

**SENATE FINANCE - 2025 BUDGET RECAP SHEET FOR AMENDMENTS #2025-2606s and #2025-2562s**

<b>New Hampshire Retirement System</b>	<b>Contact</b>	<b>SOF</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>Total</b>	<b>Status</b>
<b>1a. HB 2 Amendment #2025-2606s, Page 2</b> Amends sections 20-59, to phase in Group II pension reform provisions starting in FY 2027. Appropriates \$35.5m in FY 2027, \$23.2m in FY 2029, \$48.9m in FY 2031, and \$46.1m in FY 2033.	Senator Gray	GF	\$0	(\$27,500,000)	\$8,000,000	(\$19,500,000)	New
<b>NH YDC Claims Administration and Settlement Fund</b>	<b>Contact</b>	<b>SOF</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>Total</b>	<b>Status</b>
<b>1b. HB 2 Amendment #2025-2562s, Page 18</b> Amends Section 245, relative to General Fund appropriations of \$40m in FY 2026 to the YDC Settlement Fund.	Senator Gray	House Passed - GF	\$0	\$10,000,000	\$10,000,000	\$20,000,000	Reconsider Amendment #2025-2533s, appropriating \$20m in FY 2026 to the YDC Settlement Fund
		Previous Action of Senate Finance Committee - GF	\$0	\$20,000,000	\$0	\$20,000,000	
		Proposed Amendment - GF	\$0	\$40,000,000	\$0	\$40,000,000	

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1 Amend the bill by replacing sections 20-59 with the following:

2  
3 20 New Paragraph; Definition; Vested; 2026 Change. Amend RSA 100-A:1 by inserting after  
4 paragraph XXXVII the following new paragraph:

5 XXXVIII. "Vested" means that a member is eligible for a benefit after 10 years of service.  
6 The calculations of earnable compensation under RSA 100-A:1, XVII, and average final  
7 compensation under RSA 100-A:1, XVIII, shall not be reduced after 3 years of service.

8 21 Earnable Compensation; 2032 Change. Amend RSA 100-A:1, XVII to read as follows:

9 XVII. "Earnable compensation" shall mean:

10 (a) For **group I** members who have attained vested status prior to January 1, 2012 the  
11 full base rate of compensation paid, as determined by the employer, plus any overtime pay, holiday  
12 and vacation pay, sick pay, longevity or severance pay, cost of living bonus, annual attendance  
13 stipend or bonus, additional pay for extracurricular and instructional activities for full-time teachers  
14 and full-time employees who are employed in paraprofessional or support position, additional pay for  
15 instructional activities of full-time faculty of the community college system, and any military  
16 differential pay, plus the fair market value of non-cash compensation paid to, or on behalf of, the  
17 member for meals or living quarters if subject to federal income tax, but excluding other  
18 compensation except cash incentives paid by an employer to encourage members to retire,  
19 supplemental pay paid by the employer while the member is receiving workers' compensation, and  
20 teacher development pay that is not part of the contracted annual salary. ~~Compensation for extra~~  
21 ~~and special duty, as reported by the employer, shall be included but limited during the highest 3~~  
22 ~~years of creditable service as provided in paragraph XVIII.]~~ However, earnable compensation in the  
23 final 12 months of creditable service prior to termination of employment shall be limited to 1-1/2  
24 times the higher of the earnable compensation in the 12-month period preceding the final 12 months  
25 or the highest compensation year as determined for the purpose of calculating average final  
26 compensation, but excluding the final 12 months. Any compensation received in the final 12 months  
27 of employment in excess of such limit shall not be subject to member or employer contributions to  
28 the retirement system and shall not be considered in the computation of average final compensation.  
29 Provided that, the annual compensation limit for members of governmental defined benefit pension  
30 plans under section 401(a)(17) of the United States Internal Revenue Code of 1986, as amended,  
31 shall apply to earnable compensation for all employees[-] **and** teachers[-] ~~permanent firemen, and~~  
32 ~~permanent policemen]~~ who first become eligible for membership in the system on or after July 1,

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1996. Earnable compensation shall not include compensation in any form paid later than 120 days after the member's termination of employment from a retirement eligible position, with the limited exceptions of disability related severance pay paid to a member or retiree no later than 120 days after a decision by the board of trustees granting the member or retiree disability retirement benefits pursuant to RSA 100-A:6 and of severance pay which a member was entitled to be paid within 120 days after termination but which, without the consent of the member and not through any fault of the member, was paid more than 120 days after the member's termination. The member shall have the burden of proving to the board of trustees that any severance payment paid later than 120 days after the member's termination of employment is earnable compensation and meets the requirements of an asserted exception to the 120-day post-termination payment requirement.

(b)(1) For **group I** members who have not attained vested status prior to January 1, 2012, the full base rate of compensation paid, as determined by the employer, plus compensation over base pay. Compensation over base pay shall include as applicable, subject to subparagraphs (2), (3), and (4) **and (3)**, any overtime pay, cost of living bonus, annual attendance stipend or bonus, annual longevity pay, additional pay for extracurricular and instructional activities for full-time teachers and full-time employees who are employed in paraprofessional or support position, additional pay for instructional activities of full-time faculty of the community college system, compensation for extra and special duty, and any military differential pay, plus the fair market value of non-cash compensation paid to, or on behalf of, the member for meals or living quarters if subject to federal income tax, but excluding other compensation except supplemental pay paid by the employer while the member is receiving workers' compensation and teacher development pay that is not part of the contracted annual salary.

(2) ~~[Compensation over base pay shall be limited during the highest 5 years of creditable service as provided in paragraph XVIII.]~~

~~[(3)]~~ Earnable compensation shall not include compensation for extra and special duty for members who commence service on and after July 1, 2011.

~~[(4)]~~ (3) Earnable compensation shall not include incentives to encourage members to retire, severance pay or end-of-career additional longevity payments, and pay for unused sick or vacation time. Earnable compensation in the final 12 months of creditable service prior to termination of employment shall be limited to 11/2 times the higher of the earnable compensation in the 12-month period preceding the final 12 months or the highest compensation year as determined for the purpose of calculating average final compensation, but excluding the final 12 months. Any compensation received in the final 12 months of employment in excess of such limit shall not be subject to member or employer contributions to the retirement system and shall not be considered in the computation of average final compensation. Provided that, the annual compensation limit for members of governmental defined benefit pension plans under section 401(a)(17) of the United States Internal Revenue Code of 1986, as amended, shall apply to earnable compensation for all

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employees[?] *and* teachers[~~permanent firemen, and permanent policemen~~] who first become eligible for membership in the system on or after July 1, 1996. Earnable compensation shall not include compensation in any form paid later than 120 days after the member's termination of employment from a retirement eligible position.

(c) *For group II members who attained vested status prior to September 1, 2013, the full base rate of compensation paid, as determined by the employer, plus any overtime pay, holiday and vacation pay, sick pay, longevity or severance pay, cost of living bonus, annual attendance stipend or bonus, additional pay for instructional activities, and any military differential pay, plus the fair market value of non-cash compensation paid to, or on behalf of, the member for meals or living quarters if subject to federal income tax, but excluding other compensation except cash incentives paid by an employer to encourage members to retire, supplemental pay paid by the employer while the member is receiving workers' compensation. Compensation for extra and special duty, as reported by the employer, shall be included but limited during the highest 3 years of creditable service as provided in paragraph XVIII. However, earnable compensation in the final 12 months of creditable service prior to termination of employment shall be limited to 1-1/2 times the higher of the earnable compensation in the 12-month period preceding the final 12 months or the highest compensation year as determined for the purpose of calculating average final compensation, but excluding the final 12 months. Any compensation received in the final 12 months of employment in excess of such limit shall not be subject to member or employer contributions to the retirement system and shall not be considered in the computation of average final compensation. Provided that, the annual compensation limit for members of governmental defined benefit pension plans under section 401(a)(17) of the United States Internal Revenue Code of 1986, as amended, shall apply to earnable compensation for all permanent firemen and permanent policemen who first become eligible for membership in the system on or after July 1, 1996. Earnable compensation shall not include compensation in any form paid later than 120 days after the member's termination of employment from a retirement-eligible position, with the limited exceptions of disability-related severance pay paid to a member or retiree no later than 120 days after a decision by the board of trustees granting the member or retiree disability retirement benefits pursuant to RSA 100-A:6 and of severance pay which a member was entitled to be paid within 120 days after termination but which, without the consent of the member and not through any fault of the member, was paid more than 120 days after the member's termination. The member shall have the burden of proving to the board of trustees that any severance payment paid later than 120 days after the member's termination of employment is earnable compensation and meets the requirements of an asserted exception to the 120-day post-termination payment requirement.*

(d)(1) *For group II members who have not attained vested status prior to September 1, 2013, the full base rate of compensation paid, as determined by the employer, plus compensation over base pay. Compensation over base pay shall include, as applicable and subject to subparagraphs (2) and (3), any overtime pay, cost of living bonus, annual attendance stipend or bonus, annual longevity pay, compensation for extra and special duty, and any military differential pay, plus the fair market value of non-cash compensation paid to or on behalf of the member for meals or living quarters if subject to federal income tax, but excluding other compensation except supplemental pay paid by the employer while the member is receiving workers' compensation that is not part of the contracted annual salary.*

(2) *Earnable compensation shall not include compensation for extra and special duty for members who began service on or after July 1, 2011.*

(3) *Earnable compensation shall not include incentives to encourage members to retire, severance pay, end-of-career additional longevity payments, or pay for unused sick or vacation time. Earnable compensation in the final 12 months of creditable service prior to termination of employment shall be limited to 1 1/2 times the higher of the earnable compensation in the 12-month period preceding the final 12 months or the highest compensation year as determined for the purpose of calculating average final compensation, but excluding the final 12 months. Any compensation received in the final 12 months of employment in excess of such limit shall not be subject to member or employer contributions to the retirement system and shall not be considered in the computation of average final compensation. Provided that, the annual compensation limit for members of governmental defined benefit pension plans under section 401(a)(17) of the United States Internal Revenue Code of 1986, as amended, shall apply to earnable compensation for all permanent firemen and permanent policemen who first become eligible for membership in the system on or after July 1, 1996. Earnable compensation shall not include compensation in any form paid later than 120 days after the member's termination of employment from a retirement-eligible position.*

22 Average Final Compensation; 2030 Change. Amend RSA 100-a:1, XVIII to read as follows:

XVIII. "Average final compensation" shall mean:

(a) For **group I** members who have attained vested status prior to January 1, 2012, the average annual earnable compensation of a member during his or her highest 3 years of creditable service, or during all of the years in his or her creditable service if less than 3 years. For purposes of this calculation, the inclusion of the average annual compensation for extra and special duty in the 3 years shall not exceed the average annual amount of compensation for extra and special duty paid to the member over the member's last 7 years of creditable service on or after July 1, 2009, as reported

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by the employer in accordance with RSA 100-A:16, VI, or over all of the years in his or her creditable service on or after July 1, 2009 if less than 7 years.

*(b) For group II members who attained vested status prior to September 1, 2013, the average annual earnable compensation shall be calculated based on the member's highest 3 years of creditable service, or during all years of creditable service if less than 3 years. For purposes of this calculation, the inclusion of the average annual compensation for extra and special duty in the 3 years shall not exceed the average annual amount of compensation for extra and special duty paid to the member over the member's last 7 years of creditable service on or after July 1, 2009, as reported by the employer in accordance with RSA 100-A:16, VI, or over all of the years in the member's creditable service on or after July 1, 2009, if less than 7 years.*

~~[(b)] (c)~~ For group I members who commenced service on or after July 1, 2011, or who have not attained vested status prior to January 1, 2012, the average annual earnable compensation of a member during his or her highest 5 years of creditable service, or during all of the years in his or her creditable service if less than 5 years. For purposes of inclusion in this calculation, the average percentage of compensation paid in excess of the full base rate of compensation in the highest 5 years shall not exceed the average percentage of compensation paid in excess of the full base rate of compensation over all the member's years of service on or after January 1, 2012, but excluding the highest 5 years.

~~[(e)(4)] (d)(1)~~ For group II members ~~[who commenced service prior to July 1, 2011 and]~~ who have not attained vested status prior to ~~[January 1, 2012]~~ **September 1, 2013**, the average annual earnable compensation of a member during his or her highest 5 years of creditable service, or during all of the years in his or her creditable service if less than 5 years. For purposes of inclusion in this calculation, the average percentage of compensation paid in excess of the full base rate of compensation in the highest 5 years shall not exceed the average percentage of compensation paid in excess of the full base rate of compensation over all the member's years of service on or after ~~[January 1, 2012]~~ **September 1, 2013**.

(2) For group II members who commenced service on or after July 1, 2011, ~~[and who have not attained vested status prior to January 1, 2012]~~ the average annual earnable compensation of a member during his or her highest 5 years of creditable service, or during all of the years in his or her creditable service if less than 5 years. For purposes of inclusion in this calculation, the average percentage of compensation paid in excess of the full base rate of compensation in the highest 5 years shall not exceed the average percentage of compensation paid in excess of the full base rate of compensation over all the member's years of service on or after January 1, 2012, but excluding the highest 5 years.

23 Group II Service Retirement Benefits; 2026 Change. Amend RSA 100-A:5, II(a) to read as follows:

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(a) Any group II member in service, who is in vested status before ~~[January 1, 2012]~~ **September 1, 2013**, who has attained age 45 and completed 20 years of creditable service, and any group II member who commenced service on or after July 1, 2011, who has attained age 50 and completed 25 years of creditable service, and group II members who have not attained vested status prior to January 1, 2012, as provided in the transition provisions in RSA 100-A:5, II(d), or any group II member in service who has attained age 60 regardless of the number of years of creditable service, may retire on a service retirement allowance upon written application to the board of trustees setting forth at what time not less than 30 days nor more than 90 days subsequent to the filing thereof the member desires to be retired, notwithstanding that during such period of notification the member may have separated from service. Provided, however, that a group II member who commenced service on or after July 1, 2011, shall not receive a service retirement allowance until attaining the age of 52.5; but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the date on which benefits commence precedes the month after which the member attains 52.5 years of age, by 1/4 of one percent.

24 Group II Service Retirement Benefits; 2026 Change. Amend RSA 100-A:5, II(b)(2) to read as follows:

(2) For members who are in vested status before ~~[January 1, 2012]~~ **September 1, 2013**, a state annuity which, together with his or her member annuity, shall be equal to 2-1/2 percent of his or her average final compensation multiplied by the number of years of his or her creditable service not in excess of 40 years, or for members who commenced service on or after July 1, 2011, a state annuity which, together with his or her member annuity, shall be equal to 2 percent of his or her average final compensation multiplied by the number of years of his or her creditable service not in excess of 42.5 years, and group II members who have not attained vested status prior to ~~[January 1, 2012]~~ **September 1, 2013**, shall be as provided in the transition provisions in RSA 100-A:5, II(d) with the maximum number of years of creditable service not in excess of the limits under RSA 100-A:6-a, but only for group II members in service who have attained age 60 regardless of the number of years of creditable service, or who work up to their full age and service requirements and retire under service retirement. If a member retires prior to reaching full age and service requirements, then their annuity multiplier remains the same as their first 15 years of creditable service.

25 Group II Service Retirement Benefits; 2026 Change. Amend RSA 100-A:5, II(c)(1) to read as follows:

(c)(1) Notwithstanding any provision of RSA 100-A to the contrary, any group II member who is in vested status before ~~[January 1, 2012]~~ **September 1, 2013**, and has retired on or after the effective date of this subparagraph after attaining the age of 45 with at least 20 years of creditable service, and any group II member who commenced service on or after July 1, 2011, and retires after

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the effective date of this subparagraph after attaining the age of 50 with at least 25 years of creditable service, and group II members who have not attained vested status prior to ~~January 1, 2012~~ **September 1, 2013**, who qualify as provided in the transition provisions in RSA 100-A:5, II(d), shall receive a minimum annual service retirement allowance of \$10,000. If such group II member has elected to convert the retirement allowance into an optional allowance for the surviving spouse under RSA 100-A:13, the surviving spouse shall be entitled to a proportional share of the \$10,000.

26 Group II Service Retirement Benefits; 2026 Change. Amend RSA 100-A:5, II(d) to read as follows:

(d) Active group II members who commenced service prior to July 1, 2011 and who have not attained vested status prior to ~~January 1, 2012~~ **September 1, 2013**, shall be subject to the following transition provisions for years of service required for regular service retirement, the minimum age for regular service retirement, and for the first ~~15~~ **8** years of creditable service, the multiplier used to calculate the retirement annuity ~~which shall be applicable on, or after January 1, 2012~~ according to the following table:

Creditable service on January 1, 2012	Minimum years of service	Minimum age attained	Annuity multiplier
(1) Less than 4 years	24	age 49	2.1% *
(2) At least 4 years but less than 6 years	23	age 48	2.2% *
(3) At least 6 years but less than 8 years	22	age 47	2.3% *
(4) At least 8 years but less than 10 years	21	age 46	2.4% *
(1) Less than 1 year	24	age 49	2.1% *
(2) At least 1 years but less than 2 years	24	age 49	2.1% *
(3) At least 2 years but less than 3 years	24	age 49	2.1% *
(4) At least 3 years but less than 4 years	24	age 49	2.1% *
(5) At least 4 years but less than 5 years	23	age 48	2.2% *
(6) At least 5 years but less than 6 years	23	age 48	2.2% *
(7) At least 6 years but less than 7 years	22	age 47	2.3% *
(8) At least 7 years but	22	age 47	2.3% *



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1 *less than 8 years*

2 *(9) At least 8 years but 21*

*age 46 2.5%\**

3 *less than 9 years*

4 \* The annuity multiplier applied to creditable service earned beyond [45] 8 years of creditable  
5 service, shall be 2.5 percent, but only for group II members in service who have attained age 60  
6 regardless of the number of years of creditable service, or who work up to their full age and service  
7 requirements and retire under service retirement. If a member retires prior to reaching full age and  
8 service requirements, then their annuity multiplier remains the same as their first [45] 8 years of  
9 creditable service.

10 27 Group II Service Retirement Benefits; 2027 Change. RSA 100-A:5, II(d) is repealed and  
11 reenacted to read as follows:

12 (d) Active group II members who commenced service prior to July 1, 2011, and who have  
13 not attained vested status prior to September 1, 2013, shall be subject to the following transition  
14 provisions for years of service required for regular service retirement, the minimum age for regular  
15 service retirement, and for the first 8 years of creditable service, the multiplier used to calculate the  
16 retirement annuity according to the following table:

Creditable service on	Minimum years of service	Minimum age attained	Annuity multiplier
January 1, 2012			
(1) Less than 1 year	24	age 49	2.1%*
(2) At least 1 years	24	age 49	2.1%*
but less than 2 years			
(3) At least 2 years but	24	age 49	2.1%*
less than 3 years			
(4) At least 3 years but	24	age 49	2.1%*
less than 4 years			
(5) At least 4 years	23	age 48	2.2%*
but less than 5 years			
(6) At least 5 years	23	age 48	2.2%*
but less than 6 years			
(7) At least 6 years but	22	age 47	2.3%*
less than 7 years			
(8) At least 7 years but	22	age 47	2.3%*
less than 8 years			
(9) At least 8 years but	21	age 46	2.5%*
less than 9 years			

36 \* The annuity multiplier applied to creditable service earned beyond 8 years of creditable service,  
37 shall be 2.5 percent, but only for group II members in service who have attained age 60 regardless of

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the number of years of creditable service, or who work up to their full age and service requirements and retire under service retirement. If a member retires prior to reaching full age and service requirements, then their annuity multiplier remains the same as their first 8 years of creditable service.

\* The annuity multiplier applied to creditable service earned for any group II member who commenced service after to July 1, 2011, and has beyond 20 years of creditable service, shall be 2.5 percent, but only for group II members in service who have attained age 60 regardless of the number of years of creditable service, or who work up to their full age and service requirements and retire under service retirement.

28 Group II Service Retirement Benefits; 2028 Change. RSA 100-A:5, II(d) is repealed and reenacted to read as follows:

(d) The annuity multiplier applied shall be 2.5 percent, but only for group II members in service who have attained age 60 regardless of the number of years of creditable service, or who work up to their full age and service requirements and retire under service retirement. Active group II members who have not attained vested status shall be subject to the following transition provisions for years of service required for regular service retirement, the minimum age for regular service retirement, and the multiplier used to calculate the retirement annuity according to the following table:

Creditable service on January 1, 2012	Minimum years of service	Minimum age attained	Annuity multiplier
(1) Less than 1 year	24	age 49	2.1%*
(2) At least 1 years but less than 2 years	24	age 49	2.1%*
(3) At least 2 years but less than 3 years	24	age 49	2.1%*
(4) At least 3 years but less than 4 years	24	age 49	2.1%*
(5) At least 4 years but less than 5 years	23	age 48	2.2%*
(6) At least 5 years but less than 6 years	23	age 48	2.2%*
(7) At least 6 years but less than 7 years	22	age 47	2.3%*
(8) At least 7 years but less than 8 years	22	age 47	2.3%*
(9) At least 8 years but less than 9 years	21	age 46	2.5%*

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\* The annuity multiplier applied to creditable service earned for any group II member who commenced service after to July 1, 2011, and has beyond 20 years of creditable service, shall be 2.5 percent, but only for group II members in service who have attained age 60 regardless of the number of years of creditable service, or who work up to their full age and service requirements and retire under service retirement.

29 Retirement System; 2030 Change; Group II; Date Change for Application of Retirement Provisions Adopted in 2011 to Members in Vested Status. Amend the following RSA provisions by replacing "attained vested status prior to September 1, 2013" with "who commenced service on or before June 30, 2011": 21-I:30, VIII; 100-A:1, XVIII(b); 100-A:1, XVIII(d)(1); 100-A:1, XXXVII(b)(1) and (3); 100-A:5, II(a); 100-A:5, II(b)(2); 100-A:5, II(c)(1); 100-A:5, II(d) (except table heading); 100-A:6, II(b); 100-A:6, II(d)(1) and (3); 100-A:10, II(b); 100-A:16, I(aa); 100-A:19-b, II(a) and (c); and 100-A:19-d.

30 Retirement System; 2032 Change; Group II; Date Change for Application of Retirement Provisions Adopted in 2011 to Members in Vested Status. Amend the following RSA provisions by replacing "attained vested status prior to September 1, 2013" with "who commenced service on or before June 30, 2011": 21-I:30, VIII; 100-A:1, XVII(c), 100-A:1, XVII(d)(1), 100-A:1, XVIII(b); 100-A:1, XVIII(d)(1); 100-A:1, XXXVII(b)(1) and (3); 100-A:5, II(a); 100-A:5, II(b)(2); 100-A:5, II(c)(1); 100-A:5, II(d) (except table heading); 100-A:6, II(b); 100-A:6, II(d)(1) and (3); 100-A:10, II(b); 100-A:16, I(aa); 100-A:19-b, II(a) and (c); and 100-A:19-d.

31 Medical and Surgical Benefits; 2032 Change. Amend RSA 21-I:30, VIII to read as follows:

VIII. Any vested deferred state retiree may receive medical and surgical benefits under this section if the vested deferred state retiree is eligible. To be eligible, a group I vested deferred state retiree shall have at least 10 years of creditable service with the state if the employee's service began prior to July 1, 2003, or 20 years of creditable service with the state if the employee's service began on or after July 1, 2003, and a group II vested deferred state retiree shall have at least 20 years of creditable service with the state if the employee's service with the state began on or after July 1, 2010. In addition, if the vested deferred state retiree is a member of group I, such retiree shall be at least 60 years of age to be eligible. If the vested deferred state retiree is a member of group II who is in vested status before January 1, 2012, such retiree shall not be eligible until 20 years from the date of becoming a member of group II and shall be at least 45 years of age, and any group II member who commenced service on or after July 1, 2011, shall not be eligible until 25 years from the date of becoming a member of group II and shall be at least 52.5 years of age ~~and group II members who have not attained vested status prior to January 1, 2012 shall be as provided in the transition provisions in RSA 100-A:5, II(d)].~~

32 Definitions; 2032 Change. Amend RSA 100-A:1, XVII(d)(1) to read as follows:

(d)(1) For group II members ~~[who have not attained vested status prior to September 1, 2013]~~ **who commenced service on or after July 1, 2011**, the full base rate of compensation paid,

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as determined by the employer, plus compensation over base pay. Compensation over base pay shall include, as applicable and subject to subparagraphs (2) and (3), any overtime pay, cost of living bonus, annual attendance stipend or bonus, annual longevity pay, compensation for extra and special duty, and any military differential pay, plus the fair market value of non-cash compensation paid to or on behalf of the member for meals or living quarters if subject to federal income tax, but excluding other compensation except supplemental pay paid by the employer while the member is receiving workers' compensation that is not part of the contracted annual salary.

33 Definitions; 2032 Change. Amend RSA 100-A:1, XXXVII(b)(1)-(3) to read as follows:

(b)(1) For a group II member who ~~[is in vested status before January 1, 2012]~~  
**commenced service prior to July 1, 2011**, the later of the date that the member has both attained age 45 and completed 20 years of creditable service; **or**

(2) For a group II member who commenced service on or after July 1, 2011, the later of the date that the member has both attained age 52.5 and completed 25 years of creditable service[~~5~~].

~~[(3) For a group II member who commenced service prior to July 1, 2011, and who has not attained vested status prior to January 1, 2012, as provided in the transition provisions in RSA 100-A:5, II(d); or-]~~

34 Service Retirement Benefits; 2032 Change. RSA 100-A:5, II(a) is repealed and reenacted to read as follows:

(a) Any group II member in service, who commenced service prior to July 1, 2011, who has attained age 45 and completed 20 years of creditable service, and any group II member who commenced service on or after July 1, 2011, who has attained age 50 and completed 25 years of creditable service, or any group II member in service who has attained age 60 regardless of the number of years of creditable service, may retire on a service retirement allowance upon written application to the board of trustees setting forth at what time not less than 30 days nor more than 90 days subsequent to the filing thereof the member desires to be retired, notwithstanding that during such period of notification the member may have separated from service. Provided, however, that a group II member who commenced service on or after July 1, 2011, shall not receive a service retirement allowance until attaining the age of 52.5; but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the date on which benefits commence precedes the month after which the member attains 52.5 years of age, by 1/4 of one percent.

35 Service Retirement Benefits; 2032 Change. RSA 100-A:5, II(b)(2) is repealed and reenacted to read as follows:

(2) For members who commenced service prior to July 1, 2011, a state annuity which, together with his or her member annuity, shall be equal to 2- 1/2 percent of his or her average final compensation multiplied by the number of years of his or her creditable service not in excess of

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40 years, or for members who commenced service on or after July 1, 2011, a state annuity which, together with his or her member annuity, shall be equal to 2 percent of his or her average final compensation multiplied by the number of years of his or her creditable service not in excess of 42.5 years.

36 Service Retirement Benefits; 2032 Change. RSA 100-A:5, II(c)(1) is repealed and reenacted to read as follows:

(c)(1) Notwithstanding any provision of RSA 100-A to the contrary, any group II member who commenced service prior to July 1, 2011, has retired on or after the effective date of this subparagraph after attaining the age of 45 with at least 20 years of creditable service, and any group II member who commenced service on or after July 1, 2011, and retires after the effective date of this subparagraph after attaining the age of 50 with at least 25 years of creditable service, shall receive a minimum annual service retirement allowance of \$10,000. If such group II member has elected to convert the retirement allowance into an optional allowance for the surviving spouse under RSA 100-A:13, the surviving spouse shall be entitled to a proportional share of the \$10,000.

37 Disability Retirement Benefit; 2032 Changes. RSA 100-A:6, II(b) is repealed and reenacted to read as follows:

(b) Upon ordinary disability retirement, the group II member shall receive an ordinary disability retirement allowance which shall consist of: a member annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of his or her ordinary disability retirement; and a state annuity which, together with his or her member annuity, for members who commenced service before July 1, 2011, shall be equal to 2 1/2 percent of his or her average final compensation at the time of ordinary disability retirement multiplied by the number of years of his or her creditable service not in excess of 40 at the time of ordinary disability retirement, or for members who commenced service on or after July 1, 2011, shall be equal to 2 percent of his or her average final compensation at the time of ordinary disability retirement multiplied by the number of years of his or her creditable service not in excess of 42.5 at the time of ordinary disability retirement, however, that such allowance shall not be less than 25 percent of the member's final compensation at the time of his or her disability retirement. Members who retire upon ordinary disability or qualify for accidental death benefits as outlined in RSA 100-A:8 shall not be subject to the full age and service requirements listed under RSA 100-A:5, II(d).

38 Disability Retirement Benefits; 2032 Change. RSA 100-A:6, II(d)(1) is repealed and reenacted to read as follows:

(1) For members who commenced service before July 1, 2011, any group II member who has more than 262/3 years of service, a supplemental disability retirement allowance shall be paid. Such supplement shall be equal to 21/2 percent of his or her average final compensation multiplied by the number of years of his or her creditable service in excess of 262/3 but not in excess of 40 years.

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1           (2) For members who commenced service on or after July 1, 2011, any group II  
2 member who has more than 331/3 years of service, a supplemental disability retirement allowance  
3 shall be paid. Such supplement shall be equal to 2 percent of his or her average final compensation  
4 multiplied by the number of years of his or her creditable service in excess of 331/3 but not in excess  
5 of 42.5 years.

6           39 Vested Deferred Retirement Benefit; 2032 Change. RSA 100-A:10, II(b) is repealed and  
7 reenacted to read as follows:

8           (b) For members who commenced service before July 1, 2011, upon the member's  
9 attainment of age 45, provided the member would then have completed 20 years of creditable  
10 service, otherwise the subsequent date on which such 20 years would have been completed, or for  
11 members who commenced service on or after July 1, 2011, upon the member's attainment of age 50,  
12 provided the member would then have completed 25 years of creditable service, otherwise the  
13 subsequent date on which such 25 years would have been completed, or at any time after age 60, a  
14 group II member who meets the requirement of subparagraph (a) may make application on a form  
15 prescribed by the board of trustees and receive a vested deferred retirement allowance which shall  
16 consist of: (1) A member annuity which shall be the actuarial equivalent of accumulated  
17 contributions on the date the member's retirement allowance commences; and (2) A state annuity  
18 which, together with the member annuity, shall be equal to a service retirement allowance based on  
19 the member's average final compensation and creditable service at the time the member's service is  
20 terminated. Provided, however, that a group II member who commenced service on or after July 1,  
21 2011, shall not receive a vested deferred retirement allowance until attaining the age of 52.5; but  
22 may receive a reduced allowance after age 50 if the member has at least 25 years of creditable  
23 service where the allowance shall be reduced, for each month by which the date on which benefits  
24 commence precedes the month after which the member attains 52.5 years of age, by 1/4 of one  
25 percent.

26           40 Method of Financing; 2032 Change. RSA 100-A:16, I(aa) is repealed and reenacted to read as  
27 follows:

28           (aa) The board of trustees shall certify to the proper authority or officer responsible for  
29 making up the payroll of each employer, and such authority or officer shall cause to be deducted  
30 from the compensation of each member, except group II members who are in vested status before  
31 January 1, 2012, with creditable service in excess of 40 years, and group II members who  
32 commenced service on or after July 1, 2011, or who have not attained vested status prior to January  
33 1, 2012, with creditable service in excess of 42.5 years as provided in RSA 100-A:5, II(b) and RSA  
34 100-A:6, II(b), on each and every payroll of such employer for each and every payroll period, the  
35 percentage of earnable compensation applicable to such member. No deduction from earnable  
36 compensation under this paragraph shall apply to any group II member who commenced service  
37 prior to July 1, 2011, with creditable service in excess of 40 years, and any group II member who

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1 commenced service on or after July 1, 2011, or who have not attained vested status prior to January  
2 1, 2012 with creditable service in excess of 42.5 years as provided in RSA 100-A:5, II(b) and RSA  
3 100-A:6, II(b), and this provision for such members shall not affect the method of determining  
4 average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable  
5 by a member in a payroll period, the board may consider the rate of compensation payable to such  
6 member on the first day of a payroll period as continuing throughout the payroll period and it may  
7 omit deduction from compensation for any period less than a full payroll period if such person was  
8 not a member on the first day of the payroll period, and to facilitate the making of deductions it may  
9 modify the deduction required of any member by such an amount as shall not exceed 1/10 of one  
10 percent of the annual earnable compensation upon the basis of which such deduction is made. The  
11 amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted,  
12 shall be paid to the retirement system at such times as may be designated by the board of trustees  
13 and credited to the individual account, in the member annuity savings fund, of the member from  
14 whose compensation the deduction was made.

15 41 Minimum Age; 2032 Change. RSA 100-A:19-b, II is repealed and reenacted to read as  
16 follows:

17 II.(a) For a member who commenced service prior to July 1, 2011, and, who has completed  
18 20 or more years of combined creditable service, one year shall be deducted from age 60 for each year  
19 of creditable group II service, provided that the age shall not be less than 45 years.

20 (b) For a member who commenced service on or after July 1, 2011, and who has  
21 completed 25 or more years of combined creditable service, one year shall be deducted from age 60  
22 for each year of creditable group II service, provided that the age shall not be less than 50 years, and  
23 provided that a the member shall not be eligible to receive a retirement allowance until attaining the  
24 age of 52.5.

25 42 Reduced Early Retirement; 2032 Change. RSA 100-A:19-d is repealed and reenacted to read  
26 as follows:

27 100-A:19-d Reduced Early Retirement. Notwithstanding any other provision of law, any  
28 retirement system member who has creditable service in both group I and group II with at least 10  
29 years combined creditable service, and who has attained an age which is at least 45 for members  
30 who commenced service before July 1, 2011, or at least 50 for members who commenced group II  
31 service on or after July 1, 2011, and group II members who have not attained vested status prior to  
32 January 1, 2012, shall be as provided in the transition provisions in RSA 100-A:5, II(d), and is within  
33 10 years of the minimum age set forth in RSA 100-A:19-b, may elect to retire and have benefits  
34 commence immediately as a reduced split-benefit service retirement allowance. Application shall be  
35 as provided in RSA 100-A:5, I(c). The allowance shall be determined as a split-benefit service  
36 retirement allowance in accordance with RSA 100-A:19-c, and the total combined split-benefit  
37 service allowance shall be reduced by the percentages shown in RSA 100-A:5, I(c), based on the total.

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combined length of creditable service, for each month by which the date on which benefits commence precedes the month after which the member attains the minimum age set forth in RSA 100-A:19-b.

43 Funding; Appropriations.

I. The sum of \$35,500,000 is hereby appropriated to the retirement system to fund the cost of the multiplier benefit under this act on July 1, 2026. The governor is authorized to draw a warrant for said sums out of any money in the treasury not otherwise appropriated.

II. The sum of \$23,200,000 is hereby appropriated to the retirement system to fund the cost of the multiplier benefit under this act on July 1, 2028. The governor is authorized to draw a warrant for said sums out of any money in the treasury not otherwise appropriated.

III. The sum of \$48,900,000 is hereby appropriated to the retirement system to fund the cost of the average final compensation benefit under this act on July 1, 2030. The governor is authorized to draw a warrant for said sums out of any money in the treasury not otherwise appropriated.

IV. The sum of \$46,100,000 is hereby appropriated to the retirement system to fund the cost of the earnable compensation benefit under this act on July 1, 2032. The governor is authorized to draw a warrant for said sums out of any money in the treasury not otherwise appropriated.

44 Group II Contribution Increase; 2026 Change. Amend RSA 100-A:16, I(a)(2) to read as follows:

(2) Group II permanent fireman members, ~~[11-80]~~ **12.55**

Group II permanent police members, ~~[11-55]~~ **12.30**

45 Public Officers and Employees; New Hampshire Retirement System; Method of Financing.  
Amend RSA 100-A:16, II(b) to read as follows:

(b) The contributions of each employer for benefits under the retirement system on account of group II members shall consist of a percentage of the earnable compensation of its members to be known as the "normal contribution," and an additional amount to be known as the "accrued liability contribution;" provided that beginning with state fiscal year ~~[2013]~~ **2028** and for each state fiscal year thereafter, any employer ~~[shall pay the full amount of such total contributions.]~~ ***other than the state, shall pay 99 percent of such total contributions, and one percent thereof shall be paid by the state; and provided further that, in case of group II members employed by the state, the state shall pay both normal and accrued liability contributions.*** The rate percent of such normal contribution, including contributions on behalf of group II members whose group II creditable service is in excess of 40 years, in each instance shall be fixed on the basis of the liabilities of the system with respect to the particular members of the various member classifications as shown by actuarial valuations, except as provided in subparagraph (i).

46 Effective Dates:

I. Section 21 and 30 through 42 of this act shall take effect July 1, 2032.

II. Sections 22 and 29 of this act shall take effect July 1, 2030.

III. Sections 20, 23 through 26, and 44 of this act shall take effect July 1, 2026.



- 1 IV. Section 27 and 45 of this act shall take effect July 1, 2027.
- 2 V. Sections 28 of this act shall take effect July 1, 2028.

Sen. Gray, Dist 6  
May 29, 2025  
2025-2562s  
09/06

Amendment to HB 2-FN-A-LOCAL

1 Amend the bill by replacing section 245 with the following:

2

3

245 Youth Development Center Settlement Fund; Appropriation. The sum of \$40,000,000 for  
4 fiscal year ending June 30, 2026, is hereby appropriated to the youth development center settlement  
5 fund established in RSA 21-M:11-a, II. The governor is authorized to draw a warrant for said sum  
6 out of any money in the treasury not otherwise appropriated.