CHAPTER 253
HB 1647-FN-A - FINAL VERSION

22Feb2024... 0326h
11Apr2024... 1134h
05/22/2024 1977s

2024 SESSION

24-3143
10/06

HOUSE BILL ***1647-FN-A***

AN ACT relative to the calculation of group II retirement benefits in the retirement system.

SPONSORS: Rep. Leishman, Hills. 33; Rep. D. McGuire, Merr. 14; Rep. Grote, Rock. 24; Rep. Goley, Hills. 21; Rep. Shurtleff, Merr. 15; Sen. Soucy, Dist 18

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill modifies the group II members retirement annuity multipliers for the New Hampshire retirement system. The bill makes an appropriation to the retirement system therefor.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to the calculation of group II retirement benefits in the retirement system.

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

253:1 Group II Service Retirement Benefits. Amend RSA 100-A:5, II to read as follows:

II. Group II Members.

(a) Any group II member in service, who is in vested status before January 1, 2012, who has attained age 45 and completed 20 years of creditable service, and any group II member who commenced service on or after July 1, 2011 who has attained age 50 and completed 25 years of creditable service, and group II members who have not attained vested status prior to January 1, 2012 as provided in the transition provisions in RSA 100-A:5, II(d), or any group II member in service who has attained age 60 regardless of the number of years of creditable service, may retire on a service retirement allowance upon written application to the board of trustees setting forth at what time not less than 30 days nor more than 90 days subsequent to the filing thereof the member desires to be retired, notwithstanding that during such period of notification the member may have separated from service. Provided, however, that a group II member who commenced service on or after July 1, 2011 shall not receive a service retirement allowance until attaining the age of 52.5; but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the date on which benefits commence precedes the month after which the member attains 52.5 years of age, by 1/4 of one percent.

(b) Upon service retirement, a group II member shall receive a service retirement allowance which shall consist of:

(1) A member annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of retirement; and

(2) For members who are in vested status before January 1, 2012, a state annuity which, together with his or her member annuity, shall be equal to 2-1/2 percent of his or her average final compensation multiplied by the number of years of his or her creditable service not in excess of 40 years, or for members who commenced service on or after July 1, 2011, a state annuity which, together with his or her member annuity, shall be equal to 2 percent of his or her average final compensation multiplied by the number of years of his or her creditable service not in excess of 42.5 years, and group II members who have not attained vested status prior to January 1, 2012 shall be as provided in the transition provisions in RSA 100-A:5, II(d) with the maximum number of years of creditable service not in excess of [~~40.5 years~~] ***the limits under RSA 100-A:6-a, but only for group II members in service who have attained age 60 regardless of the number of years of creditable service, or who work up to their full age and service requirements and retire under service retirement. If a member retires prior to reaching full age and***

service requirements, then their annuity multiplier remains the same as their first 15 years of creditable service.

(3) [Repealed.]

(c)(1) Notwithstanding any provision of RSA 100-A to the contrary, any group II member who is in vested status before January 1, 2012 and has retired on or after the effective date of this subparagraph after attaining the age of 45 with at least 20 years of creditable service, and any group II member who commenced service on or after July 1, 2011 and retires after the effective date of this subparagraph after attaining the age of 50 with at least 25 years of creditable service, and group II members who have not attained vested status prior to January 1, 2012 who qualify as provided in the transition provisions in RSA 100-A:5, II(d), shall receive a minimum annual service retirement allowance of $10,000. If such group II member has elected to convert the retirement allowance into an optional allowance for the surviving spouse under RSA 100-A:13, the surviving spouse shall be entitled to a proportional share of the $10,000.

(2) [Repealed.]

(3) [Repealed.]

(d) Active group II members who commenced service prior to July 1, 2011 and who have not attained vested status prior to January 1, 2012 shall be subject to the following transition provisions for years of service required for regular service retirement, the minimum age for regular service retirement, and *for the first 15 years of creditable service,* the multiplier used to calculate the retirement annuity, which shall be applicable on, or after January 1, 2012 according to the following table:

Creditable service on January 1, 2012	Minimum years of service	age attained	Minimum multiplier	Annuity
(1) Less than 4 years	24	age 49	2.1 % *	
(2) At least 4 years but less than 6 years	23	age 48	2.2% *	
(3) At least 6 years but less than 8 years	22	age 47	2.3% *	
(4) At least 8 years but less than 10 years	21	age 46	2.4% *	

** The annuity multiplier applied to creditable service earned beyond 15 years of creditable service, shall be 2.5 percent, but only for group II members in service who have attained age 60 regardless of the number of years of creditable service, or who work up to their full age and service requirements and retire under service retirement. If a member retires prior to reaching full age and service requirements, then their annuity multiplier remains the same as their first 15 years of creditable service.*

(e) Notwithstanding the transition provisions of subparagraph (d), the member may replace the additional years of service required for minimum retirement age with the years of service that are purchased under RSA 100-A:4, IX. Therefore, allowing the member to retire between the age of 45 and 49 depending upon the years of service purchased. The purchased years under RSA 100-A:4, IX shall have an annual multiplier of 2.5 percent regardless of the percentage listed in subparagraph (d).

253:2 New Hampshire Retirement System; Disability Retirement Benefits. Amend RSA 100-A:6, II(b) to read as follows:

(b) Upon ordinary disability retirement, the group II member shall receive an ordinary disability retirement allowance which shall consist of: a member annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of his or her ordinary disability retirement; and a state annuity which, together with his or her member annuity, for members who are in vested status before January 1, 2012, shall be equal to 2 1/2 percent of his or her average final compensation at the time of ordinary disability retirement multiplied by the number of years of his or her creditable service not in excess of 40 at the time of ordinary disability retirement, or for members who commenced service on or after July 1, 2011, shall be equal to 2 percent of his or her average final compensation at the time of ordinary disability retirement multiplied by the number of years of his or her creditable service not in excess of 42.5 at the time of ordinary disability retirement, and group II members who have not attained vested status prior to January 1, 2012*,* shall be as provided in the transition provisions in RSA 100-A:5, II(d) with the maximum number of years of creditable service not in excess of [~~40.5 years~~] ***the limits under RSA 100-A:6-a*** provided, however, that such allowance shall not be less than 25 percent of the member's final compensation at the time of his or her disability retirement. ***Members who retire upon ordinary disability or qualify for accidental death benefits as outlined in RSA 100-A:8 shall not be subject to the full age and service requirements listed under RSA 100-A:5, II(d).***

253:3 Appropriation; Retirement System; Group II Change. The sum of $26,000,000 for the biennium ending June 30, 2025, is hereby appropriated to the retirement system for deposit in the state annuity accumulation fund for payment against the cost of the amendment to the group II calculation of service and disability retirement benefits by this act. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

253:4 Effective Date. This act shall take effect June 30, 2024.

Approved: July 19, 2024
Effective Date: June 30, 2024