



## FACT SHEET: NEW HAMPSHIRE RETIREMENT SECURITY

- In New Hampshire, last year alone, our state Retirement System (NHRS) supported **over 27,000 retired teachers, firefighters, police officers, and state and municipal employees with an average pension of \$12,474 totaling over \$579 million in benefits.**<sup>1</sup>
- **Defined Benefit Pensions invest \$5.35 trillion nationally**, keeping some 5 million retired Americans out of poverty, supporting 5.3 million American jobs.<sup>2</sup>
- When retirees have a stable and secure pension check, they spend that income goods and services in their local communities, leaving a substantial economic footprint. The most recent study demonstrates that in **New Hampshire public pensions support 3,088 local jobs, which paid \$182.9 million in wages and salaries.**<sup>3</sup>
- **Assertions that pensions are only available to public employees are inaccurate.** A 2010 study of Fortune 1000 companies showed 586 had pensions for their employees.<sup>4</sup>
- **Pension plans play a vital role in decreasing poverty and material hardship among older Americans.** Households with pension plans were less reliant on public assistance, which saved over \$7.3 billion in public assistance payments in 2006.<sup>5</sup>
- A Defined Benefit pension plan provides retirees with the security of a stable lifetime retirement benefit, while **Defined Contribution plan benefits are subject to market performance and expose employees to Wall Street risk taking.**<sup>6</sup>
- Defined Benefit pensions are the most economically efficient retirement plans available and are **a better bargain for taxpayers.** Due to their group nature, **pensions can deliver the same level of retirement income as defined contribution plans at half the cost.**<sup>7</sup>
- Professional actuaries recently reviewed the legislative proposals in New Hampshire to force employees to switch to a Defined Contribution Plan. **They concluded that the costs of the Defined Contribution plan would be significantly higher, benefits would be reduced, and it would increase the unfunded debt.**<sup>8</sup>
- According to a survey released by the National Conference on Public Employee Retirement Systems, **eighty-two percent of small business owners believe that employees should have a pension benefit for life.**<sup>9</sup>

<sup>1</sup> New Hampshire Retirement System, Comprehensive Annual Financial Report, June 30, 2011

<sup>2</sup> National Institute on Retirement Security, Executive Director Diane Oakley Testimony before the U.S. Senate Health, Education, Labor & Pensions Committee, July 12, 2011

<sup>3</sup> National Institute on Retirement Security, Pensionomics: Measuring the Economic Impact of State and Local Pension Plans, 2006

<sup>4</sup> Towers Watson US – Insider Newsletter, By Brendan McFarland and Erika Kummernuss, September 2010

<sup>5</sup> National Institute on Retirement Security, The Pension Factor, By Frank Porell, Ph. D and Beth Almeida, July, 2009

<sup>6</sup> New Hampshire Retirement System, Defined Contribution Retirement Plan Study, By Gabriel, Roeder, Smith & Company: Consultants and Actuaries, January 3, 2012

<sup>7</sup> National Institute on Retirement Security, Executive Director Diane Oakley Testimony before the U.S. Senate Health, Education, Labor & Pensions Committee, July 12, 2011

<sup>8</sup> New Hampshire Retirement System, Defined Contribution Retirement Plan Study, By Gabriel, Roeder, Smith & Company: Consultants and Actuaries, January 3, 2012

<sup>9</sup> Plan Adviser, Small Business Owners Support Idea of Lifelong Pension, December 2, 2011