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## **Notice to NH Retirement System Participating Employers: New Law Increases Contribution Rates**

Pursuant to RSA 100-A:14, XII, the New Hampshire Retirement System (NHRS, the retirement system) is issuing this notice to inform NHRS participating employers about legislation that may have a cost impact on employers.

### **House Bill 2: Comprehensive Changes to RSA 100-A**

House Bill 2 (HB2) makes comprehensive changes to RSA 100-A, the statute governing the retirement system. The bill became law (Chapter 0224, Laws of 2011) without the Governor's signature at 12:00 a.m. on June 29, 2011. Some of the retirement system-related sections of HB2 took effect upon passage, some sections take effect July 1, 2011, and other sections take effect Jan. 1, 2012.

This notification is intended to provide employers with guidance on member and employer contribution rate changes that take effect July 1, 2011. The retirement system will provide a more detailed description of the other changes to RSA 100-A in subsequent notices.

### **Member Contribution Rates**

The member contribution rates contained in HB2 are:

**Group I Employee and Teacher:** 7 percent.

**Group II Police:** 11.55 percent.

**Group II Fire:** 11.8 percent.

Employers must use the new rate on any compensation **paid to a member on or after** July 1, 2011, even if that payroll was for wages earned prior to July 1, 2011. For example: If the pay period of June 3-16 will be paid on July 1, NHRS will expect the above contribution rates to be applied on member wages.

## **Employer Contribution Rates**

The rates adopted by the NHRS Board of Trustees last fall are scheduled to take effect July 1, 2011. HB 2 eliminates the state's cost sharing and requires employers to pay 100% of the employer contribution rate.

While HB2 authorizes the state to spend \$3.5 million in Fiscal Year 2012 toward political subdivision employer contributions for Group I Teachers and Group II Police and Fire members, NHRS is still determining how this appropriation will be disbursed.

Political subdivision employer rates are available here:

[http://www.nhrs.org/documents/2012\\_2013\\_contribution\\_rates\\_municipal.pdf](http://www.nhrs.org/documents/2012_2013_contribution_rates_municipal.pdf)

State of New Hampshire employer rates are available here:

[http://www.nhrs.org/documents/2012\\_2013\\_contribution\\_rates\\_state\\_FINAL.pdf](http://www.nhrs.org/documents/2012_2013_contribution_rates_state_FINAL.pdf)

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