



NH Retirement System
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FROM: Kim France, Interim Executive Director
 TO: Municipalities, School and Village Districts, Counties

August 4, 2011

SUBJECT: **EMPLOYER CONTRIBUTION RATES RECERTIFIED PURSUANT TO HOUSE BILL 2
 EFFECTIVE AUGUST 1, 2011 – JUNE 30, 2013**

House Bill 2 (Chapter 0224, Laws of 2011) directed the Board of Trustees of the New Hampshire Retirement System (NHRS) to recalculate employer contribution rates for the state fiscal years 2012 and 2013 to reflect the requirements of amendments to RSA 100-A in the 2011 legislative session. Per statute, the recalculation was based on the demographic and economic assumptions as disclosed in the June 30, 2010, valuation issued November 24, 2010, by the NHRS consulting actuary. Notwithstanding the notice requirements of RSA 100-A:16, III, such employer contribution rates, as approved by the Board of Trustees, were to become effective as soon as possible following July 1, 2011.

HB 2 also amended RSA 100-A:16, II, (b) and (c) by eliminating the state's cost sharing of political subdivision employers' contributions to NHRS for their Group I Teacher and Group II Police and Fire members, thereby requiring local employers to fund 100% of the total employer contributions beginning in fiscal year 2012. HB2 further authorized the state to pay \$3.5 million in Fiscal Year 2012 toward political subdivision employer contributions for their Group I Teacher and Group II Police and Fire members; NHRS is in the process of allocating this appropriation on a pro rata basis.

In accordance with the provisions of RSA 100-A:16, III, and based on the June 30, 2010, Actuarial Valuation, the NHRS Board of Trustees certified the following employer rates of contribution for the remainder of Fiscal Year 2012 and all of Fiscal Year 2013 at its August 4, 2011, special board meeting:

REVISED POLITICAL SUBDIVISION EMPLOYER CONTRIBUTION RATES EFFECTIVE AUGUST 1, 2011 – JUNE 30, 2012			
	Pension Percentage	Medical Subsidy Percentage	Total Employer Percentage
GROUP I			
Employees	8.48%	0.32%	8.80%
Teachers	8.99%	2.31%	11.30%
GROUP II			
Police	15.98%	3.97%	19.95%
Fire	18.92%	3.97%	22.89%

The Employer Contribution rates must be applied to the payroll for each respective membership classification.

REVISED POLITICAL SUBDIVISION EMPLOYER CONTRIBUTION RATES EFFECTIVE JULY 1, 2012 – JUNE 30, 2013			
	Pension Percentage	Medical Subsidy Percentage	Total Employer Percentage
GROUP I			
Employees	8.48%	0.32%	8.80%
Teachers	8.99%	2.31%	11.30%
GROUP II			
Police	15.98%	3.97%	19.95%
Fire	18.92%	3.97%	22.89%

The Employer Contribution rates must be applied to the payroll for each respective membership classification. **These rates are for all earnable compensation paid on or after Aug. 1, 2011.**

Please refer any questions regarding this memo to:
 Denise M. Call, Director, NHRS Employer Services, 603-410-3516 or email denise.call@nhrs.org