

<b>HB 2 RETIREMENT SYSTEM PROVISIONS: IMPACTS ON EMPLOYEE CATEGORIES</b>					
<b>As Voted by House &amp; Senate on 6/22/2011</b>					
<b>Bill Section</b>	<b>Description</b>	<b>New Hires</b>	<b>Non-Vested Members</b>	<b>Vested Members*</b>	<b>Retirees</b>
160	Findings and Intent				
161-162	Earnable compensation: <ul style="list-style-type: none"> <li>• If vested by 1/1/2012: new limits on extra &amp; special duty pay as in AFC calculation</li> <li>• Removes unused sick, vacation, &amp; end-of-career payments</li> <li>• Removes extra and special duty pay for new hires</li> </ul>	✓ ✓	✓	✓	
163	Average Final Compensation (AFC): <ul style="list-style-type: none"> <li>• Highest 3 years of extra &amp; special duty pay may not exceed average of last 7 years</li> <li>• Change to highest 5 years; excess over base pay may not exceed average annual compensation over base pay over all years of service</li> </ul>	✓	✓	✓	
164	Maximum Initial Benefit <ul style="list-style-type: none"> <li>• The lower of 85% of AFC or \$120K</li> </ul>	✓	✓		
165	State employees: <ul style="list-style-type: none"> <li>• Medical benefit eligibility: increases age</li> </ul>	✓	✓		
166-171	Increase ages/Decrease Pension Multiplier/Transition Period for Group II <ul style="list-style-type: none"> <li>• Group I to 65, or reduced benefits after 60 w/ 30 yrs.</li> <li>• Group II to 50 w/ 25 years for non-vested, w/ transition period for ages 45-49</li> <li>• Group II to 52.5 w/ 25 years for new hires</li> </ul>	✓ ✓	✓		
172	Increase Employee Contribution Rates effective 7/1/2011: <ul style="list-style-type: none"> <li>• Group I to 7.00%</li> <li>• Group II Police to 11.55%</li> <li>• Group II Fire to 11.80%</li> </ul>	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓	
173	Future synchronized rates: when/if employer rates drop to equal employee rates, future rate increases and decrease will be equal				
174-175	Board of Trustees membership <ul style="list-style-type: none"> <li>• 4 Employer &amp; 4 Employee Trustees; no Legislative Trustees</li> <li>• Board provides quarterly reports to House &amp; Senate ED&amp;A committees</li> </ul>				
176	Medical Benefit Subsidy: frozen at current levels				✓

HB2 Retirement System Provisions: Table of Impacts

177	NHRS membership: <ul style="list-style-type: none"> <li>Unclassified state new hires shall be members &amp; suspend benefits if retired</li> <li>Mandatory membership for newly created state &amp; municipal positions</li> </ul>	✓ ✓			✓
178	Definition of part-time employees: For retired members, 32 hours per week; or, if more than 32, limited to 1,300 hours in consecutive 5 months per calendar year				✓
179	Credit of interest: the lower of 2% less than ARR, or actual %				
180-181	Investment Committee: immunities and protections				
182	Amend RSA 100-A:41-d regarding additional temporary supplemental allowances: extended to 7/1/2012				✓
183	Special account: transfer balance to corpus				
184	Study Committee: voluntary defined contribution plan				
185	Study Committee: disability, medical subsidy, COLAs				
186	Repeals: <ul style="list-style-type: none"> <li>RSA 100-A:6, III (b)(3) re: Group II accidental disability exception</li> <li>RSA 100-A:4-b re: Group I purchase of out-of-state credit</li> <li>RSA 100-A:4-c re: Group II purchase of out-of-state credit</li> </ul>	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓	
187	Severability				
188	Re-certification of employer rates for FY '12 & '13 asap after 7/1/2011; no change to assumed rate of return until FY '14				
189	Contingency if SB3 becomes law: HB2 sections 160-173 & 175-187 do not take effect; also, SB3 sections 15, 16 & 30 do not take effect.				
190	NHRS board subcommittee meetings: members may participate by telephone				
191	State share of employer contributions eliminated in FY '13				
413	Effective dates: <ul style="list-style-type: none"> <li>Upon passage: sections 180-189</li> <li>Remainder: 7/1/2011</li> </ul>				

**\*Sections 161-171 refer to members in vested status prior to 1/1/2012**