Bill as Introduced

HB 1114-FN – AS AMENDED BY THE HOUSE

17feb00.....3406h

2000 SESSION

00-2599
10/01

HOUSE BILL ***1114-FN***

AN ACT relative to creditable service in the retirement system for teachers in a job-sharing position.

SPONSORS: Rep. Dyer, Hills 8; Sen. J. King, Dist 18

COMMITTEE: Executive Departments and Administration

AMENDED ANALYSIS

This bill continues the current practice for determining creditable service of teachers in a job-sharing position, for teachers in service after July 1, 1995. The bill negates a prospective amendment to the provision. The bill also limits creditable service in the calculation of service for medical benefits payment eligibility for job-sharing teachers.

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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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 1114-FN – AS AMENDED BY THE HOUSE

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand

AN ACT relative to creditable service in the retirement system for teachers in a job-sharing position.

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

1 Retirement System; Creditable Service; Teachers in Job-Sharing Position. RSA 100-A:4, III-b is repealed and reenacted to read as follows:

III-b. Notwithstanding any provision of paragraph III to the contrary, any teacher in service on or after July 1, 1995, who equally shares a job-sharing fulltime position with another teacher shall be eligible for membership in the retirement system. Any such teacher shall accrue full creditable service for the entire period of job-sharing and shall be credited with earnable compensation at the compensation actually paid to such teacher. Creditable service and earnable compensation for any currently active or retired teacher who shared a job-sharing teaching position with another teacher during any period prior to July 1, 1995, shall not be recalculated to conform with the provisions of this paragraph but shall remain in effect as each was originally granted.

2 New Paragraph; Teachers Creditable Service; Job Sharing; Payment of Medical Benefits. Amend RSA 100-A:53-a by inserting after paragraph I the following new paragraph:

I-a. Notwithstanding the provision of RSA 100-A:4, III-b, for the purpose of calculating creditable service for eligibility for medical benefits payment under paragraph I, each full year of job-sharing service of a teacher in a job-sharing position shall be calculated at ½ of one year of such service credit.

3 Effective Date. This act shall take effect July 1, 2000 at 12:02 a.m.

LBAO
00-2599
10/29/99

HB 114-FN - FISCAL NOTE

AN ACT relative to creditable service in the retirement system for teachers in a job-sharing position.

FISCAL IMPACT:

The New Hampshire Retirement System stated this bill will have no fiscal impact on state, county and local revenue or expenditures.

METHODOLOGY:

The System indicated this bill will have no fiscal impact because the salary and service credit methodology presently being used will not change.

The Actuary's Letter is on file in the bill jacket in the House Clerk's Office.

Committee Minutes

Date: March 21, 2000
Time: 10:10 AM
Room: SH 103

The Senate Committee on Insurance held a hearing on the following:

HB 1114-FN relative to creditable service in the retirement system for teachers in a job-sharing position.

Members of Committee present:
Senator Francoeur
Senator Eaton
Senator Fraser
Senator Hollingworth
Sen. J. King

The Vice-Chair, Senator Gary Francoeur, opened the hearing.

Representative Mert Dyer, Hills. D. 8: Thank you Senator. Members of the Committee. For the record I'm Representative Mert Dyer, Hillsborough District 8, representing the towns of Peterborough and Sharon.

The bill before you deals with the teachers and the job-sharing program. I'm the low person on the totem pole. Senator King was a sponsor and I have experts from the Retirement System and NEA here. They can fill in any errors or omissions that I have.

In the RSA 100-A:4, III there was a provision in there determining how job shared teachers – that is two teachers that fill the same position to be credited with their time in the Retirement System. What it is they're credited with the year right now. They're credited with the year in the Retirement System; the calculations are based on their salary for that year. If we don't do something, it will revert back to the original provision on July 1st and everybody seems to feel that the present provision for calculating their time in the Retirement System is the appropriate method to use. There was some questions raised previously on the ...about the legality and how it blends in with the ... and that sort of thing.

So the method that we use now is probably the best method and should be kept in place. I put this in to make it a permanent thing. We did it back in, I'm not sure if it's 1994 or 1995. It was somewhere about five years ago to do

this but nobody was absolutely sure that was the best way. The consensus is now to leave it the way it is right now and the bill does that.

The amendment that the ED&A Committee put on there was a concern to some of the members of the Committee as to how would their time be calculated in sharing of health subsidy bill which passed last year. So the ED&A Committee said that if they teach a half-year which is what they do when these two teachers share equally in jobs, they will get a half year credit towards their time needed to be eligible for the subsidy benefit.

A lot of these teachers will teach, take a half time position when they're maybe raising children or for one reason or another for three or four or five years and then go back to full-time teaching. So the Committee was concerned about somebody in the Retirement System is getting credit for the full year. The calculation is based on the salary and they were concerned about giving credit to the insurance subsidy based on a full year when actually they're only there a half-year. So the amendment says that if you job-share you'll get half a year's credit towards your health subsidy. In effect if you only job-shared for your entire teaching career you would have to job-share for 40 years in order to get the 20 year retirement ... That's not a big problem to me because as I said most of these people only do it for a short period of time and then they go back to the full but they are going to get credit for their part-time teaching in the job-share program.

That's, I think, the basis for whole bill. I'd be happy to answer any questions.

Senator Gary R. Francoeur, D. 14: Senator Hollingworth.

Senator Beverly A. Hollingworth, D. 23: I have a brief question. In view of the problem that we're having as far as getting quality teachers, I think that this has worked very well in bringing more teachers into this that otherwise would probably not continue to work. Do you see....

Representative Dyer: I think that it might help that, Senator.

Senator Beverly A. Hollingworth, D. 23: Do we have any idea how many? What's the number of people that are in job-share?

Representative Dyer: I don't. Possibly one of the others that are here could – possibly Dennis Murphy would have the figure. I don't know.

Senator Beverly A. Hollingworth, D. 23: Thank you.

Senator Gary R. Francoeur, D. 14: Mert, ...revert back to the way the system was?

Representative Dyer: Yes.

Senator Gary R. Francoeur, D. 14: At that time you'll only go a half a year?

Representative Dyer: Yes. That apparently is not in agreement with the retirement law of the Country and Alan said you should change that. So we did a few years ago and we don't want it to go back to the old method, which apparently wasn't fair and may not be legal.

Senator Gary R. Francoeur, D. 14: As far as the cost, if this goes through to the retirement fund....

Representative Dyer: Right. There's no additional cost associated with this bill.

Senator Gary R. Francoeur, D. 14: Senator Fraser.

Senator Leo W. Fraser, Jr., D. 4: Thank you Mr. Chairman. Mert, just to be sure I understand this – we've got these two...formula; one for creditable membership in the ...and the second part for.... for medical coverage. Is that correct?

Representative Dyer: Correct.

Senator Leo W. Fraser, Jr., D. 4: Thank you.

Representative Dyer: It seemed to be the fairest way to work it out, Senator. To do it that way.

Senator Leo W. Fraser, Jr., D. 4: Thank you.

Senator Gary R. Francoeur, D. 14: Any other questions? Thank you. Dennis Murphy.

Dennis Murphy, NEA, NH: Thank you Senator Francoeur, members of the Committee. For the record my name is Dennis Murphy and I appear here in favor of the bill.

Job-sharing has history. The concept of job-sharing was sort of invoked in the 1980's as an alternate work arrangement. It has since sort of faded but there are 78 positions that are currently in the job-share category involving

156 people. So when you – and the Legislature added this in the late 80's in response to that change in the work environment. It is the only instance when someone other than a full-time person is allowed to be a member of the New Hampshire Retirement System and it is geared on two people equally sharing one position so that people who work half time are still not eligible for enrollment in the New Hampshire Retirement System. That was an area that the Legislature did not want to open up enrollment of the Retirement System to part-time workers quite frankly because of the cost.

So you have two people equally sharing a job. You can calculate their retirement benefit one of two ways and come out virtually the same. One is you can do each one half the year at the full rate of salary giving one full year's of credit at the full rate of salary, or you can do each one getting a full year of credit but at half the salary. So again, the Retirement System is only paying a full service credit for that salary for one year.

The attorney for the New Hampshire Retirement System, Alan Cleveland, believes that the current system meets IRS requirements, that if we revert back to the old way of giving someone ½ year credit at full pay that that would violate IRS regulations because people are actually getting credit for earnings that they did not actually receive. One of the things that all of us who work retirement legislation try to do is to keep the State in full compliance with IRS regulations because we do not want to jeopardize the system's tax qualifying status.

The other thing as Representative Dyer mentioned the bill deals with the issue of healthcare coverage because last year the Legislature enacted the healthcare benefit for retired teachers and this bill says that in effect for the year you spend in a job-share that you will receive ½ year's credit toward the healthcare. Again, that way there there is one position being shared for a year and the retirement system would only result in paying one year total of healthcare benefit for those two people. If you don't do that people will in effect in that position in effect count double towards healthcare, having an adverse impact on the Retirement System. So this bill will actually save the New Hampshire Retirement System money and quite frankly, we believe be fair in that a person is only working half the year and should only get half the year's credit towards healthcare and to keep the System from incurring costs over and above that which are planned for.

So, with that I would be glad to answer any questions that any members of the Committee may have.

Senator Gary R. Francoeur, D. 14: Any questions? Senator Fraser.

Senator Leo W. Fraser, Jr., D. 4: Dennis, is there guidelines as to what constitutes job-sharing?

Mr. Murphy: Yes.

Senator Leo W. Fraser, Jr., D. 4: Is it a set – does each one takes a turn? Or half days?

Mr. Murphy: Each one has – they have to equally share the job. They can work that out any way they want to locally. Sometimes someone will work morning and another one afternoon. Sometimes they will do it that someone will work Tuesday and Wednesday on one week and Monday, Wednesday, Friday of the next. As long as the job is shared equally they can participate in the System. Quite frankly, school districts who do this usually are the beneficiary because someone who is sharing the job tends to put in more of the hours because they get involved in the school. See you have the two people – if you add up the total number of hours that those two people are dealing with, school issues and with the children, it usually equals more hours than one person can possibly put in.

So there's a real benefit to both the System, the children and to our teachers at various times in their lives primarily when they're raising children.

Senator Hollingworth asked the issue is this will be assisting in dealing with the teacher shortage? Quite frankly I don't think so because I think one of the issues that some states are doing to deal with the teacher shortage is some states are allowing people to retire and to still collect their retirement benefit in order to keep them in the system because once a person reaches age 60 with 30 years of service, they are in effect working for half pay. I think one of the things that you will be finding is that school districts will be trying to recruit retired teachers to come back and work part-time, that would be a way of doing it. I think that we will be hearing more about the teacher shortage in the next several years but this bill, quite frankly, doesn't deal with that.

Senator Gary R. Francoeur, D. 14: Dennis, is the reason that some of those districts don't do it is because of medical benefits and paid holidays and stuff that's provided to the....

Mr. Murphy: No. I think the reason that people – school districts don't do that quite frankly is that hiring two part-time people is cheaper than having job-share because if two people equally share a job they share the medical benefit. So everything is cut in half. So that if you want to participate in the medical benefit then obviously as an individual you have to pay more because

the district is only paying half of what it would pay for a full-time person. But still the district is paying a medical benefit for that position whereas if they hire two half-time people, they don't have to pay any medical benefits. They don't have to pay any retirement contributions. So that in the short run they save money by hiring two half-time people rather than a job-share. In the long run I think they would be better off with job-sharing because they'd get more employment stability and keep people working in the school districts for a career as opposed to the turn over that you get with part-time people. But that's an economic decision that each school district makes.

Senator Gary R. Francoeur, D. 14: Any other questions from the Committee? Senator King.

Senator John A. King, D. 18: ...because a lot of the kindergartens have half-day sessions?

Mr. Murphy: I don't know the answer to that.

Senator Leo W. Fraser, Jr., D. 4: Dennis, one more question. This has nothing to do with credentialing does it?

Mr. Murphy: No.

Senator Leo W. Fraser, Jr., D. 4: In other words they must be qualified like any other teacher?

Senator Gary R. Francoeur, D. 14: Is there anybody else that would like to speak on House Bill 1114? Seeing none, I will close the hearing.

Hearing closed at 10:24 PM.

Respectfully submitted,

Merideth A. Chandler,
Committee Secretary

Speakers

SENATE INSURARNCE COMMITTEE

Date **March 21, 2000** Time **10:10am** Public Hearing on **HB1114-FN**

Appearing in FAVOR: *(Please print)* *Please check box at left to speak:*

Speaking?	*Name*	*Address*	*Representing*
☑	Rep Mert Dyer		Hillsborough #8
☑	Dennis Murphy	Concord	NHAFL-CIO
☑	[illegible]	[illegible]	[illegible]
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Appearing in OPPOSITION: *(Please Print)* *Please check box at left to speak:*

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Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Date:

THE COMMITTEE ON Insurance

to which was referred House Bill 1114-FN

AN ACT relative to creditable service in the retirement system for teachers in a job-sharing position.

VOTE: 6-0

Having considered the same, report the same without amendment and recommend that the bill: **OUGHT TO PASS.**

Senator Leo W. Fraser, Jr.
For the Committee

HB1114 Docket

Next|Previous|Results List|Bill Status|Main

Bill Title: relative to creditable service in the retirement system for teachers in a job-sharing position.

Date	Body	Description
1/5/2000	H	Introduced and ref to Exec Depts & Admin; HJ5, p87
1/5/2000	H	Copy to Chairman on 12/22/1999 due Early f
1/5/2000	H	Hearing Feb 2 10:45 RM202,LOB
2/3/2000	H	Subcom Work Session Feb 8 9:00 RM202,LOB
2/10/2000	H	Maj Report OTP/AM for Feb 17 (vote 15-0;CC)
2/10/2000	H	Prop Comm Am{3406}; HC15, p386-387
2/17/2000	H	Passed with Am; HJ18, p486 + 518
2/17/2000	S	Introduced and Ref. to Insurance; SJ 4, Pg. 115
3/13/2000	S	Hearing March 21, Room 103, SH, 10:10 a.m.; SC17, Pg.27
3/21/2000	S	Committee Report Ought to Pass; 3/23/2000, SC18
3/23/2000	S	Ought to Pass, MA, VV; OT3rdg, MA, VV; SJ 7, Pg. 205
3/23/2000	S	Enrolled Bill; SJ 7, Pg.233
3/29/2000	H	Enrolled; HJ28, p929
4/7/2000	H	Signed by the Governor on 4/7/2000 Eff: 7/1/2000 Chap: 0037

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