

HB 1439-FN - AS INTRODUCED

2026 SESSION

26-2649

06/05

HOUSE BILL            ***1439-FN***

AN ACT                relative to exceeding part-time employment hourly limits for members of the New Hampshire retirement system.

SPONSORS:            Rep. J. MacDonald, Carr. 6; Rep. R. Brown, Carr. 8; Rep. Crawford, Carr. 3; Rep. Maggiore, Rock. 23; Rep. Rung, Hills. 12; Rep. J. Smith, Carr. 5; Rep. Peternel, Carr. 6

COMMITTEE:          Executive Departments and Administration

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ANALYSIS

This bill revises the penalty structure for retirees who exceed the annual hour limit for part-time employment.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT                   relative to exceeding part-time employment hourly limits for members of the New Hampshire retirement system.

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

1           1 Exceeding Part-Time Hourly Limit. RSA 100-A:7, II is repealed and reenacted to read as  
2 follows:

3           II. If a retired member works part-time for one or more participating employers in any  
4 calendar year and exceeds the maximum number of hours permitted under RSA 100-A:1, XXXIV, the  
5 board shall impose a proportional reduction in the member's state annuity portion of the retirement  
6 allowance as follows:

7           (a) The board shall calculate the excess earnings resulting from hours worked in excess  
8 of the limit and shall reduce the retiree's annuity in an amount equal to the excess earnings. The  
9 total reduction shall be distributed as equal monthly reductions over a 12-month period.

10           (b) The board shall not suspend a retiree's entire annuity solely for exceeding the annual  
11 hourly limitation. A full suspension may occur only if the retiree knowingly and willfully engaged in  
12 substantial continued employment that materially violated the hourly limitation, or if the retiree  
13 failed to respond in good faith to a written inquiry by the retirement system concerning hours  
14 worked.

15           (c) A retiree may demonstrate just cause for having exceeded the hourly limitation,  
16 including reliance on inaccurate time or wage reporting by a part-time employer. If the board of  
17 trustees finds in writing that the retiree acted in good faith and that inequity would otherwise  
18 result, the board may waive all or part of the annuity reduction.

19           2 Effective Date. This act shall take effect 60 days after its passage.

**HB 1439-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT relative to exceeding part-time employment hourly limits for members of the New Hampshire retirement system.

**FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.**

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
<b>Revenue</b>	\$0	\$0	Indeterminable Decrease	
<i>Revenue Fund(s)</i>	Internal Service Fund			
<b>Expenditures*</b>	\$0	\$0	Indeterminable Increase	
<i>Funding Source(s)</i>	Agency Transfers and Agency Income			
<b>Appropriations*</b>	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

\*Expenditure = Cost of bill

\*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	Indeterminable Increase	

**\*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 revises how the New Hampshire Retirement System addresses retirees who exceed part-time hour limits by replacing full pension suspensions with proportional reductions in the member's state annuity based on excess earnings. Exceptions are allowed for good faith errors or employer misreporting, with full suspension reserved for willful, repeated violations or failure to respond to system inquiries.

The Department of Administrative Services (DAS) states that retiree health premiums are usually withheld from the state annuity, but if the annuity is too low to cover the full amount, DAS must bill retirees directly, resulting in additional administrative costs. Since it's unknown how many retirees this would affect, the increase in state spending is indeterminable. This

could also reduce net revenue by making it harder to collect contributions. Additionally, if retirees work over 30 hours per month, the state may be required to offer health benefits under the Affordable Care Act (ACA) to avoid IRS penalties.

The New Hampshire Retirement System (NHRS) states that the fiscal impact is indeterminable due to uncertainty about how many retirees would be affected, potential shifts from full-time to part-time positions, and unknown administrative costs related to system changes. Additionally, contribution rates for fiscal years 2026 and 2027 have been certified and are, therefore, not subject to change.

**AGENCIES CONTACTED:**

Department of Administrative Services and New Hampshire Retirement System