

HB 250-FN - AS INTRODUCED

2023 SESSION

23-0337

10/04

HOUSE BILL

250-FN

AN ACT relative to the accidental death benefit payable to a group II member.

SPONSORS: Rep. Barody, Hills. 39; Rep. O'Brien, Hills. 10; Rep. Goley, Hills. 21; Rep.
DiSilvestro, Hills. 17

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill increases the amount of the state retirement annuity payable upon the accidental death of a group II member to 100 percent of earnable compensation at the member's death.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Three

AN ACT relative to the accidental death benefit payable to a group II member.

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

1 1 Retirement System; Accidental Death Benefits; Annuity Payable Upon Death. Amend RSA
2 100-A:8, II (b) to read as follows:

3 (b) Upon the accidental death of a group II member the amount of the state annuity
4 payable shall be equal to ~~[50]~~ **100** percent of the member's annual rate of earnable compensation at
5 the date of the member's death.

6 2 Effective Date. This act shall take effect 60 days after its passage.

HB 250-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to the accidental death benefit payable to a group II member.

FISCAL IMPACT: ☒ State ☒ County ☒ Local ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2023	FY 2024	FY 2025	FY 2026
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable Increase		\$320,000
Funding Source:	<input checked="" type="checkbox"/> General	<input type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

**POLITICAL
SUBDISVISIONS:**

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$1,300,000

*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 increases the group II accidental death benefit under RSA 100-A:8, II(b) from 50% to 100% of member's annual rate of earnable compensation at the date of the member's death.

The NHRS actuary (Actuary) states since contributions rates for FY 2024-2025 have been certified they are not subject to change and there will be no fiscal impact in FY 2024-2025. The Actuary states the FY 2026-2027 contribution rates will be set using the June 30, 2023 valuation. Since the rates for the 2026-2027 biennium are unknown at this time, only the net impact for FY 2026 is shown. It should be noted the fiscal impact of this bill will go well beyond FY 2026.

The NHRS actuary projects an increase in the actuarial accrued liability by \$4 million based on the provisions in the bill and will be amortized over a fixed period of no longer than 20-years.

State Impact

**Increase (Decrease) in Employer Pension Rates as a
Percent of Payroll**

	Net Impact of Proposal
Employees	0.00%
Police	0.29%
Fire	0.32%

Expected Employer Dollar Increase (Decrease) Due to Proposal

	FY 2023	FY 2024	FY 2025	FY 2026
Employees	-	-	-	-
Police	-	-	-	\$300,000
Fire	-	-	-	<u>\$20,000</u>
TOTAL	\$0	\$0	\$0	\$320,000

Political Subdivision Impact

**Increase (Decrease) in Employer Pension Rates as a
Percent of Payroll**

	Net Impact of Proposal
Employees	0.00%
Teachers	0.00%
Police	0.29%
Fire	0.32%

Expected Employer Dollar Increase (Decrease) Due to Proposal

	FY 2023	FY 2024	FY 2025	FY 2026
Employees	-	-	-	-
Teachers	-	-	-	-
Police	-	-	-	\$780,000
Fire	-	-	-	<u>\$520,000</u>
TOTAL	\$0	\$0	\$0	\$1,300,000

The NHRS states the proposed changes in the bill will involve indeterminable administrative costs relating to reprogramming of the pension administration system. The NHRS also states they are currently in the process of upgrading the pension administration system and the proposed changes would require updates to the current and future systems and procedures increasing administrative costs.

AGENCIES CONTACTED:

New Hampshire Retirement System