

SB 143-FN – AS INTRODUCED

2011 SESSION

11-1068

01/10

SENATE BILL **143-FN**

AN ACT requiring the commissioner of administrative services to develop a proposal for state employees to make monetary contributions to a health savings account or other tax-advantaged account.

SPONSORS: Sen. White, Dist 9; Sen. Bradley, Dist 3; Sen. Sanborn, Dist 7; Rep. Hawkins, Hills 18; Rep. Avard, Hills 20; Rep. Hunt, Ches 7

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill requires the commissioner of administrative services to develop a proposal for state employees to make monetary contributions to a health savings account or other tax-advantaged account. The commissioner of administrative services shall prepare a report to be presented to the governor, the president of the senate, the speaker of the house of representatives, and the legislative budget assistant.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT requiring the commissioner of administrative services to develop a proposal for state employees to make monetary contributions to a health savings account or other tax-advantaged account.

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

1 1 New Subdivision; Health Savings Accounts, Deferred Compensation Accounts and Other Tax-
2 Advantaged Savings Accounts. Amend RSA 21-I by inserting after section 36 the following new
3 subdivision:

4 Health Savings Accounts, Deferred Compensation Accounts
5 or Other Tax-Advantaged Savings Accounts

6 21-I:36-b Health Savings Accounts, Deferred Compensation Accounts, or Other Tax- Advantaged
7 Savings Accounts for State Employees.

8 I. The commissioner shall develop a proposal under which the state and state employees
9 may make monetary contributions to a health savings account, a deferred compensation account, or
10 another tax-advantaged savings account. The proposal shall include, but not be limited to, at least
11 the following elements:

12 (a) Estimates of future health care premium costs for state employees.

13 (b) A goal that actuarially funds a major portion of the expected retirement health care
14 premium costs for a typical state employee through contributions made throughout the career of the
15 state employee.

16 (c) How to make use of federal tax advantages to the greatest extent possible.

17 (d) A variety of contribution options under which the state and a state employee may
18 make voluntary or mandatory contributions to the employee's retirement health care account.

19 (e) An exploration of the feasibility of using the concept of "paid time off" (PTO) days in
20 exchange for vacation days, personal days, holidays, and sick days and permitting employees to
21 exchange PTO days for contributions to the employee's retirement health care account.

22 (f) Estimates of the monetary savings of reduced overtime expense and from employee
23 turnover.

24 (g) For an employee who has already served most of the employee's career in public
25 services, a transition program that provides a retirement health care funding mechanism under
26 which the employee would make contributions for the remainder of the employee's career that would
27 be supplemented by the state to provide a benefit similar to the benefit that will be provided by the
28 long-term funding plan.

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1 II. The commissioner shall submit a report containing the proposal and any other findings
2 and recommendations to the governor, the president of the senate, the speaker of the house of
3 representatives, and the legislative budget assistant on or before November 1, 2011.

4 2 Effective Date. This act shall take effect upon its passage.

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SB 143-FN - FISCAL NOTE

AN ACT requiring the commissioner of administrative services to develop a proposal for state employees to make monetary contribution to a health savings account or other tax-advantaged account.

FISCAL IMPACT:

The Department of Administrative Services states this bill will increase state expenditures by \$38,750 in FY 2011. There will be no fiscal impact on state revenues, or county and local revenues or expenditures.

METHODOLOGY:

The Department of Administrative Services states this bill requires the commissioner of the Department to develop a plan to utilize a number of tax-advantaged accounts and other methods to address state employee benefits. The Department states it would hire consultants to assist in the development of the plan and estimates consultant costs to be based on an average hourly rate of \$387.50 for 100 hours for a total of \$38,750.