

HB 637-FN - AS INTRODUCED

2025 SESSION

25-0699

05/11

HOUSE BILL **637-FN**

AN ACT relative to the reduction in the calculation of state retirement annuities at age 65 for certain group I retirement system members.

SPONSORS: Rep. Luneau, Merr. 9; Rep. W. MacDonald, Rock. 16

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill provides that the reduction of a retiree's annuity at the member's full retirement age under the federal Social Security system shall apply to any group I retired state employee member or retired teacher member of group I who retired prior to July 1, 2023, and who has not reached full social security retirement age by July 1, 2025.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 the reduction in the calculation of state retirement annuities at age 65
for certain group I retirement system members.

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

1 1 Service Retirement Allowances for Teachers and State Group I Member Employees;
2 Application of Benefit. RSA 100-A:5, I(b); 100-A:6, I(b)(1)(A) and (B); and 100-A:6, I(d)(1)(A) and (B),
3 as amended by 2023, 79:459, relative to the reduction of a retiree's annuity at the member's full
4 retirement age under the federal Social Security system, shall apply to any group I retired state
5 employee member or retired teacher member of group I who retired prior to July 1, 2023, and who
6 have not reached full social security retirement age by July 1, 2025.

7 2 Effective Date. This act shall take effect July 1, 2025.

HB 637-FN- FISCAL NOTE
 AS INTRODUCED

AN ACT relative to the reduction in the calculation of state retirement annuities at age 65 for certain group I retirement system members.

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

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
Expenditures*	\$0	\$0	\$0	In excess of \$440,000
<i>Funding Source(s)</i>	General Fund & State Annuity Accumulation Fund (Employer Contributions)			
Appropriations*	\$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 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$710,000

*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 provides that the reduction of a retiree's annuity at the member's full retirement age under the federal Social Security system shall apply to any retired Group I member (employee or teacher) who retired prior to July 1, 2023, and who has not reached full Social Security retirement age by July 1, 2025.

NHRS's actuary states since contributions rates for FY 2026-2027 have been certified they are not subject to change and there will be no fiscal impact in FY 2026-2027. The actuary states the FY 2028-2029 contribution rates will be set using the June 30, 2025 valuation. Since the rates

for the 2028-2029 biennium are unknown at this time, only the net impact for FY 2028 is shown. It should be noted the fiscal impact of this bill will go well beyond FY 2028.

STATE IMPACT

Increase (Decrease) in Employer Pension Rates as a Percent of Payroll	
	Net Impact of Proposal
Employees	0.05%

Expected Employer Dollar Increase (Decrease) Due to Proposal				
	FY 2026	FY 2026	FY 2027	FY 2028
Employees	\$0	\$0	\$0-	\$440,000
TOTAL	\$0	\$0	\$0	\$440,000

POLITICAL SUBDIVISION IMPACT

Increase (Decrease) in Employer Pension Rates as a Percent of Payroll	
	Net Impact of Proposal
Teachers	0.05%

Expected Employer Dollar Increase (Decrease) Due to Proposal				
	FY 2025	FY 2026	FY 2027	FY 2028
Teachers	\$0	\$0	\$0	\$710,000
TOTAL	\$0	\$0	\$0	\$710,000

The NHRS actuary projects an increase in the actuarial accrued liability by \$13 million (\$5.3 million (employees) + \$7.7 million (teachers)) based on the provisions in the bill and will be amortized over a fixed period of no longer than 20-years.

The NHRS states the proposed changes in the bill will involve administrative costs relating to reprogramming of the pension administration system which will result in an indeterminable increase in expenditures.

AGENCIES CONTACTED:

New Hampshire Retirement System