Rep. Hess, Merr. 24
January 27, 2016
2016-0223h
10/08

Amendment to HB 1673-FN-LOCAL

Amend the bill by replacing sections 1 and 2 with the following:

1 New Paragraph; Definition; Cash Balance Plan. Amend RSA 100-A:1 by inserting after paragraph I the following new paragraph:

I-a. "Cash balance plan" means the retirement plan established in RSA 100-A:58 through RSA 100-A:70 administered by the board of trustees for persons who begin service on and after July 1, 2016, and who are required to participate as a condition of employment under RSA 100-A:3, I-b or I-c.

2 New Paragraphs; Membership; Cash Balance Plan. Amend RSA 100-A:3 by inserting after paragraph I-a the following new paragraphs:

I-b. Any person who begins service on or after July 1, 2016 with the state or any department, commission, institution, or agency of the state government by which an employee is paid through the office of the state treasurer with respect to their employees, as an employee, teacher, permanent policeman, or permanent fireman, shall as a condition of employment participate in the cash balance plan of the retirement system established under RSA 100-A:58 through RSA 100-A:70.

I-c. Any political subdivision employee, teacher, permanent policeman, or permanent fireman, of a non-state employer, working in a full-time position for such employer as determined by common law standards, where the employer has made a separate election under the provisions of RSA 100-A:25-a to have its employees, teachers, policemen, and firemen participate in the cash balance plan, and who begins service on or after July 1, 2016 and after the effective date of such election, shall as a condition of employment participate in the cash balance plan of the retirement system established under RSA 100-A:58 through RSA 100-A:70.

Amend RSA 100-A:65, I as inserted by section 6 of the bill by replacing it with the following:

I. For the fiscal year beginning July 1, 2016, and each fiscal year thereafter, the actuary for the board shall perform a separate actuarial valuation of the cash balance plan using the entry age actuarial cost method.

Amend the bill by replacing section 9 with the following:

9 Effective Date. This act shall take effect July 1, 2016.

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AMENDED ANALYSIS

This bill establishes a cash balance pension plan for retirement system members who begin service with the state on or after July 1, 2016. Teachers, policemen, firemen, and political subdivision employee members of a non-state employer hired on or after July 1, 2016 are cash balance plan members if their employer elects to have their members participate in the cash balance plan.