

# Bill as Introduced

HB 461-FN - AS INTRODUCED

2011 SESSION

11-0364

10/09

HOUSE BILL

***461-FN***

AN ACT relative to repealing the authority for retirement system members to purchase service credit for certain out-of-state service.

SPONSORS: Rep. Hawkins, Hills 18; Rep. Reagan, Rock 1; Rep. Harding, Graf 11; Rep. Kurk, Hills 7; Sen. Boutin, Dist 16; Sen. White, Dist 9

COMMITTEE: Special Committee on Public Employee Pensions Reform

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ANALYSIS

This bill repeals provisions which allow group I and group II members of the New Hampshire retirement system to purchase credit for out-of-state service.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT                   relative to repealing the authority for retirement system members to purchase service credit for certain out-of-state service.

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

- 1           1 Repeal. The following are repealed:
- 2           I. RSA 100-A:4-b, relative to group I employees and teachers purchase of credit for out-of-
- 3 state service.
- 4           II. RSA 100-A:4-c, relative to group II members purchase of credit for out-of state service.
- 5           2 Effective Date. This act shall take effect 60 days after its passage.

LBAO  
11-0364  
01/19/11

**HB 461-FN - FISCAL NOTE**

**AN ACT** relative to repealing the authority for retirement system members to purchase service credit for certain out-of-state service.

**FISCAL IMPACT:**

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill as it is awaiting information from the New Hampshire Retirement System. When completed, the fiscal note will be forwarded to the House Clerk's Office.

# Amendments

Amendment to HB 461-FN

"Not Adopted"

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT relative to determining the full actuarial cost for purchasing service credit in the  
4 retirement system.  
5

6 Amend the bill by replacing all after the enacting clause with the following:

7

8 1 Retirement System; Membership; Prior Service Credit; Cost of Purchase. Amend RSA 100-  
9 A:3, VI(b) to read as follows:

10 (b) In the case of prior service credit for time served as a member for which the  
11 member's accumulated contributions have been withdrawn, the amount of creditable service  
12 purchased may be the full length of service relating to the withdrawn contributions or a partial  
13 share of such service. The amount determined by the actuary to reinstate full or partial service  
14 credit shall be the amount of withdrawn contributions, but not less than one month's contributions  
15 multiplied by the ratio of the service credit to be purchased to the full length of service relating to  
16 the withdrawn contributions, with this amount adjusted for interest from the date of withdrawal to  
17 the date of payment based on the interest rates in effect for each fiscal year. ~~[The amount~~  
18 ~~determined by the actuary to purchase prior service credit related to Peace Corps and AmeriCorps~~  
19 ~~service shall be computed under RSA 100-A:4, VIII.]~~ For ~~[all other]~~ any prior service credit  
20 *purchase* the amount determined by the actuary shall be the ~~[product of the member's annual rate~~  
21 ~~of compensation at the time of buy-in, multiplied by the sum of the member and employer~~  
22 ~~contribution rates in effect with respect to the member at the time of buy-in, multiplied by the~~  
23 ~~number of years of prior service credit bought]~~ *payment of the full accrued actuarial cost to the*  
24 *system. The full actuarial cost of service credit purchases shall be determined by the*  
25 *actuary based on methods and assumptions recommended by the actuary and approved by*  
26 *the board of trustees, and shall include a rate of return 2 percentage points less than the*  
27 *assumed rate of return determined under RSA 100-A:16, II(h).*

28 2 Membership; Cost of Prior Service Credit. Amend RSA 100-A:3, VI(d)(1) to read as follows:

29 (d)(1) In the case of an employer which through its own fault, and not the fault of the  
30 employee, failed to enroll an eligible employee at the time such employee became eligible for  
31 membership in this retirement system or a predecessor system, the employer and not the employee  
32 shall pay the cost of the actuary's statement obtained under this subparagraph. The actuary's

Amendment to HB 461-FN  
- Page 2 -



1 statement shall be based on the ~~[product of the member's annual rate of compensation at the time of~~  
2 ~~buy in, multiplied by the sum of the member and employer contribution rates in effect with respect~~  
3 ~~to the member at the time of buy in, multiplied by the number of years of prior service credit bought.~~  
4 ~~In addition, if such employee has not received final approval of the board before July 1, 1989, to~~  
5 ~~receive credit for such service, the employer shall pay 1/2 of the amount determined by the actuary~~  
6 ~~and the employee shall pay 1/2]~~ **payment of the full accrued actuarial cost to the system as**  
7 **determined according to RSA 100-A:3, VI(b).** Upon payment, and with the approval of the board,  
8 the member shall receive credit for prior service. The amount paid by the employee for prior service  
9 credit under this subparagraph shall be credited to the member annuity savings fund, and the  
10 amount paid by the employer shall be credited to the state annuity accumulation fund.

11 3 Creditable Service; Armed Forces Service; Cost of Prior Service Credit. Amend RSA 100-A:4,  
12 VI(b) to read as follows:

13 (b) Credit for active service in the armed services shall not be made until the member  
14 has paid either in lump sum or, if permitted by the board of trustees, by installment deductions from  
15 pay from an employer. The actuary's statement shall be ~~[the product of the member's annual rate of~~  
16 ~~compensation at the time of buy in, multiplied by the sum of the member and employer contribution~~  
17 ~~rates in effect with respect to the member at the time of buy in, multiplied by the number of years of~~  
18 ~~prior service credit bought]~~ **based on the payment of the full accrued actuarial cost to the**  
19 **system as determined according to RSA 100-A:3, VI(b).**

20 4 Service Credit; Peace Corps; AmeriCorps. Amend RSA 100-A:4, VIII to read as follows:

21 VIII. Any employee, teacher, permanent policeman, or permanent fireman who has  
22 completed at least 5 years of membership service and who terminates his or her employment in order  
23 to enter directly into the Peace Corps or AmeriCorps, shall be entitled to service credit for the period  
24 of such Peace Corps or AmeriCorps service, provided he or she again becomes employed within a  
25 year after the termination of such service and provided further that he or she elects to make, and  
26 makes while in active service and within a period of time equal to 3 times the length of time of such  
27 service, but not more than 5 years, all payments of the full actuarial cost to the system. The full  
28 actuarial cost of service credit purchases under this paragraph shall be determined by the actuary  
29 based on methods and assumptions recommended by the actuary and approved by the board of  
30 trustees **as provided in RSA 100-A:3, VI(b).** The member may be required to prepay all or part of  
31 the actuarial calculation fee, as determined by the board. Credit shall not be granted until the active  
32 member has fully paid for such service credit in a lump sum or by installment payments as  
33 permitted by the board. The member's payment shall be credited to the member annuity savings  
34 fund. The amount of service credit purchased under this paragraph shall not exceed the least of (a) 2  
35 years or (b) the member's actual period of Peace Corps and AmeriCorps service or (c) 5 years minus  
36 the period of nonqualified service credit purchased by the member pursuant to former RSA 100-A:4,  
37 VII. Creditable service purchased under this paragraph shall not be used for the purpose of



**Amendment to HB 461-FN**

**- Page 3 -**

- 1 eligibility for medical and surgical benefits as a retired employee under RSA 21-I:30, RSA 100-A:52,
- 2 RSA 100-A:52-a, or RSA 100-A:52-b.
- 3       5 Effective Date. This act shall take effect 60 days after its passage.





2011-0336h

AMENDED ANALYSIS

The bill establishes a uniform method for determining the full actuarial cost of purchasing service credit in the retirement system, including out-of-state service.

Amendment to HB 461-FN

1 Amend the title of the bill by replacing it with the following:

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3 AN ACT relative to determining the full actuarial cost for purchasing service credit in the  
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20 *purchase* the amount determined by the actuary shall be the ~~[product of the member's annual rate~~  
21 ~~of compensation at the time of buy-in, multiplied by the sum of the member and employer~~  
22 ~~contribution rates in effect with respect to the member at the time of buy-in, multiplied by the~~  
23 ~~number of years of prior service credit bought]~~ *payment of the full accrued actuarial cost to the*  
24 *system. The full actuarial cost of service credit purchases shall be determined by the*  
25 *actuary based on methods and assumptions recommended by the actuary and approved by*  
26 *the board of trustees, and shall include an interest rate 2 percentage points less than*  
27 *either the assumed rate of return determined under RSA 100-A:16, II(h) or the actual rate*  
28 *of return, whichever is lower, for the immediately preceding fiscal year as reported in the*  
29 *comprehensive annual financial report (CAFR), provided the rate shall not be less than*  
30 *zero.*

31 2 Membership; Cost of Prior Service Credit. Amend RSA 100-A:3, VI(d)(1) to read as follows:

32 (d)(1) In the case of an employer which through its own fault, and not the fault of the

Amendment to HB 461-FN

- Page 2 -

1 employee, failed to enroll an eligible employee at the time such employee became eligible for  
2 membership in this retirement system or a predecessor system, the employer and not the employee  
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8 ~~receive credit for such service, the employer shall pay 1/2 of the amount determined by the actuary~~  
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11 the member shall receive credit for prior service. The amount paid by the employer for prior service  
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27 of such Peace Corps or AmeriCorps service, provided he or she again becomes employed within a  
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**Amendment to HB 461-FN**

**- Page 3 -**

1 years or (b) the member's actual period of Peace Corps and AmeriCorps service or (c) 5 years minus  
2 the period of nonqualified service credit purchased by the member pursuant to former RSA 100-A:4,  
3 VII. Creditable service purchased under this paragraph shall not be used for the purpose of  
4 eligibility for medical and surgical benefits as a retired employee under RSA 21-I:30, RSA 100-A:52,  
5 RSA 100-A:52-a, or RSA 100-A:52-b.

6 5 Effective Date. This act shall take effect 60 days after its passage.

**Amendment to HB 461-FN**  
**- Page 4 -**

2011-0624h

**AMENDED ANALYSIS**

The bill establishes a uniform method for determining the full actuarial cost of purchasing service credit in the retirement system, including out-of-state service.

# Speakers

# SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB 461 Date 2/1/11

Committee Special Committee on Public Employee Pensions Reform

\*\* Please Print All Information \*\*

Name	Address	Phone	Representing	(check one)	
				Pro	Con
Don Patch	One Eagle Sq, Concord	223-9161	NH Assn Fire Chiefs		X
Sandy Amlaw	39 Gowing Rd-Hudson	966-6340	NHREA		X
GERALD KNIGHT	48 LAUDING LANE-LACUZIA	455-9321	NHREA		X
William Parson	27 School St Walpole	756-3266	CEMRA		X
Claude Dumont	79 Maclean Rd. Alstead	756-4051			X
Sen. David Bastid	Hooksett		District 16	✓	
<del>Ray White</del>			NH Municipal Assoc	✓	
SENATOR RAY WHITE			DISTRICT 9	✓	
David					
<del>Judith</del>					X
Connie George	Dunbarton 1042 Montalona Rd		NHREA		X
Barbara P. French	Herndon	428-3366	NHREA		X
Stephen Arnold	Portsmouth		NEA Police		X
Bob Blaisdell	Concord	228-1498	NH Police Association		X
Jim Demers	Concord	228-1498	NH Troopers Association		X
Kathy Kimball	25 Beaver Dam Rd. Andrum		NHASTA		X
David Kelley	46 Edgewood Dr. Hampton		NH		X
Wayne Vitek	77 Schenck Dr Newmarket		NH		X
John Hayes	10 Ruffinghaisha Athens		NH		X
Peter W. Cloud	30 MAIN ST, NEWFIELDS, NH	03856			X
Richard Campbell	108 Belford Rd, New Boston, NH	03070			X
Jacqueline Quintal	732 Milan Rd, Milan	449-2172	Ret Teach		X
1 KONNS	POB NEW 541 Providence Rd Gilmanton				X

# SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB461 Date \_\_\_\_\_

Committee \_\_\_\_\_

\*\* Please Print All Information \*\*

Name	Address	Phone	Representing	(check one)	
				Pro	Con
May Robinson	341 Perrine Rd		Gilmant		✓
Robin McBRIDE	58 Branch Lake		Concord		✓
Jane Lucente	500 Lyndon St		Manchester		✓
Dee S. Lawton	144 Main St		Chickadee NH		✓
Arthur S. Lawton	325 Pembroke St		Pembroke W. H.		✓
Joan Trison	87 Knox Rd	224-7314	Bow		✓
Maey Hays	Ellet Rd				✓
JAMES EASTMAN	108 Killip Pond Rd		Grafton, NH		✓
Bob Kabet	71 Tehok Rd		Londonbrook NH		✓
Tom Beaulieu	731 Eley Lane		Pembroke		✓
Richard Thorneycroft	57 Green		BARNSTEAD MA		✓
Denny Hisher	Newbury		VT		✓
Walter H. Brown	(NHSP Ret)				✓
Judith O'Reilly	Exeter		NH		✓
JAMES McDONNELL	20 RIVER RD		HOOKSETT		X
David R. Copson	18 Old Tower Rd		Epsom		✓
Deborah Sargent	1583 Dover Rd		Epsom NH		✓
Joseph Baucher	36 King Rd		Chickadee N. H.		✓
Deborah Sargent	1583 DOVER Rd		Epsom NH		✓
Michael G. Linn	16 Douglas Ave		Concord		✓
Shirley White	430 Paul St		Dudson MA		✓
Robert E. Bennett	19 Melody Lane		Bellows Falls		✓
Walter J. ...	723 ...		Manchester		X
Sharon ...	44 S. Spruce St		Concord NH		X



# Hearing Minutes

HOUSE SPECIAL COMMITTEE ON PUBLIC EMPLOYEE PENSIONS REFORM

PUBLIC HEARING ON HB 461-FN

**BILL TITLE:** relative to repealing the authority for retirement system members to purchase service credit for certain out-of-state service.

**DATE:** February 11, 2011

**LOB ROOM:** 205      **Time Public Hearing Called to Order:** 9:00 a.m.

**Time Adjourned:** 10:00 a.m.

(please circle if present)

**Committee Members:** Reps. Reagan, Hawkins, Shuler, Sedensky, W. Smith, Moran, Infantine, Kurk, Jasper, B. Patten, Blankenbeker, Winter, Shurtleff, Baroody, Long and D. Sullivan

**Bill Sponsors:** Rep. Hawkins, Hills 18; Rep. Reagan, Rock 1; Rep. Harding, Graf 11; Rep. Kurk, Hills 7; Sen. Boutin, Dist 16; Sen. White Dist 9

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

PUBLIC HEARING OPENED AT 0900 BY CHAIRMAN JOHN REAGAN

REP HAWKINS INTRODUCED HB 461. STATED 100-A:4-B WAS A RECRUITING TOOL FROM 1970S WHEN THE STATE HAD TROUBLE RECRUITING TEACHERS. NO LONGER NEEDED. DISCUSSION REGARDING NO KNOWN CONTRIBUTION FROM THE OUT OF STATE PENSION PROGRAMS.

RICK TROMBLY: NEA-NH **OPPOSED**: AGREED THIS IS A RECURITING TOOL. STATED STATE STILL HAS TROUBLE RECRUITING TEACHERS IN MATH AND SCIENCE. DISCUSSION: SOME REPS DO NOT WANT SOMEONE TO BUY 15 YEARS OF CREDIT FOR OUT OF STATE, WORK HERE 5 YEARS AND THEN COLLECT A FULL NH PENSION. MR TROMBLY AGREED THAT RECRUITING TOOLS SHOULD NOT FALL ON THE PENSION PROGRAM, SCHOOLS NEED TO PAY THEIR RECRUITING COSTS.

MARK DUMAS **OPPOSED** LAW ENFORCEMENT NHPA. **OPPOSES**: LAW ENFORCEMENT RECRUITS FROM ALL OVER THE COUNTRY. NH LAW ENFORCEMENT HAS A RECRUITING PROBLEM. HE CAME HERE FROM CALIFORNIA IN PART BECAUSE HE COULD ROLL OVER HIS CALIFORNIA PENSION CONTRIBUTION HERE. HE WAS VESTED IN CALIFORNIA, TOOK HIS PENSION FROM THERE AND BROUGHT IT HERE. HE WOULD NOT HAVE BEEN WILLING DUE TO LACK OF FUNDING TO PAY THE 10% OF THE INTEREST LOST. WITH AN EMPLOYEE BUYS IN , IN 5 YEARS WE LOSE 40% INTEREST IN THOSE 5 YEARS, SO THE

REIREMENT PROGRAM PAYS THAT DIFFERENCE AND ALL RETIREES LOSE. IT DISCOUNTS EVERYTHING THAT EVERYONE PUTS IN BECAUSE WE ONLY REALIZE 58%. REP SHURTLEFF: ASKED THE CHAIR FOR A SUBCOMMITTEE AND WANTS TO SAVE THIS LAW AS HE BELIEVES THIS IS A NECESSARY RECRUITMENT TOOL.

JAY BROWN: OPPOSED CONCORD PD RECRUITER AND TRAINER. CONCORD HIRES CERTIFIED AND NON-CERTIFIED OFFICERS. IN THE LAST 15 YEARS CONCORD HAS HIRED ABOUT ONE CERTIFIED OFFICER PER YEAR. ADVANTAGES OF A NEW CERTIFIED OFFICERS: BRING IN NEW IDEAS, NEW EXPERIENCES, WHICH IN TURN IS BELIEVED TO BRING A HIGHER LEVEL OF SERVICE TO OUR COMMUNITY. SAVE MONEY BY HIRING A CERTIFIED OFFICER BECAUSE IT IS EXPENSIVE TO CERTIFY/ \$11K PER YEAR. PURCHASING SERVICE CREDIT: OFFICERS COME HERE BECAUSE NH HAS A GOOD REPUTATION FOR EMPLOYMENT, NICE PLACE TO LIVE, GOOD RETIREMENT BENEFITS. BUY IN IS A CARROT TO ATTRACT THE PERSON TO COME. NH PAYS ONE HUNDRED PERCENT OF CERTIFICATION. UNSURE OF HOW TAKING THE BUY-IN PROGRAM OUT WOULD REALLY AFFECT RECRUITMENT. 13 OUT OF THE 15 OUT OF STATE RECRUITS HAVE BOUGHT IN. NO COST TO THE CITY OR TOWN TO CERTIFY THE OFFICERS. DID NOT BELIEVE THE CITY OF CONCORD WOULD PICK UP THE 30-40% DIFFERENCE TO MAKE UP THE LOST REVENUE.

MARTY KARLON NHRS: WRITTEN TESTIMONY ATTACHED  
DISPOSITION: SUBCOMMITTEE SHURTLEFF CHAIR, SULLIVAN, WINTER, JASPER, BLANKENBEKER

Respectfully submitted,

Rep. Lynne F. Blankenbeker  
Clerk

HOUSE SPECIAL COMMITTEE ON PUBLIC EMPLOYEE PENSIONS REFORM

PUBLIC HEARING ON HB 461-FN

**BILL TITLE:** relative to repealing the authority for retirement system members to purchase service credit for certain out-of-state service.

**DATE:**

**LOB ROOM:** ~~205~~ <sup>201-203</sup> Time Public Hearing Called to Order: 0900

Time Adjourned: 1000

(please circle if present)

**Committee Members:** Reps. Reagan, Hawkins, Shuler, Sedensky, W. Smith, Moran, Infantine, Kurk, Jasper, B. Patten, Blankenbeker, Winter, Shurtleff, Baroody, Long and D. Sullivan

**Bill Sponsors:** Rep. Hawkins, Hills 18; Rep. Reagan, Rock 1; Rep. Harding, Graf 11; Rep. Kurk, Hills 7; Sen. Boutin, Dist 16; Sen. White Dist 9

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

\* Please see typed notes submitted via e-mail

\*

# Sub-Committee Minutes

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HOUSE SPECIAL COMMITTEE ON PUBLIC EMPLOYEE PENSIONS REFORM

SUBCOMMITTEE WORK SESSION ON HB 461-FN

**BILL TITLE:** relative to repealing the authority for retirement system members to purchase service credit for certain out-of-state service.

**DATE:** 2/16/11

**Subcommittee Members:** Reps. Shurtleff, Jasper, Sullivan, Sedensky

**Comments and Recommendations:** Rep. Sullivan explained his Amendment 2011-0336h. Because some members of the Committee were not able to attend, Rep. Sullivan will introduce his Amendment to the full Committee.

**Amendments:**

Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:

**Motions:** OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

**Motions:** OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep. Steve Shurtleff  
Subcommittee Chairman/Clerk

HOUSE SPECIAL COMMITTEE ON PUBLIC EMPLOYEE PENSIONS REFORM

SUBCOMMITTEE WORK SESSION ON HB 461-FN

**BILL TITLE:** relative to repealing the authority for retirement system members to purchase service credit for certain out-of-state service.

**DATE:** 2-16-11

**Subcommittee Members:** Reps. Shurtleff (chair), Sullivan, Sedensky, ~~Jasper~~, ~~Blanchard~~, ~~Winter~~

Comments and Recommendations:

Amendments:

Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.  
Seconded by Rep.  
Vote:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.  
Seconded by Rep.  
Vote:

Respectfully submitted,

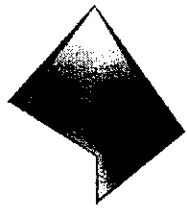
Rep.  
Subcommittee Chairman/Clerk

Rep Sullivan Explained his Amendment 2011-0336H. Because some members of the committee were not able to attend and Rep Sullivan will introduce his Amendment to the full committee

Sw J Shurtleff  
chair.

# Testimony





# NHRS

New Hampshire Retirement System

NH Retirement System  
54 Regional Drive, Concord, NH 03301  
Phone: (603) 410-3500  
www.nhrs.org

## NHRS Testimony Re: House Bill 461 February 11, 2011

Under current law, any Group I or Group II in-service NHRS member who was formerly a member of a public employees' retirement system outside of New Hampshire may purchase credit for some/all of such service as creditable service in NHRS, subject to the conditions of RSA 100-A. A retirement system established and maintained by the federal government is considered an out-of state plan.

The member's cost of purchasing out-of-state service credit is equal to the product of the member's annual rate of compensation at the time of the buy-in, multiplied by the sum of the employee and employer contribution rates in effect at the time of the buy-in, multiplied by the number of years of creditable service credit being purchased.

Service purchases benefit employers by providing an incentive for job candidates to accept employment and they can benefit employees by providing additional flexibility/benefits. NHRS' actuary has indicated that service purchases, which were not created to give NHRS an advantage, almost never do because members making such purchases are not representative of the average member. Therefore, there is a great risk for anti-selection; i.e., the members getting the most benefit being the only ones who utilize the provision. Also, because the cost to purchase credit is determined without regard to the purchasing member's age, it is possible that members will postpone purchases during periods when employer contribution rates are high because of the magnitude of NHRS' unfunded status, choosing instead to buy service credit when employer contribution rates are lower due to NHRS' improved funded position.

NHRS experiences an actuarial gain or loss each time a member purchases credit for out-of-state service. NHRS' actuary has reviewed members' out-of-state service credit purchases made in FY 2008-2010. That analysis concluded that NHRS experienced actuarial losses due to such purchases, resulting in an increase in NHRS costs.

Based on the NHRS' current actuarial funding method (entry age normal), and assumptions that (1) the total membership payroll reported for 6/30/10 will increase at the rate of 4.5% annually and (2) the rate of return of NHRS' trust fund will be 8.5% annually, NHRS' actuary estimated the total annual cost savings to the state and political subdivisions would be between .03% and .05% of membership payroll, if this Bill is enacted. Any differences between the assumed total payroll increase and rate of return percentages and the actual percentages will affect the estimated fiscal impact.

See attached for estimated cost savings for FY 2014 through FY 2030, broken down for each of the four membership classifications. The estimated cost savings are based on .04% of total membership payroll and the funding method and actuarial assumptions stated above. Note: Political subdivisions' estimated savings shown on the attachment reflect 100% of amounts attributable to their Employees and 65% of amounts attributable to their Teachers, Police and Fire. The State's estimated savings includes both 35% of amounts attributable to political subdivisions' Teachers, Police and Fire plus 100% of amounts attributable to state employees.

House Bill 461  
LSR 11-0364.0  
Estimated Cost Savings

Estimated Cost Savings Based on Entry Age Normal, Assumptions: 4 1/2% Wage Scale, 8/12% annual rate of return and cost savings = .04% of membership payroll					
State's Estimated Savings					
	Political Sub Estimated Savings	35% of Political Subs	100% of State Employees	Total State Savings	Total State & Political Sub Savings
<b>FY2014</b>					
Employees	(\$273,056)	\$0	(\$248,384)	(\$248,384)	(\$521,439)
Teachers	(\$316,487)	(\$170,416)	\$0	(\$170,416)	(\$486,903)
Police	(\$58,057)	(\$31,261)	(\$33,975)	(\$65,236)	(\$123,293)
Fire	(\$32,624)	(\$17,567)	(\$1,813)	(\$19,379)	(\$52,003)
<b>Total</b>	<b>(\$680,223)</b>	<b>(\$219,244)</b>	<b>(\$284,171)</b>	<b>(\$503,415)</b>	<b>(\$1,183,638)</b>
<b>FY2015</b>					
Employees	(\$285,343)	\$0	(\$259,561)	(\$259,561)	(\$544,904)
Teachers	(\$330,729)	(\$178,085)	\$0	(\$178,085)	(\$508,813)
Police	(\$60,669)	(\$32,668)	(\$35,504)	(\$68,172)	(\$128,841)
Fire	(\$34,092)	(\$18,357)	(\$1,894)	(\$20,252)	(\$54,344)
<b>Total</b>	<b>(\$710,833)</b>	<b>(\$229,110)</b>	<b>(\$296,959)</b>	<b>(\$526,069)</b>	<b>(\$1,236,902)</b>
<b>FY2016</b>					
Employees	(\$298,184)	\$0	(\$271,241)	(\$271,241)	(\$569,425)
Teachers	(\$345,612)	(\$186,099)	\$0	(\$186,099)	(\$531,710)
Police	(\$63,399)	(\$34,138)	(\$37,101)	(\$71,239)	(\$134,639)
Fire	(\$35,626)	(\$19,183)	(\$1,980)	(\$21,163)	(\$56,789)
<b>Total</b>	<b>(\$742,821)</b>	<b>(\$239,420)</b>	<b>(\$310,322)</b>	<b>(\$549,742)</b>	<b>(\$1,292,563)</b>
<b>FY2017</b>					
Employees	(\$311,602)	\$0	(\$283,447)	(\$283,447)	(\$595,049)
Teachers	(\$361,164)	(\$194,473)	\$0	(\$194,473)	(\$555,637)
Police	(\$66,252)	(\$35,674)	(\$38,771)	(\$74,445)	(\$140,698)
Fire	(\$37,229)	(\$20,047)	(\$2,069)	(\$22,115)	(\$59,344)
<b>Total</b>	<b>(\$776,248)</b>	<b>(\$250,194)</b>	<b>(\$324,287)</b>	<b>(\$574,480)</b>	<b>(\$1,350,728)</b>
<b>FY2018</b>					
Employees	(\$325,624)	\$0	(\$296,202)	(\$296,202)	(\$621,826)
Teachers	(\$377,416)	(\$203,224)	\$0	(\$203,224)	(\$580,641)
Police	(\$69,234)	(\$37,280)	(\$40,516)	(\$77,795)	(\$147,029)
Fire	(\$38,905)	(\$20,949)	(\$2,162)	(\$23,110)	(\$62,015)
<b>Total</b>	<b>(\$811,179)</b>	<b>(\$261,453)</b>	<b>(\$338,879)</b>	<b>(\$600,332)</b>	<b>(\$1,411,511)</b>

House Bill 461  
LSR 11-0364.0  
Estimated Cost Savings

<b>FY2019</b>					
Employees	(\$340,277)	\$0	(\$309,531)	(\$309,531)	(\$649,808)
Teachers	(\$394,400)	(\$212,369)	\$0	(\$212,369)	(\$606,770)
Police	(\$72,349)	(\$38,957)	(\$42,339)	(\$81,296)	(\$153,645)
Fire	(\$40,655)	(\$21,891)	(\$2,259)	(\$24,150)	(\$64,806)
Total	(\$847,682)	(\$273,218)	(\$354,129)	(\$627,347)	(\$1,475,029)
<b>FY2020</b>					
Employees	(\$355,590)	\$0	(\$323,460)	(\$323,460)	(\$679,050)
Teachers	(\$412,148)	(\$221,926)	\$0	(\$221,926)	(\$634,074)
Police	(\$75,605)	(\$40,710)	(\$44,244)	(\$84,954)	(\$160,559)
Fire	(\$42,485)	(\$22,876)	(\$2,361)	(\$25,237)	(\$67,722)
Total	(\$885,828)	(\$285,513)	(\$370,065)	(\$655,578)	(\$1,541,405)
<b>FY2021</b>					
Employees	(\$371,591)	\$0	(\$338,016)	(\$338,016)	(\$709,607)
Teachers	(\$430,695)	(\$231,913)	\$0	(\$231,913)	(\$662,608)
Police	(\$79,007)	(\$42,542)	(\$46,235)	(\$88,777)	(\$167,785)
Fire	(\$44,397)	(\$23,906)	(\$2,467)	(\$26,373)	(\$70,769)
Total	(\$925,690)	(\$298,361)	(\$386,718)	(\$685,079)	(\$1,610,768)
<b>FY2022</b>					
Employees	(\$388,313)	\$0	(\$353,227)	(\$353,227)	(\$741,539)
Teachers	(\$450,076)	(\$242,349)	\$0	(\$242,349)	(\$692,425)
Police	(\$82,562)	(\$44,457)	(\$48,316)	(\$92,772)	(\$175,335)
Fire	(\$46,395)	(\$24,982)	(\$2,578)	(\$27,560)	(\$73,954)
Total	(\$967,346)	(\$311,787)	(\$404,120)	(\$715,907)	(\$1,683,253)
<b>FY2023</b>					
Employees	(\$405,787)	\$0	(\$369,122)	(\$369,122)	(\$774,909)
Teachers	(\$470,330)	(\$253,254)	\$0	(\$253,254)	(\$723,584)
Police	(\$86,278)	(\$46,457)	(\$50,490)	(\$96,947)	(\$183,225)
Fire	(\$48,482)	(\$26,106)	(\$2,694)	(\$28,800)	(\$77,282)
Total	(\$1,010,876)	(\$325,818)	(\$422,305)	(\$748,123)	(\$1,758,999)
<b>FY2024</b>					
Employees	(\$424,047)	\$0	(\$385,732)	(\$385,732)	(\$809,779)
Teachers	(\$491,494)	(\$264,651)	\$0	(\$264,651)	(\$756,145)
Police	(\$90,160)	(\$48,548)	(\$52,762)	(\$101,310)	(\$191,470)
Fire	(\$50,664)	(\$27,281)	(\$2,815)	(\$30,096)	(\$80,760)
Total	(\$1,056,366)	(\$340,479)	(\$441,309)	(\$781,788)	(\$1,838,154)

House Bill 461  
LSR 11-0364.0  
Estimated Cost Savings

<b>FY2025</b>					
Employees	(\$443,129)	\$0	(\$403,090)	(\$403,090)	(\$846,219)
Teachers	(\$513,612)	(\$276,560)	\$0	(\$276,560)	(\$790,172)
Police	(\$94,218)	(\$50,733)	(\$55,136)	(\$105,869)	(\$200,086)
Fire	(\$52,944)	(\$28,508)	(\$2,942)	(\$31,450)	(\$84,394)
Total	(\$1,103,902)	(\$355,801)	(\$461,168)	(\$816,969)	(\$1,920,871)
<b>FY2026</b>					
Employees	(\$463,070)	\$0	(\$421,229)	(\$421,229)	(\$884,299)
Teachers	(\$536,724)	(\$289,005)	\$0	(\$289,005)	(\$825,730)
Police	(\$98,457)	(\$53,015)	(\$57,617)	(\$110,633)	(\$209,090)
Fire	(\$55,326)	(\$29,791)	(\$3,074)	(\$32,865)	(\$88,192)
Total	(\$1,153,578)	(\$371,812)	(\$481,921)	(\$853,733)	(\$2,007,310)
<b>FY2027</b>					
Employees	(\$483,908)	\$0	(\$440,185)	(\$440,185)	(\$924,093)
Teachers	(\$560,877)	(\$302,011)	\$0	(\$302,011)	(\$862,887)
Police	(\$102,888)	(\$55,401)	(\$60,210)	(\$115,611)	(\$218,499)
Fire	(\$57,816)	(\$31,132)	(\$3,212)	(\$34,344)	(\$92,160)
Total	(\$1,205,489)	(\$388,543)	(\$503,607)	(\$892,151)	(\$2,097,639)
<b>FY2028</b>					
Employees	(\$505,684)	\$0	(\$459,993)	(\$459,993)	(\$965,677)
Teachers	(\$586,116)	(\$315,601)	\$0	(\$315,601)	(\$901,717)
Police	(\$107,518)	(\$57,894)	(\$62,920)	(\$120,814)	(\$228,332)
Fire	(\$60,418)	(\$32,533)	(\$3,357)	(\$35,890)	(\$96,307)
Total	(\$1,259,736)	(\$406,028)	(\$526,269)	(\$932,297)	(\$2,192,033)
<b>FY2029</b>					
Employees	(\$528,440)	\$0	(\$480,693)	(\$480,693)	(\$1,009,132)
Teachers	(\$612,491)	(\$329,803)	\$0	(\$329,803)	(\$942,295)
Police	(\$112,356)	(\$60,499)	(\$65,751)	(\$126,250)	(\$238,606)
Fire	(\$63,137)	(\$33,997)	(\$3,508)	(\$37,505)	(\$100,641)
Total	(\$1,316,424)	(\$424,299)	(\$549,952)	(\$974,251)	(\$2,290,675)
<b>FY2030</b>					
Employees	(\$552,220)	\$0	(\$502,324)	(\$502,324)	(\$1,054,543)
Teachers	(\$640,054)	(\$344,644)	\$0	(\$344,644)	(\$984,698)
Police	(\$117,412)	(\$63,222)	(\$68,710)	(\$131,932)	(\$249,344)
Fire	(\$65,978)	(\$35,526)	(\$3,666)	(\$39,192)	(\$105,170)
Total	(\$1,375,663)	(\$443,393)	(\$574,699)	(\$1,018,092)	(\$2,393,755)

Reference material for HB461

## NHRS Out of State Service Credit Purchases 2008-10

<b>Purchase Type</b>	<b>Number</b>	<b>Cost</b>	<b>Years Purchased</b>
<b>Fiscal Year 2008</b>			
Out of State	89	\$2,760,961.98	345.92 Years
Total Service Credit Purchases*	471	\$7,773,827.91	1296.33 Years
<b>Fiscal Year 2009</b>			
Out of State	29	\$874,593.63	104.43 Years
Total Service Credit Purchases**	184	\$3,115,409.61	481.69 Years
<b>Fiscal Year 2010</b>			
Out of State	34	\$837,470.68	87.083 Years
Total Service Credit Purchases**	210	\$3,287,999.93	462.67 Years

\* Other types of service credit purchases included in this total are: Enrollment Oversight; Chapter 234 Military; Modifications; Non-Permanent Employment; Non-Qualified; Peace Corps/ AmeriCorps; Previously Withdrawn and Temporary;

\*\* Non-Qualified Service Credit purchases no longer offered.

Prepared by NHRS Staff - 2/11/11

## NHRS Service Credit Information

### Creditable Service

Creditable service (also referred to as "service credit") is a key variable in determining a member's New Hampshire Retirement System (NHRS) retirement benefit. Members earn creditable service while they are contributing to NHRS through their NHRS-covered employment, or when they are contributing to NHRS on their earnings from an NHRS employer-funded disability plan. Members may also be able to purchase service credit.

The various types of purchasable service credit are described below:

### Out-of-State

Members who were formerly members of a public employees' retirement system of another state or the United States government may be eligible to purchase service credit for service earned under that retirement system, provided the service to be purchased does not include any period for which the member remains eligible for benefits from the other retirement system. Members may purchase either the entire length of service rendered in the other retirement system or a pro-rata portion of the service, based on the maximum dollar amount that the member is permitted to withdraw from the other system.

Group II (Police and Fire) In order for an out-of-state or federal government service credit purchase to qualify as NHRS Group II service, the requirements of the laws of the applicable state or federal jurisdiction governing certification as a full-time police or fire member must meet or exceed the NHRS requirements for membership as a police or fire member. Otherwise, the purchased service will be credited as Group I (Employee and Teacher) service in NHRS.

### Employer Enrollment Oversight

Employer Enrollment Oversight refers to a period of time when an eligible employee was improperly excluded from enrollment in NHRS. Generally, to purchase employer enrollment oversight service credit, a member must file a claim for the oversight service credit within three years after the end of the period for which the service credit is being requested. However, the employer may elect to waive this three-year time limitation, thereby permitting the member to purchase the service credit. The member is responsible for paying 50% of the cost of the service credit purchase and the employer is responsible for paying the remaining 50%. The member may make one lump sum payment or annual installment payments plus interest, over a period of two to six years.

### Military Service

Military Service After Joining NHRS: If a member leaves NHRS-covered employment to enter directly into the United States Armed Forces and returns to NHRS-covered employment within one year following termination of active military duty, a member may receive service credit for up to three years at no cost. If the member's active duty military service exceeds three years, the member may purchase military service credit for years in excess of three.

Military Service Prior to Joining NHRS: Subject to certain conditions, members with at least 10 years of creditable service may purchase up to three years of military service for military duty served prior to becoming a member of NHRS.

## **Modifications**

Employees in the employ of their employer as of the effective date of the employer's election of NHRS participation may have the option of joining NHRS. These employees may also be eligible to purchase service credit for periods of prior employment with their employer under the following conditions:

- They joined NHRS within one year after the employer elected NHRS participation.
- They were employed full-time by the employer prior to the date the employer joined NHRS.
- If they were covered by a retirement plan sponsored by the employer during any period of prior employment, the other plan must satisfy NHRS criteria.

Both the employer and the member have the option of purchasing all or only a portion (at least six months) of the prior service. The employer may amortize the payment from two to twenty years; however, the member must make full payment for the period of service being purchased.

## **Non-Permanent Employment**

Members who were employed by an NHRS participating employer for at least six months in a non-permanent, temporary, unclassified, or non-classified position prior to being enrolled in NHRS may be eligible to purchase service credit for that period of employment.

## **Peace Corps/ AmeriCorps**

Members who leave NHRS-covered employment to enter directly into the Peace Corps or AmeriCorps and return to NHRS-covered employment within one year following termination of the Peace Corps or AmeriCorps service, may be eligible to purchase the lesser of (a) two years, (b) the member's actual period of Peace Corps or AmeriCorps service or (c) five years minus the period of nonqualified service credit purchased.

## **Previously Withdrawn Service**

Members who terminate their NHRS-covered employment, withdraw their accumulated contributions (member contributions plus credited interest) and later return to NHRS-covered employment, may be entitled to reinstate their prior service credit of six months or more. The purchase may occur anytime prior to retirement.

## **Workers' Compensation**

Members who are receiving Workers' Compensation payments but who are not receiving any compensation from their employer may be eligible to receive up to one year of service credit at no cost. To receive this service credit, members must file with NHRS the following document for each new unrelated injury:

- A Department of Labor *Memo of Payment of Disability Compensation* form

## **Cost for Service Credit Purchases**

The cost for purchasing any type of service credit, except previously withdrawn service (see below), is based on the member's base rate of pay and contribution rates, all as in effect at the time of purchase. The member contribution rates are set by statute. Currently, the member contribution rate for Group I (Employee and Teacher) members is 5.0%, for Group I state employee members hired on or after July 1, 2009, the contribution rate is 7.0%, and for Group II (Police and Fire) members it is 9.3%. As required by statute, the employer contribution rates are established by the NHRS Board of Trustees based on actuarial valuations

designed to maintain a reasonable funded ratio for benefits for each member classification (Employee, Teacher, Police, Fire). Employer contribution rates may change each biennium.

#### **Cost Calculation for Service Other Than Previously Withdrawn Service Credit:**

Member's base rate of pay at time of purchase, multiplied by the sum of the member and employer contribution rates, multiplied by the amount of creditable service to be purchased.

*Example – Employee political subdivision member purchases five years of out-of-state service when base rate of pay is \$30,000:*

$\$30,000 \times 14.16\%$  (member contribution rate of 5.0% plus employer contribution rate of 9.16%)  $\times 5$  years = \$21,240.00

*Example – Employee state member purchases five years of out-of-state service when base rate of pay is \$30,000:*

$\$30,000 \times 16.05\%$  (member contribution rate of 5.0% plus employer contribution rate of 11.05%)  $\times 5$  years = \$24,075.00

*Example – Teacher member purchases five years of out-of-state service when base rate of pay is \$30,000:*

$\$30,000 \times 15.70\%$  (member contribution rate of 5.0% plus employer contribution rate of 10.70%)  $\times 5$  years = 23,550.00

*Example – Police member purchases five years of out-of-state service when base rate of pay is \$30,000:*

$\$30,000 \times 28.81\%$  (member contribution rate of 9.3% plus employer contribution rate of 19.51%)  $\times 5$  years = \$43,215.00

*Example - Fire member purchases five years of out-of-state service when base rate of pay is \$30,000:*

$\$30,000 \times 33.99$  (member contribution rate of 9.3% plus employer contribution rate of 24.69%)  $\times 5$  years = 50,985.00

#### **Cost Calculation for Previously Withdrawn Service:**

The cost to purchase previously withdrawn service is equal to the total amount of funds previously withdrawn by the member adjusted for interest from the date of withdrawal to the date of purchase, based on NHRS interest rates in effect for each intervening year.

#### **Payment of Service Credit Purchases**

All service credit purchases must be made while the member is contributing to NHRS through NHRS-covered employment and prior to the member's retirement, except for the purchase of Employer Enrollment Oversight service credit. Service is not credited until the cost is paid in full to NHRS. Cost calculations must be computed and approved by NHRS; members may not make a service credit purchase without an approved cost calculation provided by NHRS. Forms to request cost calculations may be accessed from the NHRS website, [www.nhrs.org](http://www.nhrs.org), or by contacting NHRS. Payment options for purchasing service credit include a payment made directly by the member with after-tax dollars and/or a trustee-to-trustee transfer from a section 403(b) tax-sheltered annuity and/or a section 457 governmental plan.

#### **Service Credit Purchases - Eligibility for NHRS Benefits**

The purchase of military service for time served in the military prior to the commencement of employment in an NHRS-covered position *cannot* be applied toward eligibility for Service Retirement, Early Retirement, or the



Medical Subsidy. NHRS law specifically states that purchases of out-of-state service and federal government service *cannot* be applied toward eligibility for the Medical Subsidy, and NHRS law states that most service credit purchases made on or after August 11, 2003, *cannot* be applied toward eligibility for the Medical Subsidy.

### **Service Credit Purchases - Included in Pension Calculation**

Service credit purchases are included in the creditable service component of a pension calculation. Such purchases are not included in the average final compensation component (the average of a member's three highest-paid years of membership service) of the pension calculation.

# Voting Sheets

HOUSE SPECIAL COMMITTEE ON PUBLIC EMPLOYEE PENSIONS REFORM

EXECUTIVE SESSION on HB 461-FN

**BILL TITLE:** relative to repealing the authority for retirement system members to purchase service credit for certain out-of-state service.

**DATE:** March 9, 2011

**LOB ROOM:** 305 & 307

**Amendments:**

Sponsor: Rep. D. Sullivan OLS Document #: 2011 0624h

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Sullivan

Seconded by Rep. Shurtleff

Vote: 7-4 (Please attach record of roll call vote.)

**Motions:** OTR, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Sullivan

Seconded by Rep. Shurtleff

Vote: 6-5 (Please attach record of roll call vote.)

**CONSENT CALENDAR VOTE: NO**

(Vote to place on Consent Calendar must be unanimous.)

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,

Rep. Steven Winter, Clerk

HOUSE SPECIAL COMMITTEE ON PUBLIC EMPLOYEE PENSIONS REFORM

EXECUTIVE SESSION on HB 461-FN

**BILL TITLE:** relative to repealing the authority for retirement system members to purchase service credit for certain out-of-state service.

**DATE:** March 9, 2011

**LOB ROOM:** 305 & 307

Amendments:

Sponsor: Rep.

SULLIVAN

OLS Document #:

2011-0624h

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

PASSED AMENDMENT 7-4

Motions:

~~OTP~~ (OTP/A, ITL, Interim Study (Please circle one.))

Moved by Rep.

~~MORAN~~ SULLIVAN

Seconded by Rep.

SHURTLEFF

Vote:

(Please attach record of roll call vote.)

Motions:

OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

(Please attach record of roll call vote.)

CONSENT CALENDAR VOTE:

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent:

Refer to Committee Report

Respectfully submitted,

Rep. Steven Winter, Clerk

SPECIAL COMMITTEE PUBLIC EMPLOYEE PENSIONS REFORM

Bill #: HB461 Title: \_\_\_\_\_

PH Date: \_\_\_\_\_

Exec Session Date: 3, 9, 11

Motion: PASS AMENDMENT

Amendment #: 2011-0624h

MEMBER	YEAS	NAYS
Hawkins, Kenneth, Chairman		✓
Sedensky, John B, V Chairman		ABSENT
Shuler, Wyman E	✓	
Smith, William B		ABSENT
Moran, Edward P		✓
Infantine, William J		ABSENT
Kurk, Neal M		ABSENT
Winter, Steven J, Clerk		✓
Avard, Kevin A		ABSENT
Cohn, Seth	✓	
Waddell, James A	✓	
Bowers, Spec		✓
Shurtleff, Stephen J	✓	
Baroody, Benjamin C	✓	
Long, Patrick T	✓	
Sullivan, Daniel J	✓	
	7-4	
TOTAL VOTE:		

**SPECIAL COMMITTEE PUBLIC EMPLOYEE PENSIONS REFORM**

Bill #: HB 461 Title: \_\_\_\_\_

PH Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Exec Session Date: 3, 9, 11

Motion: OTPA

Amendment #: 2011-0624 h

MEMBER	YEAS	NAYS
Hawkins, Kenneth, Chairman		✓
Sedensky, John B, V Chairman		ABSENT
Shuler, Wyman E		✓
Smith, William B		ABSENT
Moran, Edward P		✓
Infantine, William J		ABSENT
Kurk, Neal M		ABSENT
Winter, Steven J, Clerk		✓
Avard, Kevin A		ABSENT
Cohn, Seth	✓	
Waddell, James A	✓	
Bowers, Spec		✓
Shurtleff, Stephen J	✓	
Baroody, Benjamin C	✓	<del>ABSENT</del>
Long, Patrick T	✓	
Sullivan, Daniel J	✓	

PASSES  
6-5

# Committee Report

**REGULAR CALENDAR**

**March 10, 2011**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Committee on SPECIAL COMMITTEE PUBLIC  
EMPLOYEE PENSIONS REFORM to which was  
referred HB461-FN,**

**AN ACT relative to repealing the authority for  
retirement system members to purchase service credit  
for certain out-of-state service. Having considered the  
same, report the same with the following amendment,  
and the recommendation that the bill OUGHT TO PASS  
WITH AMENDMENT.**

**Rep. Daniel J Sullivan**

**FOR THE COMMITTEE**



## COMMITTEE REPORT

Committee:	<b>SPECIAL COMMITTEE PUBLIC EMPLOYEE PENSIONS REFORM</b>
Bill Number:	<b>HB461-FN</b>
Title:	<b>relative to repealing the authority for retirement system members to purchase service credit for certain out-of-state service.</b>
Date:	<b>March 10, 2011</b>
Consent Calendar:	<b>NO</b>
Recommendation:	<b>OUGHT TO PASS WITH AMENDMENT</b>

### STATEMENT OF INTENT

The amended bill allows the out of state purchase of service credits in the New Hampshire Retirement System at a rate determined by the system's actuaries and upon approval by the board of trustees. The actuaries will base the purchase price in such a way that the employee is responsible for all actuarial costs and any fees, and the System is made whole.

Vote 6-5.

Rep. Daniel J Sullivan  
FOR THE COMMITTEE

Original: House Clerk  
Cc: Committee Bill File

**REGULAR CALENDAR**

**SPECIAL COMMITTEE PUBLIC EMPLOYEE PENSIONS REFORM**

**HB461-FN**, relative to repealing the authority for retirement system members to purchase service credit for certain out-of-state service. **OUGHT TO PASS WITH AMENDMENT.**

Rep. Daniel J Sullivan for **SPECIAL COMMITTEE PUBLIC EMPLOYEE PENSIONS REFORM.**

The amended bill allows the out of state purchase of service credits in the New Hampshire Retirement System at a rate determined by the system's actuaries and upon approval by the board of trustees. The actuaries will base the purchase price in such a way that the employee is responsible for all actuarial costs and any fees, and the System is made whole. **Vote 6-5.**

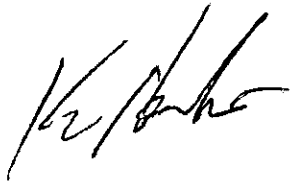
Original: House Clerk  
Cc: Committee Bill File

HB 461-FN

OTP/A

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Dan Sullivan

A handwritten signature in black ink, appearing to read "Dan Sullivan", is written below the printed name.

HB461-FN  
Rep. D. Sullivan

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