

CHAPTER 194
SB 244-FN – FINAL VERSION

03/07/12 1143s
25Apr2012... 1679h
17May2012... 2198h

2012 SESSION

12-2917
10/09

SENATE BILL ***244-FN***

AN ACT relative to the administration of the New Hampshire retirement system.

SPONSORS: Sen. Groen, Dist 6; Sen. Bradley, Dist 3; Rep. Hawkins, Hills 18

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill clarifies recent changes to the administration of the New Hampshire retirement system.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 relative to the administration of the New Hampshire retirement system.

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

1 194:1 Retirement System; Average Final Compensation. Amend RSA 100-A:1, XVIII(a) to read
2 as follows:

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

11 194:2 Accidental Disability Retirement; Group II; Transition. Amend RSA 100-A:6, II(d)(3) to
12 read as follows:

13 (3) For group II members who have not attained vested status prior to January 1,
14 2012, calculation of the supplemental allowance shall ~~[be as provided]~~ ***use the percentage***
15 ***multipliers for the corresponding years of creditable service on January 1, 2012*** in the
16 transition provisions in RSA 100-A:5, II(d) with the ***range for the*** number of ***excess*** years for the
17 supplement adjusted proportionally.

18 194:3 Method of Financing; Calculation of Interest. Amend RSA 100-A:16, II(g) to read as
19 follows:

20 (g) All interest and dividends earned on the funds of the retirement system shall be
21 credited to the state annuity accumulation fund. The board of trustees shall allow interest on the
22 individual accounts of members in the member annuity savings fund and shall annually transfer
23 such interest amount from the state annuity accumulation fund. The rate of interest ***for the***
24 ***calendar year beginning January 1*** shall be 2 percentage points less than either the most recent
25 board of trustees approved assumed rate of return determined under RSA 100-A:16, II(h) or the
26 actual rate of return, whichever is lower, for the immediately preceding fiscal year as reported in the
27 comprehensive annual financial report (CAFR) as approved and accepted by the board of trustees by

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1 December 1 of each year, provided the rate shall not be less than zero. Such interest shall be
2 compounded at an annual rate and shall be prorated and credited to the member annuity savings
3 fund to the date of processing upon termination of active service for any reason including
4 withdrawal, retirement, or death.

5 194:4 Earnable Compensation. Amend RSA 100-A:1, XVII(b)(1) to read as follows:

6 (b)(1) For members who have not attained vested status prior to January 1, 2012, the
7 full base rate of compensation paid, as determined by the employer, plus compensation over base
8 pay. Compensation over base pay shall include as applicable, subject to subparagraphs (2), (3), and
9 (4), any overtime pay, [~~holiday and vacation pay, sick pay,~~] cost of living bonus, annual longevity
10 pay, additional pay for extracurricular and instructional activities, compensation for extra and
11 special duty, and any military differential pay, plus the fair market value of non-cash compensation
12 paid to, or on behalf of, the member for meals or living quarters if subject to federal income tax, but
13 excluding other compensation except supplemental pay paid by the employer while the member is
14 receiving workers' compensation and teacher development pay that is not part of the contracted
15 annual salary.

16 194:5 Definition of Part-Time. RSA 100-A:1, XXXIV is repealed and reenacted to read as
17 follows:

18 XXXIV. "Part-time," for purposes of employment of a retired member of the New Hampshire
19 retirement system but excepting per diem court security officers and court bailiffs, means
20 employment during a calendar year by one or more employers of the retired member which shall not
21 exceed 32 hours in each normal calendar week. Employment in some instances may exceed 32 hours
22 in any normal calendar week provided that in such case, the part-time employment of the retired
23 member shall not exceed 1,300 hours in a calendar year, so long as such part-time employment does
24 not occur outside of a 5-consecutive-month period in any 12-month period.

25 194:6 Maximum Benefit Limitation. Amend RSA 100-A:6-a to read as follows:

26 100-A:6-a Maximum Retirement Benefit. Notwithstanding any other provision of this chapter to
27 the contrary, for members who commenced service before July 1, 2009, ***or have attained vested***
28 ***status prior to January 1, 2012***, a member's initial calculation of the retirement benefit granted
29 under the provisions of RSA 100-A:5 or RSA 100-A:6 shall not exceed 100 percent of the member's
30 highest year of earnable compensation. For members who commenced service on or after July 1,
31 2009 [~~or~~] ***and*** have not attained vested status prior to January 1, 2012, a member's maximum
32 retirement benefit granted under the provisions of RSA 100-A:5 or RSA 100-A:6 shall not exceed the
33 lesser of 85 percent of the member's average final compensation or \$120,000. Nothing in this section
34 shall affect the ability of a member to receive disability benefits pursuant to RSA 100-A:6, II(b) and
35 (c). This provision shall not limit the application of supplemental allowances.

36 194:7 Audited Financial Report. Amend RSA 100-A:15, VI(a) to read as follows:

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1 VI.(a) The board of trustees shall complete, not later than 120 days after the close of each
2 fiscal year, a comprehensive annual financial report concerning the preceding fiscal year in a
3 manner consistent with generally accepted accounting principles. The system's comprehensive
4 annual financial report shall be audited annually in accordance with generally accepted
5 governmental auditing standards by a qualified independent auditor selected by the audit
6 committee. The auditor shall present the audited financial report and resulting findings to the audit
7 committee for its approval and acceptance by December [~~1~~] **31** of each year unless the board of
8 trustees for good cause shall extend such period.

9 194:8 Effective Date.

10 I. Section 1 of this act shall take effect January 1, 2012.

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

12 Approved: June 11, 2012

13 Effective Date: I. Section 1 shall take effect January 1, 2012.

14 II. Remainder shall take effect June 11, 2012.
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