

HB 1563-FN – AS INTRODUCED

2014 SESSION

14-2166
10/04

HOUSE BILL

1563-FN

AN ACT

granting group II retirement system status to certain positions in the department of corrections.

SPONSORS:

Rep. Cushing, Rock 21; Sen. Larsen, Dist 15; Sen. Woodburn, Dist 1

COMMITTEE:

Executive Departments and Administration

ANALYSIS

This bill grants group II status to certain positions in the department of corrections. Persons employed in those positions with service prior to the effective date shall be eligible for split benefits.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 granting group II retirement system status to certain positions in the department of corrections.

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

1 1 Department of Corrections; Authorization for Transfer to Group II.

2 I. Pursuant to the provision of RSA 100-A:3, IX, the following positions in the department of
3 corrections classified as group I positions are deemed to have met the requirement of RSA 100-A:1,
4 VII(b) and shall be transferred to group II status in the New Hampshire retirement system:

5 <u>Position Title</u>	<u>Position Number</u>
6 ADMINISTRATOR II	12805
7 ADMINISTRATOR II	12868
8 ADMINISTRATOR II	30336
9 ADMINISTRATOR III	42255
10 ADMINISTRATOR IV (Dentist)	19564
11 ADMINISTRATOR OF PROGRAMS	41525
12 CARPENTRY SUPERVISOR I	12978
13 CARPENTRY SUPERVISOR II	41483
14 CHIEF PSYCHOLOGIST	40891
15 NUTRITION CONSULTANT	41529
16 ELECTRICIAN SUPERVISOR II	12940
17 ELECTRICIAN SUPERVISOR I	41481
18 ELECTRONIC TECHNICIAN I	16917
19 ELECTRONIC TECHNICIAN I	18798
20 ELECTRONIC TECHNICIAN II	41484
21 INVENTORY CONTROL SUPERVISOR	41514
22 MAINTENANCE TECHNICIAN	12930
23 MAINTENANCE TECHNICIAN	12952
24 MAINTENANCE TECHNICIAN	40167
25 MAINTENANCE TECHNICIAN	40232
26 PLANT MAINTENANCE ENGINEER I	12966
27 PLANT MAINTENANCE ENGINEER I	13029
28 PLUMBER SUPERVISOR II	41482
29 PRISON DENTAL OFFICE SUPERVISOR	12991
30 PROGRAM ASSISTANT II	12879

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1	PROGRAM COORDINATOR	41524
2	PROGRAM COORDINATOR	16804
3	RECORDS CONTROL CLERK	41315
4	RECREATIONAL THERAPIST II	16265
5	RECREATIONAL THERAPIST II	42270
6	SUPERVISOR I	18777
7	SUPERVISOR I	18778
8	SUPERVISOR I	18810
9	SUPERVISOR I	41474
10	SUPERVISOR II	41505
11	SUPERVISOR II	41526
12	SUPERVISOR II	19909
13	SUPERVISOR II	12907
14	SUPERVISOR III	16280
15	SUPERVISOR IV	12983
16	TECHNICAL SUPPORT SPECIALIST I	12954
17	WAREHOUSE MANAGER I	16903
18	WAREHOUSE MANAGER III	41530
19	WAREHOUSEMAN	43511
20	WAREHOUSEMAN	18848

21 II. The provisions of RSA 100-A:3, II-b shall apply to positions transferred by this act.
22 2 Effective Date. This act shall take effect 60 days after its passage.

HB 1563-FN - FISCAL NOTE

AN ACT granting group II retirement system status to certain positions in the department of corrections.

FISCAL IMPACT:

The Department of Corrections states this bill, **as introduced**, will increase state expenditures by \$68,538 in FY 2014, \$277,375 in FY 2015 and by an indeterminable amount in FY 2016 and each year thereafter. The New Hampshire Retirement System states this bill will increase state expenditures by \$110,000 in FY 2014, \$280,000 in FY 2015, \$310,000 in FY 2016, \$320,000 in FY 2017 and \$330,000 in FY 2018. There is no impact on county and local expenditures, or state, county, and local revenue.

METHODOLOGY:

The Department of Corrections states this bill grants group II retirement system status to certain positions in the Department. The Department states the bill identifies 45 positions that would be shifted from a group I retirement system status to a group II retirement system status. Of the 45 positions identified, four positions are unfunded and were not used in determining the fiscal impact of this bill. The employer contribution rate for group I members is 12.13 percent and for group II members it is 25.40 percent, an increase of 13.27 percent going from group I to group II. The Department states the total salary for the 41 funded positions is \$2,065,944 in FY 2014 and \$2,090,238 in FY 2015. Assume the bill is effective for the last three months of FY 2014, then total salary will be \$516,486 ($(\$2,065,944 \text{ salary}/12 \text{ months}) * 3 \text{ months}$). The Department states this bill will increase state expenditures by \$68,538 ($\$516,486 \text{ salary} * 13.27\%$) in FY 2014 and by \$277,375 ($\$2,090,238 \text{ salary} * 13.27\%$) in FY 2015. The Department is not able to determine the impact on FY 2016 and beyond as it is unknown if unfunded positions will be funded or additional positions will become unfunded in future operating budgets.

The Retirement System states the impact of moving positions from group I to group II will result in an increase of funds to the System. The System's actuary calculated the estimated fiscal impact of this bill using the following: an assumed rate of interest of 7.75%, an assumed rate of wage inflation of 3.75%, and using the entry age actuarial cost method. The System's actuary states the conversion of the identified Department of Corrections positions from group I to group II will increase the employer contribution by \$110,000 in FY 2014, \$280,000 in FY 2015, \$310,000 in FY 2016, \$320,000 in FY 2017 and \$330,000 in FY 2018.