

**HB 216-FN - AS INTRODUCED**

2025 SESSION

25-0108

06/05

HOUSE BILL            ***216-FN***

AN ACT                relative to workers' compensation and creditable service towards retirement.

SPONSORS:            Rep. C. McGuire, Merr. 27; Rep. Grote, Rock. 24; Rep. Schmidt, Straf. 14

COMMITTEE:          Executive Departments and Administration

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ANALYSIS

This bill removes the one year cap of creditable service towards retirement benefits for workers' compensation.

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Explanation:        Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears ~~in brackets and struck through.~~  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Five*

AN ACT                   relative to workers' compensation and creditable service towards retirement.

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

1           1 Workers' Compensation and Creditable Service for Retirement. Amend RSA 100-A:4, III(b) to  
2 read as follows:

3                   (b) Notwithstanding the provisions of subparagraph (a) or any other law to the contrary,  
4 any member who receives a weekly award under the provisions of RSA 281-A from the commissioner  
5 of labor, for injury arising out of and in the course of employment, shall be entitled to creditable  
6 service for said period [~~not in excess of one year~~]. To receive creditable service, a member shall file a  
7 department of labor memo of payment of disability compensation form, with the board of trustees,  
8 verifying the first and last payment of disability compensation for each new unrelated injury.

9           2 Effective Date. This act shall take effect 60 days after its passage.

**HB 216-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT relative to workers' compensation and creditable service towards retirement.

**FISCAL IMPACT: This bill does not provide funding.**

<b>Estimated State Impact</b>				
	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Revenue</b>	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
<b>Expenditures*</b>	\$0	Indeterminable Increase Pension System Upgrade Costs (\$50k to \$100k)	\$0	Indeterminable Increase (\$100k to \$400k)
<i>Funding Source(s)</i>	General Fund, Highway Fund, and Various Agency Funds			
<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

<b>Estimated Political Subdivision Impact</b>				
	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$0	Indeterminable Increase (\$500k to \$1.5m)

**\*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 removes the one year cap of creditable service towards retirement benefits for workers' compensation. The New Hampshire Retirement System (NHRS) Actuary states the fiscal impact of increasing service credit for members receiving workers' compensation payments is an indeterminable increase to the employer contributions and the actuarial accrued liabilities. The reason it is indeterminable is based on several uncertain factors. These include the number of affected members, the duration of benefits, future cases, the timing of injuries, and the length of

compensation periods. Additionally, lump-sum settlements, their timing, and amounts could affect retirement benefits, further complicating cost projections.

Granting service credit for periods without active employment generates costs because no member or employer contributions are made during this time, and the System loses associated investment income. According to NHRS, no employer or member contributions are made on behalf of a member during the period in which the member is receiving workers compensation benefits (unless the member ends up working during that period).

To provide a scalable estimate, the NHRS Actuary provides a cost that can be measured by estimating the increase in retirement system benefits resulting from the additional service credit awarded to members. For instance, if 10% of active members were granted an additional six months of service credit under the proposed changes, the total contribution rate would increase as outlined in the table below. *These estimates can be adjusted proportionally; if more or fewer than 10% of members receive six months of additional credit, the rate increases would scale accordingly.*

**Impact with assumption of 10% of active members granted an additional six months of service credit**

State

<b>Increase (Decrease) in Employer Pension Rates as a Percent of Payroll</b>	
	<b>Net Impact of Proposal</b>
Employees	0.04%
Police	0.09%
Fire	0.11%

<b>Expected Employer Dollar Increase (Decrease) Due to Proposal</b>				
	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
Employees	-	-	-	\$251,332
Police	-	-	-	\$84,936
Fire	-	-	-	<u>\$2,671</u>
<b>TOTAL</b>	\$0	\$0	\$0	\$338,939

Political Subdivision

<b>Increase (Decrease) in Employer Pension Rates as a Percent of Payroll</b>	
	<b>Net Impact of Proposal</b>
Employees	0.04%

Teachers	0.04%
Police	0.09%
Fire	0.11%

<b>Expected Employer Dollar Increase (Decrease) Due to Proposal</b>				
	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
Employees	-	-	-	\$313,665
Teachers	-	-	-	\$504,096
Police	-	-	-	\$229,587
Fire	-	-	-	<u>\$168,811</u>
<b>TOTAL</b>	\$0	\$0	\$0	\$1,216,159

The NHRS actuary projects an increase in the actuarial accrued liability of \$23.0 million based on the assumption of 10% of active members granted an additional six months of service credit which will be amortized over a fixed period of no longer than 20-years.

Lastly, the NHRS states there will be an indeterminable increase estimated to be \$50,000 to \$100,000 in expenditures in FY 2026 due to administrative costs relating to the reprogramming of the pension administrative system.

**AGENCIES CONTACTED:**

New Hampshire Retirement System