HB 1211-FN - AS INTRODUCED

2024 SESSION

24-2376
05/10

HOUSE BILL ***1211-FN***

AN ACT relative to part-time employment of a retirement system retiree.

SPONSORS: Rep. Proulx, Hills. 15

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill temporarily increases the number of hours a retired employee can work in a calendar year. After 10 years, the number of hours would revert to the limit in effect in 2023.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

24-2376
05/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Four

AN ACT relative to part-time employment of a retirement system retiree.

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

1 Retirement; Part-time Employment. Amend RSA 100-A:1, XXXIV to read as follows:

XXXIV. "Part-time" for purposes of employment of a retired member of the New Hampshire retirement system, but excepting per diem court security officers and court bailiffs, means employment by one or more participating employers of the retired member which shall not exceed [~~1,352~~] ***1,872*** hours in a calendar year, except as provided in RSA 100-A:7-b. Notwithstanding the foregoing, no retired member shall be employed on a part-time basis by any participating employer for a period of 28 days from the member's effective date of retirement.

2 Retirement; Part-time Employment; Effective 2034. Amend RSA 100-A:1, XXXIV to read as follows:

XXXIV. "Part-time" for purposes of employment of a retired member of the New Hampshire retirement system, but excepting per diem court security officers and court bailiffs, means employment by one or more participating employers of the retired member which shall not exceed [~~1872~~] ***1352*** hours in a calendar year, except as provided in RSA 100-A:7-b. Notwithstanding the foregoing, no retired member shall be employed on a part-time basis by any participating employer for a period of 28 days from the member's effective date of retirement.

3 Effective Date.

I. Section 2 of this act shall take effect January 1, 2034.

II. The remainder of this act shall take effect 60 days after its passage.

LBA
24-2376
11/29/23

HB 1211-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to part-time employment of a retirement system retiree.

FISCAL IMPACT: [X] State [X] County [X] Local [ ] None

Estimated State Impact - Increase / (Decrease)				
	FY 2024	**FY 2025**	**FY 2026**	**FY 2027**
Revenue	$0	$0	$0	$0
Revenue Fund(s)	None			
Expenditures	$0	$0	Indeterminable	Indeterminable
Funding Source(s)	General Fund and Highway Fund Various Agency Funds			
Appropriations	$0	$0	$0	$0
Funding Source(s)	None			

- Does this bill provide sufficient funding to cover estimated expenditures? [X] N/A
- Does this bill authorize new positions to implement this bill? [X] N/A

Estimated Political Subdivision Impact - Increase / (Decrease)				
	FY 2024	**FY 2025**	**FY 2026**	**FY 2027**
County Revenue	$0	$0	$0	$0
County Expenditures	$0	$0	$0	$0
Local Revenue	$0	$0	$0	$0
Local Expenditures	$0	$0	Indeterminable	Indeterminable

***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 temporarily increases the number of hours a retired employee can work in a calendar year from 1,352 to 1,872. After 10 years, the number of hours would revert to the limit, 1,352, in effect in 2023.

The New Hampshire Retirement System states the fiscal impact of the bill is uncertain, but it could adversely affect underfunding and employer contribution rates. It might incentivize members to opt for earlier retirement, aware that they could still engage in part-time roles almost equivalent to full-time work, as outlined below. Additionally, it could result in

employers transforming full-time contributing positions into part-time noncontributing ones. Both scenarios would contradict the actuarial assumptions that form the basis for determining the System's funding. The NHRS also notes 1,872 annual hours amount to 36 hours weekly for 52 weeks, surpassing the minimum participation requirements set in Ret 302.05. This regulation necessitates enrollment for "teachers" with regular schedules of at least 30 hours per week and for political subdivision "employees" at 35 hours per week. State "employees" require enrollment if they work 37.5 hours or more weekly. Police and fire personnel must enroll if deemed "full-time" by their employer (typically 40 hours/week for police and 44 for fire).

This bill would allow retired teachers and political subdivision employees to exceed the System's current full-time work hour benchmarks. Additionally, it would enable State employees to work at 96% of full-time, police at 90%, and fire at 82%, all while being officially "retired" and collecting a pension.

The Department of Administrative Services states this bill raises the annual part-time work hours for retired NH Retirement System members from 1,352 to 1,872, approximately increasing from 26 to 36 hours per week based on a 52-week year. The fiscal impact remains uncertain due to several factors. It's unclear whether any of the roughly 221 part-time State employees, who are retired NH Retirement System members, would seek additional hours if the maximum annual hours were raised. Even if some seek extra hours, there might not be corresponding agency needs. Additionally, potential budget constraints could limit scheduling retired part-time employees for more than 29.5 hours due to prorated health insurance benefits offered once 30 hours per week is reached.

The New Hampshire Municipal Association states the bill doesn't mandate cities or towns to increase hours for part-time employees. However, a municipality may choose to raise hours and cover related expenses for part-time roles, pending approval by the legislative body.

The New Hampshire Association of Counties states they would not see any impact from this bill.

Employer contribution rates will not be impacted until FY 2026- FY 2027 as the FY 2024- FY 2025 rates have already been set.

AGENCIES CONTACTED:

New Hampshire Retirement System, Department of Administrative Services, New Hampshire Municipal Association and New Hampshire Association of Counties