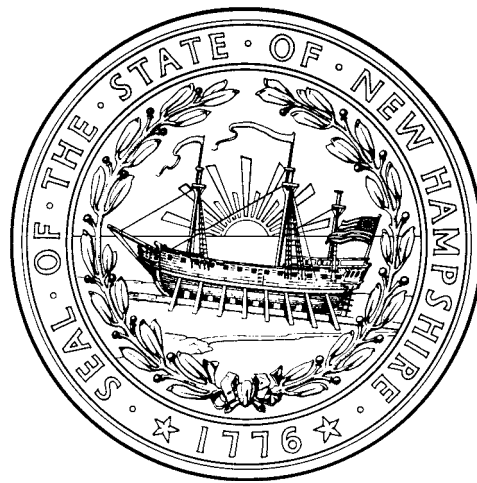


June 8, 2011
Nos. 19-20

STATE OF NEW HAMPSHIRE

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162nd Session of the New Hampshire General Court
Legislative Proceedings

SENATE JOURNAL

ADJOURNMENT – JUNE 1, 2011 SESSION
COMMENCEMENT – JUNE 8, 2011 SESSION

SENATE JOURNAL 19 *(continued)*

June 1, 2011

HOUSE MESSAGE

The House of Representatives accedes to the request of the Senate for a Committee of Conference on the following entitled Bill:

SB 33-FN, relative to retired state employee contributions for medical benefits costs.

and the Speaker, on the part of the House of Representatives, has appointed as members of said Committee of Conference:

REPRESENTATIVES: C. McGuire, Pilotte, Winter, Bowers.

HOUSE MESSAGE

The House of Representatives accedes to the request of the Senate for a Committee of Conference on the following entitled Bill:

SB 89, establishing a study committee on the procurement of health insurance by employee leasing companies.

and the Speaker, on the part of the House of Representatives, has appointed as members of said Committee of Conference:

REPRESENTATIVES: Hunt, Flanders, Nevins, Taylor.

HOUSE MESSAGE

The House of Representatives accedes to the request of the Senate for a Committee of Conference on the following entitled Bill:

SB 91, relative to automatic fire suppression sprinklers.

and the Speaker, on the part of the House of Representatives, has appointed as members of said Committee of Conference:

REPRESENTATIVES: Sterling, Ferrante, B. Patten, Burt.

HOUSE MESSAGE

The House of Representatives accedes to the request of the Senate for a Committee of Conference on the following entitled Bill:

SB 92, establishing an economic strategic commission to review the relationship between business and government.

and the Speaker, on the part of the House of Representatives, has appointed as members of said Committee of Conference:

REPRESENTATIVES: C. McGuire, P. Schmidt, Proulx, Hansen.

HOUSE MESSAGE

The House of Representatives accedes to the request of the Senate for a Committee of Conference on the following entitled Bill:

SB 148-FN, relative to health insurance coverage and declaring that the attorney general should join the lawsuit challenging the Patient Protection and Affordable Care Act.

and the Speaker, on the part of the House of Representatives, has appointed as members of said Committee of Conference:

REPRESENTATIVES: Hunt, Flanders, Manuse, Leonard.

HOUSE MESSAGE

The House of Representatives concurs with the Senate in the passage of the following entitled Bills sent down from the Senate:

SB 135-FN-A, relative to election returns and election records.

HOUSE MESSAGE

The House of Representatives refuses to concur with the Senate in the passage of the following entitled Bills sent down from the Senate:

SB 72-FN, establishing a comprehensive cancer plan fund.

SB 108, relative to emergency obstetrical care.

HOUSE MESSAGE

The House of Representatives has voted to Lay On The Table the following entitled Bill(s) sent down from the Senate:

CACR 14, Relating to public education. Providing that the general court shall have the authority to define standards for public education, establish standards of accountability, mitigate local disparities in educational opportunity and fiscal capacity, and shall have full discretion to determine the amount of state funding for education.

HOUSE MESSAGE

The House of Representatives concurs with the Senate in its amendments to the following entitled House Bills sent down from the Senate:

HB 52, relative to grounds for modification of parental rights and responsibilities.

HB 191, relative to the community mental health system.

HB 218, relative to the New Hampshire rail transit authority.

HB 322, relative to occupancy fees charged by manufactured housing park owners.

HCR 9, urging the President and Congress to address the privacy, constitutional, safety, and religious freedom concerns presented by advanced imaging technology employed by the Transportation Security Agency at the nation's airports.

May 25, 2011

2011-2182-EBA

06/10

Enrolled Bill Amendment to SB 30

The Committee on Enrolled Bills to which was referred SB 30

AN ACT relative to including a parent's residence in the parenting plan.

Having considered the same, report the same with the following amendment, and the recommendation that the bill as amended ought to pass.

FOR THE COMMITTEE

Explanation to Enrolled Bill Amendment to SB 30

This enrolled bill amendment inserts a renumbering contingency to resolve a conflict with HB 174 of the 2011 legislative session.

Enrolled Bill Amendment to SB 30

Amend the bill by inserting after section 1 the following and renumbering the original section 2 to read as 3:

2 Contingency. If HB 174 of the 2011 legislative session becomes law, RSA 461-A:4, III as inserted by section 1 of this act shall be renumbered as RSA 461-A:4, IV.

Sen. Prescott moved adoption of the Enrolled Bill Amendment. Adopted.

May 20, 2011
2011-2064-EBA
04/05

Enrolled Bill Amendment to SB 86

The Committee on Enrolled Bills to which was referred SB 86

AN ACT requiring the department of labor to warn employers of certain violations prior to imposing a fine.

Having considered the same, report the same with the following amendment, and the recommendation that the bill as amended ought to pass.

FOR THE COMMITTEE

Explanation to Enrolled Bill Amendment to SB 86

This enrolled bill amendment inserts an omitted paragraph number reference into the amending language of section 3 of the bill.

Enrolled Bill Amendment to SB 86

Amend section 3 of the bill by replacing line 1 with the following:

3 Civil Penalties. Amend RSA 157-B:13-a, II to read as follows:

Sen. Prescott moved adoption of the Enrolled Bill Amendment. Adopted.

June 1, 2011
2011-2262-EBA
03/04

Enrolled Bill Amendment to SB 116

The Committee on Enrolled Bills to which was referred SB 116

AN ACT relative to the manufactured housing installation standards board and relative to the definition of a modular building.

Having considered the same, report the same with the following amendment, and the recommendation that the bill as amended ought to pass.

FOR THE COMMITTEE

Explanation to Enrolled Bill Amendment to SB 116

This enrolled bill amendment inserts gender-neutral language.

Enrolled Bill Amendment to SB 116

Amend RSA 205-D:9, I as inserted by section 3 of the bill by replacing lines 1-2 with the following:

I. The board shall not issue a license to any person unless the person ***or his or her employer on his or her behalf*** has posted a surety bond or letter of credit to be held by the state treasurer in an amount

Sen. Prescott moved adoption of the Enrolled Bill Amendment. Adopted.

June 2, 2011
2011-2276-EBA
05/10

Enrolled Bill Amendment to SB 156-FN-LOCAL

The Committee on Enrolled Bills to which was referred SB 156-FN-LOCAL

AN ACT authorizing retail vehicle dealers to act as agents of the division of motor vehicles for vehicle registrations and title applications.

Having considered the same, report the same with the following amendment, and the recommendation that the bill as amended ought to pass.

FOR THE COMMITTEE

Explanation to Enrolled Bill Amendment to SB 156-FN-LOCAL

This enrolled bill amendment makes a grammatical correction.

Enrolled Bill Amendment to SB 156-FN-LOCAL

Amend RSA 261:74-p as inserted by section 5 of the bill by replacing line 2 with the following:
for registration, or transfer of motor vehicle registration of a natural person unless the applicant

Sen. Prescott moved adoption of the Enrolled Bill Amendment. Adopted.

June 6, 2011
2011-2286-EBA
06/10

Enrolled Bill Amendment to HB 175

The Committee on Enrolled Bills to which was referred HB 175

AN ACT relative to technical changes in life, accident, and health insurance.

Having considered the same, report the same with the following amendment, and the recommendation that the bill as amended ought to pass.

FOR THE COMMITTEE

Explanation to Enrolled Bill Amendment to HB 175

This enrolled bill amendment inserts a contingency to incorporate changes made by HB 31 of the 2011 legislative session.

Enrolled Bill Amendment to HB 175

Amend the bill by replacing all after section 9 with the following:

10 Health Services Corporations; Reference Additions; Contingent Version. RSA 420-A:2 is repealed and reenacted to read as follows:

420-A:2 Applicable Statutes. Every health service corporation shall be governed by this chapter and the relevant provisions of RSA 161-H, and shall be exempt from this title except for the provisions of RSA 400-A:39, RSA 401-B, RSA 402-C, RSA 404-F, RSA 415-A, RSA 415-F, RSA 415:6, II(4), RSA 415:6-g, RSA 415:6-k, RSA 415:6-m, RSA 415:6-o, RSA 415:18, V, RSA 415:18, VII(g), RSA 415:18, XVI and XVII, RSA 415:18, VII-a, RSA 415:18-a, RSA 415:18-j, RSA 415:18-o, RSA 415:18-r, RSA 415:18-t, RSA 415:18-u, RSA 415:18-v, RSA 415:22, RSA 417, RSA 417-E, RSA 420-J, and all applicable provisions of title XXXVII wherein such corporations are specifically included. Every health service corporation and its agents shall be subject to the fees prescribed for health service corporations under RSA 400-A:29, VII.

11 Health Maintenance Organizations; Reference Additions; Contingent Version. RSA 420-B:20, III is repealed and reenacted to read as follows:

III. The requirements of RSA 400-A:39, RSA 401-B, RSA 402-C, RSA 404-F, RSA 415:6-g, RSA 415:6-m, RSA 415:6-o, RSA 415:18, VII(g), RSA 415:18, VII-a, RSA 415:18, XVI and XVII, RSA 415:18-j, RSA 415:18-r, RSA 415:18-t, RSA 415:18-u, RSA 415:18-v, RSA 415-A, RSA 415-F, RSA 420-G, and RSA 420-J shall apply to health maintenance organizations.

12 Contingency. If HB 31 of the 2011 legislative session becomes law, sections 10 and 11 of this act shall take effect January 1, 2012 at 12:01 a.m. If HB 31 of the 2011 legislative session does not become law, sections 10 and 11 of this act shall not take effect.

13 Effective Date.

I. Section 8 and 9 of this act shall take effect upon its passage.

II. Sections 10 and 11 of this act shall take effect as provided in section 12 of this act.

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

Sen. Prescott moved adoption of the Enrolled Bill Amendment. Adopted.

May 23, 2011
2011-2120-EBA
10/03

Enrolled Bill Amendment to HB 381

The Committee on Enrolled Bills to which was referred HB 381

AN ACT authorizing net metering for micro-combined heat and power systems.

Having considered the same, report the same with the following amendment, and the recommendation that the bill as amended ought to pass.

FOR THE COMMITTEE

Explanation to Enrolled Bill Amendment to HB 381

This enrolled bill amendment corrects an RSA reference.

Enrolled Bill Amendment to HB 381

Amend RSA 362-A:9, I as inserted by section 3 of the bill by replacing line 12 with the following:

RSA 362-A:1-a, I-d.

Sen. Prescott moved adoption of the Enrolled Bill Amendment. Adopted.

June 2, 2011

2011-2275-EBA

08/03

Enrolled Bill Amendment to HB 585

The Committee on Enrolled Bills to which was referred HB 585

AN ACT proclaiming the third week of October as New Hampshire history week.

Having considered the same, report the same with the following amendment, and the recommendation that the bill as amended ought to pass.

FOR THE COMMITTEE

Explanation to Enrolled Bill Amendment to HB 585

This enrolled bill amendment renumbers a new RSA section to avoid a conflict with HB 56 of the 2011 regular legislative session.

Enrolled Bill Amendment to HB 585

Amend section 2 of the bill by replacing lines 2-3 with the following:

Amend RSA 4 by inserting after section 13-p the following new section:

4:13-q New Hampshire History Week. The governor shall annually issue a proclamation calling

Sen. Prescott moved adoption of the Enrolled Bill Amendment. Adopted.

REPORT OF COMMITTEE ON ENROLLED BILLS

The Committee on Enrolled Bills has examined and found correctly Enrolled the following entitled House and/or Senate Bill

HB 30, relative to qualifications for licensure by the board of veterinary medicine.

HB 31, relative to insurance payments for ambulance services and relative to coverage for the cost of testing for bone marrow donation.

HB 47, relative to inactive license status for real estate brokers and salespersons and the use of limited electronic media.

HB 90, relative to enforcement of the requirement of boaters to have a safe boater education certificate.

HB 133, relative to the minimum wage.

HB 149, designating segments of the Lamprey, North Branch, Pawtuckaway, North, Little, and Piscassic Rivers as protected rivers and exempting certain portions of the Lamprey River from the provisions of the comprehensive shoreland protection act.

HB 258, eliminating certain unenforced election laws.

HB 291, relative to permissible fireworks.

HB 295, relative to the use of long-term antibiotics for the treatment of Lyme disease

HB 313, requiring parental consent for court referral of a minor to a juvenile diversion program.

HB 397, relative to image display devices in motor vehicles.

HB 419, relative to language in insurance certificates.

HB 461, relative to repealing the authority for retirement system members to purchase service credit for certain out-of-state service.

HB 532, relative to municipal liability for dog bites.

HB 541, relative to ownership of property placed in trust qualifying for certain property tax exemptions and credits.

HB 544, relative to state authority over firearms and ammunition.

HB 589, repealing written majority authorization for an employee organization to be certified as the exclusive representative of public employees in a bargaining unit.

HB 594, relative to the application of procedures for discharge or suspension from county employment.

HB 647, relative to withholding of wages.

SB 20, relative to shoreland protection permits.

SB 32, relative to water withdrawals for snow making.

SB 38, relative to extensions for wetland and shoreland permits.

SB 47, extending the commission to study water infrastructure sustainability funding.

SB 54, relative to the definition of declarant under the condominium act and the duties of the committee to study laws relating to condominium and homeowners' associations.

SB 105, exempting highway trail crossing from evaluation requirements for certain all terrain and trail bike trails.

SB 111, relative to short sales of a homeowner's residence.

SB 121, relative to the application of the worker adjustment and retraining notification act.

SB 128, establishing a committee to study sources of funding for the search and rescue operations of the fish and game department.

SB 179, relative to qualified purchasing alliances.

Sen. Prescott moved adoption of the Report of Committee on Enrolled Bills. Adopted.

CONFEREE CHANGES

SB 91, relative to automatic fire suppression sprinklers.

CONFEREE CHANGE: SEN. FORRESTER REPLACED SEN. MERRILL

Out of Recess. Call Senate to Order.

MOTION TO ADJOURN FROM LATE SESSION

Sen. Bradley moved that the Senate adjourn from the Late Session.

Adopted. Adjournment from the Late Session.

SENATE JOURNAL 20

June 8, 2011

The Senate reconvened at 1 p.m., a quorum being present.

The Reverend Jason Wells, guest chaplain to the Senate, offered the following meditation and prayer.

Just one moment ago, President Bragdon let me know about something you all may have already heard: that just recently, Private First Class Michael Cook, a graduate of Salem High School, a child of New Hampshire from Senator Morse's District was killed in Iraq. I'd like for us, before we continue today, to honor how sacrifice with a moment of silence.

When religious people of just about any kind encounter the mystery that is death, when we look at that image of death and new birth and new life that comes after it, almost every religion looks at that symbol of the setting sun, and its rising the next day.

According to the old Greek myth, it was Hercules in his final labor who had to go to the Garden of the Hesperides, way out in the west, on the west, past the horizon, the place where the sun sets. He would go to the Garden and retrieve the gleaming golden apples that shine like the setting sun.

There's a Christian hymn for all the Saints that has the marvelous verse in it that says: "The golden evening brightens in the West. Soon, soon to faithful warriors come to their rest. Sweet is the calm of Paradise, the blessed." If it's Private Cook, if it's you or somebody else in this room, I know all of us and all of you have made sacrifices and made much hard work during this session and season. Last week, I was emailed three Senate Calendars in my email; I know how hard you all have worked, and I know how much—no matter what vote you've taken on either side, I think everybody has taken a beating for no matter what vote you took on any issue. The work has been difficult. But, soon, soon to faithful Senators comes their rest. Remember that soon it will be time to go home, it will be time to sit on your porch to drink the refreshing beverage of your choice, and to sit and watch as the session ends, as the day ends, to watch the sun set. Let us pray.

O, Lord, support us all the day long, until the shadows lengthen and the evening comes, and the busy world is hush, and the fever of life is over, and our work is done. Then, in Your mercy, grant us safe lodging and a holy rest, and peace at the last. Amen.

Sen. Merrill led the Pledge of Allegiance.

INTRODUCTION OF GUESTS AND PRESENTATIONS

President Bragdon introduced Valerie Magri, a student from Milford High School and Selma Lacic, an exchange student from Bosnia and Herzegovina attending Chelmsford High School, students serving as Senate Pages today.

Sen. D'Allesandro is excused for the day.

Without objection, President Bragdon authorized Senator Luther to use electronic devices on the floor of the Senate.

Without objection the Clerk was instructed to read the first complete House Message and thereafter only the title of each bill shall be read.

HOUSE MESSAGE

The House of Representatives concurs with the Senate in the passage of the following entitled Bill, with amendment, in the passage of which amendment the House asks the concurrence of the Senate:

SB 50, making various changes to laws regulating trusts and trust companies.

SENATE NONCONCURS AND REQUESTS COMMITTEE OF CONFERENCE

Sen. Prescott moves nonconcurrence and requests Committee of Conference. Adopted.

President appoints Senators Bradley, White, D'Allesandro.

Sen. White asserts Rule 2-15 on SB 50.

SB 70-FN, relative to remedies in landlord-tenant actions.

Sen. Prescott moves nonconcurrence and requests Committee of Conference. Adopted.

President appoints Senators Prescott, De Blois, D'Allesandro.

SB 162-FN, relative to federal health care reform 2010.

Sen. Prescott moves nonconcurrence and requests Committee of Conference. Adopted.

President appoints Senators White, Forrester, Houde.

Sen. White asserts Rule 2-15 on SB 162-FN.

SB 68, relative to records of disciplinary actions taken by the electricians' board.

Sen. Carson moves nonconcurrence and requests Committee of Conference. Adopted.

President appoints Senators Gallus, Luther, Larsen.

SB 75-FN, relative to clarification of part-time service in the state retirement system.

Sen. Carson moves nonconcurrence and requests Committee of Conference. Adopted.

President appoints Senators Groen, Bradley, Larsen.

SB 166, relative to medical benefits for beneficiaries of a police officer or firefighter killed in the line of duty.

Sen. Carson moves nonconcurrence and requests Committee of Conference. Adopted.

President appoints Senators Carson, Luther, Larsen.

SB 117, relative to private postsecondary career schools and the student tuition guaranty fund.

Sen. Stiles moves nonconcurrence and requests Committee of Conference. Adopted.

President appoints Senators Stiles, Forsythe, Kelly.

SB 183-FN-L, amending the calculation and distribution of adequate education grants, repealing fiscal capacity disparity aid, and providing stabilization grants to certain municipalities.

Sen. Stiles moves nonconcurrence and requests Committee of Conference. Adopted.

President appoints Senators Rausch, Stiles, Kelly.

SB 196, relative to the renomination or reelection of teachers and prohibiting assessing teacher performance based solely on assessment scores.

Sen. Stiles moves nonconcurrence and requests Committee of Conference. Adopted.

President appoints Senators Stiles, Forsythe, Kelly.

SB 12-FN, relative to screening panels for medical injury claims.

Sen. Houde moves nonconcurrence and requests Committee of Conference. Adopted.

President appoints Senators Houde, Groen, Luther.

SB 52-FN, excluding persons convicted of violent crimes and sexually violent persons from mandatory early release on probation or parole.

Sen. Houde moves nonconcurrence and requests Committee of Conference. Adopted.

President appoints Senators Groen, Luther, Houde.

SB 88, relative to physical force in defense of a person and relative to the brandishing of a firearm or other means of self-defense.

Sen. Houde moves nonconcurrence and requests Committee of Conference. Adopted.

President appoints Senators Boutin, Groen, Houde.

SB 123, relative to notification if a person found incompetent to stand trial and civilly committed is released into the community.

Sen. Houde moves nonconcurrence and requests Committee of Conference. Adopted.

President appoints Senators Houde, Groen, Luther.

SB 115, relative to observing voter check-in.

Sen. Barnes moves nonconcurrence and requests Committee of Conference. Adopted.

President appoints Senators Barnes, Boutin, Merrill.

SB 193, relative to nomination of political organizations.

Sen. Barnes moves nonconcurrence and requests Committee of Conference. Adopted.

President appoints Senators Boutin, Forrester, Merrill.

Without objection the Clerk was instructed to read the first complete House Message and thereafter only the title of each bill shall be read.

HOUSE MESSAGE

The House of Representatives concurs with the Senate in the passage of the following entitled Bill, with amendment, in the passage of which amendment the House asks the concurrence of the Senate:

SB 172, relative to performance-based school accountability criteria.

SENATE NONCONCURS WITH HOUSE AMENDMENT

Sen. Stiles moves nonconcurrence. Adopted.

Without objection the Clerk was instructed to read the first complete House Message and thereafter only the title of each bill shall be read.

HOUSE MESSAGE

The House of Representatives concurs with the Senate in the passage of the following entitled Bill, with amendment, in the passage of which amendment the House asks the concurrence of the Senate:

SB 28, establishing an exemption from the licensing requirements for nondepository first mortgage bankers and brokers for persons providing loans for certain seller-financed transactions.

SENATE CONCURS WITH HOUSE AMENDMENT

Sen. Prescott moves concurrence. Adopted.

Sen. Groen asserts Rule 2-15 on SB 28.

SB 120, relative to alcoholic beverage advertising restrictions.

Sen. Prescott moves concurrence. Adopted.

Sen. Sanborn asserts Rule 2-15 on SB 120.

SB 189, relative to the definition of mortgage loan originator.

Sen. Prescott moves concurrence. Adopted.

SB 157-FN, relative to the division of weights and measures and fees for licensing weighing devices and the definition of service technician.

Sen. Carson moves concurrence.

Sen. Sanborn called the question. Without objection, President Bragdon closed debate with remaining speakers.

Adopted.

Sen. White asserts Rule 2-15 on SB 157-FN.

SB 170, relative to the New Hampshire Medical Malpractice Joint Underwriting Association.

Sen. Carson moves concurrence. Adopted.

Sen. White asserts Rule 2-15 on SB 170.

SB 67, establishing a committee to study school vouchers and school choice.

Sen. Stiles moves concurrence. Adopted.

SB 82-FN, extending the state board of education's authority to approve chartered public schools and relative to the funding of chartered public schools approved by a school district.

Sen. Stiles moves concurrence. Adopted.

SB 194, transferring all real and personal property from the former department of regional community-technical colleges to the board of trustees of the community college system of New Hampshire.

Sen. Stiles moves concurrence. Adopted.

Sen. Carson asserts Rule 2-15 on SB 194.

SB 144, relative to extending certain permits and approvals.

Sen. Odell moves concurrence. Adopted.

Sen. Bradley asserts Rule 2-15 on SB 144.

SB 154-FN, reforming and renaming the comprehensive shoreland protection act.

Sen. Bradley moves concurrence.

A roll call was requested by Sen. White, seconded by Sen. Barnes.

The following Senators voted Yes: Gallus, Forrester, Bradley, Forsythe, Groen, Sanborn, White, Luther, Carson, Boutin, Barnes, De Blois, Rausch, Morse.

The following Senators voted No: Houde, Odell, Kelly, Lambert, Larsen, Merrill, Prescott, Stiles, Bragdon.

Yeas: 14 - Nays: 9

Adopted.

Sen. Bradley asserts Rule 2-15 on SB 154-FN.

SB 146-FN, relative to requiring submission of a reduced spending alternative as part of the biennial budget process.

Sen. Morse moves concurrence. Adopted.

SB 51, relative to the establishment of a state leadership team to address issues concerning certain adults with developmental disabilities who may present a substantial risk to the community.

Sen. Bradley moves concurrence. Adopted.

SB 93, relative to pharmacist administration of vaccines.

Sen. Bradley moves concurrence. Adopted.

SB 151-FN, relative to contracts of the department of health and human services.

Sen. Bradley moves concurrence. Adopted.

SB 63, relative to the list of bail bondsmen and prohibiting law enforcement and corrections officers from indicating preferences for bail bond companies.

Sen. Houde moves concurrence. Adopted.

SB 64, removing the oath requirement for criminal complaints filed by police officers.

Sen. Houde moves concurrence. Adopted.

SB 2, relative to adoption of spending caps by municipalities.

Sen. Barnes moves concurrence. Adopted.

SB 129-FN, relative to presenting photo identification to vote in person and relative to the election fund.

Sen. Barnes moves concurrence.

Sen. Barnes called the question. Without objection, President Bragdon closed debate with remaining speakers.

A roll call was requested by Sen. Houde, seconded by Sen. Barnes.

The following Senators voted Yes: Forrester, Bradley, Groen, Sanborn, Luther, Lambert, Carson, Boutin, Barnes, De Blois, Rausch, Morse, Stiles, Bragdon.

The following Senators voted No: Gallus, Forsythe, Houde, Odell, White, Kelly, Larsen, Merrill, Prescott.

Yeas: 14 - Nays: 9

Adopted.

SB 97, relative to the application of the community revitalization tax relief incentive.

Sen. Odell moves concurrence. Adopted.

HOUSE MESSAGE

The House of Representatives has adopted the recommendation of the Committee of Conference to which was referred the following entitled Bill:

SB 3-FN-A-L, making comprehensive changes to the state retirement system.

June 6, 2011

2011-2289-CofC

10/04

Committee of Conference Report on SB 3-FN-A-LOCAL, an act making comprehensive changes to the state retirement system.

Recommendation:

That the Senate recede from its position of nonconcurrence with the House amendment, and concur with the House amendment, and

That the Senate and House adopt the following new amendment to the bill as amended by the House, and pass the bill as so amended:

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

1 Findings; Intent. The New Hampshire general court makes the following findings of fact and states the following intent and purpose for this act.

I. Immediate action is necessary to make the New Hampshire retirement system (NHRS) viable and solvent.

(a) NHRS is the successor to the State Employees' Retirement System. NHRS was created and established as of July 1, 1967. The NHRS was intended to and does establish a defined benefit pension plan qualified under Section 401(a) of the United States Internal Revenue Code (IRC). The NHRS plan is a governmental plan within the meaning of Section 414(d) of the IRC.

(b) As a defined benefit pension plan, the provisions of NHRS describe benefits which will be made available to members as vested deferred retirement benefits payable on retirement or on events such as disability or death. Benefits pursuant to the NHRS are payable after a period of years during which members accrue creditable service. Members are deemed to be in vested status for those benefits after 10 years of creditable service.

(c) As a governmental plan, the NHRS is only available to governmental employers.

(d) The NHRS is funded with contributions from members, through mandatory payroll deductions, and with contributions from the governmental employers, all of which are raised through taxation. Such contributions are held in trust by the NHRS Board of Trustees; funds held by the trust are held and invested on behalf of all members.

(e) As a defined benefit pension plan, the NHRS requires actuarial calculations in order to determine benefits which are payable as well as funding obligations.

(f) The benefit calculations which are required by the NHRS generate funding obligations which are complex and depend on numerous variables with consequences that occur over a period of many years, in some circumstances in ways that are not foreseeable.

(g) The NHRS has an estimated unfunded pension liability of \$3.72 billion and an estimated unfunded medical insurance liability of \$976 million.

(h) In 2007, legislation was adopted to require the state and other public employers to pay down over 30 years the unfunded accrued liability, which was approximately \$2.7 billion at the time. While that plan is now being implemented, large increases in the amount of the unfunded liability result in the current \$4.7 billion total, uncertainties in future market returns, recommendations by NHRS actuaries to lower income earning assumptions, rapid increases in medical costs, increases in life expectancy, and slower growth in public sector employment require prudent legislative intervention to ensure financial viability of NHRS.

(i) Financial viability of the NHRS is essential to the operation of state government and local government performing its constitutional and statutory obligations. Therefore, the stability of NHRS is an important, immediate, and fundamental necessity.

(j) The Pew Institute has concluded that unfunded pension and health care liabilities are a nationwide problem, estimated at over \$1 trillion. Additionally, the level of direct federal debt in excess of \$14 trillion means that federal funding to the states will have to be significantly reduced in the near future. Thus, the state cannot expect assistance from the federal government in meeting NHRS obligations, and indeed it is reasonable to anticipate a loss in federal funds.

(k) The NHRS plan (and its trust) was created by the New Hampshire legislature and can be amended or terminated by the New Hampshire legislature at any time. Notwithstanding the general court's power, it is the general court's intention and public necessity to protect the reasonable interests of the members who accrue benefits under the NHRS plan, of the employers of those members, and of the citizens of New Hampshire.

(l) It is the legislature's intention that its actions taken at this time will not prevent future legislatures from acting to make any and all laws necessary and proper to preserve the public security, order, health, morality and justice, including further changes to the NHRS.

(m) The legislature's ongoing power to amend the NHRS is a fundamental power essential to government, and cannot and will not be surrendered by the legislature or irrevocably transferred away from government.

(n) The legislature finds that members who are deemed to be in vested status should be treated differently than members who are not deemed to be in vested status.

(o) The legislature finds that pension entitlements must be viewed in terms of benefits which have accrued up to the time when valuation is determined, and that such entitlements can be essentially expressed as a dollar value by taking into account the time value of money.

(p) The legislature finds that participants who are deemed to be in vested status in the NHRS have a reasonable expectation that the value of benefits which have accrued to them will not be taken away, although they may be changed prospectively.

(q) The legislature intends that the present value of accrued benefits for members who are deemed to be vested will not be diminished financially, as determined based upon an actuarial determination.

(r) It is the legislature's intention that benefits of members who have already retired will not be significantly diminished or impaired.

(s) The legislature does not intend that the rate of future benefit accruals is or should be protected.

(t) It is the legislature's intention that changes to the NHRS are and will continue to be constrained by the Internal Revenue Code tax qualification requirements imposed by Code Section 401(a) and related guidance; that is, changes will be made, or will not be made, in order to protect the NHRS qualified status.

II. Making NHRS viable and solvent through the actions to be undertaken pursuant to this legislation is a matter of extreme policy importance to the state.

(a) On average, benefits currently constitute an additional 52 percent increase to the cost of state employee salaries.

(b) These benefits paid by the NHRS are significantly higher than are paid in the private sector and cannot be sustained. Public employees are increasingly not cost-competitive with private alternatives to providing state and municipal services.

(c) Absent the actions to be taken pursuant to this legislation, it is likely that the state and its political subdivisions will not be able to afford to continue providing governmental services directly, but will have to provide these services through private alternatives.

(d) Public employee contributions to their pensions have not been increased for many years.

(e) Public employer contributions have been increasing significantly, erratically, and unpredictably in amounts that are undermining state and local government budgets, the public policies reflected in these budgets, and the ability of the state and local government to perform core constitutional and statutory obligations.

(f) Public employees provide state and municipal services which are essential to residents and visitors. Without changes to address the unsustainable increases in the costs of public employee benefits, however, the state and local governments will be forced to reduce the number of public employees, and shrink public service, in order to fund these growing benefit costs. The general court finds that such a result would be detrimental to the ability of state and local government to protect the lives, health, morale, comfort, and general welfare of the public.

(g) Increasing employer contributions would result in significant harm to the state's economy.

(h) Taxes to fund employer contributions are imposing an unreasonable burden on taxpayers.

III. This act contains the minimum actions necessary to assure the viability and solvency of the NHRS.

(a) The changes to be made to the NHRS at this time pursuant to this act are essential to assuring the solvency of the NHRS, addressing its structural problems, and balancing reforms fairly among employee classes, while minimizing the impact on present employees, especially those closest to retirement.

(b) The legislature specifically finds after many public hearings, hours of studying the issue, and hours of debate, that this act constitutes the minimum actions necessary to assure the viability and solvency of the NHRS.

(c) The response of public sector employers to significantly increasing premium contributions has been to reduce their number of employees. Without significant reform to the NHRS, this trend is likely to escalate.

(d) Absent this legislation, public safety, public education, and other elements of the social safety net will be increasingly compromised and unable to provide services to the public.

(e) This legislation represents the minimum reform necessary to continue to provide appropriate public safety, public education, and other governmental services.

(f) Where public sector employers have raised taxes to pay for increasing pension contributions, there has been an adverse effect on job growth and retention.

(g) Raising taxes to pay for increasing pension contributions, would discourage business from relocating to this state and encourage businesses to move from New Hampshire or expand their operations in other states.

(h) The legislature specifically finds after many public hearings, hours of studying the issue and hours of debate, that raising taxes to address NHRS' issues would be harmful to the state's economy, the quality of life of its citizens, place New Hampshire at a competitive disadvantage to other states, and would be against the public interest.

(i) The financial viability of the NHRS must be preserved, as it serves an important public purpose. The general court expressly finds that the changes made in this act are reasonable and necessary, and are the minimum adjustments possible to the retirement system and to public employee retirement benefits to accomplish the important public purpose of preserving and maintaining the ability of the state and local government to provide retirement benefits to public employees.

(j) The changes set forth in this act have been deliberately designed to adjust the system fairly among employee classes, to introduce changes in a way to minimize the impact on present employees, especially those closest to retirement, and to improve the long-term fiscal health and sustainability of the retirement system.

2 Retirement System; Definition of Earnable Compensation. Amend RSA 100-A:1, XVII to read as follows:

XVII. "Earnable compensation" shall mean:

(a) For [all] members *who have attained vested status prior to January 1, 2012* the full base rate of compensation paid, *as determined by the employer*, plus any overtime pay, holiday and vacation pay, sick pay, longevity or severance pay, cost of living bonus, additional pay for extracurricular and instructional activities [~~or for other extra or special duty~~], and any military differential pay, plus the fair market value of non-cash compensation paid to, or on behalf of, the member for meals or living quarters if subject to federal income tax, but excluding other compensation except cash incentives paid by an employer to encourage members to retire, supplemental pay paid by the employer while the member is receiving workers' compensation, and teacher development pay that is not part of the contracted annual salary. *Compensation for extra and special duty, as reported by the employer, shall be included but limited during the highest 3 years of creditable service as provided in paragraph XVIII.* However, earnable compensation in the final 12 months of creditable service prior to termination of employment shall be limited to 1-1/2 times the higher of the earnable compensation in the 12-month period preceding the final 12 months or the highest compensation year as determined for the purpose of calculating average final compensation, but excluding the final 12 months. Any compensation received in the final 12 months of employment in excess of such limit shall not be subject to member or employer contributions to the retirement system and shall not be considered in the computation of average final compensation. Provided that, the annual compensation limit for members of governmental defined benefit pension plans under section 401(a)(17) of the United States Internal Revenue Code of 1986, as amended, shall apply to earnable compensation

for all employees, teachers, permanent firemen, and permanent policemen who first become eligible for membership in the system on or after July 1, 1996. Earnable compensation shall not include compensation in any form paid later than 120 days after the member's termination of employment from a retirement eligible position, with the limited exceptions of disability related severance pay paid to a member or retiree no later than 120 days after a decision by the board of trustees granting the member or retiree disability retirement benefits pursuant to RSA 100-A:6 and of severance pay which a member was entitled to be paid within 120 days after termination but which, without the consent of the member and not through any fault of the member, was paid more than 120 days after the member's termination. The member shall have the burden of proving to the board of trustees that any severance payment paid later than 120 days after the member's termination of employment is earnable compensation and meets the requirements of an asserted exception to the 120-day post-termination payment requirement.

(b)(1) For members who have not attained vested status prior to January 1, 2012, the full base rate of compensation paid, as determined by the employer, plus compensation over base pay. Compensation over base pay shall include as applicable, subject to subparagraphs (2), (3), and (4), any overtime pay, holiday and vacation pay, sick pay, cost of living bonus, annual longevity pay, additional pay for extracurricular and instructional activities, compensation for extra and special duty, and any military differential pay, plus the fair market value of non-cash compensation paid to, or on behalf of, the member for meals or living quarters if subject to federal income tax, but excluding other compensation except supplemental pay paid by the employer while the member is receiving workers' compensation and teacher development pay that is not part of the contracted annual salary.

(2) Compensation over base pay shall be limited during the highest 5 years of creditable service as provided in paragraph XVIII.

(3) Earnable compensation shall not include compensation for extra and special duty for members who commence service on and after July 1, 2011.

(4) Earnable compensation shall not include incentives to encourage members to retire, severance pay or end-of-career additional longevity payments, and pay for unused sick or vacation time. Earnable compensation in the final 12 months of creditable service prior to termination of employment shall be limited to 1-1/2 times the higher of the earnable compensation in the 12-month period preceding the final 12 months or the highest compensation year as determined for the purpose of calculating average final compensation, but excluding the final 12 months. Any compensation received in the final 12 months of employment in excess of such limit shall not be subject to member or employer contributions to the retirement system and shall not be considered in the computation of average final compensation. Provided that, the annual compensation limit for members of governmental defined benefit pension plans under section 401(a)(17) of the United States Internal Revenue Code of 1986, as amended, shall apply to earnable compensation for all employees, teachers, permanent firemen, and permanent policemen who first become eligible for membership in the system on or after July 1, 1996. Earnable compensation shall not include compensation in any form paid later than 120 days after the member's termination of employment from a retirement eligible position.

3 Applicability; Earnable Compensation. For members of the retirement system who were in active status immediately prior to the effective date of section 2 of this act, the provisions of RSA 100-A:1, XVII as amended by section 2 of this act shall not apply until January 1, 2012.

4 Retirement System; Definitions; Average Final Compensation. Amend RSA 100-A:1, XVIII to read as follows:

XVIII. "Average final compensation" shall mean:

(a) For members who have attained vested status prior to January 1, 2012, the average annual earnable compensation of a member during his or her highest 3 years of creditable service, or during all of the years in his or her creditable service if less than 3 years. For purposes of this calculation, the inclusion of the average annual compensation for extra and special duty in the 3 years shall not exceed the average annual amount of compensation for extra and special duty paid to the members over the member's last 7 years or over all of the years in his or her creditable service if less than 7 years.

(b) For members who commenced service on or after July 1, 2011 or who have not attained vested status prior to January 1, 2012, the average annual earnable compensation of a member during his

or her highest 5 years of creditable service, or during all of the years in his or her creditable service if less than 5 years. For purposes of this calculation, inclusion of compensation in each of the highest 5 years which is in excess of the full base rate of compensation paid as determined by the employer shall not exceed the average annual amount of compensation over base pay paid to the member over all the member's years of service on or after January 1, 2012, but excluding the highest 5 years.

5 Maximum Initial Benefit. Amend RSA 100-A:6-a to read as follows:

100-A:6-a Maximum Retirement Benefit. Notwithstanding any other provision of this chapter to the contrary, for members who commenced service before July 1, 2009, a member's initial calculation of the retirement benefit granted under the provisions of RSA 100-A:5 or RSA 100-A:6 shall not exceed 100 percent of the member's highest year of earnable compensation. ~~[For members who commenced service on or after July 1, 2009, a member's maximum retirement benefit granted under the provisions of RSA 100-A:5 or RSA 100-A:6 shall not exceed \$120,000.]~~ ***For members who commenced service on or after July 1, 2009 or have not attained vested status prior to January 1, 2012, a member's maximum retirement benefit granted under the provisions of RSA 100-A:5 or RSA 100-A:6 shall not exceed the lesser of 85 percent of the member's average final compensation or \$120,000.*** Nothing in this section shall affect the ability of a member to receive disability benefits pursuant to RSA 100-A:6, II(b) and (c). This provision shall not limit the application of supplemental allowances ~~[under RSA 100-A:41-a].~~

6 State Employees; Medical and Surgical Benefits; Eligibility. Amend RSA 21-I:30 to read as follows:

21-I:30 Medical and Surgical Benefits.

I. The state shall pay a premium for each state employee and permanent temporary or permanent seasonal employee as defined in RSA 98-A:3 including spouse and minor, fully dependent children, if any, and each retired employee, as defined in paragraph II of this section, and his or her spouse, or retired employee's beneficiary, only if an option was taken at the time of retirement and the employee is not now living, toward group hospitalization, hospital medical care, surgical care and other medical benefits plan or a self-funded alternative within the limits of the funds appropriated at each legislative session and providing any change in plan or vendor is approved by the fiscal committee of the general court prior to its adoption. Funds appropriated for this purpose shall not be transferred or used for any other purpose.

II. For the purposes of this section, "retired employee" means each group I state employee who:

(a)(1) Has at least 10 years of creditable service for the state if the employee's service began prior to July 1, 2003 or 20 years of creditable service if the employee's service began on or after July 1, 2003 ***and prior to July 1, 2011***, and who also is at least 60 years of age at the time of retirement; or

(2) Has at least 20 years of creditable service if the employee's service began on or after July 1, 2011, and who also is at least 60 years of age at the time of retirement, provided the employee shall not be eligible to receive benefits under this section until attaining 65 years of age; or

(b) Has at least 30 years of creditable service for the state at the time of retirement ***if the employee's service began prior to July 1, 2011***, regardless of the employee's age; or

(c) Is but for the provisions of 1989, 376:10, otherwise eligible to receive medical and surgical benefits under this section notwithstanding subparagraphs (a) and (b), and paragraph IV, on June 30, 1989, and who retires between July 1, 1989, and June 30, 1994; or

(d) Dies or retires and is eligible for accidental death or accidental disability retirement benefits, regardless of the state employee's age or number of years of creditable service; or

(e) Retires and is eligible for ordinary disability retirement benefits, regardless of the state employee's age; or

(f) Dies and is eligible for ordinary death retirement benefits, if the state employee was eligible for service retirement at the time of his ***or her*** death, if the state employee had at least 10 years of creditable service for the state if the employee's service began prior to July 1, 2003 or 20 years of creditable service if the employee's service began on or after July 1, 2003.

II-a. For the purposes of this section, "retired employee" also means each group II state employee who:

(a) Retires if the employee's state service began prior to July 1, 2010 or who retires with at least 20 years of creditable service for the state if the employee's state service began on or after July 1, 2010; or

(b) Dies or retires and is eligible for accidental death or accidental disability retirement benefits, regardless of the state employee's age or number of years of creditable service; or

(c) Retires and is eligible for ordinary disability retirement benefits, regardless of the state employee's age; or

(d) Dies and is eligible for ordinary death retirement benefits, if the state employee was eligible for service retirement at the time of his or her death, if the state employee had at least 20 years of creditable service for the state if the employee's state service began on or after July 1, 2010.

III. Any vested deferred state retiree may receive medical and surgical benefits under this section if the vested deferred state retiree is eligible. To be eligible, a group I vested deferred state retiree shall have at least 10 years of creditable service with the state if the employee's service began prior to July 1, 2003 or 20 years of creditable service with the state if the employee's service began on or after July 1, 2003 and a group II vested deferred state retiree shall have at least 20 years of creditable service with the state if the employee's service with the state began on or after July 1, 2010. In addition, if the vested deferred state retiree is a member of group I, such retiree shall be at least 60 years of age to be eligible. If the vested deferred state retiree is a member of group II ***who is in vested status before January 1, 2012***, such retiree shall not be eligible until 20 years from the date of becoming a member of group II and shall be at least 45 years of age, ***and any group II member who commenced service on or after July 1, 2011 shall not be eligible until 25 years from the date of becoming a member of group II and shall be at least 50 years of age, 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).***

IV. Each state employee who has at least 10 years of creditable service for the state if the employee's service began prior to July 1, 2003 or 20 years of creditable service if the employee's service began on or after July 1, 2003 ***and prior to July 1, 2011***, and who elects to take a reduced service retirement allowance shall be defined as a "retired employee" for the purposes of being eligible to receive medical and surgical benefits under this section when the state employee reaches age 60.

V. No state employee who terminates his or her state service before he or she becomes eligible for retirement benefits as a "retired employee" as defined under paragraphs II-IV shall be eligible for medical and surgical benefits under this section.

VI. A state employee who commences service on or after July 1, 2011 and who is eligible for benefits under this section shall not receive such benefit until attaining age 52.5 if the state employee retired from group II service with the state or attaining age 65 if the state employee retired from group I service with the state.

7 Service Retirement Benefits. Amend RSA 100-A:5 to read as follows:

100-A:5 Service Retirement Benefits.

I. Group I Members.

(a) Any group I member 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, provided the member at the time so specified for retirement has attained age 60 and notwithstanding that during such period of notification the member may have separated from service. For the purposes of this section, a teacher member of group I who remains in service throughout a school year shall be deemed to be in service during July and August at the end of such school year. ***Provided, however, that a group I member who commenced service on or after July 1, 2011 shall not receive a service retirement allowance until attaining the age of 65; but may receive a reduced allowance after age 60 if the member has at least 30 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 65 years of age, by 1/4 of one percent.***

(b) Upon service retirement, an employee member or teacher member of group I shall receive a service retirement allowance which shall consist of a member annuity which shall be the actuarial equivalent of the member's accumulated contributions at the time of retirement, and a state annuity. Prior to the member's attainment of age 65, the state annuity, together with the member annuity, shall be equal to 1/60 of the member's average final compensation multiplied by the number of years of creditable service. After attainment of age 65, the state annuity, together with the member annuity, shall be equal to 1/66 of the member's

average final compensation multiplied by the number of years of creditable service. ***Provided, however, that a group I member who commenced service on or after July 1, 2011 shall not receive a service retirement allowance until attaining the age of 65; but may receive a reduced allowance after age 60 if the member has at least 30 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 65 years of age, by 1/4 of one percent.***

(c) Notwithstanding any other provision of law, any group I member ***who commenced service prior to July 1, 2011*** who meets the requirements of RSA 100-A:10, I(a), and who has either completed at least 20 years of creditable service which, when combined with his ***or her*** age equals at least 70 years, or who has attained the age of 50, but not the age of 60, may elect to retire and have benefits commence immediately as a reduced service retirement allowance upon written application to the board of trustees setting forth the time, not less than 30 days nor more than 90 days subsequent to the filing thereof, at which the member desires to have benefits commence. The service retirement allowance shall be determined in accordance with RSA 100-A:5, I(b) and shall be reduced, for each month by which the date on which benefits commence precedes the month after which the member attains 60 years of age, by 1/8 of one percent if the member has 35 years or more of creditable service, by 1/4 of one percent if the member has 30 years but less than 35 years of creditable service, by 1/3 of one percent if the member has at least 25 years but less than 30 years of creditable service, by 5/12 of one percent if the member has at least 20 years but less than 25 years of creditable service, and by 5/9 of one percent if the member has less than 20 years of creditable service.

(d) [Repealed.]

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.***

(3) ***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.***

(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 the multiplier used to calculate the retirement annuity, which shall be applicable on or after January 1, 2012 according to the following table:***

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

8 Ordinary Disability Retirement; Group II. 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 [his] ordinary disability retirement multiplied by the number of years of his or her creditable service not in excess of 40 at the time of [his] 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*** 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.

9 Accidental Disability Retirement; Group II. Amend RSA 100-A:6, II(d) to read as follows:

(d) Upon accidental disability retirement, the group II member shall receive an accidental disability retirement allowance equal to 2/3 of his ***or her*** average final compensation at the time of [his] disability retirement.

(1) ***For members who are in vested status before January 1, 2012, any group II member who has more than 26-2/3 years of service, a supplemental disability retirement allowance shall be paid. Such supplement 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 in excess of 26-2/3 but not in excess of 40 years.***

(2) ***For members who commenced service on or after July 1, 2011, any group II member who has more than 33-1/3 years of service, a supplemental disability retirement allowance shall be paid. Such supplement 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 in excess of 33-1/3 but not in excess of 42.5 years.***

(3) For group II members who have not attained vested status prior to January 1, 2012 calculation of the supplemental allowance shall be as provided in the transition provisions in RSA 100-A:5, II(d) with the number of years for the supplement adjusted proportionally.

10 Vested Deferred Retirement. Amend RSA 100-A:10 to read as follows:

100-A:10 Vested Deferred Retirement Benefit.

I. Group I Members.

(a) A group I member who has completed 10 years of creditable service and who, for reasons other than retirement or death, ceases to be an employee or teacher shall be deemed in vested status and upon meeting the eligibility requirements of subparagraph (b) may collect a vested deferred retirement allowance. In lieu of a vested deferred retirement allowance, the member may make application on a form prescribed by the board of trustees and receive a return of the member's accumulated contributions under RSA 100-A:11. **Provided, however, that a group I member who commenced service on or after July 1, 2011 shall not receive a vested deferred retirement allowance until attaining the age of 65; but may receive a reduced allowance after age 60 if the member has at least 30 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 65 years of age, by 1/4 of one percent.**

(b) At any time after attainment of age 50, a group I member who meets the requirement of subparagraph (a) may make application on a form prescribed by the board of trustees and receive a vested deferred retirement allowance which shall consist of a member annuity which shall be the actuarial equivalent of the member's accumulated contributions on the date of retirement and a state annuity which, together with the member annuity, shall be equal to either the service retirement allowance payable under RSA 100-A:5, I(a) and I(b) or the reduced early service retirement allowance payable under RSA 100-A:5, I(c), based on the member's age when the vested deferred retirement allowance begins and on the member's average final compensation and creditable service at the time service is terminated. **Provided, however, that a group I member who commenced service on or after July 1, 2011 shall not receive a vested deferred retirement allowance until attaining the age of 65; but may receive a reduced allowance after age 60 if the member has at least 30 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 65 years of age, by 1/4 of one percent.**

II. Group II Members.

(a) A group II member who has completed 10 years of creditable service and who, for reasons other than retirement or death, ceases to be a permanent policeman or permanent fireman shall be deemed in vested status and upon meeting the eligibility requirements of subparagraph (b) may collect a vested deferred retirement allowance. In lieu of a vested deferred retirement allowance, the member may make application on a form prescribed by the board of trustees and receive a return of the member's accumulated contributions under RSA 100-A:11. **Provided, however, that a group II member who commenced service on or after July 1, 2011 shall not receive a vested deferred 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) **For members who are in vested status before January 1, 2012**, upon the member's attainment of age 45, provided the member would then have completed 20 years of creditable service, otherwise the subsequent date on which such 20 years would have been completed, **or for members who commenced service on or after July 1, 2011, upon the member's attainment of age 50, provided the member would then have completed 25 years of creditable service, otherwise the subsequent date on which such 25 years would have been completed, 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)**, or at any time after age 60, a group II member who meets the requirement of subparagraph (a) may make application on a form prescribed by the board of trustees and receive a vested deferred retirement allowance which shall consist of: (1) A member annuity which shall be the actuarial equivalent of accumulated contributions on the date the member's retirement allowance commences; and (2) A state annuity which, together with the member annuity, shall be equal to a service retirement allowance based on the member's average final compensation and creditable service at the time the member's service is terminated. **Provided, however, that a group II member who commenced service on or after July 1, 2011 shall not receive a vested deferred retire-**

ment 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.

11 Split Benefits; Minimum Age. Amend RSA 100-A:19-b, II to read as follows:

II.(a) For a member *who is in vested status before January 1, 2012 and*, who has completed 20 or more years of combined creditable service, one year shall be deducted from age 60 for each year of creditable group II service, provided that the age shall not be less than 45 years.

(b) For a member who commenced service on or after July 1, 2011 and who has completed 25 or more years of combined creditable service, one year shall be deducted from age 60 for each year of creditable group II service, provided that the age shall not be less than 50 years, and provided that a the member shall not be eligible to receive a retirement allowance until attaining the age of 52.5.

(c) For members who have not attained vested status prior to January 1, 2012, minimum age shall be as provided in the transition provisions in RSA 100-A:5, II(d) with one year deducted from age 60 to not less than the adjusted minimum age.

12 Split Benefits; Reduced Early Retirement. Amend RSA 100-A:19-d to read as follows:

100-A:19-d Reduced Early Retirement. Notwithstanding any other provision of law, any retirement system member who has creditable service in both group I and group II with at least 10 years combined creditable service, and who has attained an age which is at least 45 *for members who are in vested status with group II service before January 1, 2012 or at least 50 for members who commenced group II service on or after July 1, 2011, 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)*, and is within 10 years of the minimum age set forth in RSA 100-A:19-b, may elect to retire and have benefits commence immediately as a reduced split-benefit service retirement allowance. Application shall be as provided in RSA 100-A:5, I(c). The allowance shall be determined as a split-benefit service retirement allowance in accordance with RSA 100-A:19-c, and the total combined split-benefit service allowance shall be reduced by the percentages shown in RSA 100-A:5, I(c), based on the total combined length of creditable service, for each month by which the date on which benefits commence precedes the month after which the member attains the minimum age set forth in RSA 100-A:19-b.

13 Financing; Member Contribution Rates; Group II Member Payroll Deduction. Amend RSA 100-A:16, I(a) to read as follows:

(a) The member annuity savings fund shall be a fund in which shall be accumulated the contributions deducted from the compensation of members to provide for their member annuities together with any amounts transferred thereto from a similar fund under one or more of the predecessor systems. Such contribution shall be, for each member, *and except as provided in RSA 100-A:16, II-a*, dependent upon the member's employment classification at the rate determined in accordance with the following table:

(1) [Employees of employers other than the state	5.00-
Employees of the state hired on or before June 30, 2009	5.00-
Employees of the state hired after June 30, 2009	7.00-
Teachers	5.00}
Group I members,	7.00
(2) [Permanent Policemen	9.30-
Permanent Firemen	9.30]
Group II permanent fireman members,	11.80
Group II permanent police members,	11.55

(aa) The board of trustees shall certify to the proper authority or officer responsible for making up the payroll of each employer, and such authority or officer shall cause to be deducted from the compensation of each member, except group II members *who are in vested status before January 1, 2012* with creditable

service in excess of 40 years, **and group II members who commenced service on or after July 1, 2011 or who have not attained vested status prior to January 1, 2012 with creditable service in excess of 42.5 years** as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), on each and every payroll of such employer for each and every payroll period, the percentage of earnable compensation applicable to such member. No deduction from earnable compensation under this paragraph shall apply to any group II member **who is in vested status before January 1, 2012** with creditable service in excess of 40 years, **and any group II member who commenced service on or after July 1, 2011 or who have not attained vested status prior to January 1, 2012 with creditable service in excess of 42.5 years** as provided in RSA 100-A:5, II(b) and RSA 100-A:6, II(b), and this provision for such members shall not affect the method of determining average final compensation as provided in RSA 100-A:1, XVIII. In determining the amount earnable by a member in a payroll period, the board may consider the rate of compensation payable to such member on the first day of a payroll period as continuing throughout the payroll period and it may omit deduction from compensation for any period less than a full payroll period if such person was not a member on the first day of the payroll period, and to facilitate the making of deductions it may modify the deduction required of any member by such an amount as shall not exceed 1/10 of one percent of the annual earnable compensation upon the basis of which such deduction is made. The amounts deducted shall be reported to the board of trustees. Each of such amounts, when deducted, shall be paid to the retirement system at such times as may be designated by the board of trustees and credited to the individual account, in the member annuity savings fund, of the member from whose compensation the deduction was made.

14 New Paragraph; Alternative Contribution Calculation. Amend RSA 100-A:16 by inserting after paragraph II the following new paragraph:

II-a.(a) Notwithstanding the method of calculating member and employer contributions under this section, if for any year the board of trustees certifies that within a member classification the employer rates determined under paragraph III have lowered to require them to be equal to the member rates under paragraph I, then for all subsequent years following such certification the employer rates and the members rates for such member classification shall continue to be equal whether the system liabilities increase or decrease.

(b) The provisions of subparagraph (a) shall not take effect and shall be inapplicable to the retirement system calculation of contribution rates under this section if such provisions of subparagraph (a) would violate the requirements set forth in U.S. Treasury Regulation 1.401-1.

15 Retirement System; Administration; Membership of Board. Amend RSA 100-A:14, I to read as follows:

I. The administration of this system is vested in a board of ~~[14]~~ **13** trustees. Each newly appointed or reappointed trustee shall have familiarity with or experience in finance or business management. The state treasurer shall be an ex officio voting member of the board. The governor and council shall appoint ~~[2]~~ **4** trustees, to be known as nonmember trustees, who shall be qualified persons with investment and/or financial experience as provided in this paragraph and not be members of the system, and who shall serve for a term of 2 years and until their successors are appointed and qualified. The nonmember trustees of the board shall have substantial experience in the field of institutional investment or finance, taking into account factors such as educational background, business experience, and professional licensure and designations. The original appointment of ~~[one of]~~ the nonmember trustees shall be ~~[for a term of one year]~~ **made to provide for staggered terms**. The remaining ~~[11]~~ **8** members of the board shall consist of ~~[2 employees, 2 teachers, 2 permanent policemen, 2 permanent firemen, one member of the senate who shall be appointed annually by the senate president, one member of the house of representatives who serves on the executive departments and administration committee and who shall be appointed annually by the speaker of the house, and one person representing management in local government. Whenever a vacancy occurs, the senate president or the speaker of the house shall fill the vacancy in the same manner by appointing a senate or a house member who shall serve for the unexpired term.]:~~ **one employee member, one teacher member, one permanent police member, one permanent fireman member, and 4 employer members**. The New Hampshire state employees' association, the New Hampshire education association, the New Hampshire police association, **and** the New Hampshire state permanent firemen's association~~], and the New Hampshire Local Government Center]~~ shall each annually nominate from their members a panel of 5 persons, all of whom ~~[except for the panel of the Local Government Center]~~ shall be active members of the retirement system~~], or one of the 4 predecessor systems]~~, no later than May 31 of each year, and the panels so named shall be filed with the secretary of state no later than June 10 of each year. From ~~[each of]~~ the above named panels the governor and council shall appoint ~~[one person annually to]~~ **the active member trustees** of the board~~], except for the panel of the Local Government Center, which shall have one person appointed every 2 years]~~ **as needed so as**

to maintain the representation on the board. The governor and council shall appoint the employer members of the board with one member nominated by the New Hampshire Association of Counties, one member nominated by the New Hampshire Municipal Association, one member nominated by the New Hampshire School Boards Association, and one member to represent management of state employees. Members appointed to the board in the manner aforesaid shall serve for a term of 2 years. Each member so appointed shall hold office until his or her successor shall be appointed and qualified. Whenever a vacancy occurs, the governor and council shall fill the vacancy by appointing a member who shall serve for the unexpired term [~~from the same panel from which the former member was appointed~~]. The governor shall designate one of the nonmember trustees to serve as chairman of said board of trustees.

16 Application; Board of Trustees Membership. Upon the effective date of this section, and based upon the suggestions submitted by the New Hampshire state employees' association, the New Hampshire education association, the New Hampshire police association, and the New Hampshire state permanent firemen's association, the governor and council shall determine which one of the 2 current member trustees in each of the 4 employee categories shall remain on the board. Upon a vacancy occurring in the membership on the board of trustees after the effective date of this section, the appointment of a trustee shall be made to reasonably conform to the trustee designations in RSA 100-A:14, I as amended by this act.

17 New Paragraph; Board of Trustees; Report to General Court. Amend RSA 100-A:14 by inserting after paragraph VII the following new paragraph:

VII-a. The board of trustees shall submit a report each quarter by January 1, April 1, July 1, and October 1, to the chairpersons of the house and senate executive departments and administration committees. Such report shall describe recent board actions including any changes to actuarial assumptions and investment returns.

18 Medical Benefits Subsidy; Payment by Retirement System. RSA 100-A:52, II is repealed and reenacted to read as follows:

II. For the fiscal year beginning July 1, 2011, the maximum amount payable by the retirement system under this subdivision on account of each person qualified under paragraph I who is not entitled to Medicare benefits, shall be \$375.56 per month, and on account of each person qualified under paragraph I who is entitled to Medicare benefits, shall be \$236.84 per month. The rate payable under this paragraph shall not be increased.

19 Retirement System Membership. Amend RSA 100-A:3, I to read as follows:

I.(a) Any person who becomes an employee, teacher, permanent policeman, or permanent fireman after the date of establishment, working in a position for an employer under this chapter as determined by common law standards, shall become a member of the retirement system as a condition of employment. ***In addition, employees appointed to an unclassified position with no fixed term on or after July 1, 2011 shall become members of the retirement system as a condition of employment, if they are receiving benefits from the retirement system. Any retirement benefit collected by such an unclassified employee shall be suspended during the period of employment. Membership in the retirement system*** [~~except that membership~~] shall be optional in the case of elected officials, officials appointed for fixed terms, [~~unclassified state employees~~] ***employees appointed to an unclassified position with no fixed term prior to July 1, 2011***, or those employees of the general court who are eligible for membership in the retirement system. Elected officials and officials appointed for fixed terms shall, however, be eligible for membership in the retirement system only under the following conditions:

(1) The office held is a full-time position with eligibility for the same fringe benefits as other full-time employees of the employer;

(2) The office held is the primary occupation of the person holding the office;

(3) The base rate of annual compensation for the office held is at least \$15,000, and requires at least 1,700 hours of employment; and

(4) The official satisfies the condition under subparagraphs (1)-(3) by using only one elected or appointed office to qualify.

(b) Any employee who is currently an employee of the general court who works on a full-time basis and who is eligible for other state benefits, but whose salary was or is calculated on a per diem basis shall be eligible to exercise those buy-back provisions set forth in RSA 100-A:3, VI(a), (b), and (c) for such previous service, only if the employee is currently a member in the retirement system.

(c) [Repealed.]

(d) The option in subparagraph (a) shall not be available in the case of any newly created positions for unclassified employees or officials whether appointed with fixed terms or with no fixed terms nor in the case of any newly appointed positions created by political subdivisions after July 1, 2011.

20 New Paragraph; Definition Added; Part-time Employment. Amend RSA 100-A:1 by inserting after paragraph XXXIII the following new paragraph:

XXXIV. "Part-time," for purposes of employment of a member, but excepting per diem court security officers and court bailiffs, means employment by an employer depending on the group classification of the employment as follows:

(a) For group I, in no instance shall part-time employment of the member exceed 32 hours in a normal calendar week.

(b) For group II, part-time employment of the member shall not exceed 32 hours in a normal calendar week; except for group II employment which in some instances may exceed 32 hours in any normal calendar week. In such case the part-time employment of the member shall not exceed 1,300 hours in a calendar year, so long as such part-time employment does not occur outside of a 5-consecutive-month period in any 12-month period.

21 Credit of Interest. Amend RSA 100-A:16, II(g) to read as follows:

(g) All interest and dividends earned on the funds of the retirement system shall be credited to the state annuity accumulation fund. The board of trustees shall allow interest ~~[at such rate or rates as it shall determine from time to time]~~ on the individual accounts of members in the member annuity savings fund and shall annually transfer such interest amount from the state annuity accumulation fund. ***The rate of interest shall be 2 percentage points less than either the most recent board of trustees approved assumed rate of return determined under RSA 100-A:16, II(h) or the actual rate of return, whichever is lower, for the immediately preceding fiscal year as reported in the comprehensive annual financial report (CAFR) as approved and accepted by the board of trustees by December 1 of each year, provided the rate shall not be less than zero.*** Such interest shall be compounded at an annual rate and shall be prorated and credited to the member annuity savings fund to the date of processing upon termination of active service for any reason including withdrawal, retirement, or death.

22 Management of Funds; Investment Committee. Amend RSA 100-A:15, I to read as follows:

I. The members of the board of trustees shall be the trustees of the several funds created hereby and shall set the investment policy relative to those funds. The independent investment committee shall have full power to invest and reinvest such funds in accordance with the policy set by the board. The board of trustees ***and the members of the independent investment committee*** shall have the powers, privileges, and immunities of a corporation. The independent investment committee shall have full power to hold, purchase, sell, assign, transfer, and dispose of any of the securities and investments in which any of the funds created hereby have been invested, as well as the proceeds of such investments in accordance with the policy set by the board. All of the assets and proceeds, and income therefrom, of the New Hampshire retirement system, and all contributions and payments made thereto, shall be held, invested, or disbursed in trust.

23 Independent Investment Committee Amend RSA 100-A:15, IX to read as follows:

IX. The non-trustee members of the independent investment committee shall be afforded the same liability insurance ~~[and]~~, indemnification, ***and statutory protections*** as board members.

24 Additional Temporary Supplemental Allowance; 2012 Added. Amend RSA 100-A:41-d, III to read as follows:

III. The supplemental allowance in this paragraph shall apply only for the fiscal years beginning July 1, 2008 up to and including the fiscal year beginning July 1, ~~[2011]~~ ***2012***. In addition to paragraphs I and II, any retired member of the New Hampshire retirement system or any of its predecessor systems or any beneficiary of such retired member who is receiving an allowance, except for a retired state member, or his or her beneficiary, whose medical benefits are paid by the state pursuant to RSA 21-I, who is receiving a medical benefit subsidy payment under RSA 100-A:52 or RSA 100-A:52-a, shall be entitled to receive an additional supplemental allowance, in addition to the provisions of RSA 100-A:41-a, on the retired member's latest anniversary date. The amount of the additional temporary supplemental allowance under this paragraph shall be \$500 for retirees

taking a one-person medical benefit and \$1,000 for retirees taking a 2-person medical benefit, paid from the respective component of the special account. Provided, however that no 2-person subsidy recipient may receive more than \$1,000 per year under this paragraph, and that once a recipient is entitled to Medicare, the additional allowance under this paragraph shall be reduced to 60 percent of the non-Medicare eligible retiree amounts.

25 Transfer of Balance of Special Account. Except for funds necessary to comply with the requirement of RSA 100-A:41-d, III as amended by this act, any funds remaining in the special account as of June 30, 2011 as determined on a generally accepted accounting principles basis shall be transferred to the respective components of the state annuity accumulation fund effective June 30, 2011.

26 Study Committee Established; Voluntary Defined Contribution Plan. There is established a committee to study the establishment of a federal tax qualified voluntary defined contribution plan.

I. The members of the committee shall be as follows:

(a) Three members of the senate, appointed by the president of the senate.

(b) Three members of the house of representatives, appointed by the speaker of the house of representatives.

II. Members of the committee shall receive mileage at the legislative rate when attending to the duties of the committee.

III. The members of the study committee shall elect a chairperson from among the members. The first meeting of the committee shall be called by the first-named senate member. The first meeting of the committee shall be held within 45 days of the effective date of this section. Four members of the committee shall constitute a quorum.

IV. The committee shall report its findings and any recommendations for proposed legislation to the president of the senate, the speaker of the house of representatives, the senate clerk, the house clerk, the governor, and the state library on or before November 1, 2011.

27 Study Committee Established; Disability, Medical Subsidy, COLAs. There is established a committee to study retirement system matters related to disability retirement, medical subsidies, and cost of living adjustments or supplemental allowances.

I. The members of the committee shall be as follows:

(a) Three members of the senate, appointed by the president of the senate.

(b) Three members of the house of representatives, appointed by the speaker of the house of representatives.

II. Members of the committee shall receive mileage at the legislative rate when attending to the duties of the committee.

III. The members of the study committee shall elect a chairperson from among the members. The first meeting of the committee shall be called by the first-named senate member. The first meeting of the committee shall be held within 45 days of the effective date of this section. Four members of the committee shall constitute a quorum.

IV. The committee shall report its findings and any recommendations for proposed legislation to the president of the senate, the speaker of the house of representatives, the senate clerk, the house clerk, the governor, and the state library on or before November 1, 2011.

28 Repeal. The following are repealed:

I. RSA 100-A:6, III(b)(3), relative to the group II accidental disability beneficiary exception from gainful occupation reduction.

II. RSA 100-A:4-b, relative to group I employees and teachers purchase of credit for out-of-state service.

III. RSA 100-A:4-c, relative to group II members purchase of credit for out-of state service.

29 Severability. If any provision of this act or the application of such provision to any person or circumstance is held invalid or is deemed not to comply with applicable law or regulations of the Internal Revenue Service so as to jeopardize the retirement system's status as a qualified governmental pension plan, the invalidity or non-compliance does not affect other provisions or applications of the act which can be given effect without the invalid provisions or applications, and to this end the provisions of this act are severable.

30 Retirement System; Recalculation of Employer Rates; Recertification. Notwithstanding the notice requirements of RSA 100-A:16, III, the board of trustees of the retirement system shall recalculate employer contribution rates for the state fiscal years 2012 and 2013 to reflect the requirements of this act. The retirement system board of trustees has determined that the assumed rate of return recently approved by the board is determined to take effect in fiscal year 2014. Notwithstanding the notice requirements of RSA 100-A:16, III, such employer contribution rates shall be effective as soon as possible following July 1, 2011. The recertification of employer contribution percentages shall be effective when provided to each employer within a reasonable period of time not to exceed 30 days from the approval by the board of the recalculation from the system actuary. The exception to the notice requirements of RSA 100-A:16, III in this section shall be limited to the applicable employer contribution rates for the biennium beginning July 1, 2011.

31 Effective Date.

I. Sections 2-14 and 18-21 of this act shall take effect July 1, 2011.

II. Sections 15-17 of this act shall take effect September 1, 2011.

III. The remainder of this act shall take effect upon its passage.

The signatures below attest to the authenticity of this Report on SB 3-FN-A-LOCAL, an act making comprehensive changes to the state retirement system.

Conferees on the Part of the Senate
Sen. Bradley, Dist. 3
Sen. Carson, Dist. 14
Sen. Groen, Dist. 6

Conferees on the Part of the House
Rep. Hawkins, Hills. 18
Rep. Kurk, Hills. 7
Rep. W. Smith, Rock. 18
Rep. Kappler, Rock. 2

2011-2289-CofC

AMENDED ANALYSIS

This bill makes various changes to the state retirement system including:

I. Increasing retirement ages of group II members for service retirement, disability retirement, vested deferred retirement, and split benefits.

II. Changing the definitions of earnable compensation and average final compensation used in calculating retirement benefits.

III. Changing the composition of the board of trustees.

IV. Transferring remaining funds from the special account into the state annuity accumulation fund.

V. Eliminating future increases to medical benefits premium payments.

VI. Increasing member contribution rates.

VII. Establishing a committee to study the establishment of a federal tax qualified voluntary defined contribution plan and a committee to study matters related to disability, medical subsidies, and COLAs.

VIII. Limiting when the option to become a member of retirement system applies, and defining part-time employment.

IX. Changing the eligibility for state employees to receive medical benefits.

X. Extending a temporary supplemental allowance for fiscal year 2013

XI. Changing the interest calculation attributed to contributions.

The question is on the adoption of Committee of Conference Report on SB 3-FN-A-L.

A roll call was requested by Sen. De Blois, seconded by Sen. Barnes.

The following Senators voted Yes: Gallus, Forrester, Bradley, Forsythe, Groen, Sanborn, Odell, White, Luther, Lambert, Carson, Boutin, Barnes, De Blois, Rausch, Morse, Prescott, Stiles, Bragdon.

The following Senators voted No: Houde, Kelly, Larsen, Merrill.

Yeas: 19 - Nays: 4

Adopted.

Recess. Out of recess.

Without objection the Clerk was instructed to read the first complete House Message and thereafter only the title of each bill shall be read.

HOUSE MESSAGE

The House of Representatives refuses to concur with the Senate in the adoption of the amendment to the following entitled bill sent down from the Senate:

HB 25-FN-A, making appropriations for capital improvements.

and requests a Committee of Conference.

The Speaker, on the part of the House of Representatives, has appointed as members of said Committee of Conference:

REPRESENTATIVES: Chandler, Seidel, Graham, E. Smith, Campbell.

SENATE ACCEDES TO HOUSE REQUEST FOR COMMITTEE OF CONFERENCE

Sen. Boutin accedes to House Request. Adopted.

The President appointed Senators Boutin, Rausch, Larsen.

HB 248, establishing a commission to study business regulations in New Hampshire.

Sen. Prescott accedes to House Request. Adopted.

The President appointed Senators Sanborn, De Blois, Kelly.

HB 601-FN, relative to implementation of federal health care reform.

Sen. Prescott accedes to House Request. Adopted.

The President appointed Senators White, Forrester, Houde.

HB 605, authorizing the business finance authority to establish a New Hampshire innovation business job growth program.

Sen. Prescott accedes to House Request. Adopted.

The President appointed Senators Sanborn, De Blois, Kelly.

Sen. Sanborn asserts Rule 2-15 on HB 605.

HB 462-FN, relative to the determination of employer assessments for excess benefits paid by employers in the retirement system.

Sen. Carson accedes to House Request. Adopted.

The President appointed Senators White, Groen, Larsen.

HB 1-A, making appropriations for the expenses of certain departments of the state for fiscal years ending June 30, 2012 and June 30, 2013.

Sen. Morse accedes to House Request. Adopted.

The President appointed Senators Morse, Odell, D'Allesandro.

HB 2-FN-A-L, relative to state fees, funds, revenues, and expenditures.

Sen. Morse accedes to House Request. Adopted.

The President appointed Senators Morse, Odell, D'Allesandro.

HB 337 FN-L, relative to the calculation and distribution of adequate education grants.

Sen. Morse accedes to House Request. Adopted.

The President appointed Senators Stiles, Rausch, Kelly.

HB 131, relative to indemnification of volunteers performing duties in the state park system.

Sen. Houde accedes to House Request. Adopted.

The President appointed Senators Forrester, Gallus, Merrill.

MOTION TO ADJOURN FROM EARLY SESSION

Sen. Bradley moved that the Senate adjourn from the Early Session, that the business of the Late Session be in order at the present time.

Adopted. Adjournment from the Early Session.

LIST OF RULE 2-15'S FOR THE DAY

Sen. Bradley: SB 144, SB 154-FN

Sen. Carson: SB 194

Sen. Groen: SB 28

Sen. Sanborn: SB 120, HB 605

Sen. White: SB 50, SB 157-FN, SB 162-FN, SB 170

ANNOUNCEMENTS

Without objection President Bragdon moved that all Rule 2-17's shall be entered into the permanent *Journal of the Senate*.

MOTION TO RECESS TO CALL OF THE CHAIR

Sen. Bradley moved that the business of the day being completed, that the Senate recess to the Call of the Chair for the purposes of sending and receiving messages, processing enrolled bill reports and amendments, and forming Committees of Conference, and when we recess, we recess to the Call of the Chair.

Adopted. The Senate is in recess to the Call of the Chair.