

HB 50-FN-LOCAL - AS AMENDED BY THE HOUSE

22Mar2023... 0977h

2023 SESSION

23-0080  
07/05

HOUSE BILL

***50-FN-LOCAL***

AN ACT relative to an appropriation for the unfunded accrued liability of the New Hampshire retirement system.

SPONSORS: Rep. Edgar, Rock. 29; Rep. Ebel, Merr. 7; Rep. Cote, Hills. 3; Rep. O'Brien, Hills. 10; Rep. Maggiore, Rock. 23; Rep. Goley, Hills. 21; Rep. Cloutier, Sull. 6; Rep. Rung, Hills. 12; Rep. Shurtleff, Merr. 15; Rep. Soucy, Merr. 21; Sen. Rosenwald, Dist 13; Sen. Perkins Kwoka, Dist 21

COMMITTEE: Executive Departments and Administration

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AMENDED ANALYSIS

This bill makes an appropriation to the New Hampshire retirement system to pay down the unfunded accrued liability.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

**HB 50-FN-LOCAL - AS AMENDED BY THE HOUSE**

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STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty Three*

AN ACT                   relative to an appropriation for the unfunded accrued liability of the New Hampshire retirement system.

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

1           1 Appropriation; New Hampshire Retirement System; Unfunded Accrued Liability. The sum of  
2 \$50,000,000 for the fiscal year ending June 30, 2023 is hereby appropriated to the New Hampshire  
3 retirement system. Said appropriation shall be used by the New Hampshire retirement system to  
4 pay down the unfunded accrued liability and shall not be used for any other purposes. The governor  
5 is authorized to draw a warrant for said sum out of any money in the treasury not otherwise  
6 appropriated.

7           2 Effective Date. This act shall take effect June 30, 2023.

**HB 50-FN-LOCAL- FISCAL NOTE**  
AS AMENDED BY THE HOUSE (AMENDMENT #2023-0977h)

AN ACT relative to an appropriation for the unfunded accrued liability of the New Hampshire retirement system.

**FISCAL IMPACT:**     State                     County                     Local                     None

STATE:	Estimated Increase / (Decrease)			
	FY 2023	FY 2024	FY 2025	FY 2026
<b>Appropriation</b>	\$50,000,000	\$0	\$0	\$0
<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$50,000,000	\$0	\$0	-\$830,000
<b>Funding Source:</b>	<input checked="" type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Various Agency Funds			

**POLITICAL  
SUBDIVISION:**

<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$0	-\$3,510,000

\*The New Hampshire Retirement System states it is not able to separate the fiscal impact of this legislation between county and local government, therefore the fiscal impact is shown together as political subdivisions.

**METHODOLOGY:**

This bill appropriates \$50,000,000 from the General Fund to the New Hampshire Retirement System for fiscal year ending June 30, 2023 to be used solely to pay down a portion of the unfunded actuarial accrued liability (UAAL) of the system.

The New Hampshire Retirement System's actuary states appropriating funds to the UAAL of \$50,000,000 in fiscal year ending June 30, 2023 is projected to reduce employer contribution rates over the 20-year-period beginning in FY 2026 by 0.09% for employees, 0.14% for teachers, 0.21% for police, and 0.20% for fire. The changes for the employer contribution occur in FY 2026 as contributions rates for FY 2024-2025 have been certified and are not subject to change. Therefore, when the FY 2026-2027 contribution rates are set using the June 30, 2023 valuation the impact will be reflected.

**State Impact**

<b>Increase (Decrease) in Employer Pension Rates as a Percent of Payroll</b>	
	<b>Net Impact of Proposal</b>
Employees	(0.09%)
Police	(0.21%)
Fire	(0.20%)

<b>Expected Employer Dollar Increase (Decrease) Due to Proposal</b>				
	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
Employees	-	-	-	\$ (600,000)
Police	-	-	-	\$ (220,000)
Fire	-	-	-	\$ (10,000)
<b>TOTAL</b>	\$0	\$0	\$0	\$ (830,000)

**Political Subdivision Impact**

<b>Increase (Decrease) in Employer Pension Rates as a Percent of Payroll</b>	
	<b>Net Impact of Proposal</b>
Employees	(0.09%)
Teachers	(0.14%)
Police	(0.21%)
Fire	(0.20%)

<b>Expected Employer Dollar Increase (Decrease) Due to Proposal</b>				
	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
Employees	-	-	-	\$ (740,000)
Teachers	-	-	-	\$ (1,870,000)
Police	-	-	-	\$ (570,000)
Fire	-	-	-	\$ (330,000)
<b>TOTAL</b>	\$0	\$0	\$0	\$ (3,510,000)

**AGENCIES CONTACTED:**

New Hampshire Retirement System