



# City of Nashua, New Hampshire Board of Public Works Employees Retirement System



Established in 1947



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## **BOARD OF TRUSTEES**

JANUARY 2017

### **FRANK ANDERSON**

*Chairman*  
Mayoral Appointee  
Term Expires 12-31-2016

### **MICHAEL O'BRIEN**

Aldermanic Representative  
Term Expires 12-31-2017

### **PAUL G. BERGERON**

Public Works  
Commissioner  
Term Expires 12-31-2017

### **BEN BASHUA**

Public Works  
Employee Representative  
Term Expires 12-31-2019

### **KATHIE BERUBE**

Public Works  
Employee Representative  
Term Expires 12-31-2018

## DEFINITIONS

**Unless a different meaning is required by the context, the following words and phrases shall have the following meaning within this article:**

**ACCUMULATED CONTRIBUTIONS** - The sum of the amounts deducted from the compensation of an employee.

**BENEFICIARY** - Any person receiving a service retirement benefit or other benefit.

**CREDITABLE SERVICE** – Creditable Service is determined by the number of weekly contributions made to the retirement system by the employee.

**EMPLOYEE** - Any regular employee of the Board of Public Works, whether for salary or for wages. In all cases of doubt, the Board of Trustees shall determine whether any person is an employee as defined herein.

**EMPLOYER** - The Board of Public Works of the City of Nashua.

**FISCAL YEAR** - The 12 months from July 1 to June 30, both dates inclusive.

**MEMBER** - Any employee included in the membership of the retirement system.

**NORMAL RETIREMENT DATE** - The first day of the month coinciding with or next following a member reaching the earlier of age 60 and 10 years of creditable service or the completion of 25 years of continuous service, 30 years of continuous service if hired on or after July 1, 2010, for the Board of Public Works.

**REGULAR INTEREST** - The interest at the rate determined from time to time by the Board of Trustees. Interest paid shall be calculated as simple interest paid on the current accumulated contribution amount at the time of termination of employment, death or retirement. Interest shall be credited on such amounts only on and after July 1, 1987.

**RETIREMENT** - Withdrawal from active service with a service retirement benefit granted under the provisions hereof.

**RETIREMENT SYSTEM** - The employees' retirement system of the Board of Public Works of the City of Nashua.

**SERVICE** - Service as an employee which is paid for by an employer.

## INTRODUCTION

The Nashua Public Works Retirement System was established on July 1, 1947. This booklet reflects the Public Works Retirement System as of July 1, 2016. In the event of any conflict between this booklet and the Ordinances rule and regulations governing the operation of the Public Works Retirement System, the Ordinances rules and regulations will prevail.

Refer to Part 1 “Administrative Legislation”, Chapter 45 “Pension and Retirement Systems”, Article IV “Board of Public Works Retirement System”, of the Nashua Revised Ordinances.

## MISSION STATEMENT FROM THE BOARD OF TRUSTEES

The Trustees of the Board of Public Works Retirement System of the City of Nashua, New Hampshire are charged with:

1. Equitably administering the Defined Benefit Pension Plan for the employees of the Public Works Department.
2. Maintaining the financial stability and soundness of the plan.
3. Periodically reviewing member retirement benefits to allow for changes whenever fiscally possible.
4. Insuring that the City’s contribution and the members’ contributions to the pension plan are reasonable and fair to both the City and the membership.

It is important for the membership to note that the Board of Trustees act in the best interest of the membership, both retired and active. **This plan is for your benefit, your input is important.**

At any time, member’s questions or concerns about member retirement estimates, including optional forms of retirement, can be answered or addressed by contacting any Trustee or the **Human Resource Department** at **589-3230**.

## TYPE OF BENEFIT PLAN

The Public Works Retirement System is a pension plan and trust qualified under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a Defined Benefit Plan providing service connected disability and death, and retirement protection to its members and their families.

A Defined Benefit Plan provides for a retirement allowance that is predetermined by a formula based on a member’s service credits and earnings. Member contributions have no direct bearing on the retirement benefit of any member, but are directly related to the level of benefits the system can provide for all members.

Under this plan, when an employee becomes a member of the plan the employee knows precisely what benefits he or she will be entitled to at the time of retirement, or in the case of disability or death, what benefits his or her beneficiaries will receive. However, the Board of Trustees, with the concurrence of the Board of Alderman, cannot only make improvements in future benefits but, can retroactively improve past service benefits for active employees as well as retired members.

The retirement system shall have the powers, privileges and immunities of a corporation, and shall be known as the Board of Public Works retirement system; and by such name; all of its business shall be transacted, all of its funds invested, and all of its cash, securities and other property held in trust for the purpose for which received.

## **MANAGEMENT OF FUNDS**

All member and employer contributions and earnings are deposited into a trust fund and controlled by the Board of Trustees. The Board of Trustees appoints a professional investment manager(s) who invests the assets of the fund in high quality securities in accordance with investment guidelines established by the Board of Trustees from time to time.

## **ADMINISTRATION OF THE SYSTEM**

- A. The administration of this system is vested in a board of five Trustees, one representing the Commissioners of the Board of Public Works, two representing the employees of the Department of Public Works, one representing the Board of Aldermen, and one to be selected from the financial and investment community of the City. The Trustee representing the Commissioners of the Board of Public Works shall be selected by the Board at a meeting duly called for such purpose. The employee representatives shall be members of the retirement system chosen at a meeting called for that purpose by the Board of Public Works. The Trustee representing the Board of Aldermen shall be nominated by the president and confirmed by the Board. The Trustee selected from the financial and investment community of the City shall be nominated by the Mayor and confirmed by the Board of Aldermen.
  
- B. Except as otherwise provided, the Trustees shall be appointed for a term of three years and shall serve until their successors are appointed and qualified. For the first appointments of the original or any additional Trustees, the Trustees representing the employees shall be appointed for the term of one year, the Trustee representing the Board of Aldermen shall be appointed for two years, the Trustee representing the Board of Public Works shall be appointed for a term of three years, and the Trustee selected from the financial and investment community shall be appointed for a term of one year. Their successors shall be appointed for a term of three years.

- C. The Trustees shall serve in an honorary capacity and shall receive no compensation for their services except reimbursement for expenses incurred in connection with their duties.

## **QUORUM AND VOTES**

Each Trustee shall be entitled to one vote on the Board of Trustees. Three Trustees shall constitute a quorum in the transaction of any business. Three votes shall be necessary for any resolution or action by the Board of Trustees at any meeting.

## **RECORDS AND REPORTS**

- A. The Board of Trustees shall keep a record of all its proceedings and annually make a report to the Board of Aldermen showing:
1. The fiscal transactions of the retirement system for the preceding fiscal year;
  2. The amount of accumulated cash and securities of the system;
  3. The last balance sheet showing the balance of the financial condition of the system.
- B. The Treasurer's statement of condition at the close of each fiscal year shall be displayed on all bulletin boards with the Public Works Division.

## **RULES AND REGULATIONS**

The Board of Trustees shall establish such rules and regulations as it deems necessary for the proper administration of this article.

## **CLERICAL WORK**

The clerical work in connection with this article shall be executed by some person or persons designated by the Commissioners of the Board of Public Works.

## **TIME OF PAYMENTS**

All service retirement benefits shall be payable in equal weekly installments which shall cease with the last weekly payment prior to death.

## CONTRIBUTIONS TO SYSTEM

- A. The rates of contribution to the retirement system by employee members of the system are as follows:
1. The rate of contribution for all employees will be 9.15% of regular salary or wages.
  2. In any pay period for which an employee is paid for less than 40 hours, the deduction for that pay period will be based on the normal weekly salary or wages for 40 hours and each employee will be deemed to consent to the deductions as a condition of membership.
- B. The Board of Trustees shall certify to the employer, and the employer shall cause to be deducted from the base wage or salary of each employee on each and every payroll, the amounts set by them under Subsection A above. The employer shall certify to the Board of Trustees on each and every payroll, or in such manner as the Board may prescribe, the amounts deducted. Such amount, when deducted, shall be paid to the retirement system. The City Treasurer shall draw from the City pension fund an amount equal to the amount deducted from the base wage or salary of the employee on each and every payroll. Such amount, when deducted shall be paid to the retirement system. The contribution from the City of Nashua shall correspond with the payroll deductions of the employees who are members of the retirement system.
- C. With respect to all employees of the employer, such employer may pick up the employee contributions required by this section for all compensation earned after July 1, 1987, and the contributions so picked up shall be treated as employer contributions in determining federal tax treatment under the United States Internal Revenue Code; however, each employer shall continue to withhold federal income tax based upon these contributions until the Internal Revenue Service, or the federal courts, rule that, pursuant to Section 414(h) of the United States Internal Revenue Code (1986), as amended, these contributions shall not be included as gross income of the employee until such time as they are distributed or made available. The employer shall pay these employee contributions from the same source of funds which is used in paying earnings to the employee. The employer may pick up these contributions by a reduction in the cash salary of the employee. Employee contributions picked up shall be treated for all purposes of the retirement system in the same manner and to the same extent as employee contributions made prior to the date picked up.
- D. The City Treasurer shall be custodian of all funds of the retirement system.
- E. The deductions provided herein shall be made notwithstanding the amount of wage or salary earned by the employee during anyone week and every member shall be deemed to consent to the deduction herein provided as a condition of their membership.



- F. Your contributions are deducted from your weekly paycheck. A full weekly contribution is deducted in each week for which you receive one day's wages. If you have no earnings for the week, you may make your contribution by taking a sick day, vacation day, or earned time (whichever is appropriate) from which your weekly deduction will be taken. If you are receiving Workers Compensation benefits, please contact Human Resources regarding your weekly contribution(s). Your weekly contributions equate to your creditable service for calculation of your retirement benefits. It is a member's responsibility to make arrangements with the Board of Trustees or its agents for missed weekly contributions.
- G. Earned time/vacation time is considered as part of an employee's annual salary or wages and is paid through weekly payroll or at termination/retirement. When an employee retires or terminates employment, his or her last vacation or earned time payroll check(s) will have specific deductions withdrawn in accordance with established laws/procedures of the pension fund requirements (section 45-17 of the Nashua Revised Ordinances). An example of this type of deduction: federal withholding, Medicare, pension, etc. The above referenced examples are automatically calculated and deducted.

## MEMBERSHIP

- A. Any person who becomes an employee of the Board of Public Works must become a member of the retirement system.
- B. The Board shall obtain, from the Department of Public Works, such information relative to name, title, compensation, date of birth and length of service of each of its employees as the Board may deem necessary.
- C. A member shall cease to be a member if:
1. Absent from service for more than one year, unless such absence was or is due to an injury arising out of and in the course of employment, or is otherwise due to the member's disability;
  2. They withdraw their accumulated contributions;
  3. They become a beneficiary.
- D. No benefit under the retirement system, other than a death benefit as provided in § 45-25 or a return of contributions as provided in § 45-27 of this article, shall become payable to or on account of any member unless said member was in service as an employee at the time of becoming eligible for benefits hereunder.

## MILITARY SERVICE

Any member who terminated their employment in order to enter directly into the armed forces of the United States shall be entitled to prior service credit for their service rendered prior to the termination of their employment, together with the time spent in the armed forces of the United States, provided they again become an employee within one year after the termination of such armed service without intervening employment elsewhere, and elects to become a member of the retirement system within one year after they again become an employee.

## SERVICE RETIREMENT BENEFITS

- A. Any member in the employ of the Board of Public Works may apply, in writing, for retirement on service retirement benefit. The application shall be submitted to the Board of Trustees and shall set forth the date the applicant wishes to be retired. No person shall be retired on service retirement benefit unless at the time specified for their retirement they shall either have attained 60 years of age with a minimum of 10 years creditable service or has had 25 years of continuous service, 30 years of continuous service if hired on or after July 1, 2010 for the Board of Public Works upon such date.
- B. Upon service retirement, the member shall receive a service retirement benefit which shall consist of:
  - 1. A sum no greater than 65% of the regular salary or wages earned by the member during the last full year of service.
  - 2. If the employee has less than 25 years of creditable service, or 30 years of creditable service if hired on or after July 1, 2010, but has reached the age of 60 with a minimum of 10 years of creditable service, the employee shall receive a benefit equal to such portion of 65% of the regular salary or wages earned during the last full year of service as the number of years of creditable service bears to 25 years or 30 years if hired on or after July 1, 2010.
- C. A member disabled by sickness or injury for an extended period, and who has not made weekly contributions to the system during that period, may voluntarily make up the contributions not paid during such absence by lump sum payment, plus regular interest, as the Trustees may determine and allow.
- D. Any member in the employ of the Board of Public Works who has attained the age of 50 with a minimum of 10 years of creditable service, and was hired prior to July 1, 2010, may apply in writing to the Board of Trustees for retirement on an early service retirement benefit setting forth the date the applicant wishes to be retired. Upon such early retirement the member shall receive an early service retirement benefit equal to 65% of the regular salary or wages earned by the member during the last full year of creditable service as the number of creditable years of service bears to 25 years, reduced by 0.555% for each full month between the member's normal retirement date (see definition on page 3) and the member's early retirement date.

- E. In addition to all other benefits, retired members shall receive a \$3,000 death benefit payable to the retiree's beneficiary upon death after retirement.
- F. It shall be the policy of the Board of Trustees when a request is made from a member for a service retirement benefit, as described under section 45-21 of the Nashua Revised Ordinances (NRO), that no accrued time available to the member will be used to attain or calculate the required minimum amount of service time needed for a retirement benefit unless the time is two weeks (80 hours) or less. The minimum time needed, as listed under NRO 45-21 is:
- Twenty-five years or 1,300 weeks if hired prior to 7-1-2010
  - Thirty years or 1,560 weeks if hired on or after 7-1-2010

The Board of Trustees reserves the right to allow for exceptions to this policy only for extreme and unusual circumstances as determined by the Board of Trustees.

**Approved by the Board of Trustees on July 31, 2012**

## **DISABILITY RETIREMENT BENEFITS**

- A. Disability retirement.
1. Ordinary disability retirement

Any member in service who has 10 or more years of creditable service may apply for ordinary disability retirement to the Board of Trustees within six months from the date of disability. The Board will act on the application no sooner than 30 days, no more than 90 days, after the application is filed. The Board may retire such member after a medical examination shall establish, and the Board shall find, that they are mentally or physically incapacitated for the further performance of duty, that such incapacity is likely to be permanent and that they should be retired.

2. Accidental disability retirement

Any member in service may apply for accidental disability retirement to the Board of Trustees within six months from the date of disability. A member in service who has been totally and permanently incapacitated for duty as the natural and proximate result of an accident occurring while in the actual performance of their duties, at some definite time and place, without willful negligence or actions on their part, may be retired by the Board of Trustees on an accidental disability service retirement benefit after a medical examination shall establish, and the Board shall find, that they are mentally or physically incapacitated for the further performance of duty and that such incapacity is likely to be permanent.

## B. Limitations

Any amounts which may be paid or payable to or on account of any member or retired member on account of any disability to which the City of Nashua has made contributions under the provisions of any workers' compensation or similar law or plan shall, in such manner as the Board of Trustees shall determine, be offset against and payable in lieu of any disability service retirement benefit on account of the same disability. The combined benefit from workers' compensation and the member's accidental benefit allowance will not be less than the benefit payment the member is eligible to receive as provided for herein. Members are required to notify the Human Resource Department whenever benefits from workers' compensation begin or are modified. Such notice, to be made in writing, must be made within 14 days after the member becomes aware of the receipt of benefits or any change in benefits. If a member fails to notify the Human Resource Department of the start of workers' compensation benefits or any change thereof, the Board shall have the authority to recover from any member or retired member who is a disability recipient over-payments made to the member under this section.

1. If the member receiving disability retirement benefits becomes 60 years of age while receiving said retirement benefits, they shall receive, in place of the disability retirement benefit, the amount they would have received upon a service retirement. The period of time the member received disability retirement benefits shall not be included in the calculation of the regular service retirement benefit.
2. If the Board of Trustees finds that any disability beneficiary is engaged in or is able to engage in a gainful occupation no further benefits shall be paid to them under this section.

## C. Amount of benefit.

1. Ordinary disability retirement.
  - (a) If the member is age 60 years old or older, with a minimum of 10 years of service, they shall receive a service retirement benefit.
  - (b) If the employee has at least 10 years of creditable service and is at least 50 years of age, but has not attained the age of 60; then the employee shall receive a benefit equal to such portion of 60% of employee's regular salary or wages earned during the last full year of creditable service, as the years of creditable service bears to 25 years or 30 years if hired on or after July 1, 2010
  - (c) If the employee has at least 10 years of creditable service, but has not attained the age of 50, then the employee shall receive a benefit equal to such portion of 50% of the employee's regular salary or wages earned during the last full year of creditable service, as the years of creditable service bears to 25 years or 30 years if hired on or after July 1, 2010.

2. Accidental disability retirement.
  - (a) If the member is age 60 years old or older, with a minimum of 10 years of service, they shall receive a service retirement benefit.
  - (b) If the employee has at least 10 years of creditable service, and is at least 50 years of age, but has not attained the age of 60, then the employee shall receive a benefit equal to such portion of 60% of the employee's regular salary or wages earned during the last full year of creditable service, as the years of creditable service bears to 25 years or 30 years if hired on or after July 1, 2010.
  - (c) If the employee has at least 10 years of creditable service, but has not attained the age of 50, then the employee shall receive a benefit equal to such portion of 50% of the employee's regular salary or wages earned during the last full year of creditable service, as the years of creditable service bears to 25 years or 30 years if hired on or after July 1, 2010.
- D. Cessation of benefits.
  1. At least once each year following the retirement of a member on ordinary or accidental disability service retirement benefit, the Board of Trustees may, and upon their application shall, require a member who has not attained the age of 60 years to undergo a medical examination, by a physician or physicians designated by the Board. Should the member refuse such examination, then their disability retirement benefits may be discontinued by the Board until their withdrawal of such refusal. If their refusal continues for more than one year, then all their rights in and to their retirement may be revoked by the Board. Benefits may be restored at the discretion of the Board upon completion of a qualifying medical examination. However, disability retirement benefits shall not be paid to the member for the period of time the member refused said medical examination, unless for good cause shown as determined solely by the Board. A member's failure to undergo a medical examination within one month of the Board's request to do so shall be deemed as refusal by the member.
  2. If a medical examination shows that the member is able to work again, no further benefits shall be paid under the provisions of this section.
  3. Should the disability reoccur, the member may reapply for disability retirement in accordance with this section.
  4. At no time shall a beneficiary under this section be employed in any City department for compensation.

## **RESTORATION OF DISABLED BENEFICIARY TO SERVICE**

If a disabled beneficiary is restored to service, their service retirement benefit shall cease. Such beneficiary shall again become a member of the retirement system, and shall contribute thereafter at the then-existing rate. Anything in this article to the contrary notwithstanding, any credit for membership service and any prior service on the basis of which their creditable service was computed at the time of their formal retirement shall be restored to full force and effect. Upon subsequent retirement, they shall receive a service retirement benefit based on their service as a member since their last restoration to membership, plus a service retirement benefit equal to the service retirement benefit on which they were retired at the time of their last retirement.

## **ACCIDENTAL DEATH BENEFITS**

Should the Board of Trustees determine that the death of a member occurred as the natural and proximate result of an accident occurring at a definite time and place while the member was engaged in the performance of their duty as an employee, and was not caused by willful negligence on the part of the employee, the following survivorship benefits shall be payable:

1. To the surviving spouse, until death or remarriage an annual survivorship benefit equal to 65% of the regular salary wage earned during the last full year of service.
2. If there is no surviving spouse or if the spouse remarries before the youngest child reaches the age of 18, then the child or children under such age shall receive an annual survivors benefit equal to 65% of the regular salary or wages earned by the member during the last full year of service.
3. If there is no surviving spouse or child under the age of 18 at the time of the death of the member, then the member's dependent father or dependent mother, as determined by the Board of Trustees, shall receive an annual survivorship for life equal to 65% of the member's regular salary or wages earned during the member's last full year of service.
4. In the event that the deceased member is not survived by a spouse, children or dependent father or mother, then no benefits shall be payable under this section.

Any amounts which may be paid or payable under the provisions of any workmen's compensation or a similar law or plan on account of the death of any member shall, in such manner as the Board of Trustees shall determine, be offset against any benefits payable under this section on account of such death.

## DEATH BENEFITS PRIOR TO RETIREMENT

In the event of the death of a member, including members who have terminated with a vested deferred benefit and not elected a cash refund, prior to actual retirement and at a time when accidental death benefits in accordance with § 45-24 are not payable, the spouse will be eligible to receive benefits for life. The benefit payable to the spouse will be 50% of the service retirement or early service retirement benefit the member would have been entitled to have the member retired on the date of death.

Upon the death of a member without a surviving spouse, the member's accumulated contributions together with regular interest will be paid to the person, if any, designated by the member by a written designation filed with the Board, if such person survives the member, otherwise to the member's estate.

## PAYMENT OF RETIREMENT BENEFITS

Unless the member elects an optional form of benefit as outlined below, the service allowance to the member will be paid during their lifetime. Upon the member's death, the amount of accumulated contributions with regular interest shall be paid to the person, if any, designated by the member by a written designation filed with the Board, if such person survives the member, otherwise to the member's estate equal to the excess, if any, of the member's accumulated contributions with regular interest, over the sum of all service allowances made to the member.

Optional forms of payment shall be as outlined below:

1. Contingent annuitant option. Instead of the normal monthly retirement benefit provided above, a member may elect a contingent annuitant option providing for actuarially reduced monthly retirement benefits payable to him during their lifetime after retirement and for the continuance of such payments, or a part of them  $66 \frac{2}{3}\%$ , 50% specified by the member, to such contingent annuitant for their life after the death of a retired member. Such election may be made by a member at any time prior to this retirement date. A member who has elected this option may revoke or modify such option prior to actual retirement; provided, however, that the death of the contingent annuitant at any time prior to the member's retirement date shall automatically revoke such election; and further provided, that if the contingent annuitant is the spouse of the member, a divorce granted to either spouse at any time prior to the member's retirement date shall automatically revoke such election.
  - (a) If a member who has elected this option dies before their actual retirement date, no benefits under this option shall be payable to the contingent annuitant.
  - (b) If the member dies after their actual retirement date, the contingent annuitant shall receive for life, commencing on the first day of the calendar month coinciding with or next following the retired member's death, the benefits

specified by the retired member for the contingent annuitant.

- (c) If the contingent annuitant dies before the member's retirement date, the retirement benefit normally provided under this plan shall be payable to the retired member as if the option had not been elected.
  - (d) If the contingent annuitant dies after the member's retirement date, the amount of the payments which the retired member is then receiving or is entitled to receive will at the time (with no provision for retroactive payments) revert to what it would have been at the member's retirement date and will cease upon the retired member's death.
2. Ten-year certain option. Each member shall have the option, which shall be exercised by a written direction to the Board, to elect to have actuarially reduced monthly retirement benefits payable for 10 years certain and for life thereafter. Such election may be made by a member at any time prior to their eligible retirement date. Upon the death of a retired member after their eligible retirement date, but before 120 monthly payments have been paid to the retiree, payments shall be made to such beneficiary (for the balance of the 120 months) as they shall have most recently designated in a written instrument signed by them in the presence of one subscribing witness and filed with the Board either before or after their retirement. If no such designation is on file with the Board at the time of death, or is defective for any reason, or if such beneficiary shall predecease the retired member, then the estate of such retired member shall receive the commuted value of such benefit payable in a lump sum. If the beneficiary, having survived the retired member, dies before all of said 120 payments have been made, then the commuted value of the balance of said payments shall be paid in a lump sum to the beneficiary's estate. If the member dies before their retirement date, no benefits shall be payable under this option.

## **TERMINATION OF EMPLOYMENT BENEFITS**

- A. Non-vested termination. Any member whose employment is terminated prior to the completion of 10 years of service and who is not entitled to a disability retirement pension shall receive a refund of their contributions together with regular interest thereon to date of their termination of employment, and such refund shall be in lieu of all other rights and benefits of the member under this plan.
- B. Vested deferred benefits. Any member whose employment is terminated prior to the normal retirement date and after the completion of at least 10 years of service, and who is not entitled to an early retirement pension or a disability retirement pension, and who does not elect to receive a cash refund of their member's contribution together with regular interest, will be entitled to receive, commencing on the normal retirement date, an annual pension equal to their accrued normal pension computed in accordance



with the provisions of § 45-21 (Service Retirement Benefits) of this article based on their service to date of their termination of employment.

- C. Cash refund in lieu of deferred vested pension. A member who is entitled to a deferred vested pension in accordance with the provisions of Subsection B above may, in lieu of all other rights and benefits under this plan, elect to receive a cash refund of their member contributions together with regular interest thereon to the date of their termination of employment.

### **REPAYMENT OF REFUND**

- A. A reemployed member who received a refund of their accumulated contributions with regular interest as provided in § 45-27 (Termination of Employment Benefits) may repay to the Board at any time prior to their normal retirement date an amount equal to the cash refund they received in accordance with such section plus regular interest thereon from the date of election of refund to the date repayment is made. Upon payment of this amount, there shall be restored to the member a yearly retirement pension equal to their accrued benefit as determined on their termination of employment. This payment must be received prior to re-employment date.
- B. If a reemployed member has a yearly retirement pension restored to him as provided above, and their prior service is counted for vesting purposes, then, upon the participant's subsequent termination of employment or retirement, the yearly retirement income shall be determined on the basis of all the participant's service prior to such date.

### **PROTECTION AGAINST FRAUD**

Any person who knowingly makes false statements or shall falsify, or permit to be falsified, any record or records of the retirement system in any attempt to defraud the system shall, in the discretion of the Trustees, lose all their rights there under.

### **EXEMPTION FROM LEGAL PROCESS**

Employee retirement benefits under this article shall be exempt from any executions, Trustee process, attachments or any other processes whatsoever, legal or equitable.

## ESTIMATING RETIREMENT INCOME WORKSHEET

### NORMAL RETIREMENT ALLOWANCES

Upon completion of (25) twenty five years or more of creditable service, or (30) thirty years or more of creditable service if hired on or after July 1, 2010, you are entitled to a retirement benefit equal to (65) sixty-five percent of your regular salary or wages earned during the last full year of service.

Formula:

65% of regular salary or wages earned during the last full year of service.

Example:

Your Regular Salary or Wages earned during the last full year of service is \$40,000.

a. Salary= \$40,000

b. .65

\$40,000.00 (a)	
<u>                  </u> .65 (b)	
<b>\$26,000.00</b>	<b>Annual Retirement Benefit</b>

(Normal Retirement Allowances continued following page)

## NORMAL RETIREMENT ALLOWANCES (continued)

If you have reached the age of (60) sixty and have a minimum of (10) ten years of creditable service, you are entitled to a normal retirement benefit equal to that portion of (65) sixty-five percent of your regular salary or wages earned during the last full year of service as the number of years of creditable service bears to (25) twenty five years (1300 weeks), or the number of years of creditable service bears to (30) thirty years (1560 weeks).

Formula:

(65% of regular salary or wages earned during the last full year of service) X (Creditable Service Wks ÷ 1300)

or

(65% of regular salary or wages earned during the last full year of service) X (Creditable Service Wks ÷ 1560)

**Example: (for employees hired before 7/1/2010)**

Your Regular Salary or Wages earned during the last full year of service is \$40,000 and you have Creditable Service Weeks of 520 (10 years)

a.  $(\$40,000 \times .65) = \$26,000$

b.  $(520 \div 1300) = .40$

$$\begin{array}{r} \$26,000.00 \text{ (a)} \\ \times \quad .40 \text{ (b)} \\ \hline \end{array}$$

**\$10,400.00**

**Annual Retirement  
Benefit**

**Example: (for employees hired on or after 7/1/2010)**

Your Regular Salary or Wages earned during the last full year of service is \$40,000 and you have Creditable Service Weeks of 520 (10 years)

a.  $(\$40,000 \times .65) = \$26,000$

b.  $(520 \div 1560) = .3333$

$$\begin{array}{r} \$26,000.00 \text{ (a)} \\ \times \quad .3333 \text{ (b)} \\ \hline \end{array}$$

**\$8,665.80**

**Annual Retirement  
Benefit**

## EARLY RETIREMENT ALLOWANCE

### \*\* THIS OPTION IS ONLY AVAILABLE TO EMPLOYEES HIRED BEFORE 7/1/2010 \*\*

If you have reached the age of (50) fifty and have a minimum of (10) ten years of creditable service but less than twenty five (25) years of creditable service you are entitled to an early retirement benefit equal to that portion of (65) sixty-five percent of your regular salary or wages earned during the last full year of service as the number of years of creditable service bears to (25) twenty five years, reduced by .555% (.00555) for each full month between your early retirement date and the date you would *either* attain age (60) sixty; *or* attain 25 years of creditable service.

1.) Compute:

- (a) (Salary x .65)
- (b) (Creditable Service Wks ÷ 1300)

Formula: (a) x (b) = Preliminary Amount

2.) Compute:

- (c) (Months to Age 60 or Months to 25 Years of Service x .00555)

Formula: Preliminary Amount x (c) = Reduction Amount

3.) Preliminary Amount – Reduction Amount = Annual Benefit

### **Example #1 (Months to Age 60):**

You are age 58 and have 520 creditable service weeks (10 years). Your Regular Salary or Wages Earned during the last full year of service is \$40,000.

- |  |  |
|--|--|
| 1.) (a) (\$40,000 x .65 = \$26,000)            | \$ 26,000.00 (a)                               |
| (b) (520 / 1300 = .40)                         | x <u>          .40</u> (b)                     |
| Preliminary Amt =                              | \$ 10,400.00                                   |
| 2.) (c) (.00555 x 24* = .1332)                 | x <u>          .1332</u> (c)                   |
| *Months to age 60                              | Reduction Amt = \$ 1,385.28                    |
| 3.) Preliminary Amount minus Reduction Amount: | \$ 10,400.00                                   |
|  | - <u>1,385.28</u>                              |
|  | <b>Annual Retirement Benefit = \$ 9,014.72</b> |

## EARLY RETIREMENT ALLOWANCE (continued)

### Example #2 (Months to attain 25 years of service):

You are age 54 and have 1144 creditable service weeks (22 years). Your Regular Salary or Wages Earned during the last full year of service is \$40,000.

1.) (a) (\$40,000 x .65 = \$26,000)	\$ 26,000.00 (a)
(b) (1144 / 1300 = .88)	x _____ .88 (b)
	Preliminary Amt = \$ 22,880.00
2.) (c) (.00555 x 36* = .1998)	x _____ .1998
* Months to attain 25 years of service	Reduction Amt = \$ 4,571.42
3.) Preliminary Amount minus Reduction Amount:	\$ 22,880.00
	- 4,571.42
	<b>Annual Retirement Benefit = \$ 18,308.58</b>

Other retirement options available include:

- Ordinary Disability Retirement
- Accidental Disability Retirement

Optional forms of retirement benefits payment are:

- Contingent Annuity
- 10 Year Certain



City of Nashua, New Hampshire

# Board of Public Works Employees Retirement System

Established in 1947

