

HB 1493-FN-LOCAL – AS INTRODUCED

2014 SESSION

14-2411
10/01

HOUSE BILL ***1493-FN-LOCAL***

AN ACT relative to members of the retirement system working after retirement, and
relative to membership of political subdivision officials appointed for fixed terms.

SPONSORS: Rep. Gagnon, Sull 5

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill requires the executive director of the retirement system to suspend a member's retirement allowance for exceeding the hourly limitations for part-time employment with a retirement system employer. The bill also clarifies the membership requirements for political subdivision officials appointed for fixed terms.

This bill is a request 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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Fourteen

AN ACT relative to members of the retirement system working after retirement, and
relative to membership of political subdivision officials appointed for fixed terms.

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

1 1 New Section; Suspension of Benefits; Exceeding Part-Time Limitations. Amend RSA 100-A by
2 inserting after section 7-a the following new section:

3 100-A:7-b Suspension of Benefits; Exceeding Part-Time Limitations. A retired member of the
4 retirement system whose employment with an employer exceeds the hourly limitations in the
5 definition of part-time under RSA 100-A:1, XXXIV and who is not restored to service pursuant to
6 RSA 100-A:7 shall have his or her retirement allowance suspended by the executive director for one
7 month for every month, in full or in part, in which the member's part-time employment exceeded the
8 hourly limitations under RSA 100-A:1, XXXIV.

9 2 Membership; Appointed Officials. Amend RSA 100-A:3, I to read as follows:

10 I.(a) Any person who becomes an employee, teacher, permanent policeman, or permanent
11 fireman after the date of establishment, working in a position for an employer under this chapter as
12 determined by common law standards, shall become a member of the retirement system as a
13 condition of employment. In addition, **state** employees appointed **or hired** to an unclassified **or**
14 **nonclassified** position with no fixed term on or after July 1, 2011 shall become members of the
15 retirement system as a condition of employment, if they are receiving benefits from the retirement
16 system. Any retirement benefit collected by such an unclassified **or nonclassified state** employee
17 shall be suspended during the period of employment. Membership in the retirement system shall be
18 optional in the case of elected officials, **state** officials appointed for fixed terms **on or after July 1,**
19 **2014, state** employees appointed **or hired** to an unclassified position with no fixed term prior to
20 July 1, 2011, or those employees of the general court who are eligible for membership in the
21 retirement system. Elected officials and **state** officials appointed for fixed terms shall, however, be
22 eligible for membership in the retirement system only under the following conditions:

23 (1) The office held is a full-time position with eligibility for the same fringe benefits
24 as other full-time employees of the employer;

25 (2) The office held is the primary occupation of the person holding the office;

26 (3) The base rate of annual compensation for the office held is at least \$15,000, and
27 requires at least 1,700 hours of employment; and

28 (4) The official satisfies the condition under subparagraphs (1)-(3) by using only one
29 elected or appointed office to qualify.

30 (5) Notwithstanding subparagraph (4), an official who concurrently holds the offices

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1 of town clerk and tax collector for the same employer, and who is eligible for the same fringe benefits
2 as other full-time employees of the employer, may satisfy the conditions under subparagraphs (2)-(3)
3 by using both offices to qualify. Such official shall be allowed to continue membership in the
4 retirement system if already enrolled, if the hours and salary of the combined offices meet the
5 requirements for membership.

6 (b) Any employee who is currently an employee of the general court who works on a full-
7 time basis and who is eligible for other state benefits, but whose salary was or is calculated on a per
8 diem basis shall be eligible to exercise those buy-back provisions set forth in RSA 100-A:3, VI(a), (b),
9 and (c) for such previous service, only if the employee is currently a member in the retirement
10 system.

11 (c) [Repealed.]

12 (d) The option in subparagraph (a) shall not be available in the case of any newly created
13 positions for unclassified *or nonclassified state* employees or officials whether appointed with fixed
14 terms or with no fixed terms nor in the case of any newly appointed positions created by political
15 subdivisions *on or* after July 1, 2011.

16 3 Effective Date. This act shall take effect July 1, 2014.

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HB 1493-FN-LOCAL – FISCAL NOTE

AN ACT relative to members of the retirement system working after retirement, and
relative to membership of political subdivision officials appointed for fixed terms.

FISCAL IMPACT:

The New Hampshire Retirement System states this bill, **as introduced**, will have no impact on state, county, or local revenue and expenditures.

METHODOLOGY:

The New Hampshire Retirement System states this bill requires the System to suspend a member's retirement allowance for exceeding the hourly limitations on part-time employment with a Retirement System Employer. In addition, the bill clarifies the membership requirements for political subdivision officials appointed for fixed terms. The System states that suspending a member's retirement benefits will result in reduced expenditures from the trust fund out of which benefits are paid. The System is unable to project the total amount of such reductions because it is unable to predict the number of members that will exceed the hourly limitations on part-time employment. The bill will have a fiscal impact on the Retirement System Trust Fund only; there will be no fiscal impact on state, county, or local funds.