- Receive news updates and information with *NHRS Email Updates*
- Attend a live member presentation
- Connect with us on social media

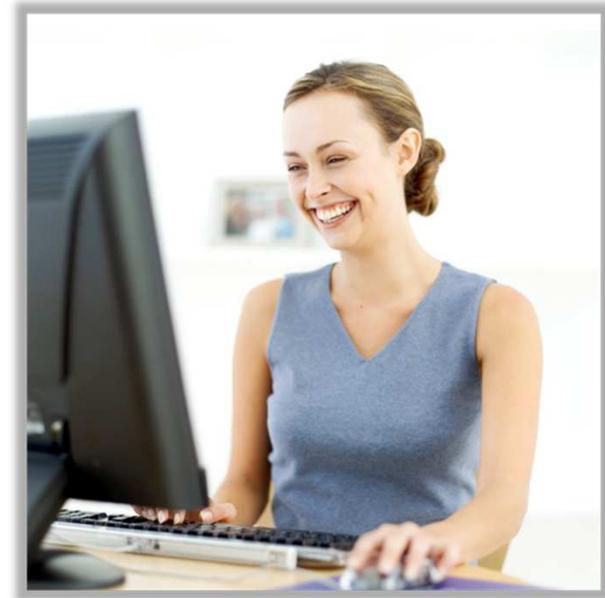


- Sign up for *My Account*

Why would I want to sign up for *My Account*?

With *My Account* you have 24/7 access to:

- **Summary information including service time and account balance**
- **Current beneficiary information**
- **Member annual statements**
- **A pension calculator to estimate future retirement benefits**
- **Submit forms online**



How do I sign up for *My Account*?

Members can register and sign-in to *My Account* right from the NHRS homepage

- 1) Visit www.nhrs.org
- 2) Click on “My Account”
- 3) Create a new account or access your existing account

The screenshot shows the NHRS website homepage. At the top, there is a navigation bar with links for News, Meetings & Events, Contact Us, Forms, FAQs, DRS Quicklink, and Text Size. The NHRS logo is prominently displayed. A green arrow points to the 'My Account Login' button, which includes the text 'Need an account? Sign up here'. Below the navigation bar, there is a red alert banner stating 'Alert: 2015 Member Annual Statements are available on My Account. Read More'. The main content area features a large image of a smiling couple with a text overlay that reads 'Your stop for all your retirement needs.' and a 'Sign Up for My Account' button. A second green arrow points to this button. To the right of the image, there is a 'Welcome to NHRS' section with a brief introduction. Below the main content, there are tabs for 'Members', 'Retirees', and 'Employers'. The 'Members' tab is selected, showing a 'Popular Forms' section with links for 'Personal Information Change', 'Estimate Card', and 'Group I (Employee and Teacher)'. The 'What's New' section features an article titled 'NHRS...Now You Know: 'Fiduciary: A word worth knowing'' dated 10/15/2015.



I visited the website, signed up for My Account and I still have questions!



- **Email:** newmember@nhrs.org
- **Call:** 603-410-3500 or 877-600-0158

What's the fine print?



The New Hampshire Retirement System (NHRS) is governed by New Hampshire RSA 100-A, rules, 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. The information herein 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 with an NHRS representative. In the event of any conflict between the information herein and the laws, rules, and regulations which govern NHRS, the laws, rules, and regulations shall prevail.

