

SB 229-FN – AS AMENDED BY THE HOUSE

03/21/12 1265s
03/28/12 1413s
16May2012... 2214h

2012 SESSION

12-2876
10/03

SENATE BILL **229-FN**

AN ACT establishing a defined contribution retirement plan for state employees and establishing a committee to study and implement a defined contribution plan.

SPONSORS: Sen. Groen, Dist 6; Sen. Boutin, Dist 16; Sen. Bradley, Dist 3; Sen. Bragdon, Dist 11; Sen. De Blois, Dist 18; Sen. Forsythe, Dist 4; Sen. Gallus, Dist 1; Sen. Lambert, Dist 13; Sen. Stiles, Dist 24; Sen. White, Dist 9; Rep. Hawkins, Hills 18; Rep. Winter, Merr 3; Rep. Hill, Merr 6; Rep. O'Brien, Hills 4; Rep. Bettencourt, Rock 4

COMMITTEE: Executive Departments and Administration

AMENDED ANALYSIS

This bill establishes a committee to study and evaluate defined contributions plans for new state employee hires after November 1, 2013. The committee shall issue a request for proposals and propose legislation to implement the plan. The bill also establishes a defined contribution plan for new state employees hired after November 1, 2013, and other governmental employees whose employers elect its provisions, unless amended by legislation.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Twelve

AN ACT establishing a defined contribution retirement plan for state employees and
 establishing a committee to study and implement a defined contribution plan.

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

1 1 Findings and Intent.

2 I. It is imperative for the state to take immediate action to assure the state retirement
3 system's future financial health.

4 (a) The Pew Institute has concluded that unfunded pension and healthcare liabilities are
5 a nationwide problem, estimated at over \$1 trillion. There is a general trend in private industry,
6 and increasingly included as an option in state plans, toward replacing defined benefit plan pensions
7 with defined contribution plans to solve this problem.

8 (b) The New Hampshire retirement system has an estimated unfunded pension liability
9 of \$3.7 billion and \$1.5 billion of unfunded other post-employment benefit insurance liability.
10 Although a plan is underway for recovery over the next 26 years, uncertainties in future market
11 returns, rapid increases in medical costs, increases in life expectancy, and slower growth in public
12 sector employment require a more prudent long term approach to assure financial viability.

13 (c) The budget reductions in the state fiscal years 2012 and 2013 are large and future
14 budgets will likely remain lean. Federal budgets are likely to be lower in the future, and in order to
15 meet the state's long term commitments to health and human services, education, transportation,
16 and other services, setting future retirement liabilities and obligations in a financially prudent
17 manner is a necessary part to help ensure these other commitments can be met.

18 (d) Financial viability is essential to the operation of state government and local
19 government performing its constitutional and statutory obligations. Therefore, ensuring that a
20 financially viable retirement plan is in place is an important, immediate, and fundamental necessity.

21 II. The current level of benefits for public employees is unsustainable. On average, benefits
22 constitute an additional 52 percent increase to the cost of public salaries. This is significantly higher
23 than the percent paid in the private sector, and taxpayers are increasingly unable to continue this
24 level of support, especially in our recessionary climate.

25 III. The financial viability of the state retirement system must be preserved.

26 (a) Simply shifting who pays (i.e., employees or employers) will not solve the problem.

27 (b) It is important to adjust the system fairly among employee classes, and to introduce

1 changes in a way to avoid impact on any present employees.

2 (c) Pension costs must not make public employees uncompetitive with the private sector.

3 (d) This act will ensure greater predictability for taxpayers in the cost of pensions.

4 IV. There are many advantages to a defined contribution system for our employees:

5 (a) Capability to build family wealth as any principal and earnings in the employees
6 individual account can be passed onto heirs through the estate process.

7 (b) The employee can transfer all vested account balances upon employment termination
8 to another employer's plan or their own IRA account penalty free.

9 (c) Daily valuation of investment selection along with a wide selection of investment
10 options give employees the ability to check account balance status and make transfers frequently.

11 (d) Vesting schedule gives true ownership of account balances to the employees in a
12 shorter time period than a defined benefit pension.

13 (e) Distribution options allow for employee access to a partial lump-sum of retirement
14 assets to satisfy retirement needs.

15 (f) The nature of the investments provides the possibility for a built-in cost of living.
16 Market adjustments to market conditions makes this possible.

17 V. The legislature specifically finds after many public hearings, hours of studying the issue,
18 and hours of debate, that the changes made in this act are reasonable and necessary, and seek to
19 find optimum adjustments to the current retirement system and to public employee retirement
20 benefits to accomplish the important public purpose of preserving and providing retirement benefits
21 to public employees.

22 2 Committee Established. There is established a committee to make recommendations on the
23 details and the procedures for the transition from a defined benefit plan to a defined contribution
24 plan, for all new state employee hires, and others who may elect to do so, including issuing requests
25 for proposals (RFPs) from potential vendors, studying the proposals received, and recommending
26 legislation to implement a defined contribution plan based on one or more proposals, and any other
27 matters deemed relevant by the committee.

28 3 Membership and Compensation of the Committee; Advisory Adjunct Committee.

29 I. The members of the committee shall be as follows:

30 (a) Four members of the house of representatives, one of whom shall be from the special
31 committee on pension reform and one of whom shall be from the finance committee, appointed by the
32 speaker of the house of representatives.

33 (b) Two members of the senate, appointed by the president of the senate.

34 (c) Members of the committee shall receive mileage at the legislative rate when
35 attending to the duties of the committee.

36 II. In order to assist the legislative committee members in answering any questions on
37 implementing a defined contribution plan for all new hires by the state of New Hampshire and other

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1 employers eligible to participate, and to study the impact such change might have on the current
2 retirement system, there shall be an advisory adjunct to the committee. The appointed members of
3 the advisory adjunct to the committee shall have substantial experience in the field of institutional
4 investment or finance, taking into account factors such as educational background, business
5 experience, and professional licensure and designations. The adjunct committee shall consist of the
6 following nonvoting members:

7 (a) The chairperson of the New Hampshire retirement system board of trustees, or
8 designee.

9 (b) One member representative of group I of the retirement system in RSA 100-A,
10 appointed by the speaker of the house of representatives.

11 (c) One member representative of group II of the retirement system in RSA 100-A,
12 appointed by the president of the senate.

13 (d) Four retirement system employer representatives, with one employer representative
14 appointed by the New Hampshire Municipal Association, one appointed by the New Hampshire
15 School Boards Association, one appointed by the New Hampshire Association of Counties, and one
16 representing the state of New Hampshire, appointed by the governor.

17 (e) One public member with recognized expertise in finance, financial management, or
18 the governance and oversight of large endowments or public funds, appointed by the governor.

19 (f) Two public members with recognized expertise in the design, administration,
20 implementation, and educational components of public sector and/or private sector defined
21 contribution plans. One member to be appointed by the speaker of the house of representatives and
22 one member to be appointed by the president of the senate.

23 4 Duties. The committee shall:

24 I. Study the issues surrounding the implementation of a defined contribution plan for all
25 state employees hired after November 1, 2013. Such study shall include but not be limited to:

26 (a) Public employee defined contribution plans in other states, including who is actually
27 covered (such as state employees only, or cities and towns as well), and private sector defined
28 contribution plans, including the following areas:

29 (1) Investments:

30 (A) Number of selections and types of investments (i.e. mutual funds only,
31 brokerage accounts, etc.).

32 (B) The process by which investments are selected and by whom at the plan
33 level.

34 (C) Employee discretion in choosing individual investments and timing.

35 (2) Administration:

36 (A) Plan reports to employers.

37 (B) Plan reports to employees.

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1 (C) Access and enrollment of personal accounts (on-line, telephone, etc.).

2 (D) In-house administration or private company contract, and duration of a
3 contract.

4 (3) Education:

5 (A) Generic education of employees.

6 (B) Specific education done by licensed professionals (CFP, ChFC, etc.).

7 (b) Evaluation of issues described in subparagraph (a) considering those features that a
8 defined contribution plan for New Hampshire state employees should contain. A hybrid plan
9 combining elements of both a defined benefit and a defined contribution plan are to be duly
10 considered, and proposals may allow for implementing such a hybrid plan.

11 II. Prepare one or more RFPs for a new defined contribution plan and/or for managing both
12 the existing defined benefit plan in RSA 100-A and the new defined contribution plan.

13 III. Evaluate proposals received pursuant to the RFPs.

14 IV. Study the impact on New Hampshire taxpayers from the closing of the defined benefit
15 plan in RSA 100-A to new state employees after November 1, 2013. The study may include:

16 (a) Various investment return scenarios.

17 (b) Suggestions made by the defined benefit plan under RSA 100-A and its actuaries of
18 investment policy changes due to needed liquidity, including:

19 (1) Actuarial assumptions.

20 (2) Investment committee opinion of liquidity needs.

21 (3) Possible solutions to a lowering of the assumed interest earnings to include
22 bonding or changing the make-up of the finite employee pool in the defined benefit plan by
23 incentivizing buy-outs or annuitization.

24 V. Evaluate various methods for continued funding of the unfunded accrued liability of the
25 existing New Hampshire retirement system, including but not limited to recent legislative proposals
26 establishing a state administered defined contribution plan, and any proposals received.

27 VI. Seek technical assistance as necessary from the New Hampshire retirement system and
28 from other independent financial, investment, actuarial, and retirement experts. The committee
29 may utilize support staff for the purposes of its duties.

30 VII. Evaluate employer and employee education programs for administration and
31 participation in the proposed plan.

32 VIII. Prepare legislation intended to implement the selected plan based on criteria in this
33 act. If no proposal or combination or variation thereof is selected, the committee may propose
34 supplemental legislation as deemed needed.

35 5 Chairperson; Quorum. The voting members of the committee shall elect a chairperson from
36 among the legislative members. The first meeting of the committee shall be called by the first-
37 named house member. The first meeting of the committee shall be held within 45 days of the

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1 effective date of this section. Four voting members of the committee shall constitute a quorum.

2 6 Appropriation; Expenditures. In addition to any sums collected from the assessment of the
3 RFP application charge which may be expended by the committee for the purposes of this act, there
4 is hereby appropriated the sum of \$100,000 for fiscal year 2013 which may be expended by the
5 committee for the purposes of this act. The source of funds for the appropriation to the committee
6 shall be charged equally against each subaccount in the legislative account established in 2011,
7 224:217, provided that any sums collected from the assessment of an application charge for an RFP
8 response by a vendor shall offset the special legislative account funds for this appropriation.

9 7 Report. The committee shall report its findings and any recommendations for proposed
10 legislation to the speaker of the house of representatives, the president of the senate, the house
11 clerk, the senate clerk, the governor, and the state library on or before November 1, 2012. This
12 report shall include estimation of costs, comparison of benefits against the current defined benefit
13 plan, and an analysis of potential advantages and disadvantages.

14 8 Development and Issuance of Request for Proposals.

15 I. The RFPs shall ask for the inclusion of as many of the features specified in paragraph VIII
16 as possible. Variations, including not meeting all of the requested features is acceptable, if the
17 overall proposal is selected as the most appropriate for implementation. The committee may assess
18 an application charge of \$10,000 to vendors or other entities responding to an RFP. Any sums
19 collected shall be for the use of the committee as provided in section 6 of this act.

20 II. The committee shall issue RFPs to qualified entities engaged in retirement and pension
21 plan management. In addition, the New Hampshire retirement system may submit a proposal on
22 any of the 3 options set forth in paragraph III.

23 III. The RFP shall be issued allowing entities to submit proposals on one, 2, or all 3 of the
24 following options for plan management and administration:

25 (a) Investment management and plan administration for the public employee selected
26 plan only.

27 (b) Investment management and plan administration for the public employee selected
28 plan, plus investment management for the retirement system corpus fund under RSA 100-A pending
29 legislative authorization for such management.

30 (c) Investment management and plan administration for the public employee selected
31 plan, plus investment management and plan administration for retirement system corpus fund
32 under RSA 100-A pending legislative authorization for such management and administration.

33 IV. The committee shall explore the opportunities and details of the various proposals or
34 combination of proposals. Criteria of evaluation shall include but not be limited to:

35 (a) Set-up/ongoing cost compared with current system.

36 (b) Level of financial risk.

37 (c) Expected performance.

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1 V. If after due evaluation, a second round of RFPs to further refine the best approach is
2 needed, the committee may issue additional RFPs.

3 VI. The committee shall issue a recommendation for the best plan proposal for New
4 Hampshire, no later than November 1, 2012, and, notwithstanding any rule of the house of
5 representatives or senate, prepare and introduce a bill to implement that recommended proposal, on
6 the following time table:

7 (a) The vendor to implement the recommended proposal demonstrating the greatest
8 ability to satisfy the state's need for value, quality, efficiency, and savings shall be selected no later
9 than August 15, 2013.

10 (b) Final contracts submitted to the governor and council no later than September 15,
11 2013, unless this date is extended by the implementation legislation.

12 (c) The date for implementation of the contract shall be November 1, 2013.

13 VII. The committee may change the target dates in paragraph VI, conditional on agreement
14 of a proposal that otherwise achieves the objectives as stated in this act.

15 VIII. The following items shall be included in the RFPs issued by the committee. These
16 items shall be major considerations in the development of the first RFP, so that proposals received
17 will give them due focus and attention. In the RFPs, the committee shall include a request for any
18 alternatives that should be considered by the committee in addition to stated requirements.

19 (a) The state employee defined contribution plan is intended as a qualified retirement
20 plan established and maintained with contributions treated as provided in 26 U.S.C. section 414(h).
21 Any person who is first employed, or reemployed after separation from service, by the state of
22 New Hampshire, and entered on the payroll on a full-time basis on or after November 1, 2013 shall
23 be a member of the plan; except that membership shall be optional in the case of state elected
24 officials, unclassified state employees appointed for fixed terms, or full-time employees of the general
25 court. In addition, membership shall be optional for political subdivision employees, teachers,
26 firemen and police working for those employers as defined in RSA 100-A:1, IV which otherwise elect
27 to join the plan.

28 (b) Employee Contributions.

29 (1) Mandatory employee contributions shall be as close to the following rate percent
30 as feasible to achieve a standard level of retirement, applied to the employee's earnable
31 compensation:

32 Group I employees, 7.00.

33 Group II permanent fireman employees, 11.80.

34 Group II permanent police employees, 11.55.

35 (2) Additional voluntary employee contributions should be allowed to the extent
36 permitted by the federal Internal Revenue Code and Regulations for qualified governmental
37 retirement plans.

1 (c) Employer Contributions.

2 (1) For group I employees and teachers, the employer shall contribute on behalf of
3 the employee an amount equal to 10 percent of the employee's earnable compensation, minus the
4 sum of the following:

5 (A) Mandatory contributions of the employee.

6 (B) The cost of any required premium contributions for long term disability
7 insurance and life insurance attributable to the employee, paid by the employer.

8 (2) For group II employees, the employer shall contribute on behalf of the employee
9 an amount equal to 16 percent of the employee's earnable compensation, minus the sum of the
10 following:

11 (A) Mandatory contributions of the employee.

12 (B) The cost of any required premium contributions for long term disability
13 insurance and life insurance attributable to the employee, paid by the employer.

14 (3) Any increases over targets given for employee and employer contribution rates
15 shall be shared equally.

16 (d) Plan Administration.

17 (1) The plan will include a range of investment options and a procedure for election
18 of options by the employee.

19 (2) No loans, hardship withdrawals, or other in-service withdrawals shall be
20 permitted, except as provided in subparagraph (g).

21 (e) Vesting. Member contributions and investment return attributable to member
22 contributions shall be 100 percent vested as of the date of contribution or accrual. Employer
23 contributions, if any, and investment return attributable to employer contributions held in an
24 account of a member by the administrator shall be vested under this subdivision according to the
25 following schedule:

26 (1) Twenty percent of funds in an account after one year total of active service by a
27 member.

28 (2) Forty percent of funds in an account after 2 years total of active service by a
29 member.

30 (3) Sixty percent of funds in an account after 3 years total of active service by a
31 member.

32 (4) Eighty percent of funds in an account after 4 years total of active service by a
33 member.

34 (5) One hundred percent of funds in an account after 5 years total of active service by
35 a member.

36 (f) Upon retirement of a member:, at least 50 percent of funds in an individual member
37 account may be convertible by the employee to a life annuity contract.

1 (g) Withdrawal of funds. Distributions from an account of a member shall be permitted
2 in the following circumstances, subject to applicable limitations under federal regulations:

- 3 (1) Termination of employment.
4 (2) Retirement.
5 (3) If the member becomes disabled.
6 (4) If the member dies.

7 (h) The plan and the benefits provided shall not be construed to constitute a binding
8 contractual obligation with respect to members and may be modified or discontinued by the adoption
9 of appropriate legislation or vendor contract changes.

10 (i) The RFP may include as an optional item, the potential for the plan to apply not just
11 to new hires but to non-vested employees.

12 IX. Notwithstanding any provision of law to the contrary relating to the award of public
13 contracts, the committee established in this act shall be authorized to issue a public request for
14 proposals provided for in this act, advertise and receive responses for the RFPs, and review and
15 consider the proposals. Once negotiations have been completed and the contract for administration
16 of the selected plan is approved by the governor and council, all proposals submitted to the
17 committee, but excluding any proprietary information or materials, shall become available for public
18 review.

19 9 New Subparagraph; Participation by Members; Retirement System. Amend RSA 100-A:3, I by
20 inserting after subparagraph (d) the following new subparagraph:

21 (e) Notwithstanding the provisions of subparagraphs (a)–(d) of this paragraph,
22 employees, teachers, permanent policemen, and permanent firemen beginning service on or after
23 November 1, 2013, working in a position for the state of New Hampshire, or for an employer who has
24 joined the defined contribution plan under RSA 100-E, as determined by common law standards,
25 shall as a condition of employment participate in the public employee defined contribution plan
26 established under RSA 100-E and not be members of the retirement system established in RSA 100-
27 A.

28 10 New Chapter; Public Employee Defined Contribution Plan. Amend RSA by inserting after
29 chapter 100-D the following new chapter:

30 CHAPTER 100-E

31 PUBLIC EMPLOYEE DEFINED CONTRIBUTION PLAN

32 100-E:1 Authorization of Plan. The public employee defined contribution plan authorized in this
33 chapter is intended as a qualified retirement plan established and maintained by the state with
34 contributions treated as provided in 26 U.S.C. section 414(h).

35 100-E:2 Definitions. In this chapter:

- 36 I. “Earnable compensation” means earnable compensation as defined in RSA 100-A:1.
37 II. “Employer” means the state of New Hampshire and agencies of state government. All

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1 employers other than the state, participating in the New Hampshire retirement system under RSA
2 100-A on October 31, 2012, and any new employers, may elect to participate in the plan on and after
3 November 1, 2013.

4 III. “Group I members” means employees and teachers as defined in RSA 100-A:1.

5 IV. “Group II members” means permanent policemen and permanent firemen as defined in
6 RSA 100-A:1.

7 V. “Member” means any person included in the membership of the plan, as provided in RSA
8 100-E:3.

9 VI. “Plan” means the public employee defined contribution plan established in this chapter
10 for members who begin service on and after November 1, 2013.

11 100-E:3 Membership. Any person who is first employed, or reemployed after separation from
12 service, by the state of New Hampshire or an employer who has expressly opted to participate in this
13 plan, and entered on the payroll on a full-time basis on or after November 1, 2013 shall be a member
14 of the plan established in this chapter; except that membership shall be optional in the case of
15 elected officials, unclassified state employees appointed for fixed terms, or full-time employees of the
16 general court.

17 100-E:4 Member Contributions.

18 I. Mandatory member contributions shall be at the following rate percent applied to the
19 member’s earnable compensation:

20 (a) Group I members, 7.00.

21 (b)(1) Group II permanent fireman members, 11.80.

22 (2) Group II permanent police members, 11.55.

23 II. Additional voluntary employee contributions shall be allowed to the extent permitted by
24 the federal Internal Revenue Code and Regulations for qualified governmental retirement plans.

25 100-E:5 Employer Contributions.

26 I. For group I employees and teachers, the employer shall contribute on behalf of the
27 member an amount equal to 10 percent of the member’s earnable compensation, minus the sum of
28 the following:

29 (a) Mandatory contributions of the member under RSA 100-E:4, I.

30 (b) The cost of the required premium contributions for long term disability insurance
31 and life insurance attributable to the member.

32 II. For group II members, the employer shall contribute on behalf of the member an amount
33 equal to 16 percent of the member’s earnable compensation, minus the sum of the following:

34 (a) Mandatory contributions of the member under RSA 100-E:4, I.

35 (b) The cost of the required premium contributions for long term disability insurance
36 and life insurance attributable to the member.

37 100-E:6 Employer Payments for State Retirement System Unfunded Accrued Liability.

1 I. Each employer participating in the New Hampshire retirement system under RSA 100-A
2 on October 31, 2012 shall pay to the retirement system a sum, calculated as the percentage of
3 earnable compensation of its members participating in the plan, in an amount equal to the employer
4 contribution rate determined under RSA 100-A:16, II minus the employer contribution determined in
5 RSA 100-E:5 for the respective member.

6 II. Employer payments under this section shall continue until the New Hampshire
7 retirement system actuary determines that the funded ratio of the consolidated retirement system in
8 RSA 100-A as of June 30 of any given year is equal to or greater than 100 percent. Provided,
9 however that employer payments under this section shall resume if for any subsequent period the
10 retirement system under RSA 100-A incurs new unfunded accrued liability.

11 100-E:7 Adjustment of Contribution Rates.

12 I. The sum of the employer contributions under RSA 100-E:5 and the employer payments
13 under RSA 100-E:6, expressed as the rate percent of a member's earnable compensation, shall be the
14 "total employer rate."

15 II. Upon attainment of the reduction in the total employer rate to 7 percent for group I,
16 11.80 percent for group II permanent fireman members, or 11.55 percent for group II permanent
17 police members, the contribution rates under RSA 100-E:4 and RSA 100-E:5 shall, upon further
18 reductions in required contributions, both be adjusted and reduced equally until the sum of the total
19 employer rate and the employee contribution rate equals 10 percent for group I members or 16
20 percent for group II members.

21 100-E:8 Employer Costs for Long Term Disability and Life Insurance Benefits. The employer
22 shall pay the costs for long term disability insurance benefits and life insurance benefits which shall
23 be provided at benefit levels to be determined.

24 100-E:9 Plan Administration.

25 I. The governor and council shall contract according to the procedure in RSA 100-E:13 with
26 an administrator for the public employee defined contribution plan for the administration of assets
27 accumulated under each member's account.

28 II. The plan shall include a range of investment options and a procedure for election of
29 options by the member. If a member exercises control over the assets in the individual account, the
30 member is not considered a fiduciary for any reason on the basis of exercising that control.

31 III. No member-in-service loans, hardship withdrawals, or other in-service withdrawals
32 shall be permitted.

33 IV. To the extent permitted by federal law, the plan shall include the requirement that at
34 least 50 percent of funds in an individual member account at the member's retirement be converted
35 to a life annuity contract to provide income during retirement. The plan shall include life annuity
36 options which may be elected by the member upon retirement or allow for members to show proof of
37 a suitable alternative.

1 100-E:10 Vesting. Member contributions and investment return attributable to member
2 contributions shall be 100 percent vested as of the date of contribution or accrual. Employer
3 contributions and investment return attributable to employer contributions held in an account of a
4 member by the administrator shall be vested under this chapter according to the following schedule:

5 I. 20 percent of funds in an account after one year of continuous participation by a member.

6 II. 40 percent of funds in an account after 2 years of continuous participation by a member.

7 III. 60 percent of funds in an account after 3 years of continuous participation by a member.

8 IV. 80 percent of funds in an account after 4 years of continuous participation by a member.

9 V. 100 percent of funds in an account after 5 years of continuous participation by a member.

10 100-E:11 Disbursement of Funds. Upon retirement of a member:

11 I. At least 50 percent of funds in an individual member account shall be converted by the
12 administrator to a life annuity contract.

13 II. Up to 50 percent of the vested balance in an individual member account shall be available
14 for withdrawal by the participant at retirement.

15 100-E:12 Selection of Administrator.

16 I. The department of administrative services shall issue a request for proposals (RFP) to
17 qualified entities engaged in retirement and pension plan management. In addition, the
18 New Hampshire retirement system may bid on management of the public employee defined
19 contribution plan.

20 II. The RFP shall be issued requesting 3 options for plan management and administration,
21 as follows:

22 (a) Investment management and plan administration for the public employee defined
23 contribution plan only.

24 (b) Investment management and plan administration for the public employee defined
25 contribution plan, plus investment management for the retirement system corpus fund under RSA
26 100-A pending legislative authorization for such management.

27 (c) Investment management and plan administration for the public employee defined
28 contribution plan, plus investment management and plan administration for retirement system
29 corpus fund under RSA 100-A pending legislative authorization for such management and
30 administration.

31 III. The governor and council shall contract to provide for a fully bundled retirement plan
32 including investment management and plan administration that will include full services to
33 employer and employee participants in the plan. Plan management shall provide educational
34 services for employer and employee participants.

35 IV. The selection of an administrator for plan management shall be based on the best
36 combination of contracted management and administrative costs and proposed services.

37 100-E:13 Construction of Provisions; Member Acknowledgement.

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1 I. The benefits provided under this chapter shall not be construed to constitute a binding
2 contractual obligation with respect to members and may be modified or discontinued by the adoption
3 of appropriate legislation.

4 II. Every employer involved under this chapter shall keep on file for each member
5 commencing service after November 1, 2013 a statement of the employee's, teacher's, policeman's, or
6 fireman's acknowledgement of the provisions of paragraph I of this section.

7 11 Contingency. If the committee established in section 2 of this act submits its report,
8 including recommendations for proposed legislation, no later than November 1, 2012, then sections 9
9 and 10 of this act shall take effect November 1, 2013. If the committee does not submit its report by
10 November 1, 2012, then sections 9 and 10 of this act shall not take effect.

11 12 Effective Date.

12 I. Sections 9 and 10 of this act shall take effect as provided in section 11 of this act.

13 II. The remainder of this act shall take effect upon its passage.

