



July 2008

Medical Subsidy / COLA Information for Eligible Retired Members

On June 30, 2008 House Bill 1645 was signed into law by Governor Lynch. HB 1645, also known as the "omnibus bill," contains a series of revisions to the laws that govern the New Hampshire Retirement System (NHRS) including information regarding the medical subsidy and Cost-of-Living Adjustments (COLAs). Please find below information specific to the medical subsidy and COLAs, which may affect a retired member's retirement benefit.

Medical Subsidy:

- a. Starting July 1, 2008 the medical subsidy amounts payable shall not be increased for four years. Commencing July 1, 2012 and each July 1st thereafter, the medical subsidy rate will increase by 4% for eligible retired members.
- b. Subsidy recipients who retired from towns, cities, school districts, counties or other local government employers will also receive a supplemental payment. (Please see sections d and e below)

Cost-of-Living Adjustment (COLA):

- a. Eligible retirees will be entitled to receive a 1.5% increase up to the first \$30,000 of the pension amounts on the retired member's latest anniversary date. To be eligible for the increase the retiree must be retired at least 12 months. This increase will become a permanent addition to the retirement allowance.
- b. Retirees with at least 15 years of creditable service at retirement and pensions of \$20,000 or less on the retired member's latest anniversary date will receive a one time payment of \$1,000. To be eligible for the increase, retirees must be retired at least 12 months.
- c. Those who retired before January 1, 1993 will receive a one time payment of \$500.
- d. Subsidy recipients who are not Medicare eligible who retired from towns, cities, school districts, counties or other local government employers will receive an additional supplemental allowance each year from 2008 through 2011 as follows:
 - A one person medical subsidy benefit recipient will be entitled to a payment of \$500.
 - A two person medical subsidy benefit recipient will be entitled to a payment of \$1,000.
- e. Medicare eligible Subsidy recipients who retired from towns, cities, school districts, counties or other local government employers will receive up to 60% of the non-Medicare eligible amounts:
 - A one person medical subsidy benefit recipient will be entitled to a payment of \$300.
 - A two person medical subsidy benefit recipient will be entitled to a payment of \$600.
- f. A two person medical subsidy benefit recipient may not receive more than \$1,000 per year.

Please note: Members who retired from State service and their beneficiaries are not affected by the legislated changes in the Cost-of-Living Adjustment sections d and e above since the health coverage premium cost is borne by the State.

Questions regarding COLAs and the medical subsidy should be directed to an NHRS representative by calling (603) 410-3619 or toll-free at (877) 600-0158 ext.3619.