CHAPTER 48
HB 1823-FN - FINAL VERSION

2018 SESSION

18-3031
10/08

HOUSE BILL ***1823-FN***

AN ACT relative to layered amortization of retirement system liabilities.

SPONSORS: Rep. McGuire, Merr. 29; Rep. Ohm, Hills. 36; Sen. Carson, Dist 14; Sen. Watters, Dist 4

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill requires the retirement system to amortize annual unfunded liabilities accrued on or after July 1, 2017 separately from existing liabilities.

This bill is a request of the decenniel retirement commission under RSA 100-A:57.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eighteen

AN ACT relative to layered amortization of retirement system liabilities.

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

48:1 Retirement System; Financing; Unfunded Accrued Liabilities. Amend RSA 100-A:16, II(e) to read as follows:

(e)***(1)*** Immediately following the actuarial valuation prepared as of June 30 of each fiscal year, the board shall have an actuary determine the amount of the unfunded accrued liability for each member classification, proportionally reduced using sums dedicated as provided in RSA 21-I:95, II, as the amount of the total liabilities of the state annuity accumulation fund on account of such classification which is not dischargeable by the total of the funds in hand to the credit of the state annuity accumulation fund on account of such classification, and the aforesaid normal contributions to be made on account of the members in such classification during the remainder of their active service. The amount so determined with respect to each member classification shall be known as the "unfunded accrued liability" with respect to such classification.

(2) On the basis of each such unfunded accrued liability, the board shall have an actuary determine the level annual contribution required to discharge such amount [~~over a period of 30 years or the maximum period allowed by standards adopted by the Government Accounting Standards Board, whichever is less~~] ***as provided in subparagraph (3)***.

(3) The unfunded liability as of July 30, 2017 shall be amortized through 2039. Each subsequent change in liability as calculated in odd-numbered years shall be separately amortized over a fixed period of no longer than 20 years.

48:2 Effective Date. This act shall take effect 60 days after its passage.

Approved: May 15, 2018
Effective Date: July 14, 2018