

HB 555-FN-A - AS INTRODUCED

2023 SESSION

23-0697

10/08

HOUSE BILL

***555-FN-A***

AN ACT                    appropriating state general fund surplus toward the retirement system unfunded accrued liability.

SPONSORS:            Rep. T. Lekas, Hills. 38; Rep. Goley, Hills. 21; Rep. S. Pearson, Rock. 13; Rep. C. McGuire, Merr. 27; Rep. Leishman, Hills. 33; Rep. D. McGuire, Merr. 14; Rep. Wheeler, Hills. 33

COMMITTEE:          Finance

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ANALYSIS

This bill requires the transfer of 75 percent of a state biennial surplus to the reduction in the retirement system's 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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

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

AN ACT                    appropriating state general fund surplus toward the retirement system unfunded accrued liability.

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

1            1 Revenue Stabilization Reserve Account; Transfer of Surplus Funds. Amend RSA 9:13-e, II to  
2 read as follows:

3            II. There is hereby established within the general fund general ledger a revenue  
4 stabilization reserve account. At the close of the fiscal biennium ending June 30, 2001, and at the  
5 close of each fiscal biennium thereafter, except as otherwise provided in law, any surplus, as  
6 determined by the official audit performed pursuant to RSA 21-I:8, II(a) shall be transferred by the  
7 comptroller ***first, as provided in paragraph II-a, and then the remainder*** to a special  
8 nonlapsing revenue stabilization reserve account. The comptroller is hereby directed to establish the  
9 revenue stabilization reserve account in which to deposit any money received from a general fund  
10 operating budget surplus. The state treasurer shall invest funds in this account as authorized by  
11 RSA 6:8. The interest so earned shall be deposited as unrestricted general fund revenue.

12            ***II-a. Seventy-five percent of the biennial surplus, as determined in the official audit***  
13 ***under paragraph II shall be paid to the board of trustees of the New Hampshire retirement***  
14 ***system and dedicated to the reduction in the retirement system's unfunded accrued***  
15 ***liability determined under RSA 100-A:16, II. This paragraph shall only be effective when:***

16            (a) ***The balance in the revenue stabilization reserve account is equal to or in***  
17 ***excess of an amount equal to 10 percent of the actual general fund unrestricted revenues***  
18 ***for the most recently completed fiscal biennium; and***

19            (b) ***The retirement system reports continuing unfunded accrued liability.***

20            2 Retirement System; Financing; Unfunded Accrued Liability; Reference to Surplus Payment.  
21 Amend RSA 100-A:16, II(e)(1) to read as follows:

22            (e)(1) Immediately following the actuarial valuation prepared as of June 30 of each fiscal  
23 year, the board shall have an actuary determine the amount of the unfunded accrued liability for  
24 each member classification, proportionally reduced using sums dedicated as provided in RSA 21-I:95,  
25 ***II and RSA 9:13-e, II-a***, as the amount of the total liabilities of the state annuity accumulation fund  
26 on account of such classification which is not dischargeable by the total of the funds in hand to the  
27 credit of the state annuity accumulation fund on account of such classification, and the aforesaid  
28 normal contributions to be made on account of the members in such classification during the  
29 remainder of their active service. The amount so determined with respect to each member  
30 classification shall be known as the "unfunded accrued liability" with respect to such classification.

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1        3 Effective Date. This act shall take effect July 1, 2023.

**HB 555-FN-A- FISCAL NOTE  
AS INTRODUCED**

AN ACT appropriating state general fund surplus toward the retirement system unfunded accrued liability.

**FISCAL IMPACT:**    ☒ State                    ☒ County                    ☒ Local                    ☐ None

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

**COUNTY:**

<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	Indeterminable	Indeterminable	Indeterminable

**LOCAL:**

<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	Indeterminable	Indeterminable	Indeterminable

**METHODOLOGY:**

This bill transfers 75% of the biennial surplus to the Board of Trustees of the New Hampshire Retirement System to reduce the retirement system's unfunded accrued liability determined under RSA 100-A:16,II to the extent the surplus meets certain conditions.

The New Hampshire Retirement System (NHRS) states the impact is indeterminable as they cannot estimate the amounts, in any, that will be paid to NHRS. If payments are made the result could indirectly lower employer rates in the future.

The Department of Administrative Services states they are unable to project the amount of future General fund biennial surplus and therefore are unable to calculate a fiscal impact.

**AGENCIES CONTACTED:**

New Hampshire Retirement System and Department of Administrative Services