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**For Immediate Release:** Feb. 15, 2012

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## **NHRS Employer Frequently Asked Questions About 2011 Legislation**

**Updated Feb. 15, 2012**

*(This document replaces the FAQ dated Aug. 30, 2011)*

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Here are answers to frequently asked questions NHRS employers may have concerning recently enacted legislation.

On June 29, 2011, House Bill 2 (HB 2) became law (Chapter 0224, Laws of 2011). Some of the retirement system-related sections of HB 2 took effect upon passage, some sections take effect July 1, 2011, and other sections took effect Jan. 1, 2012.

NHRS sent out an official employer notification on the passage of HB 2 on June 29, 2011. The notice is available here: [http://www.nhrs.org/documents/NHRS\\_Employer\\_Notification\\_HB2\\_06\\_29\\_11.pdf](http://www.nhrs.org/documents/NHRS_Employer_Notification_HB2_06_29_11.pdf)

### **HB 2 increases member contribution rates effective July 1, 2011. When should employers begin using the new rate?**

Employers must use the new rate on any payroll paid to the employee on or after the effective date. For example: If the pay period 6/17-6/30/2011 will be paid on 7/1/2011, NHRS will expect 7 percent contributions on Group I member wages in this payroll.

The new employee rates are:  
Group I Employee and Teacher: 7 percent.  
Group II Police: 11.55 percent.  
Group II Fire: 11.8 percent.

### **What is the status of employer contribution rates?**

The fiscal years 2012-13 rates adopted by the NHRS Board of Trustees last fall took effect July 1, 2011. Employers were responsible for paying these rates on all wages paid to NHRS members in July.

Pursuant to HB 2, NHRS Trustees recertified employer rates in August. These new rates are in effect for all wages paid on or after August 1, 2011.

Political subdivision employer rates are available here:

[http://www.nhrs.org/documents/2012\\_2013\\_RECERTIFIED\\_contribution\\_rates\\_municipal.pdf](http://www.nhrs.org/documents/2012_2013_RECERTIFIED_contribution_rates_municipal.pdf)

State employer rates are available here:

[http://www.nhrs.org/documents/2012\\_2013\\_RECERTIFIED\\_contribution\\_rates\\_state.pdf](http://www.nhrs.org/documents/2012_2013_RECERTIFIED_contribution_rates_state.pdf)

### **May I hire retirees collecting a pension from NHRS for part-time employment?**

HB 2 defines “part-time” for NHRS retirees in receipt of a pension as no more than 32 hours per week, with an exception for employment of up to 1,300 hours within a five-consecutive month block of any 12-month period. For all other part-time employees, the current administrative rules governing minimum participation requirements remain in effect, provided they do not conflict with any legislation enacted into law.

For more detailed information on hiring part-time employment of NHRS retirees, see:

[http://www.nhrs.org/documents/NHRS\\_Retiree\\_Employment\\_FAQ.pdf](http://www.nhrs.org/documents/NHRS_Retiree_Employment_FAQ.pdf)

### **What is the status of the so-called “spiking” legislation?**

House Bill 462 (Chapter 230, Laws of 2011) delays the effective date of any “spiking” assessment until July 1, 2012.

For more information on the legislation, see:

NHRS FAQ: [http://www.nhrs.org/documents/NHRS\\_Employer\\_QA\\_HB462.pdf](http://www.nhrs.org/documents/NHRS_Employer_QA_HB462.pdf)

Online Employer Assessment Estimator: <http://www.nhrs.org/Employers/Notices.aspx>

Text of House Bill 462: <http://www.gencourt.state.nh.us/legislation/2011/HB0462.html>

### **HB 2 changes the definition of Earnable Compensation for members not vested prior to January 1, 2012, and for members who commence service on or after July 1, 2011. What has changed?**

NHRS has posted a one-page grid outlining the changes to Earnable Compensation. It is available at [http://www.nhrs.org/documents/earnable\\_comp\\_insert.pdf](http://www.nhrs.org/documents/earnable_comp_insert.pdf)

### **New: The provisions in HB 2 will require employers to report wage and contribution information to NHRS differently. When does that take effect?**

NHRS has posted a separate FAQ that deals with the specifics of this change. It is available at:

[http://www.nhrs.org/documents/FAQ\\_Concerning\\_Changes\\_to\\_Employer\\_Payroll\\_Reporting.pdf](http://www.nhrs.org/documents/FAQ_Concerning_Changes_to_Employer_Payroll_Reporting.pdf).

### **If an employer is unclear whether a member is vested prior to January 1, 2012, can they contact NHRS to inquire?**

Yes. Employers may call 603-410-3683 to inquire whether a specific employee is in vested status prior to January 1, 2011.

For more information, see “Frequently Asked Questions About Vesting” at:

[http://www.nhrs.org/documents/Vesting\\_FAQ.pdf](http://www.nhrs.org/documents/Vesting_FAQ.pdf)

### **“Extra or Special Duty Pay,” as defined by RSA 100-A:1,XXXII., is no longer considered Earnable Compensation for Group II members who commence service on or after July 1, 2011. If an employer is unclear whether a new hire has prior NHRS service with a previous employer, can they contact NHRS to inquire?**

Yes. Employers may call 603-410-3683 to inquire whether a specific employee commenced NHRS service prior to July 1, 2011.

**Are employers required to withhold Social Security taxes on Group II earnings no longer considered Earnable Compensation for NHRS purposes?**

No. Group II members in New Hampshire are not enrolled in Social Security. No compensation paid for Group II service is subject to Social Security taxes.

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