

HB 193-FN - AS AMENDED BY THE HOUSE

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2023 SESSION

23-0272

10/05

HOUSE BILL

193-FN

AN ACT relative to administration of the New Hampshire retirement system.

SPONSORS: Rep. T. Lekas, Hills. 38

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill makes various changes to the administration of the New Hampshire retirement system, including changes to definitions of service, creditable service, references to the system's annual comprehensive financial report, and procedures for military service credit.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 administration of the New Hampshire retirement system.

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

1 1 Retirement System; Definition; Teacher; Job Sharing. Amend RSA 100-A:1, VI to read as
2 follows:

3 VI. "Teacher" shall mean any regular or special teacher, principal, supervisor or
4 administrator, librarian or other member of the teaching or professional staff engaged in the service
5 of the public elementary and secondary schools located within the state and supported by and under
6 the control of the state, the local school district, or other employers of teachers eligible for
7 membership in the system. For teachers who job share, teacher shall mean 2 individuals who share
8 one position ***which is divided 50/50, 60/40, or 70/30 for each school semester for which the***
9 ***employer designated a position as a job share position.*** For purposes of membership as a
10 teacher under this chapter, proof of appropriate certification by the department of education or
11 appropriate professional licensure shall be maintained by the employer and available to the
12 retirement system.

13 2 Definition; Extra or Special Duty. Amend RSA 100-A:1, XXXII to read as follows:

14 XXXII. "Extra or special duty" means member work activities or details for which the
15 employer bills or charges another entity, in whole or in part, for the work activities or details
16 provided ***to such third party when such services are provided by a member outside of his or***
17 ***her normal work schedule.***

18 3 Retirement System Membership; Persons Appointed to Fixed Terms. Amend RSA 100-A:3,
19 I(d) to read as follows:

20 (d) The option in subparagraph (a) shall not be available in the case of any [~~newly~~
21 ~~created positions~~] ***state positions created after July 1, 2011*** for unclassified employees or officials
22 whether appointed with fixed terms or with no fixed terms nor in the case of any [~~newly appointed~~]
23 ***appointed fixed term*** positions created by political subdivisions after July 1, 2011.

24 4 Membership; Reinstating Service Credit. Amend RSA 100-A:3, VI(b) to read as follows:

25 (b) In the case of prior service credit for time served as a member for which the
26 member's accumulated contributions have been withdrawn, the amount of creditable service
27 purchased may be the full length of service relating to the withdrawn contributions or a partial
28 share of such service. The amount determined by the actuary to reinstate full or partial service
29 credit shall be the amount of withdrawn contributions, but not less than [~~one~~] **6** month's
30 contributions multiplied by the ratio of the service credit to be purchased to the full length of service
31 relating to the withdrawn contributions, with this amount adjusted for interest from the date of

withdrawal to the date of payment based on the interest rates in effect for each fiscal year. The amount determined by the actuary to purchase prior service credit related to Peace Corps and AmeriCorps service shall be computed under RSA 100-A:4, VIII. For all other prior service credit the amount determined by the actuary shall be the full actuarial cost of service credit determined by the actuary based on methods and assumptions recommended by the actuary and approved by the board of trustees, unless another calculation methodology is otherwise specified. The member may be required to prepay all or part of the actuarial calculation fee, as determined by the board. Credit shall not be granted until the active member has fully paid for such service credit in a lump sum or by installment payments as permitted by the board. The member's payment shall be credited to the member annuity savings fund.

5 Membership; Failure to Enroll. Amend RSA 100-A:3, VI(d)(2) to read as follows:

(2) For the purposes of subparagraph (d) with respect to service rendered after June 30, 1989, only, any case of failure to enroll a person after June 30, 1989, for whom membership is compulsory under the provisions of this chapter shall be presumed to be the fault of the employer. With respect to prior service rendered after June 30, 1989, only, any case of failure to enroll a person for whom membership is optional under the provisions of this chapter shall be presumed to be the fault of the employer in the absence of documentary evidence of the person's election *not to participate*.

6 Military Service Credit. Amend RSA 100-A:4, IV -VI to read as follows:

IV. Any ~~[employee, teacher, permanent policeman or permanent fireman]~~ *member in active service* who ~~[after the date of establishment terminated]~~ *terminates* his or her employment, *or takes a leave of absence*, in order to enter directly into the armed forces of the United States or other qualified military service within the meaning of section 414(u)(5) of the United States Internal Revenue Code of 1986, as amended, shall be entitled to *apply for* service credit for the period of such qualified military service, provided he or she again becomes employed within a year after the termination of such service, unless he or she is prevented from such reemployment by virtue of disability incurred during the period of such qualified military service, and provided further that he or she elects to make, and makes within a period of time equal to 3 times the length of time of such service, but not more than 5 years, all payments to the system he or she would have been required to make had he or she been so employed during the period of such qualified military service.

V. Notwithstanding the *payment* provisions of paragraph IV any member ~~[who after the date of establishment terminates his or her employment in order to enter directly into the armed forces of the United States or other qualified military service of the United States and the period of such service does not exceed 3 years, shall be entitled to service credit for the period of such service, provided he or she again becomes employed within a year after termination of such service, unless he or she is prevented from such reemployment by virtue of disability incurred during the period of~~

1 ~~such service]~~ *entitled to apply for such military service, shall receive up to 3 years*
2 *cumulatively at no cost to the member.*

3 VI.(a) Notwithstanding any other provision of this section, a member in active service in the
4 retirement system who has completed 10 years of creditable service in the state, shall be entitled to
5 receive credit, upon payment by the member of the *full actuarial* cost of such credit and upon
6 approval of the board, for not more than 3 years of additional creditable service for *prior* active
7 service in the armed forces of the United States, subject to the following:

8 (1) ~~[The member is not receiving military retirement benefits at the time of~~
9 ~~application for such credit, other than disability allowances.~~

10 (2) The member is honorably discharged or is an officer honorably separated from
11 the military service of the United States, or is in active status in the New Hampshire national guard
12 or organized reserve. A member on active status in the New Hampshire national guard or organized
13 reserve may apply such service time on a ratio of 5 years active national guard or reserve service to
14 one year of available additional creditable service under this paragraph.

15 ~~(3)~~ (2) The member is not at the time of application for credit receiving any
16 retirement benefits under this chapter or under any predecessor system.

17 7 Service Retirement; Duplicate Language Removed. Amend RSA 100-A:5, I(b) to read as
18 follows:

19 (b) Upon service retirement, an employee member or teacher member of group I shall
20 receive a service retirement allowance which shall consist of a member annuity which shall be the
21 actuarial equivalent of the member's accumulated contributions at the time of retirement, and a
22 state annuity. Prior to the member's attainment of age 65, the state annuity, together with the
23 member annuity, shall be equal to 1/60 of the member's average final compensation multiplied by
24 the number of years of creditable service. After attainment of age 65, the state annuity, together
25 with the member annuity, shall be equal to 1/66 of the member's average final compensation
26 multiplied by the number of years of creditable service. ~~[Provided, however, that a group I member~~
27 ~~who commenced service on or after July 1, 2011 shall not receive a service retirement allowance~~
28 ~~until attaining the age of 65; but may receive a reduced allowance after age 60 if the member has at~~
29 ~~least 30 years of creditable service where the allowance shall be reduced, for each month by which~~
30 ~~the date on which benefits commence precedes the month after which the member attains 65 years~~
31 ~~of age, by 1/4 of one percent.]~~

32 8 Repeal. RSA 100-A:5, II(b)(3), relative to duplicate language for group II retirement after July
33 1, 2011, is repealed.

34 9 Retirement System; References to Financial Report Amended. Amend the following RSA
35 provisions by replacing the term "comprehensive annual financial report (CAFR)" or "comprehensive
36 annual financial report" with the term "annual comprehensive financial report (ACFR)": 100-A:11,
37 I(a) and II(a); 100-A:15, VI(a) and X; and 100-A:16, II(g).

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1 10 Effective Date. This act shall take effect 60 days after its passage.

LBA
23-0272
Amended 2/16/23

HB 193-FN- FISCAL NOTE
AS AMENDED BY THE HOUSE (AMENDMENT #2023-0269h)

AN ACT relative to administration of the New Hampshire retirement system.

FISCAL IMPACT:

The Legislative Budget Assistant has determined that this legislation, as amended, has a total fiscal impact of less than \$10,000 in each of the fiscal years 2023 through 2026.

AGENCIES CONTACTED:

New Hampshire Retirement System