



# New Hampshire State Senate

## ***NEWS RELEASE***

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### **Senate unveils Retirement Reform Legislation**

*SB3 to protect taxpayers, end skyrocketing costs and stabilize NHRS*

(Concord) Senate leaders unveiled comprehensive retirement reform legislation today aimed at protecting taxpayers from skyrocketing public pension costs and stabilizing the state's retirement system that currently operates with a total unfunded liability of nearly \$4.75 billion.

Senate President Peter Bragdon (R-Milford) and Majority Leader Jeb Bradley (R-Wolfeboro) announced SB 3 at a packed press conference surrounded by supporters from county and local government as well as education and business.

Bragdon led off the event saying, "the status quo is no longer acceptable and inaction is no longer an option. It is time for elected officials, employers and employees get to work, together, to solve this problem."

In his remarks, Bradley, the bill's prime sponsor added, "We have a problem that we have to confront. We need to do it in a way that maintains the goal of the retirement system - pensions that are reasonable to beneficiaries, affordable to taxpayers, and a system that is stable and viable and that does not put, as it does today, all of the risk and all of the cost of this unfunded liability on the taxpayer."

Supporter Pam Brenner, Peterborough Town Administrator, echoed the Senators' sentiments. "We need to take steps to curb growth and unfunded liabilities that others states have done and we haven't", she said. "Reforms to the retirement system will make it possible for many small towns to hire full-time police and firefighters."

Highlights of SB 3 include:

Raising public employee contribution rates - Group I contribution: 7% (from 5%). Group II contribution rate: 11% (from 9.3%). The proposal would apply only to new hires after the effective date of the legislation.

Curtailing "double-dipping" – State law currently allows employees to "double dip," meaning they can receive a full pension from previous employment while working part-time, currently defined as less than 32 hours a week, in another NHRS covered position. SB 3 would curtail this practice by reducing part-time employment to 24 hrs/week and would apply immediately.

Eliminating "spiking" - Under SB 3, employees would no longer be allowed to count unused sick time, unused vacation time, and career buyouts towards their earnable compensation averages. This would apply to non-vested employees (less than 10 years service) and new hires.

Bringing retirement ages in line with other states - Group II (Police and Fire) full retirement at age 50 (currently 45) with 25 (currently 20) years of service. Bill would apply to non-vested (less than 10 years service) and new hires.

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