

CHAPTER 184
HB 1587-FN-A - FINAL VERSION

31Mar2022... 1169h

2022 SESSION

22-2657
10/11

HOUSE BILL

1587-FN-A

AN ACT relative to determination of average final compensation under the retirement system and making an appropriation therefor.

SPONSORS: Rep. Pratt, Rock. 3; Rep. Deshaies, Carr. 6; Rep. Bordes, Belk. 3; Rep. Trottier, Belk. 6

COMMITTEE: Executive Departments and Administration

AMENDED ANALYSIS

This bill modifies the calculation of compensation paid in excess of the full base rate of compensation under the definition of average final compensation in the retirement system for group II persons hired before July 1, 2011 who did not vest before January 1, 2012. The bill makes an appropriation to the retirement system for funding the cost of the change.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears ~~[in brackets and struckthrough.]~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Two

AN ACT relative to determination of average final compensation under the retirement system
and making an appropriation therefor.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 184:1 Retirement System; Definition of Average Final Compensation. Amend RSA 100-A:1, XVIII to
2 read as follows:

3 XVIII. "Average final compensation" shall mean:

4 (a) For members who have attained vested status prior to January 1, 2012, the average
5 annual earnable compensation of a member during his or her highest 3 years of creditable service, or
6 during all of the years in his or her creditable service if less than 3 years. For purposes of this calculation,
7 the inclusion of the average annual compensation for extra and special duty in the 3 years shall not
8 exceed the average annual amount of compensation for extra and special duty paid to the member over
9 the member's last 7 years of creditable service on or after July 1, 2009, as reported by the employer in
10 accordance with RSA 100-A:16, VI, or over all of the years in his or her creditable service on or after July
11 1, 2009 if less than 7 years.

12 (b) For *group I* members who commenced service on or after July 1, 2011 or who have not
13 attained vested status prior to January 1, 2012, the average annual earnable compensation of a member
14 during his or her highest 5 years of creditable service, or during all of the years in his or her creditable
15 service if less than 5 years. For purposes of inclusion in this calculation, the average percentage of
16 compensation paid in excess of the full base rate of compensation in the highest 5 years shall not exceed
17 the average percentage of compensation paid in excess of the full base rate of compensation over all the
18 member's years of service on or after January 1, 2012, but excluding the highest 5 years.

19 *(c)(1) For group II members who commenced service prior to July 1, 2011 and who have not*
20 *attained vested status prior to January 1, 2012, the average annual earnable compensation of a member*
21 *during his or her highest 5 years of creditable service, or during all of the years in his or her creditable*
22 *service if less than 5 years. For purposes of inclusion in this calculation, the average percentage of*
23 *compensation paid in excess of the full base rate of compensation in the highest 5 years shall not exceed*
24 *the average percentage of compensation paid in excess of the full base rate of compensation over all the*
25 *member's years of service on or after January 1, 2012.*

26 *(2) For group II members who commenced service on or after July 1, 2011 and who have*
27 *not attained vested status prior to January 1, 2012, the average annual earnable compensation of a*
28 *member during his or her highest 5 years of creditable service, or during all of the years in his or her*
29 *creditable service if less than 5 years. For purposes of inclusion in this calculation, the average*
30 *percentage of compensation paid in excess of the full base rate of compensation in the highest 5 years*
31 *shall not exceed the average percentage of compensation paid in excess of the full base rate of*

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1 *compensation over all the member's years of service on or after January 1, 2012, but excluding the*
2 *highest 5 years.*

3 184:2 Funding Source; Average Final Compensation; Group II Change; Appropriation. The total
4 actuarial cost of the amendment to the group II determination of average final compensation as amended
5 by section 1 of this act, shall be determined by the actuary and certified by the board of trustees of the
6 retirement system, and shall be terminally funded from surplus funds from the state from the current
7 biennium. The amount required for terminally funding the total actuarial cost is hereby appropriated to the
8 board of trustees of the retirement system. The governor is authorized to draw a warrant for said sum out
9 of any money in the treasury not otherwise appropriated.

10 184:3 Effective Date. This act shall take effect 60 days after its passage.

Approved: June 15, 2022
Effective Date: August 14, 2022

